

'I'm Bewildered': For Tiny Colleges, Federal Covid-19 Stimulus Is a Windfall



Mark Hertzberg, ZUMA Wire, Alamy Live News The School of Architecture at Taliesin, with about 30 students, is in line to receive \$500,000 in coronavirus-stimulus funds from the federal government.

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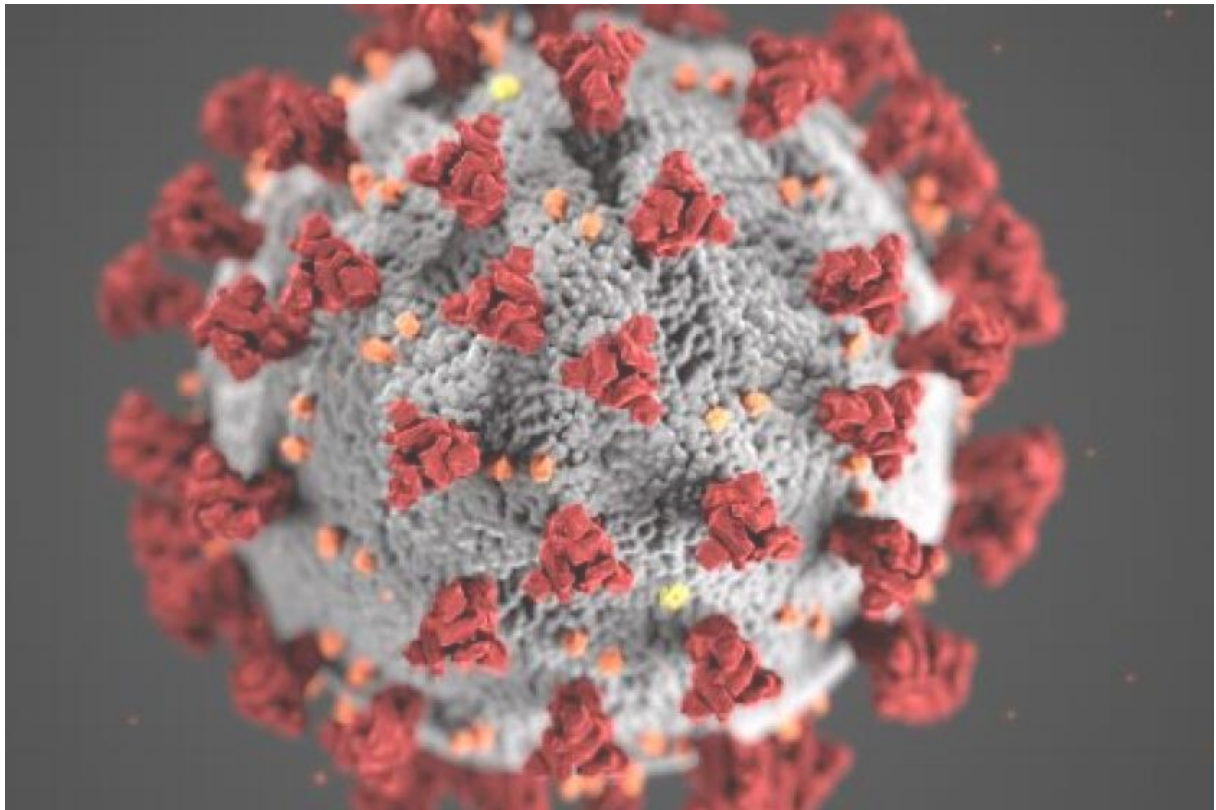
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"Wow," said Kluding, Pioneer's interim adult-education supervisor, in an interview. "That's unbelievable. Sometimes the federal government gives you more than you deserve, and this is a whole lot more than we deserve. I don't know what we would do with \$500,000, to be honest with you. I don't have a clue. We don't have that many students. I'm bewildered."



The U.S. Department of Education [on Thursday announced](#) it was going to use roughly \$350 million allotted in the Cares Act to ensure that every eligible higher-education institution, regardless of how small, could receive at least \$500,000 in relief. That means [small programs](#) like Pioneer, along with beauty schools, seminaries, Bible colleges, and other nonprofit trade programs that serve just a handful of students, are eligible for sums that dwarf what they'd spend in a year.

The text of the Cares Act does instruct the education secretary to use the pot of money to assign a high priority to institutions that automatically receive less than \$500,000 through the law's main funding formula. In a statement, the department said that in order to receive the funds, an institution would need to request them.

"Any institution that does not need this money should simply decline to request it so schools will not be in the position of having to return unneeded funds," it said. "Once the requests are processed, the remaining money will be distributed through a competitive grant process."

However, some higher-education experts said the department's method of disbursing the funds slows the distribution of crucial relief to institutions that have been the hardest hit by Covid-19.

It is understandable that these higher-education leaders were not anticipating such a large amount of relief, said Ben Miller, vice president for postsecondary education at the Center for American Progress, a liberal think tank. "As far as we're aware, it's not like those colleges asked for [the department] to do something this stupid," said Miller, who [publicized](#) the move last week on Twitter.

Reached by *The Chronicle*, leaders of some very small institutions said they'd had no idea that they were eligible for the \$500,000.

Even after seeing the Pioneer center's allocation listed on the Department of Education's website, Kluding still did not believe that it could receive that amount. But on Tuesday he said staff members would be looking into ways it could help cover some of the center's coronavirus-related losses.

Last month the Department of Education released the amounts each higher-education institution would receive in Cares Act funds to help offset costs associated with disruptions caused by the Covid-19 outbreak.

The money was distributed on the basis of a formula that takes into account each institution's size and number of [full-time, Pell-eligible](#) students. While [hulking institutions](#) like Arizona State University and Miami Dade College were in line to get upward of \$40 million, some small institutions were entitled to less than \$500,000.

For those small colleges, the department's decision to use discretionary money to pump up their allocations to \$500,000 could have significant consequences. For [Avera Sacred Heart Hospital's School of Radiologic Technology](#) — a two-year

institution in Yankton, S.D., with just 15 students — that sum approaches [2,000 percent](#) of its reported annual revenue, according to an analysis by Miller.

“It would be huge for us, obviously, but I haven’t been contacted about anything,” said Anessa Van Osdel, the program director. “I really cannot give any information, because I don’t know anything about it.”

The School of Architecture at Taliesin — an [88-year-old institute](#) with an enrollment of about 30 — was on the verge of closing this year after failing to reach an agreement with the foundation that [owns its two historic campuses](#), in Arizona and Wisconsin.

It has since raised money from alumni, donors, and community members, and now plans to continue operations, said Aaron Betsky, Taliesin’s president, in an email.

The school is working to obtain the newly available Cares Act money. “If we do receive it, it will be split between supporting students and offsetting the costs incurred by recent events,” Betsky said. Asked if he was referring to the Covid-19 outbreak or the school’s transition period, he said, “The two are intertwined.”

The Cares Act money would not be the school’s saving grace, Betsky said, “but, of course, it certainly helps.”

The funds would also allow [Pacific Bible College](#) — a private two-year college in Medford, Ore., with an enrollment of 55 and a nearly \$400,000 operating budget — to offer short-term programs that would help newly unemployed students find jobs, said its president, Mike Robinson.

In addition to training pastors, the college offers programs in accounting, business, childhood education, and liberal arts, Robinson said. The funds could also help the college adapt to post-Covid-19 circumstances by offering new, certificate-based, hybrid online-and-classroom programs in other disciplines.

“Everyone’s been saying the Covid-19 crisis is going to permanently change higher education, and nobody really knows what that’s going to look like. But we’re not going to go back to the norm,” said Robinson. “Some of the benefit of being a very small and nimble college is we can make changes very, very quickly, and we can potentially try new things that larger institutions just don’t have the ability to try.”

It is unlikely that all of the small institutions eligible for the \$500,000 will receive the full amount, since they need to submit an application for the funds.

The department also noted, in [a letter to college presidents](#), that about \$15 million would be available to larger colleges in the coming weeks through a competitive grant process.

However, said Miller, of the Center for American Progress, “it still creates the issue of needing to wait for colleges to decline these funds before they can run some other competition.”

That priority should have been given to those institutions while the department allowed all colleges to compete for those funds, he said. The department probably applied “very simplistic logic,” he said, simply giving priority to all colleges that received less than \$500,000 and ignoring the first part of the act, about helping the institutions with the greatest unmet needs.

“I would hope they spent zero time thinking through this, because if they thought through this and thought it was a good idea, God help us,” Miller said.

The department did not directly respond to a question asking why it had decided to distribute the funds in the way it has.

James Kvaal, president of the Institute for College Access and Success, said there are colleges facing an existential crisis because of the pandemic, as well as

community colleges serving the neediest students, that are being shortchanged by the Cares Act's initial funding formula.

"Instead of helping those schools," he said, "the Trump administration cut large checks to a handful of small colleges, whether or not they need it."