



**Herman Felton, Jr., J.D., Ph.D.
President & CEO**

Wiley College in Marshall, Texas

Subject: Funding and National Benefits of Historically Black Colleges and Universities (HBCUs)

Good afternoon Chair DeLauro; Ranking Member Cole; Full Committee Chair Lowey; and a special greeting to Rep. Lee, who visited our institution just last year. My name is Dr. Herman Felton. I am the 17th President and CEO of Wiley College in Marshall, Texas. Wiley is a Historically Black College (HBCU) in the proudest tradition. You may recall us from the movie, “The Great Debaters,” which only depicts a fraction of our rich history. Today, I will focus on the crucial funding needs and the national benefits of HBCUs, and I will implore the 116th Congress to fully fund the Department of Education’s “Strengthening HBCUs” discretionary program at \$375 million; reauthorize the same “Strengthening HBCUs” mandatory program this fiscal year; fund the HBCU Capital Finance Program, including its new deferment authority, at a total of at least \$40.6 million; double the Pell Grant and strengthen the Department of Education’s Second Chance Pell Pilot Program; and strengthen pipeline training programming at the Department of Health and Human Services.

We serve 1,100 students, mostly African American, 74% of whom are first-generation college students. About 98% are Pell Grant eligible and require some form of federal aid, including federal loans, to finance their education. This is Wiley College, and there are many other HBCUs with similar statistics. However, I state those facts proudly. They show you, in a snapshot, the resilient nature of this generation of African American students who find an HBCU education a necessity. They sought out a home at Wiley College, because an HBCU is a nurturing campus environment where a student is not just a number—they are a holistic person who can change the future. Our

administration, faculty, and staff utilize all the resources at their disposal to provide wrap-around services and an enriching academic experience so that our graduates can fulfill our motto and “Go Forth *INSPIRED*.”

Wiley—and similar HBCUs—serve a population that other prominent institutions serve only on their fringes. At our College, those students are central. Our students and graduates are much more “diverse” and a greater percentage tend to come from underserved backgrounds than you would find at other types of institutions, thus HBCU funding streams deserve federal investment. Why? Those young people matter. Education has the ability to level the playing field for our students and graduates and we propose the following programmatic funding levels.

The top funding request for HBCUs is \$375 million for the “Strengthening HBCUs” program at the Department of Education. This program holds particular importance in our community because an institution can use the funds up to 15 different ways, depending on that institution’s needs. How much each institution receives is based on a formula devised by the Department. Currently funded at \$282 million, all 100 accredited HBCUs compete for this pool of limited resources. Next month, our institutions will collectively graduate nearly 50,000 students. Based on the fact that our institutions provide so much of the diverse workforce that our country values, it is our collective view that Congress increase this important program to reflect the value of our graduates. We recommend appropriating \$375 million for the discretionary portion of the “Strengthening HBCUs” program.

Additionally, the same “Strengthening HBCUs” program has a mandatory funding source, which ends on September 30 of this year whether a full HEA reauthorization bill advances through this chamber or not. The mandatory “Strengthening HBCUs” program is focused solely on science,

technology, engineering, and mathematics (STEM) activity, and we know how much of a national priority STEM graduates are. This Congress must reauthorize that program in the coming months.

The second biggest priority of the HBCU community is the HBCU Capital Finance Program, and we recommend its total funding level is at least \$40.6 million, which should include no less than \$20 million for deferment to qualified, private HBCUs. When Congress authorized the HBCU Capital Finance program, it was a recognition that HBCUs—like African Americans in general—have a harder time accessing capital at reasonable terms than other institutions. Wiley, like other HBCUs, has taken advantage of the program to build new buildings and refinance existing debt. However, the economic downturn in 2008 and the crushing blow dealt by the administrative changes to Parent Plus Loans in 2010 left the HBCU community reeling. Prior to Parent Plus Loan changes, our institutions collectively enrolled 330,000 students. Following those administrative changes, changes implemented without the prior knowledge of our community, we collectively enrolled 290,000 students. A decline in student population by 40,000 significantly impacted tuition and revenue at HBCUs. The result is that our institutions faced difficulties meeting the terms and conditions of our HBCU Capital Finance loans. In the March 2018 and September 2018 spending bills, Congress inserted language which allowed 13 private HBCUs to defer those HBCU Capital Finance loans for a minimum of 3 years—but up to 6 years—while the principal and interest amounts were both frozen. This new deferment authority was a life preserver for Wiley and other private HBCUs. We will now have a reprieve of up to six fiscal years to emerge as a stronger institution before resuming the payments. Fiscal year (FY) 2020, which we are discussing, would be the third year of deferment for Wiley College. Please reinsert the exact same deferment-related bill text as was included in the September 2018 (FY 2019) spending bill in the FY 2020 spending bill with at least \$20 million for deferment for private HBCUs. This is level funding from last fiscal year.

Pell Grants used to be able to cover most college expenses for the neediest students. That purchasing power has dwindled considerably. I encourage this panel to do all it can to double the Pell Grant for the most underserved students, which will reduce student reliance on costly loans. Additionally, Wiley College is one of 64 institutions, three of which are HBCUs, participating in Education's Second Chance Pell pilot project. As the Government Accountability Office (GAO) recently noted, many institutions participating in this program are facing challenges. Determining Pell eligibility can be difficult when the candidate is incarcerated. Pilot sites have had to navigate both the federal student aid process and the state and federal penal systems with limited resources. For institutions like Wiley, allocating the necessary resources is perhaps the biggest obstacle. However, we have tightened our belts and made it work. Despite the difficulties, our Second Chance site currently serves 101 students, and we plan to graduate our first students soon. This program is merely an extension of the work that Wiley and all HBCUs have been doing since their inception. HBCUs were created to educate freed slaves and have always served the populations who have historically been most marginalized in this country.

While the Second Chance Pell pilot requires no action by this Subcommittee as it is disbursed through normal Title IV funds, we would like to see this program continue to grow and serve more students. We recommend additional funding for administrative costs.

Lastly, the programs at the Department of Health and Human Services which help HBCUs produce minority health professionals—housed at the Health Resources and Services Administration (HRSA)—should not just receive level funding, but rather an increase in FY 2020. It is time to invest in programs that help us increase the number of doctors and researchers, especially doctors and researchers of colors. To that end, the National Institutes of Health (NIH) should grant more funds to HBCUs. In 2011, the NIH's internally-funded Ginther study stated that NIH's peer review

system has implicit biases which allow fewer minorities—and even fewer African Americans—to receive the basic building blocks of support to begin a career in research. If NIH is to seriously increase the number of African American researchers, and if the agency acknowledges its own bias, then more of their budget should be invested in African American students through the institutions that serve them in large numbers: HBCUs. I also encourage this Subcommittee to take its oversight role seriously. Agencies, like NIH, will only prioritize HBCUs, researchers of color, African American researchers, and the needs of those communities if Congress shows they are, indeed, a priority.

To close my testimony, I will re-emphasize that HBCUs like Wiley College meet a national need: bright, capable graduates who tend to come from underserved backgrounds. However, the education they receive at institutions like Wiley enables them to become productive citizens who contribute to our country in numerous ways. The United Negro College Fund (UNCF), of which Wiley is a member, produced a report on the economic impact of HBCUs in November of 2017. UNCF found that one single graduating class of HBCU students will earn \$130 billion, collectively, over their lifetime. HBCUs, collectively, hire and fire like a Fortune 50 company. Moreover, our institutions together have an annual economic impact of \$15 billion. HBCUs like Wiley College do what no other type of institution does or attempts, and for that, we hope this panel will support us by implementing the funding requests made today. Thank you, and I am happy to answer any questions.