

ANALYSIS OF  
THE AMERICAN RESCUE PLAN:

# HIGHER EDUCATION



The Council  
of State  
Governments

**\$36 billion of American Rescue Plan (ARP) Act** funding is allocated to the third version of the Higher Education Emergency Relief Fund (HEERF III <sup>1</sup>) fund.

At least half of this funding must be spent on emergency financial aid grants to students. Students can use these grants for college costs (e.g. tuition and fees), as well as basic needs such as food, housing, child care, and health care (including mental health care). Students in need of support should contact their institution's financial aid office for information on how to apply for these grants. [Institutions have the responsibility of determining how grants will be distributed to students](#), how the amount of each student grant is calculated, and the development of any instructions or directions provided to students about the grant.

The remaining funding will be used to:

- defray lost revenue from declining enrollment;
  - cover increased costs due to the rapid transition to online learning and closure of revenue-producing services and facilities; and
  - provide COVID-19 testing, vaccination, personal protective equipment (PPE), and classroom retrofits.
- **\$3 billion** is allocated to Historically Black Colleges and Universities (HBCUs), Tribally Controlled Colleges and Universities (TCCUs), Minority Serving Institutions (MSIs), and Strengthening Institutions Program (SIPs) institutions. More information about availability of these funds is forthcoming.
  - Approximately **\$198 million** is allocated for institutions that the Department of Education determines have the greatest unmet needs from the pandemic, after all other funds are allocated.
  - Approximately **\$396 million** is allocated to for-profit institutions that can be used only for emergency financial aid grants to students.

<sup>1</sup> Previous versions (HEERF I and II) were created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 and the Coronavirus Response and Relief Supplemental Appropriations (CRRSSA) Act of 2021, respectively.

During the COVID-19 pandemic, American higher education institutions lost over **650,000 jobs**, with these losses hitting low-wage workers and people of color hardest. Among students, there has been higher **demand for out of class assistance**, like mental health services. Institutions of higher education also will need to deal with **declining enrollment** that could lead to reduced budgets and other challenges. The American Rescue Plan (ARP) Act provides **\$39.6 billion in funding for higher education** to deal with these and other challenges.



## Higher Education Emergency Relief Fund (HEERF III)

\$36 billion in funds for higher education in the ARP are allocated through the Higher Education Emergency Relief Fund (HEERF III). To access the Department of Education's resources for HEERF III, [CLICK HERE](#).

The funds will be allocated using the same rules as HEERF II, except for some changes outlined in [Section 2003](#). Funding for institutions is [determined based on a formula](#), which weighs the relative shares of federal Pell Grant recipients vs non-Pell Grant recipients, and the relative shares of Pell Grant recipients exclusively enrolled in distance education. For more information on this allocation formula, [CLICK HERE](#).

Funds will remain available through September 30, 2023.

Institutions must [apply by August 11, 2021](#) to receive funding.

Institutions that already have received funding from HEERF I and/or HEERF II [do not need to reapply for HEERF III funding](#).

Note that eligibility requirements for students to receive grants have been relaxed compared to HEERF II, allowing more students to receive grants<sup>2</sup>. To read the Department of Education's guidance on student eligibility for aid, [CLICK HERE](#).

**Information for Students:** [Students cannot apply for assistance directly](#) from the U.S. Department of Education but should contact their institutions' financial aid office for further information and guidance.

**Information for State Leaders:** States do not need to apply for funding through HEERF III. Funds are distributed directly from the Department of Education to institutions of higher education in each state.

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<sup>2</sup> In particular, [undocumented and international students are now eligible to receive support](#).

## Tribal Colleges and Universities

Under [Section 11005](#) of the ARP, the Bureau of Indian Education (BIE) is appropriated \$850 million. This funding can go to TCCUs (though it also can be used for K-12 schools under the BIE). These funds remain available until expended. It is estimated that [69% of Native American students](#) do not have access to virtual learning opportunities because they live in rural areas without broadband connectivity. This funding is meant to help BIE schools with critical infrastructure to resume in-person learning, as well as help Native American students access distance learning. For more information on TCCUs or to apply for funding, [CLICK HERE](#). Note: previous recipients of funds do not need to reapply.

### Sources and Additional Resources

Department of Education's Resource Page for HEERF III - [CLICK HERE](#).

Searchable list of HEERF III specific allocations to colleges and universities - [CLICK HERE](#).

National Association of Student Financial Aid Administrators Resource on Student Eligibility for Aid - [CLICK HERE](#).

To read a title by title summary of the ARP - [CLICK HERE](#).

Need help? Email the Department of Education with questions about the HEERF at [HEERF@ed.gov](mailto:HEERF@ed.gov)



## HEERF III Funding by Location of Higher Education Institutions (in Millions USD)

Name	Student Aid Funding	Institutional Aid Funding	Total Funding
ALASKA	\$17.0	\$15.5	\$32.4
ALABAMA	\$300.4	\$286.8	\$587.2
ARKANSAS	\$183.2	\$175.6	\$358.8
ARIZONA	\$366.7	\$308.6	\$675.3
CALIFORNIA	\$2,573.3	\$2,455.9	\$5,029.2
COLORADO	\$258.6	\$242.2	\$500.8
CONNECTICUT	\$190.6	\$179.3	\$369.9
DISTRICT OF COLUMBIA	\$58.3	\$54.9	\$113.2
DELAWARE	\$51.3	\$49.0	\$100.3
FLORIDA	\$1,164.2	\$1,057.9	\$2,222.1
GEORGIA	\$612.2	\$581.2	\$1,193.4
HAWAII	\$50.1	\$47.9	\$98.0
IOWA	\$185.8	\$179.1	\$364.9
IDAHO	\$107.6	\$97.6	\$205.2
ILLINOIS	\$653.6	\$627.9	\$1,281.5
INDIANA	\$373.1	\$328.0	\$701.1
KANSAS	\$170.4	\$161.5	\$331.9
KENTUCKY	\$237.8	\$219.2	\$457.0
LOUISIANA	\$278.3	\$260.7	\$539.0
MASSACHUSETTS	\$417.5	\$408.7	\$826.2
MARYLAND	\$284.3	\$265.2	\$549.5
MAINE	\$63.0	\$59.1	\$122.1
MICHIGAN	\$529.0	\$505.8	\$1,034.8
MINNESOTA	\$281.4	\$266.8	\$548.2
MISSOURI	\$324.1	\$306.3	\$630.4
MISSISSIPPI	\$217.9	\$207.6	\$425.4
MONTANA	\$47.4	\$46.1	\$93.6
NORTH CAROLINA	\$571.6	\$537.6	\$1,109.2
NORTH DAKOTA	\$38.7	\$37.2	\$75.9
NEBRASKA	\$107.5	\$101.3	\$208.8
NEW HAMPSHIRE	\$103.4	\$60.3	\$163.7
NEW JERSEY	\$461.5	\$445.0	\$906.5
NEW MEXICO	\$109.0	\$101.7	\$210.7
NEVADA	\$104.9	\$98.8	\$203.7
NEW YORK	\$1,331.2	\$1,290.3	\$2,621.5

## HEERF III Funding by Location of Higher Education Institutions (in Millions USD)

Name	Student Aid Funding	Institutional Aid Funding	Total Funding
<b>OHIO</b>	\$587.4	\$553.1	\$1,140.5
<b>OKLAHOMA</b>	\$215.2	\$203.4	\$418.6
<b>OREGON</b>	\$206.2	\$196.9	\$403.0
<b>PENNSYLVANIA</b>	\$670.5	\$644.6	\$1,315.1
<b>RHODE ISLAND</b>	\$90.8	\$88.8	\$179.6
<b>SOUTH CAROLINA</b>	\$266.8	\$256.4	\$523.2
<b>SOUTH DAKOTA</b>	\$40.6	\$38.1	\$78.7
<b>TENNESSEE</b>	\$363.6	\$340.5	\$704.1
<b>TEXAS</b>	\$1,590.3	\$1,508.9	\$3,099.2
<b>UTAH</b>	\$278.4	\$218.3	\$496.7
<b>VIRGINIA</b>	\$441.8	\$402.1	\$843.9
<b>VERMONT</b>	\$33.3	\$31.8	\$65.2
<b>WASHINGTON</b>	\$337.4	\$322.6	\$660.0
<b>WISCONSIN</b>	\$287.1	\$277.5	\$564.5
<b>WEST VIRGINIA</b>	\$97.2	\$92.9	\$190.1
<b>WYOMING</b>	\$22.6	\$21.8	\$44.4
<b>AMERICAN SAMOA</b>	\$2.3	\$2.3	\$4.7
<b>FEDERATED STATES OF MICRONESIA</b>	\$5.9	\$5.9	\$11.8
<b>GUAM</b>	\$9.2	\$9.1	\$18.3
<b>MARSHALL ISLANDS</b>	\$3.3	\$3.2	\$6.5
<b>NORTHERN MARIANA ISLANDS</b>	\$2.9	\$2.8	\$5.7
<b>PALAU</b>	\$1.1	\$1.1	\$2.2
<b>PUERTO RICO</b>	\$385.3	\$359.3	\$744.6
<b>U.S. VIRGIN ISLANDS</b>	\$2.8	\$2.8	\$5.6

Notes: [Data Source](#). Totals represent a combined sum of funding for all institutions of higher education located in a state/territory. Funding does not go to state/territory governments, but goes from the Department of Education directly to institutions of higher education located in those states/territories.

## For More Information

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