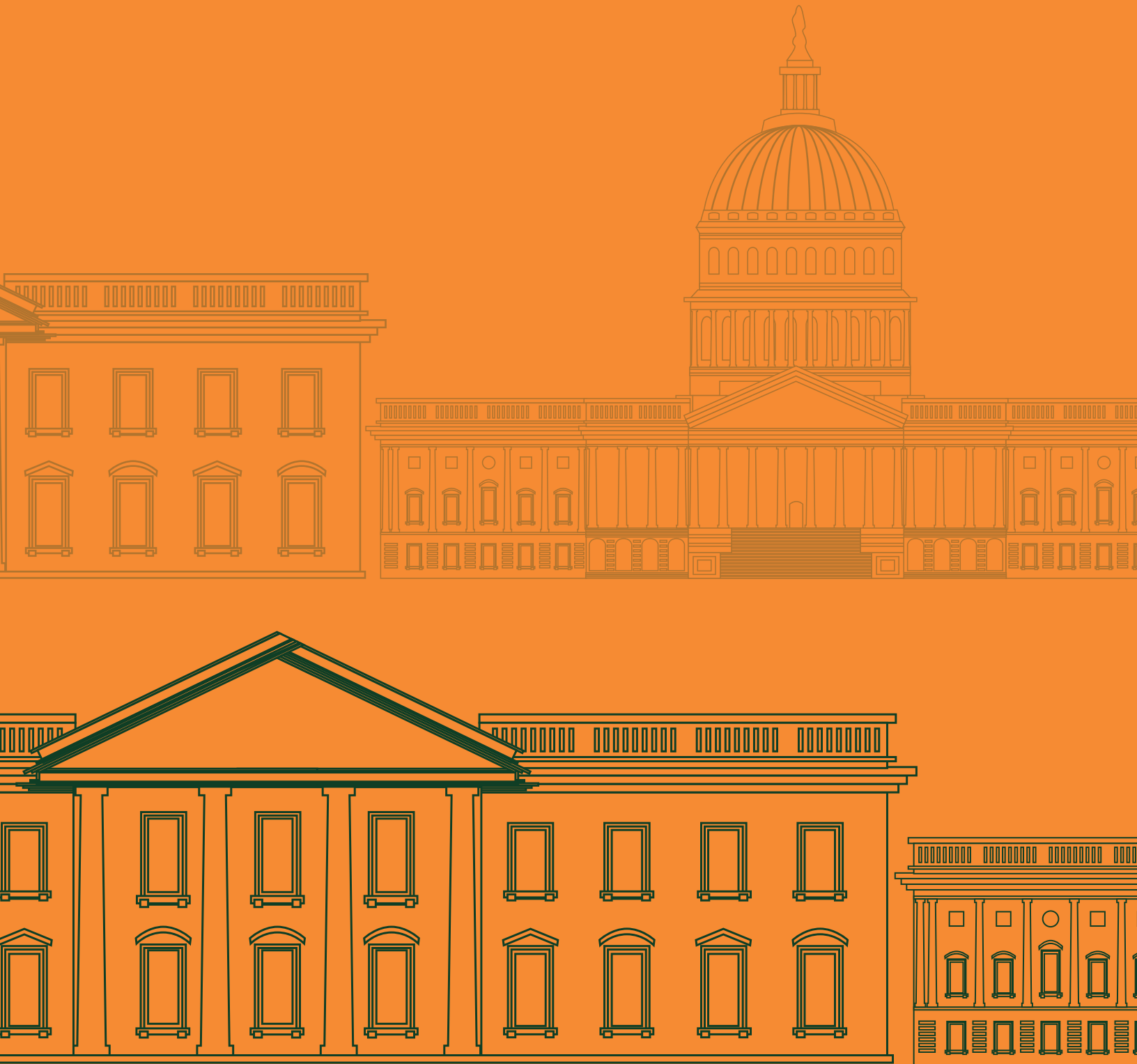




PUBLIC POLICY PRIORITIES FOR THE BIDEN ADMINISTRATION AND THE 117TH CONGRESS





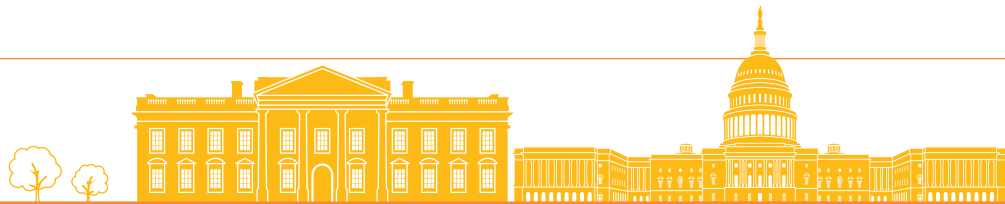
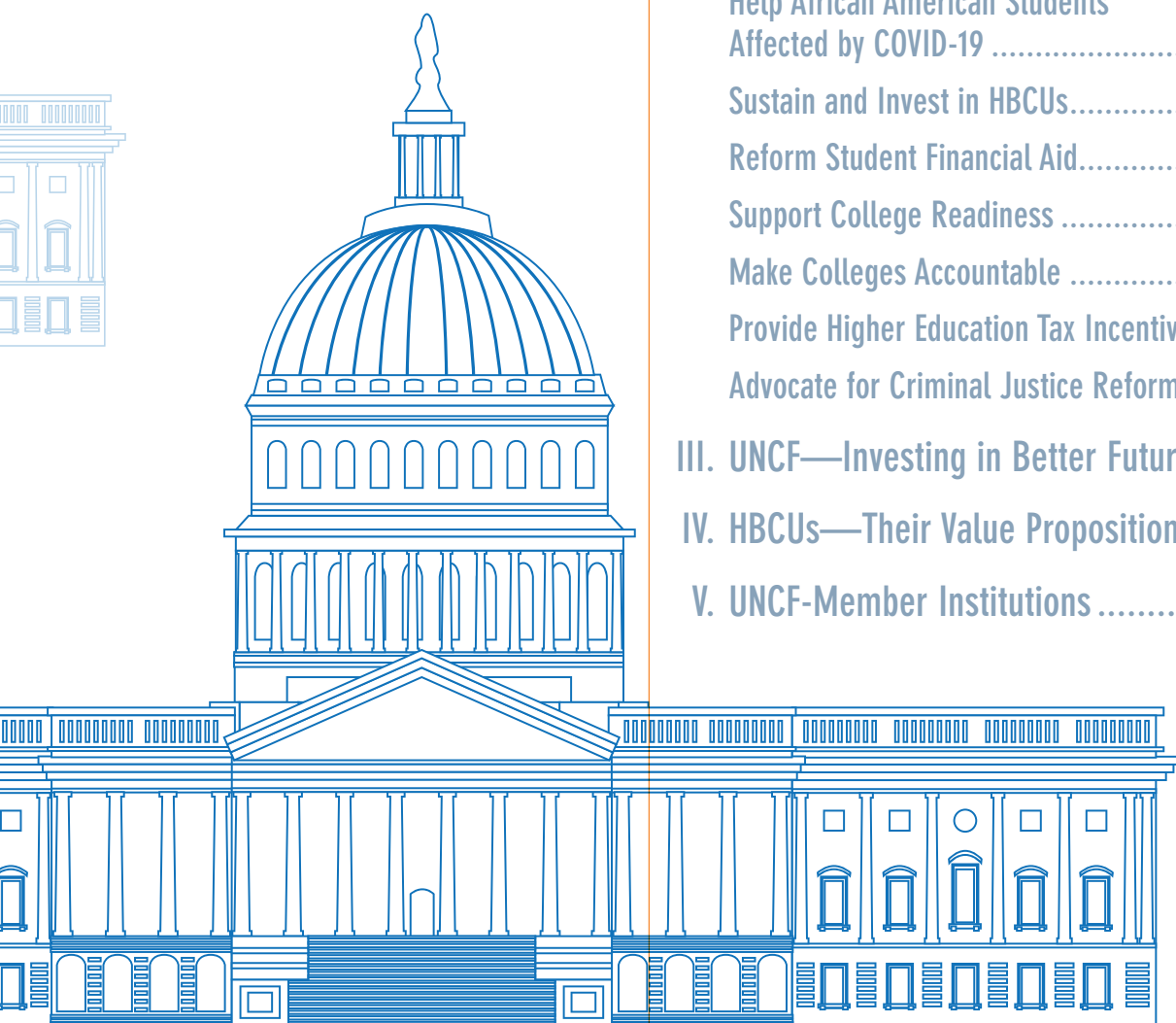


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There is bipartisan agreement that having quality higher education opportunities for people of color can lead to a good career, better health, greater civic engagement and a higher quality of life. These factors matter to people regardless of their political affiliation, geographic region or socioeconomic status.



Letter

President Joseph Biden, Vice President Kamala Harris and new members of the 117th Congress assume office at a precarious moment in our nation's history as it relates to disparities impacting African Americans' access to quality higher education. Federal policymakers also face numerous challenges that affect the health, safety and well-being of every American, including a pandemic, economic instability, racial injustice and issues affecting the health of our environment. Policymakers have become particularly aware of the plethora of disparities and challenges impacting African Americans in higher education. They have begun to appreciate why so many students see value in historically Black colleges and universities (HBCUs).

There is bipartisan agreement that having quality higher education opportunities for people of color can lead to a good career, better health, greater civic engagement and a higher quality of life. These factors matter to people regardless of their political affiliation, geographic region or socioeconomic status. Policymakers also understand that addressing disparities in higher education for African Americans is a critical step for the nation to fully address historic inequities. Finally, policymakers recognize that providing a quality education for all Americans—and especially our most vulnerable students—is a worthy bipartisan cause.

Moreover, business leaders realize that we must have a skilled and productive workforce to compete and win in the global economy and that our workforce, increasingly, will be comprised of people of color. This is especially true for careers in science, technology, engineering and mathematics (STEM). Our nation cannot afford to leave students of color out of the talent pool needed for the millions of STEM and other skilled jobs that go unfilled each year. Given the importance of STEM careers, policymakers and business leaders understand that steps must be taken to promote STEM as a critical component of high-quality education for African Americans. These steps include partnerships

between the government, HBCUs and private-sector businesses. It also includes encouraging and supporting students of color, especially African American women, as they pursue STEM education and careers.

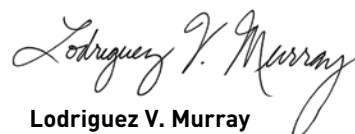
While policymakers and business leaders recognize the importance of HBCUs and quality higher education for African Americans, there are still challenges the nation must overcome to close the gaps in education progress. African Americans hold a long-standing and deeply held commitment to quality higher education and educational achievement and want their children to succeed academically in their K-12 education and go on to earn college degrees. Yet, there are a plethora of challenges African Americans face in the educational system and this has left them behind in nearly every indicator of educational progress.

United Negro College Fund (UNCF) is America's largest private provider of scholarships and other educational support to African American students and an advocate for the 37 private historically Black colleges and universities (HBCUs). Since 1944, UNCF has worked diligently to remove barriers and close the gaps in education progress for African Americans. UNCF believes that "A mind is a terrible thing to waste, but a wonderful thing to invest in."[®]

Over the next two years, UNCF will continue to be a strong voice for federal investment in African American education. We speak on behalf of our member institutions, all HBCUs, and first-generation and low-income students everywhere. We made historic and significant progress for HBCUs and their students during the 116th Congress and will continue to work with the Biden Administration and the 117th Congress to accomplish our education public policy goals. We continue this work with the belief that every African American student deserves a successful journey from elementary school, through high school and college, and ultimately to a fulfilling career. The American dream is for all—and UNCF will continue to do our part to make sure it is a reality.



Michael L. Lomax, Ph.D.
President and CEO, UNCF



Lodriguez V. Murray
Senior Vice President, Public Policy & Government Affairs, UNCF



UNCF Public Policy Accomplishments

During the 116th Congress, UNCF advocated for the interests of African Americans' higher education needs with the enactment of the Fostering Undergraduate Talent by Unlocking Resources for Education (FUTURE) Act, Coronavirus Aid, Relief, and Economic Security (CARES) Act, Consolidated Appropriations Act of 2021 and the American Rescue Plan Act of 2021. These laws were important and desperately needed measures for HBCUs and other minority-serving institutions, especially when empirical evidence proved the disproportionate impact of COVID-19 on African Americans. The FUTURE Act permanently authorized STEM funding for HBCUs and other minority-serving institutions; simplified the FAFSA (Free Application for Federal Student Aid); and increased the authorization of the Pell Grant program. As part of the law, \$255 million in STEM funding was provided for HBCUs and other minority-serving institutions, with \$85 million of that total specifically awarded to HBCUs each year in perpetuity. This permanent authorization means that funding will not be dependent on future congressional or presidential approval and will be funded like Medicare and Medicaid. To accomplish this public policy victory, UNCF led an award-winning, first-of-its-kind digital campaign to reinstitute this funding.

UNCF continued its advocacy when it led a coalition of minority education associations in securing the inclusion of HBCUs and minority-serving institutions in the CARES Act. Congress passed the CARES Act to address the negative impact COVID-19 had on economic activity, healthcare and education. UNCF worked to ensure that Congress included funding for HBCUs and other minority-serving institutions as they faced unique challenges brought on by COVID-19, as well as other long-standing inequities. UNCF's efforts led to \$1.054 billion for HBCUs and other minority-serving

institutions, with HBCUs benefiting with at least \$930 million of funding, including grants and the Paycheck Protection Program (PPP). These resources stabilized the institutions through one of the most uncertain times in modern history.

Policy makers provided additional COVID-19 relief with the Consolidated Appropriations Act 2021 and the American Rescue Plan—and UNCF again provided leadership in securing funding for HBCUs and minority-serving institutions. Because of UNCF's efforts with the Consolidated Appropriations Act 2021, HBCUs received \$1.3 billion in debt relief (forgiveness) from the Department of Education, an increase in annual appropriations and \$1.7 billion exclusively for HBCUs and minority-serving institutions. Similarly, in the American Rescue Plan, UNCF secured more than \$3 billion in set-aside funding for HBCUs and minority-serving institutions.

UNCF's public policy accomplishment reflects the organization's commitment to HBCUs and the students they serve. Congress has historically ignored HBCUs in these type of large-relief packages enacted over the last 12 months. UNCF wanted to ensure that Congress considered the interests of HBCUs when making important policy decisions. Starting in 2018, UNCF began a new strategy for working with Congress, built on data detailing the annual economic impact that HBCUs have on national and regional economies and developed a closer working relationship with members of Congress on both sides of the aisle. As a result of this effort, UNCF was able to influence the process and secure much needed resources and relief for HBCUs and other minority-serving institutions.

UNCF worked to ensure that Congress included funding for HBCUs and other minority-serving institutions as they faced unique challenges brought on by COVID-19, as well as other long-standing inequities.



Although HBCUs play a critical role in providing African Americans access to high-quality education, they continue to confront fiscal challenges because of a long history of federal and state underinvestment.



2021-2022 UNCF Public Policy Priorities

Help African American Students Affected by COVID-19

As policymakers continue to address the negative impact that COVID-19 has had on all universities, unique attention should be paid to the needs of HBCUs. HBCUs have been traditionally underfunded and COVID-19 has had a disproportionately negative impact on the students they serve. In addition to chronic underfunding, HBCUs and their student populations are comprised of a significant number of individuals who come from economically underserved backgrounds and are the first in their family to go to college. When confronted with unprecedented challenges like a pandemic and distance learning, these students are put at a disadvantage.

- **Provide Resources for Student and Faculty Vaccinations.** Based on the latest CDC data, African Americans lag far behind in receiving COVID-19 vaccinations, and many institutions of higher learning may require students to have them in order to return to campus. Additional steps should be taken to partner with HBCUs and other minority-serving institutions to ensure that their students have access to the COVID-19 vaccines.
- **Provide Additional Funding to Students Most in Need.** COVID-19 is having a disproportionate impact on students of color and first generational scholars. Some of these students are balancing their school responsibilities with the need to work full time to help support their family while they are at home. Some professors are reporting that their students are virtually attending class while on work breaks or on their way home from work. Some students have to travel to other locations to have high-speed internet and complete their assignments.

This dynamic poses immediate challenges for the students and faculty as they work together to facilitate a high-quality education experience. HBCU students need additional resources and funding to help offset the negative financial impact that COVID-19 has had on their families.

Sustain and Invest in HBCUs

Although HBCUs play a critical role in providing African Americans access to high-quality education, they continue to confront fiscal challenges because of a long history of federal and state underinvestment. HBCUs are engines of opportunity and produce a disproportionate high share of the African American graduates our nation needs to win in the global economy. HBCUs represent three percent of all public and non-profit private colleges and universities, but enroll 10 percent of African American undergraduates, graduate 17 percent of all African Americans with bachelor's degrees, and produce 24 percent of African Americans with degrees in STEM fields.¹ Moreover their graduates make up 80 percent of Black judges and 50 percent of Black lawyers and doctors. Despite HBCUs' vital role in educating African Americans, the long history of underinvestment by the federal government obstructs these institutions' progress.

HBCUs serve a population that is more than 70 percent Pell Grant-eligible and, as a result, their operating budgets remain tight, endowments are limited and infrastructure needs are great. Constrained resources challenge HBCUs' ability to innovate and evolve in response to changing higher education needs and demands—something better-funded institutions have retained the capacity to do and, therefore, take for granted.



While UNCF is doing its part to generate greater private investment to HBCUs, the promise of strong federal investment in these under-resourced institutions has yet to be realized. HBCU programs authorized by Title III of the Higher Education Act (HEA) are intended to be the foundation of federal institutional support to HBCUs, but they have not yet been fully funded. A 10-year, \$1.7 billion federal investment over fiscal year (FY) 2019 baseline funding² is needed to fulfill the promise and enable HBCUs to provide academic and skills training, personalized counseling and

other supports that at-risk students require for college success. This investment also would help HBCUs grow woefully small endowments for long-term sustainability, upgrade technology and facilities, and innovate for the future.

With adequate resources, HBCUs can help close the widening disparity in college completion for low-income, first-generation and minority students. The result would generate higher African American employment, greater earnings and increased revenues for the economy.



To respond to these challenges, UNCF will support policies that:

■ **Coordinate strong federal government response for HBCUs.** On February 28, 2017, President Donald Trump signed Executive Order 13779, the White House Initiative to Promote Excellence and Innovation at Historically Black Colleges and Universities. The order established the White House Initiative on HBCUs in the Office of the President rather than in the Department of Education. Although critically important, the HBCU Executive Order is only the first step toward providing “equitable opportunities for HBCUs to participate in federal programs”—a key goal of the order.

On January 26, 2021, President Joseph Biden said that properly funding HBCUs was a necessary step toward racial equity. However, without strong federal investments, the commitment to HBCUs and the rebuilding of African American communities will go unfulfilled. President Biden should fully implement all aspects of Executive Order 13779 and ensure that all recommendations provided by the President’s Board of Advisors on HBCUs are considered and implemented.

■ **Fully fund the Title III HBCU discretionary programs.** Provide a minimum annual investment of federal discretionary funds for HBCU operating support (\$375 million), graduate programs (\$125 million), endowment-challenge grants (\$220 million) and capital financing loans (\$600 million) as authorized under Title III of the HEA.

■ **Expand the Title III HBCU mandatory program.** The FUTURE Act, signed into law in December 2019, provides annual, mandatory appropriations of \$85 million for STEM programs at HBCUs in perpetuity. As HBCUs grow their STEM programs and produce the diversity needed to fill the jobs of the future, this mandatory funding level should grow.

■ **Invest in HBCU infrastructure.** Include HBCUs in the multi-trillion-dollar “Build Back Better” national infrastructure program by implementing the “Centers of Excellence” proposal, which invests in the physical as well as personnel infrastructure of HBCUs as it pertains to STEM. Also, any infrastructure proposal should provide grants and tax incentives through a national infrastructure bank and/or the U.S. departments of Agriculture, Commerce, Education, Housing and Urban Development, Interior and Treasury. Increase federal support to repair, renovate, construct and acquire HBCU facilities and technology, including the rehabilitation of more than 700 HBCU buildings on the National Register of Historic Places.

■ UNCF’s HBCU infrastructure priorities include:

- **Save historic structures on HBCU campuses.** Reauthorize the Historic Preservation Fund at the U.S. Department of Interior and provide annual appropriations of \$50 million to allow HBCUs to rehabilitate historically significant campus structures on the National Register of Historic Places. The program must authorize higher funding levels per project, as the current \$500,000 no longer keeps up with current costs for historic preservation and/or construction.

- **Restore the HBCU Grant Program.** Provide \$75 million for the HBCU Grant Program at the U.S. Department of Housing and Urban Development to support HBCUs' efforts to partner with their communities on economic development and community revitalization.
- **Include HBCUs in a national infrastructure bank.** Ensure that the construction and renovation needs of HCBUs are included in any enactment of a national infrastructure bank.
- **Provide tax incentives for HBCU bonds.** Authorize triple tax-exempt status (local, state and federal tax exemptions) for bonds issued by HBCUs, which would increase the pool of potential investors and lower prices for these bonds. H.R. 1080, the HBCU Investment Expansion Act from the 115th Congress, serves as a model.
- **Fund the Minority Serving Institution Digital and Wireless Technology Opportunity Program.** COVID-19 has exposed the digital divide in our nation. The pandemic has made digital learning more necessary than ever before for HBCUs and African American students, who have less access to broadband and devices necessary to conduct their studies. It is necessary to fund support grants and contracts to HBCUs and minority-serving institutions so that they acquire and augment digital and wireless networking technologies to improve the quality and delivery of educational services.

■ **Fund new HBCU centers of innovation for national needs.** Provide new federal venture capital so that HBCUs can experiment, pilot, evaluate and scale up best practices and drive new innovations on their campuses—especially in areas of national need such as college success, teacher diversity and STEM. An HBCU innovation fund (as envisioned in H.R. 4857, the HBCU Innovation Fund Act introduced in the 114th Congress) would empower HBCUs to expand their footprint as important engines of innovation with:

- **STEM.** HBCUs are disproportionately successful at educating African Americans in STEM fields and can serve as best-practice models for other colleges and universities to further drive participation of African Americans in the STEM workforce. HBCU centers of innovation in STEM could expand innovative models, networks, partnerships and research in order to develop a more diverse science and engineering workforce.



- **College success initiatives.** HBCU centers of innovation for college success could provide institutions with the financial means and flexibility to test new approaches to enhance student completion and workforce outcomes. These approaches include pathway initiatives, co-requisite remediation, accelerated degree programs, technology-enhanced delivery models and competency-based education. The UNCF Career Pathways Initiative offers a best-practice model for preparing HBCU graduates to immediately and seamlessly enter the workforce through stronger connections (e.g. mentoring, internships, experiential learning) with businesses and industries.
- **Teacher diversity.** HBCU centers of innovation for teacher diversity could accelerate the education and training of effective minority teachers through traditional and nontraditional training programs. Improving teacher racial diversity could provide significant benefits to all students, especially African Americans. Although students of color are expected to comprise 56 percent of the student population by 2024, teachers of color comprise only 18 percent of the current teaching workforce (African American teachers are only seven percent).³
- **Social justice.** HBCU centers of innovation for social justice can research, develop and model solutions to some of today's most persistent social issues. HBCUs have promoted social disruptions that address systemic racism and oppressions that our scholars have faced dating back to the institutions' inception. HBCU students disproportionately navigate the challenges of poverty, inadequate healthcare, mass incarceration and low-performing elementary and secondary schools. Many HBCUs also are located in areas that are historically underserved and economically depressed. Thus, HBCUs are uniquely situated to study and address these issues with real-time impact and first-hand knowledge of the problem.



Reform Student Financial Aid

To make postsecondary education a reality for low-income and minority students, the federal government must commit to providing easier access to student financial aid and to covering a meaningful portion of the cost of postsecondary attendance with grants and work-study, rather than loans.

Students and families are denied access to the resources they need due to the complexity of the federal financial aid system. The Free Application for Federal Student Assistance (FAFSA) is the gateway to federal financial aid for college students and often for state and institutional aid. However, students still believe the FAFSA is too complicated, and 27 percent of African American students did not complete a FAFSA because they or their family did not have enough information about how to do so.⁴

Moreover, federal financial assistance targeted to low-income students has not kept pace with the need. **The Pell Grant Program is the single largest source of federal scholarships for students who lack the financial means to pay for college, with more than seven million students receiving these funds⁵, including 70 percent of the students enrolled at HBCUs.⁶**

Nonetheless, the maximum Pell Grant covers only 60 percent of the average public four-year tuition and fees, and 17 percent at private non-profit, four-year institutions in 2018-19.⁷

In addition, federal college assistance to students through federal, campus-based student aid programs has declined in real terms. Between 2007-2008 and 2017-2018, federal support for Supplemental Educational

Opportunity Grants declined by 19 percent, Federal College Work-Study by 16 percent and Perkins Loans by 51 percent after accounting for inflation. These valuable programs support school choice, fill in financial gaps after students reach federal student loan limits, leverage additional funds for financially needy students through institutional matching requirements, provide career-enhancing employment skills to low-income students, and reduce the amount of debt that low-income students incur.

Even as the real value of financial aid declines, federal education loans will remain a critical component of college financing for many low-income students. However, much more could be done to make loan repayments more manageable through a reduction of borrowing cost, a streamlining of the nine repayment plans and a simplification of the eligibility guidelines for repayment options.

The student loan burden is particularly heavy for African American students. A UNCF report, *Fewer Resources, More Debt*, examines the rates, amounts and distribution of student loan debt among HBCU students relative to their non-HBCU peers. The report focused on undergraduates attending four-year public and private non-profit institutions. Despite attending lower-cost institutions, HBCU students borrow loans at greater rates, borrow greater amounts, seek loans from more costly sources and encounter more obstacles to repaying their loans. For instance, based on the latest available data, a quarter of HBCU bachelor's degree recipients borrowed \$40,000 or more, which is four times the number of their non-HBCU peers who borrowed the same amount.

To make postsecondary education a reality for low-income and minority students, the federal government must commit to providing easier access to student financial aid and to covering a meaningful portion of the cost of postsecondary attendance with grants and work-study, rather than loans.



Doubling Pell Grants is an accomplishable goal as this priority aligns with President Biden's campaign promise.



To respond to these challenges, UNCF will support policies that:

Double Pell Grants and modify this important program for education accessibility.

Make the Pell Grant Program a true entitlement program that guarantees significant aid to all students who qualify, covers a greater share of college costs, and provides flexible assistance to young and older adult learners. Doubling Pell Grants is an accomplishable goal as this priority aligns with President Biden's campaign promise. Moreover, Congress has shown its willingness to make necessary investments in education as it has twice doubled the amount of revenue for the National Institutes of Health (NIH). This same type of commitment can be made to assist students who show an aptitude for higher education, but need more assistance. This route to help students from lower socioeconomic backgrounds is a faster, less complicated avenue compared to various free college programs, and it also does not discriminate between public and private institutions. Congress should also protect Pell Grant reserve funds that have accumulated in recent years and re-invest these resources into enhanced assistance for low-income students.

Needed Pell Grant Program improvements include:

- Doubling and significantly increasing the Pell Grant award to decrease the reliance on federal student loans for low-income students, eventually allowing the neediest of students to obtain a four-year degree debt-free
- Raising the family income level to at least match 150 percent of the poverty level, as determined by the criteria of poverty established by the Bureau of the Census. This way, students automatically qualify for the maximum Pell Grant award
- Allowing students receiving means-tested federal benefits to automatically qualify for the maximum Pell Grant award
- Modernizing the Pell Grant Program to include incentives for on-time completion, such as providing support for dual-enrollment programs, offering extra Pell funds for students who take 15 credits instead of 12 credits per semester, and incorporating flexibility for students to use Pell funds across award years
- Instituting Pell Grants to provide educational opportunities for incarcerated individuals now that the ban on second-chance Pell Grants has officially been lifted

Ensure that HBCUs are included in tuition-free proposals. Support college proposals that significantly reduce or eliminate tuition for HBCU students, whether they attend a private or public institution, by authorizing tuition-assistance grants to HBCUs. Support college proposals that target low-income students and offer additional academic assistance, mentoring, internships and non-financial support that help them succeed.



■ **Continue to simplify and streamline the federal student aid process.** UNCF has been at the forefront of the movement to simplify the FAFSA. However, more must be done to remove barriers for low-income students and students of color wishing to attend college. Make permanent the use of “prior-prior” year income tax data so that families can determine their federal financial aid eligibility earlier and more easily. Excessive income verification procedures should be eliminated as they disproportionately affect HBCU and minority-serving institution students. Access to federal student aid for low-income students should be increased.

■ **Invest in campus-based student aid programs.** Funding for Supplemental Educational Opportunity Grants (SEOG), the Federal Work-Study Program and Perkins Loans should increase. Improve how these campus-based programs allocate funds to colleges in order to better target assistance to low-income students.

■ **Properly institute the Public Service Loan Forgiveness Program.** This program has not been properly implemented since its inception. The Department of Education should ensure the program works for those providing a public good, such as teachers, first responders and those improving society daily through public-sector and non-profit work. Those improvements should include a streamlined, easy-to-understand application, as well as funds to advertise the program to those who meet the requirements.

■ **Enhance financial aid counseling.** Require that students and parents undergo financial aid counseling before accepting the terms and conditions for undergraduate and graduate subsidized loans and Parent PLUS loans. Require institutions to conduct annual loan counseling for students and make the terms and conditions easier for students and families to understand.

■ **Make student and parent education loans less costly.** Reduce federal student and parent loan interest rates and eliminate origination fees, and retain loan interest subsidies for low-income students, all of which make borrowing for a college education more affordable. Grant institutions greater flexibility and discretion to limit student borrowing for students and parents based on objective criteria such as program of study with an option for students to appeal such decision if necessary.

■ **Make student and parent education loans easier to repay.** Streamline the complex array of federal student loan repayment options—which few students understand and can navigate. Make income-based loan repayment automatic and universal for all borrowers (including parent borrowers) with flexible options for borrowers who wish to pay off their loan debt faster. Allow borrowers of federal education loans to more easily refinance loans at lower rates, without penalty or loss of credit towards forgiveness; improve the public service loan forgiveness program; and make all federal loan forgiveness tax-free.

■ **Mandate greater accountability for loan servicers.** Mandate that servicing contracts include provisions that servicers have a duty to borrowers, as well as the Department of Education (Department) and require the Department to better streamline communications with loan servicers in a manner that is consistent and timely across multiple platforms. Require the Department to actively work with state entities to ensure servicers follow all state and federal laws and regulations.

Congress has shown its willingness to make necessary investments in education as it has twice doubled the amount of revenue for the National Institutes of Health (NIH).



Support College Readiness

UNCF's research shows that African American families from all socioeconomic backgrounds aspire to send their children to college, but college readiness continues to challenge this community. A UNCF survey revealed that nearly 80 percent of low-income African American parents believe it is important for their children to attend and graduate from college.⁹ This survey underscores African Americans' belief in quality higher education. However, the ACT found that just 6 percent of African American students who graduate from high school are college-ready across the core subjects of English, reading, mathematics and science.¹⁰ The lack of college readiness—along with other systemic and

programmatic barriers—helps to explain the gap between White and Black attainment of bachelor's degrees, 40 percent and 26 percent¹¹ respectively.

The Every Student Succeeds Act (ESSA), which updated the Elementary and Secondary Education Act, addresses this achievement gap by changing the focus of federal investment in K-12 education. The law accomplishes this by providing state governments and local school districts with more flexibility to close the achievement gap through state-specific responses. However, it will require federal vigilance and state commitment to increase preparation and readiness for college, especially for African American students.

A UNCF survey revealed that nearly 80 percent of low-income African American parents believe it is important for their children to attend and graduate from college.



To respond to these challenges, UNCF will support policies that:

■ **Improve the college readiness of African American students.** Support federal and state efforts to adopt and use rigorous college- and career-ready academic standards and promote strong public schools, including charter schools, magnet schools and themed schools, in African American communities.

- Support implementation of ESSA's systems of state, district and school accountability for student achievement
- Close the achievement gaps between vulnerable children and their more advantaged peers
- Promote meaningful parental engagement in school reform to facilitate the closing of achievement gaps
- Target increased federal dollars for K-12 through programs that are focused on historically underserved students and schools
- Encourage dual-enrollment and early-college high school programs to create more seamless college pathways for low-income students

■ **Provide early and personalized college advising that includes financial aid information.** Advance earlier, better and more personalized college advice for low-income students and students of color in middle and high school so that they can make college choices that put them on the track to employment and financial success. Such advice should include counseling and information about federal financial aid eligibility and repayment options so that students can make informed decisions on how to pay for college.

■ **Improve the professional development of teachers.** Ensure that teachers have the proper education and training to perform their duties and provide students with a quality education by restoring the Honorable Augustus F. Hawkins Centers of Excellence Program in Title II of the Higher Education Act of 1965. Students deserve teachers who are current with state certification and licensure requirements, and teachers deserve a rigorous program that will lead to their success in the classroom.



Make Colleges Accountable

UNCF-member institutions are accountable to:

- The federal government for the proper expenditure of federal appropriations and administration of federal student aid
- Their accrediting agencies to ensure that instructional programs, resources and policies are fulfilling institutional missions
- Their governing boards for oversight of their mission, education programs and the efficient allocation of institutional resources
- The students and families who select their institutions to meet their educational aspirations

There must be a greater return on investment on the more than \$100 billion that the federal government annually invests in student financial assistance.

UNCF and its 37-member institutions recognize that federal policymakers and the American public want a return on their investment and a bigger bang for their buck from the resources that taxpayers provide for postsecondary education. At a time when education is viewed as a consumer product and there are significant federal budget constraints, there must be a greater return on investment on the more than \$100 billion that the federal government annually invests in student financial assistance. The federal government must work with HBCUs, other colleges, states and accrediting organizations to provide families with meaningful information about college costs and value, without undermining college access and success for the nation's most vulnerable populations.

To respond to these challenges, UNCF will support policies that:

■ **Improve federal higher education data to increase transparency and accuracy.** Improve the Integrated Postsecondary Education Data System (IPEDS) maintained by the National Center for Education Statistics to capture better information on today's college students—the vast majority (roughly 88 percent) of whom are excluded from IPEDS because they are not first-time, full-time students.¹² There is growing consensus that current methods of calculating some important postsecondary indicators, such as graduation rates, are flawed because they do not sufficiently reflect the nontraditional characteristics of today's 21st-century students and their mobility across institutions. These issues are important because measuring the effectiveness of colleges and universities at preparing and graduating students provides policymakers with an accurate picture of each institution's outcomes.

■ **Judge colleges on the value they produce for their students and account for the degree of difficulty that institutions face.** Use college metrics that are accurate, fair and appropriate measures of access, affordability and value to evaluate more than 4,000 diverse, degree-granting institutions of higher education. Metrics should be risk-adjusted to account for differences in institutional missions, resources and student populations to reliably measure the value added by colleges and universities. This way, the degree of difficulty that HBCUs and other institutions face in educating significant numbers of academically and economically disadvantaged students is taken into consideration.

■ **Prioritize an incentives-based approach, rather than punitive fines, to higher education accountability.** Support college accountability proposals that reward institutions like HBCUs that enroll primarily academically and financially disadvantaged students. Support multiple indicators of college success that measure progress based on institutional growth relative to current performance. Oppose institutional risk-sharing proposals, which could require financially strapped HBCUs to share in the cost of federal student loans not repaid and incentivize colleges and universities to turn away at-risk students who face the greatest challenges of completing college.



The federal government must work with HBCUs, other colleges, states and accrediting organizations to provide families with meaningful information about college costs and value.

Higher education tax expenditures can be dramatically improved to provide more assistance to low-income families working to fill college financial aid gaps.

Provide Higher Education Tax Incentives

UNCF believes that the tax code should recognize higher education as an investment in human capital that has important societal benefits, and should encourage higher education participation through appropriate incentives. Current postsecondary tax benefits help students and families by providing incentives to save for college through college savings accounts, the American Opportunity Tax Credit (AOTC), student loan interest deductions and other provisions.

However, current higher education tax benefits are complicated and mainly provide an after-the-fact benefit to high-income households. The benefits have limited impact on increasing college attendance for low-income students because there are relatively few benefits from

tax subsidies. Federal tax benefits for higher education are estimated to total more than \$27 billion in FY 2019¹³, falling short of the \$29.96 billion available for Pell Grants in FY 2019.¹⁴ Tax benefits for the AOTC and Lifetime Learning Credit (LLC) alone are estimated at \$19 billion in FY 2019.¹⁵

Higher education tax expenditures can be dramatically improved to provide more assistance to low-income families working to fill college financial aid gaps. A simplified and improved set of tax benefits focused on low- and moderate-income families will maximize the impact of these resources so financially needy students can borrow less, work less and increase their chances of earning college credentials.



To respond to these challenges, UNCF will support policies that:

■ Target higher education tax benefits to low-income students and families.

Reform the AOTC and LLC to expand aid to low- and middle-income families and remove obstacles to claiming education-related tax credits. Allow students to combine Pell Grants and AOTC to address unmet financial need. Ensure that low-income students fully benefit from Pell Grants by excluding all Pell Grant funds from taxable income, as provided for in the bipartisan H.R. 3581, the Pell Grant Flexibility Act, introduced in the 115th Congress.

■ Create college savings accounts for low-income students. Reform the AOTC to support contributions to college savings accounts, as well as other innovations to help low-income families accumulate college savings. Experience with the UNCF College Account Program—the college savings account program piloted by UNCF and the Knowledge Is Power Program (KIPP) and underwritten by Citi Foundation—suggests that a student with a college savings account is better prepared for and more likely to attend college than a student without one.





Advocate for Criminal Justice Reform

As the second largest provider of private scholarships in the country (and the largest provider of private scholarships for students of color), UNCF is deeply concerned about mass incarceration's chilling effect on access to higher education and the stability of the African American community. Mass incarceration is one of the most prevalent racial justice issues of our time and touches every sphere of life and the well-being of all. While 13 percent of the U.S. population is Black, 40 percent of the country's prison population is Black.¹⁶

A recent report estimated that nearly one in every two people has an immediate family member who has been incarcerated—and the numbers are higher for Blacks.¹⁷ Data from the Bureau of Justice Statistics show that most incarcerated people have low income and little access to quality education or jobs prior to their incarceration, compared to peers who are not incarcerated.¹⁸ More than half have only a high school diploma or equivalent, and only nine percent complete a postsecondary credential while incarcerated.¹⁹

Parents with minor children make up more than 50 percent of the incarcerated population.²⁰ These children are more likely to experience poverty and mental health issues, and are most likely to drop out of school and engage in drug use or criminal activity. Those without a college education are locked out of our economy, as 65 percent of all jobs require some form of postsecondary education.²¹ This creates a cycle of poverty and incarceration for the communities HBCUs serve. Four of the top five states in the United States with the highest incarceration rates (Louisiana, Georgia, Texas and Mississippi) are states where HBCUs have a strong presence and the opportunity to effect change.

HBCUs have been engines of social justice and economic opportunity since their inception. Postsecondary education is essential to economic stability, especially for those with a criminal history. Mass incarceration greatly impacts HBCUs' ability to provide African Americans with quality education. Although access to education has been shown to greatly reduce recidivism²², individuals with criminal records are often banned from receiving federal financial aid, almost guaranteeing that most of them enter correctional institutions with limited education and leave with the same level. If this barrier is lifted, HBCUs can better provide a high-quality, affordable and supportive

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educational option that will lift low-income students and families out of poverty and shift the life trajectory of justice-involved individuals.

More can be done to ensure that justice-involved individuals gain access to postsecondary education.²³ UNCF recognizes that policies

at both the state and federal levels led us to the current state of mass incarceration and that these policies often represent the most significant barriers to success. The 1994 crime bill (which repealed Pell eligibility for individuals incarcerated in state and federal correctional institutions) is just one example of a barrier.



To respond to these challenges, UNCF will support policies that:

■ **Ensure justice-involved individuals have meaningful access to higher education.** Repeal the ban on Pell grants for incarcerated individuals. Remove question 23 from the FAFSA and eliminate drug convictions as a possible impediment to receiving federal student aid. Provide dedicated assistance to incarcerated individuals seeking to navigate the federal aid process, including loan servicing and default management help for those who borrowed prior to incarceration.

■ **Ensure HBCUs have the resources and infrastructure needed to provide education services to justice-involved individuals and communities impacted by mass incarceration.** Provide HBCUs with resources and technical assistance to create and manage correctional education programs. Incentivize states and correctional institutions to work with HBCUs to provide programming. Provide HBCUs with grant aid to support students who have been impacted by mass incarceration both directly and indirectly.





UNCF—Investing in Better Futures

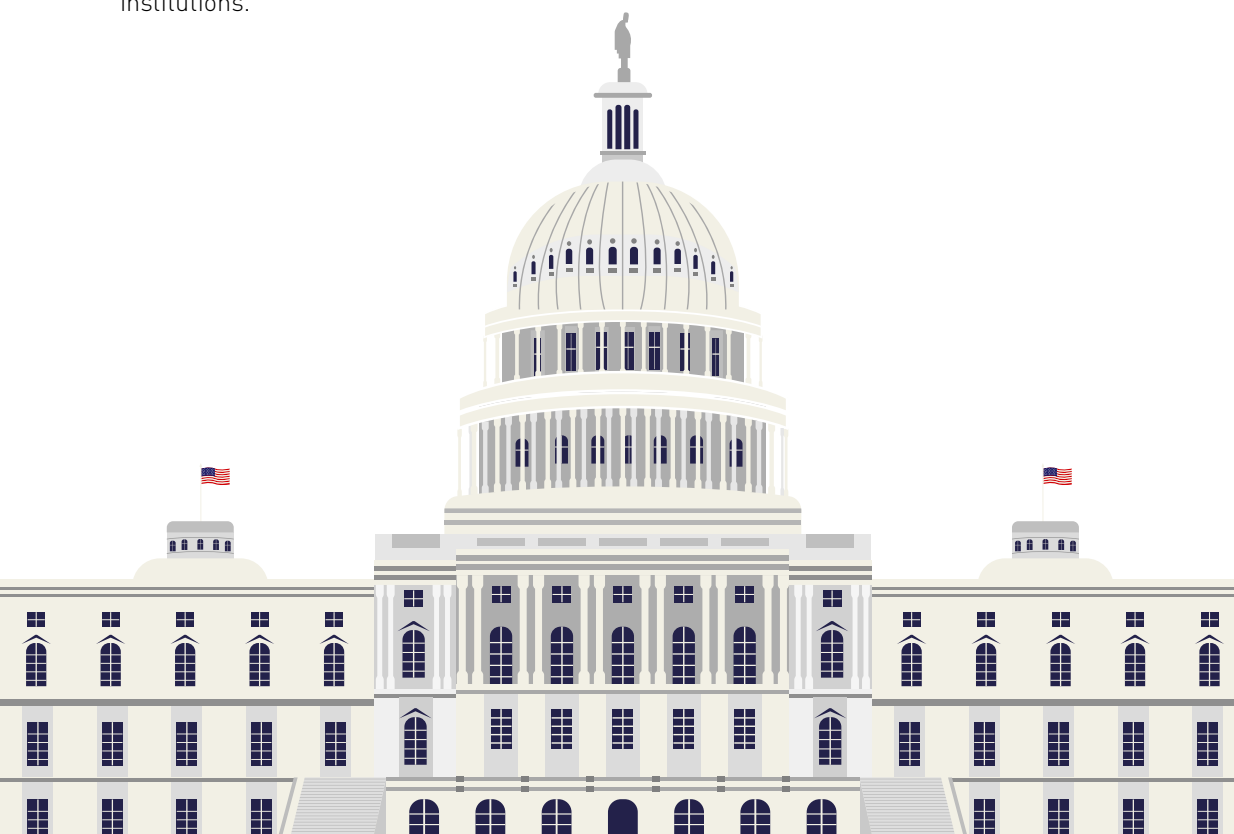
In 1943, Dr. Frederick D. Patterson, then president of Tuskegee Institute (now Tuskegee University) wrote an open letter in the *Pittsburgh Courier* to the presidents of other private Black colleges urging them to “pool their small monies and make a united appeal to the national conscience.” His idea took root, and on April 25, 1944, the United Negro College Fund was incorporated with 27 colleges that had a combined enrollment of 14,000 students.

UNCF has grown to become the nation’s oldest and most successful African American higher education assistance organization, with 37 private, accredited, four-year HBCU member institutions. Today, UNCF is investing in Better Futures® for students and for the country by increasing opportunities for higher education, by fundraising and providing financial assistance to deserving students, and by supplying technical assistance and operating funds to member institutions.

During its 73-year existence, UNCF has raised more than \$4.7 billion to provide scholarships and support to students at member HBCUs and other institutions. Each year, in addition to supporting the education of more than 50,000 students at its member institutions, UNCF awards scholarships and internships to more than 10,000 students at 1,100 colleges and universities nationwide. More than 445,000 students have earned college degrees thanks to UNCF support.

UNCF makes the case in Washington, D.C., and around the country about the importance of a college education and a college degree. The organization advocates for every child’s right to a strong K-12 education, and for diversity and equality in education at every level. Through its Public Policy and Government Affairs Department, UNCF provides leadership as the voice of HBCUs and minority students before the White House, federal agencies and Congress on education policy and student and institutional aid.

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HBCUs—Their Value Proposition

Historically Black colleges and universities 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 satisfies the statutory definition of the term “HBCU.” Title III of the HEA, as amended, defines HBCUs as:

- Institutions whose principal missions were, and are, the education of Black Americans
- Institutions that are accredited by a nationally recognized accrediting agency or association
- Institutions that were established prior to 1964 (to coincide with the enactment of the Civil Rights Act of 1964)

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 2016:

- Nearly 300,000 students attended HBCUs, including more than 50,000 students at UNCF-member institutions



- More than 80 percent of HBCU students were African Americans
- 70 percent of all students at HBCUs received federal Pell Grants, and 78 percent of these students received federal loans²⁴

In many ways, HBCUs are a best buy for students and the nation. Since 1984, HBCUs have produced more than 1.2 million associate, bachelor's, master's, doctoral and professional degree holders.

In 2014, HBCUs comprised three percent of all two- and four-year non-profit colleges and universities, yet they:

- Enrolled 10 percent of African American undergraduates
- Produced 17 percent of all African American college graduates with bachelor's degrees
- Graduated 24 percent of African Americans with bachelor's degrees in STEM fields²⁵

A 2015 Gallup survey confirms that African American students at HBCUs are provided a better college experience than African American students at other colleges and universities. Fifty-five percent of African American HBCU graduates say their college prepared them well for post-college life versus 29 percent of African American graduates of other institutions.²⁶

HBCUs attained these results at an affordable price for students. The cost of attendance at HBCUs is about 30 percent lower, on average, than other colleges—despite limited operating budgets and endowments that are roughly half the typical size of other four-year public and private non-profit colleges and universities.²⁷

At a time when college degrees are more essential and yet more expensive than ever, HBCUs are leading the way to help ensure that students obtain the postsecondary education and workforce skills that they need to be successful in today's economy.



UNCF-Member Institutions

Allen University, Columbia, SC
Benedict College, Columbia, SC
Bennett College, Greensboro, NC
Bethune-Cookman University,
Daytona Beach, FL
Claflin University, Orangeburg, SC
Clark Atlanta University, Atlanta, GA
Dillard University, New Orleans, LA
Edward Waters College, Jacksonville, FL
Fisk University, Nashville, TN
Florida Memorial University, Miami, FL
Huston-Tillotson University, Austin, TX
Interdenominational Theological Center,
Atlanta, GA
Jarvis Christian College, Hawkins, TX
Johnson C. Smith University, Charlotte, NC
Lane College, Jackson, TN
LeMoyne-Owen College, Memphis, TN
Livingstone College, Salisbury, NC
Miles College, Fairfield, AL

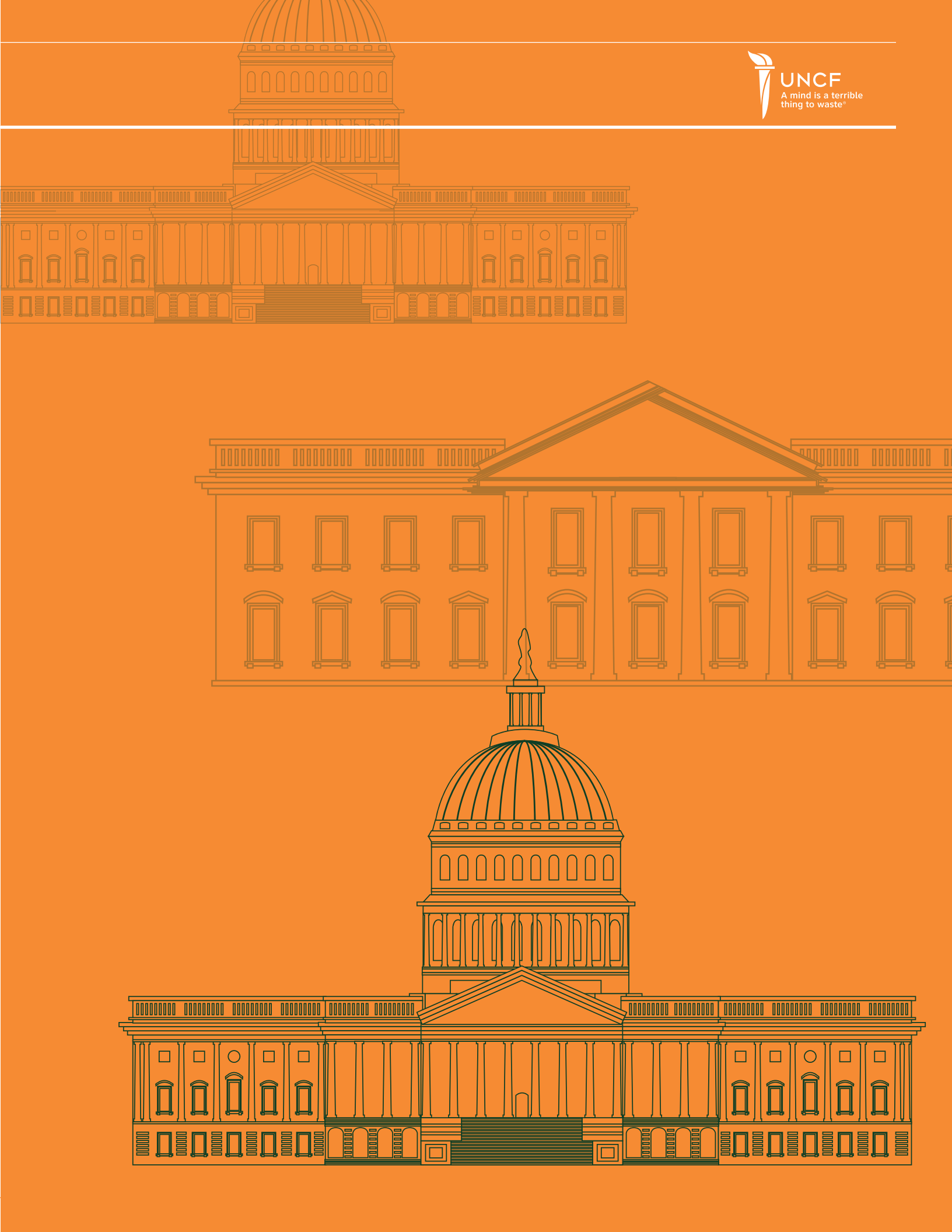
Morehouse College, Atlanta, GA
Morris College, Sumter, SC
Oakwood University, Huntsville, AL
Paine College, Augusta, GA
Philander Smith College, Little Rock, AR
Rust College, Holly Springs, MS
Saint Augustine's University, Raleigh, NC
Shaw University, Raleigh, NC
Spelman College, Atlanta, GA
Stillman College, Tuscaloosa, AL
Talladega College, Talladega, AL
Texas College, Tyler, TX
Tougaloo College, Tougaloo, MS
Tuskegee University, Tuskegee, AL
Virginia Union University, Richmond, VA
Voorhees College, Denmark, SC
Wilberforce University, Wilberforce, OH
Wiley College, Marshall, TX
Xavier University of Louisiana, New Orleans, LA

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Endnotes

- ¹ UNCF Patterson calculations using U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System.
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