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***SIX TOP PRIORITIES FOR HISTORICALLY BLACK
COLLEGES AND UNIVERSITIES***



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SIX TOP PRIORITIES FOR HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

1. A Strong White House Executive Order on HBCUs

The network of Historically Black Colleges and Universities (HBCUs) desires a strong Executive Order: *Promoting Excellence and Innovation at Historically Black Colleges and Universities and Increasing Their Participation in Federal Programs* to establish a White House Initiative on HBCUs to support and advance HBCUs, as every President has done since President Carter in 1980.

Top priorities for the Executive Order:

- establish the White House Initiative on HBCUs in the White House (rather than the U.S. Department of Education) with an Executive Director who reports to a Senior Advisor to the President;
- commit to an aspirational goal that HBCUs be awarded 5 percent of total federal grant, internship and cooperative agreement funding and 10 percent of total federal contract funding awarded to colleges and universities – which would nearly double federal support to HBCUs;
- back up the federal funding goals with concrete commitments for annual funding growth at each federal agency reflected in agency budgets;
- require transparent and timely reporting on progress to the President, the Congress, and HBCUs;
- designate a senior level executive in each federal agency to ensure oversight and implementation of those commitments; and
- ensure that the President’s Board of Advisors on HBCUs is representative of the full diversity of HBCUs and includes the presidents of the National Association for Equal Opportunity in Higher Education (NAFEO), Thurgood Marshall College Fund (TMCf), and United Negro College Fund (UNCF) – the national HBCU advocacy organizations.

2. Fully Fund Title III HBCU Programs

The Higher Education Act of 1965 authorizes four critical HBCU programs under Title III of the Act: (1) Part B, Section 323, Strengthening HBCUs provides foundational institutional support to accredited HBCUs; (2) Part B, Section 326, Strengthening Historically Black Graduate Institutions (HBGI) provides support to HBCU post-baccalaureate and professional programs in medicine, law, veterinary medicine, and other disciplines; (3) Part C, Section 331, Endowment Challenge Grants provides matching grants to increase HBCU endowment funds; and (4) Part D, the HBCU Capital Financing Program provides low-interest rate loans to HBCUs for capital projects.

A top priority is to fully fund these Title III HBCU Programs in FY 2017 and beyond:

- \$375 million in annual *discretionary* funding for the Strengthening HBCUs Program – a \$130 million annual increase;
- \$85 million in annual *mandatory* appropriations for the Strengthening HBCUs Program, *beyond* the mandatory appropriations already in place for FY 2017-2019;
- \$125 million in annual discretionary funding for the Strengthening HBGI Program – a \$62 million annual increase;
- \$10 million in annual discretionary funding for the Endowment Challenge Grant Program and a federally initiated campaign to encourage a broad group of individuals and businesses to invest in sustaining and growing HBCU endowments; and
- \$400 million in annual facility loans (supported by a \$25 million interest subsidy appropriation) under the Title III, Part D, HBCU Capital Financing program; and
- additional Title III reforms through the reauthorization of the Higher Education Act.

3. Protect and Strengthen Pell Grants and Increase Work-Study Grants

Pell scholarships enable college access, choice, and completion for low-income students who struggle to find the resources for college. More than 70 percent of HBCU students rely on Pell Grants to earn a college degree that will put them on the path toward the middle class. Students at HBCUs incur twice as much debt as other students, even given the relatively low cost of HBCUs. (See, UNCF Frederick D. Patterson Research Institute. 2016. [*Fewer Resources, More Debt: Student Loan Debt Burdens Students at Historically Black Colleges and Universities*](#)). Yet, the maximum Pell Grant currently pays the lowest share of college costs in the 40-year history of the program.

Top student aid priorities include:

- permanently restore year-round Pell Grants that enable students to finish college faster and with less debt, and raise the maximum Pell Grant from \$5,815 to \$5,935 in FY 2017 and at least by the rate of inflation thereafter;
- \$1.1 billion for Federal Work-Study – a \$110 million increase, with the allocation formula revised to provide additional support to low-income students, while enhancing their employment skills; and
- additional Pell Grant and student loan reforms through the reauthorization of the Higher Education Act.

4. Invest in HBCUs Facilities and Infrastructure

HBCUs lack access to private capital financing at reasonable interest rates, even while they face significant funding needs to ensure up-to-date academic buildings, laboratories, technology, and infrastructure. Further, significant federal investment is needed to renovate and preserve more than 700 HBCU buildings on the National Register of Historic Places. A stronger federal investment in HBCU capital financing is important now more than ever given recent research evidence that HBCUs pay 20 percent more than other colleges and universities to finance facilities in the tax-exempt bond

market, even when HBCUs and non-HBCUs have similar credit quality. (See, Dougal, Gao, Mayew, and Parsons. 2016. [*What's in a \(school\) name? Racial discrimination in higher education bond markets.*](#))

In addition to expanding the Title III HBCU Capital Financing Program, top infrastructure priorities include:

- \$50 million in annual funding to restart the HBCU Historic Preservation Program at the U.S. Interior Department – last funded in 2009;
- increased annual grants and low-interest loans to HBCUs through the U.S. Departments of Agriculture, Housing and Urban Development, Transportation and Commerce;
- eligibility for HBCU renovation and construction projects in any national infrastructure bank legislation;
- priority infrastructure funding for HBCUs to renovate or construct science, medical, technology and engineering laboratories and facilities to support increased participation in federal STEM-related research and development; and
- legislation granting triple (federal, state, local) tax-exempt status for 501(c)(3) bonds issued on behalf of an HBCU to provide tax incentives for investors to purchase HBCU bonds in private markets.

5. Support New HBCU Centers of Innovation for National Needs

With new federal venture capital, HBCUs can be centers of innovation that experiment, pilot, evaluate and scale up best practices, and drive new innovations on their campuses. There are many areas in which HBCUs excel that are natural starting points for leveraging greater innovation.

Top innovation priorities include:

- **Establish national laboratories on HBCU campuses.** HBCU national laboratories could be funded through the National Institutes of Health, Environmental Protection Agency, and Departments of Agriculture, Defense, Education, Energy, Homeland Security, Justice, and Transportation. HBCU national laboratories, with federal designation and investment, would study the challenges of impoverished urban and rural communities in such areas as: health disparities, small farmers' and black farmers' sustainability, small business innovation for national defense and homeland security, educational attainment, clean city/rural water, home to grid energy generation, alternative sentencing, and urban and rural development.
- **\$50 million in annual funding for National Security Research & Development Initiatives – a \$14 million annual increase.** Expanded HBCU research and development centers at the U.S. Department of Defense (DOD) would diversify the group of researchers and innovators working on important national security project while assisting HBCUs to strengthen their scientific and technical infrastructure and academic capabilities. The existing DOD HBCU/Minority Institutions Program provides vital support for HBCU faculty to conduct research and work directly with military laboratories in technical areas of interest to the DOD.

- **\$163 million in annual funding for STEM initiatives – a \$50 million annual increase.** HBCUs are disproportionately successful at educating African Americans in STEM fields – graduating 25 percent of all African American STEM bachelor degrees, and can serve as best practice models for other colleges and universities to further drive participation of African Americans in the STEM workforce. New HBCU centers of innovation and excellence in research at the National Science Foundation could expand innovative models, networks, partnerships, and research in order to develop a more diverse science and engineering workforce.
- **\$50 million in annual funding for College Success Initiatives – a \$50 million annual increase.** New HBCU centers of innovation on college completion at the U.S. Department of Education could provide institutions with the financial means and flexibility to test new approaches to enhance student completion and workforce outcomes, such as pathway initiatives, co-requisite remediation, accelerated degree programs, technology-enhanced delivery models, and competency based education.
- **\$50 million in annual funding for teacher training initiatives – a \$50 million annual increase.** New HBCU centers of innovation for teacher diversity at the U.S. Department of Education could accelerate the education and training of effective minority teachers through both traditional and nontraditional teacher training programs – a key national need supported by research evidence showing a positive correlation between increased teacher diversity and student achievement. Although students of color are expected to comprise 56 percent of the student population by 2024, African American teachers comprise only 7 percent of the current teaching workforce.

6. Regulatory Repeal and Reform

Top regulatory repeal and reform priorities include:

- **Repeal Teacher Preparation Regulation.** HBCUs support the repeal of the final Teacher Preparation Program regulation issued by the U.S. Department of Education in October 2016 due to concerns regarding its potential negative impact on producing a more diverse teacher workforce and limiting access to Title IV financial assistance to teacher candidates enrolled at HBCUs.
- **Withdraw Borrower Defense to Repayment Regulation.** HBCUs recommend that the U.S. Department of Education go back to the drawing board regarding the Borrower Defense to Repayment regulation issued in November 2016. While HBCUs support loan forgiveness for students defrauded by certain for-profit institutions, the Education Department's Borrower Defense to Repayment regulation includes overly broad criteria for granting loan forgiveness to students based on institutional misrepresentation and imposes unwarranted financial responsibility requirements on private HBCUs without a complete assessment of their impact.

- **Review the Report of the Task Force on Federal Regulation of Higher Education, Recalibrating Regulation of Colleges and Universities.** HBCUs recommend serious consideration to the recommendations in this report for higher education regulatory reform. Many higher education regulations impose unnecessary confusion and costs on HBCUs and the students they serve. To cite just one example, the U.S. Department of Education’s verification of student eligibility for financial aid rules are burdensome and present an unnecessary additional barrier to college for low-income students, who essentially must repeatedly prove that they lack resources and require federal financial assistance.

Notes

This paper is intended to respond to requests from the Trump Administration and the U.S. Congress for information on top-line HBCU budget and policy priorities; thus, it does not address priorities of Predominantly Black Institutions (PBIs) which the HBCU community supports. In addition, this paper is not intended to provide an exhaustive list of HBCU priorities, which also include longer term priorities for the reauthorization of the Higher Education Act (HEA). Details on HEA priorities can be obtained from UNCF Government Affairs.

About HBCUs

Historically black colleges and universities (HBCUs) were created as early as 1837 to provide African Americans access to higher education. Noted for their contributions in educating “black, low-income and educationally disadvantaged Americans,” the 101 accredited HBCUs today constitute the class of institutions that satisfy the statutory definition of the term “HBCU” in Title III of the Higher Education Act of 1965.

The universe of HBCUs includes two- and four-year, public and private, and single-sex and coed institutions, located primarily in Southern states. HBCUs disproportionately enroll low-income, first-generation and academically underprepared college students – precisely the students that the country most needs to obtain college degrees. In 2014:

- over 300,000 students attended HBCUs, including more than 50,000 students at UNCF-member institutions;
- approximately 80 percent of HBCU students were African Americans and 70 percent received Pell Grants.

In many ways, HBCUs are a “best buy” for students and the nation. Compared to all two- and four-year public and private nonprofit colleges and universities, in 2014, HBCUs comprised three percent of those institutions, yet HBCUs:

- enrolled 10 percent of African American undergraduates;
- awarded 17 percent of African American bachelor’s degrees; and
- awarded 24 percent of African American STEM bachelor’s degrees.

HBCUs attained these results at an affordable price for students – about 30 percent less, on average, than other institutions, with fewer resources available to them.

About UNCF

UNCF (United Negro College Fund) is the nation's largest and most effective minority education organization. To serve youth, the community, and the nation, UNCF supports students' education and development through scholarships and other programs, strengthens its 37 member colleges and universities, and advocates for the importance of minority education and college readiness. UNCF annually awards \$100 million in scholarships and administers more than 400 programs, including scholarship, internship and fellowship, mentoring, summer enrichment, and curriculum and faculty development programs. Today, UNCF supports more than 60,000 students at more than 1,100 colleges and universities across the country. Its logo features the UNCF torch of leadership in education and its widely recognized trademark, "A mind is a terrible thing to waste."® Learn more at UNCF.org, or for continuous news and updates, follow UNCF on Twitter, [@UNCF](https://twitter.com/UNCF).