This description reflects ACE's plain language reading of the bill's allocation formula for 90 percent of the available funding for the Higher Education Emergency Relief Fund.

It is not known if the Department of Education will use this methodology or a different one to allocate this funding.

The Senate bill provides for two index-driven allocations of available funds:
1. Relative institutional shares of FTE Pell recipients; and
2. Relative institutional shares of FTE students who were not Pell recipients.
3. Both FTE Pell recipients and non-recipients exclude students enrolled exclusively in distance education courses prior to the coronavirus emergency.

The calculation of institutional awards requires counting the number of students in each of two categories: FTE Pell recipients and FTE non-Pell recipients.

There is no such thing—at least in federal databases—as FTE Pell recipients, and consequently FTE Pell non-recipients.

So, we use the following data source and make the following assumptions for the simulated allocation of Section 18004(a)(1) funds to institutions--

IPEDS is the only data source used
    The data are stale – 2017-18 is the latest full-year available,
    And known to be inaccurate.
        For example, FSA data show about 7.2 million Pell recipients in 2017-18
        IPEDS has around 6.2 million for the same year.

IPEDS data used in this simulation follows:

IPEDS has two enrollment measures: 12-month and opening Fall.

1. 12-month FTE enrollments for both undergraduates and graduate students (and thus the total of all students)
2. 12-month headcount enrollments for both undergraduates and graduate students (and thus the total of all students)

    So we know the ratio of full-year FTE to headcount for each institution.

3. Fall enrollments for both undergraduates and graduate students (and thus the total of all students)
4. Numbers of undergraduate and graduate students enrolled in the Fall who are
    a. Enrolled exclusively in distance education courses;
    b. Enrolled in some but not all distance education courses; and
    c. Not enrolled in any distance education courses.

American Council on Education

5. The full-year number of Pell grant recipients (headcount).

<u>Calculations</u>:

As noted above, we have a two-part calculation.

Let's start with estimating the number of FTE Pell recipients for each institution.

1. Estimate the number of FTE Pell recipients by multiplying the full-year number of Pell recipients by the ratio of FTE undergraduate enrollment to undergraduate headcount enrollment. Note the graduate students not eligible for Pell so we use undergraduate counts.

2. Exclude from this number undergraduate students enrolled exclusively in distance education courses:
   a. Multiply estimated FTE Pell recipients (step 1) by the ratio of the number of undergraduates not enrolled exclusively on-line in the Fall to the total number of undergraduates enrolled in the Fall.

This is the estimated number of FTE Pell recipients for use in the formula.

Now determine the number of FTE students who were not Pell recipients.

3. Estimate the number of FTE non-Pell recipient students by subtracting the estimated number of FTE Pell recipients (step 1) from total headcount enrollment. Total headcount enrollment is used because graduate students are Pell non-recipients.

4. Exclude from this number all students enrolled exclusively in distance education courses:
   a. Multiply estimated FTE Pell non-recipients (step 3) by the ratio of the total number of students not enrolled exclusively on-line to the total number of all students enrolled in the Fall.

This is the estimated number of FTE Pell non-recipients for use in the formula.

Finally, multiply the relative shares of the estimated FTE Pell recipients (step 2, undergraduates only) by the funds available for this allocation, i.e. 75% of the total amount available (about $9.4 billion).

Then multiply the relative shares of estimate FTE Pell non-recipients (step 4, all students) by the funds available for this allocation, i.e. 25% of the total amount available (about $3.2 billion).