

**NAFEO Proposes Two Options for Enhancing America's College Promise Proposal to
Ensure Against Unintended Adverse Impacts on 4-Year HBCUs and PBIs
Please Let Us Know What You Think**

OPTION I. INCLUDE HBCUs and PBIs as Eligible Institutions Under ACP

As the Subcommittee on Labor, Health and Human Services, Education, and Related Agencies considers funding for Fiscal Year 2016, some have urged that they should consider including four-year Historically Black Colleges and Universities (HBCUs) and Predominately Black Institutions (PBIs) as qualifying institutions in the proposed America's College Promise (ACP) program.

ACP proposes to provide additional federal dollars to states that make key reforms that include strengthening the community college experience to move more students to completion, continuing to invest in community colleges, and making tuition at community colleges free. The federal dollars to the states would cover three quarters of the tuition, and the states would pay one quarter. Students who attend at least halftime, maintain a 2.5 GPA while in college, and demonstrate steady progress toward completing on time, would have the cost of their tuition covered. The projection is that ACP would move a minimum of 9 million low-income students from the margins of society into the mainstream of a higher educational institution in which they can prepare for career, career advancement, or 4-year college. This would be good for the targeted students, good for the economy, and the communities from which the students hail.

The benefits of the initiative to students are apparent. Forty percent (40%) of American college students are enrolled in community colleges. Fifty-one percent (51%) of African Americans in college are in a two-year institution. Students who are eligible for and receiving the maximum Pell Grant award may already be receiving "free community college tuition/fees" because the maximum Pell Award is currently \$5,730, but the major costs associated with attending a community college are cost of living expenses: housing, transportation, food, books, extra-learning opportunities, child care, healthcare, and the like. While the details of the proposal will ultimately be fleshed out among those in the Administration, Congress, the states, and policy shapers, the proposal would afford students an additional opportunity to cobble together the costs of attaining a two-year certificate or degree. It would move the nation closer to realizing its 2020 goal of 60% of Americans with a 2- or 4-year degree.

ACP might also apply to HBCUs and PBIs. HBCUs and PBIs are central to the realization of the nation's domestic, foreign policy, security, and global competitiveness goals. They are essential to our ability to reach the 2020 education goals of having 60% of Americans with a 2- or 4-year degree. HBCUs and PBIs play a central role in enabling diverse students to realize their educational goals at a lower cost, especially low-income, African-American, and first generation college students. These institutions are the access points for many students whose family and financial situations limit their ability to gain entrance into, persist, and graduate from more costly colleges. HBCUs and PBIs provide a culturally competent, psychologically supportive experiences for African Americans and for other diverse students, that is often not found at Historically White Colleges and Universities (HWCUs) for the growing student populations of the nation: low-income, first generation students, and students of color.

HBCUs and PBIs enroll in excess of 500,000 students in thirty-five states, the District of Columbia, and Virgin Islands. HBCUs alone, represent just 3% of colleges in the U.S. but enroll 12% of all black college students and graduate 23% of all black college graduates. Remarkably, this small group of colleges is the pathway for 42% of all blacks who receive advanced degrees in STEM, and 60% of all

engineering degrees earned by black students. HBCUs educate half of the country's black teachers in public schools across the nation, and 40% of all Black health professionals. HBCUs generally achieve these and other remarkable outcomes regarding student completion in growth and high need disciplines, with fewer resources than HWCUs. Nine of the top 10 feeder colleges for blacks who go on to receive a Ph.D. in Science or Engineering are HBCUs. Twenty-four percent of all PhDs earned each year by African Americans are conferred by HBCUs; 18 of the top 23 producers of African Americans who receive science related PhDs are HBCUs.

The America's College Promise program seeks to make two years of community or technical college tuition free for students from states that make significant reforms to their community college system, who attend school at least part-time, maintain a 2.5 grade point average or above and demonstrate sufficient progress toward completion of a degree. While this proposal is a great first step in making college more affordable for low-income and moderate-income students, it may also have the unintended effect of undermining HBCUs and PBIs that are already facing challenges to building resources and institutional wealth.

HBCUs and PBIs educate disproportionate percentages of low-income, Pell-eligible, students-- in excess of 70% on average. The average HBCU endowment is one-eighth the size of the average historically White college and university (HWCU), owing to a number of factors including the historic and contemporary under-investment in HBCUs by public and private sources. HBCUs and PBIs, accordingly, rely on student tuition as a primary source of funding. Although public funding to these institutions has increased in absolute terms over the past decade, an entrenched and intractable gap persists between public dollars invested in HBCUs and their HWCU counterparts. See, Gasman, Marybeth, *Comprehensive Funding Approaches for Historically Black Colleges and Universities: A Policy Brief* (University of Pennsylvania Graduate School of Education, 2013). The NSF reports, that six (6) of the top twenty (20) historically and predominantly white institutions receive more federal funds for research than seventy-nine (79) HBCUs combined.

The student populations of many HBCUs and PBIs are similar to those in the 2-year institutions targeted by America's College Promise. They are not only disproportionately low- and moderate-income students, they are also disproportionately graduates from low-performing high schools. They are those who would be most likely to take advantage of the America's College Promise program if they did not have the 90 4-year HBCUs and roughly 10 4-year PBIs as viable options, and a more direct root to attaining a 4-year degree.

As America's College Promise is currently proposed, for those planning to attain a 4-year degree at an HBCU or PBI, struggling with how to cover the costs, the allure of free tuition at a 2-year institution would most likely result in a decision to complete the first two years tuition free at a 2-year institution, and complete the last two at an HBCU or PBI. This would be troubling several reasons. The HBCUs and PBIs would lose at least two-years of tuition for those who opt this route to attaining a degree. The probability is, however, that many who anticipated completing a 4-year degree and availed themselves of the free tuition at a 2-year institution would never complete a four-year degree. The data suggest that when students who aspire to attain a 4-year degree begin their journey at a two-year college, they are much less likely to earn a bachelor's degree than those who began at a four-year institution. This is especially true for black students. As proposed, America's College Promise would likely reduce the number of qualified students in the base HBCU and PBI applicant pool. It would drain institutional resources from these institutions while erecting an unnecessary roadblock to student college completion.

Consideration should be given to including four-year HBCUs and PBIs in the America's College Promise program. That would be aligned with the spirit and intent of the initiative. It would create a seamless pipeline from 2-year institutions into and through HBCUs and PBIs and reduce the financial barrier for

low- and moderate-income students desirous of attaining a 4-year degree at an HBCU or PBI. It would incentivize those students who seek skills and certificates to become work-ready to do so, while not serving as a disincentive to students who aspire to attain a four-year degree from an HBCU or PBI from doing so. It would reduce the likelihood of losing to the 2-year system students who aspire to attain a 4-year degree, and prevent the likely loss of substantial financial resources from HBCUs and PBIs-- the institutions doing the lion's share of preparing the growing populations of our nation in high need disciplines. The proposed addition of HBCUs and PBIs to America's College Promise would support and greatly enhance the overall goals of America's College Promise.

OPTION II. Include as Eligible Institutions for ACP Community Colleges in Qualifying States as Well as Other Not-for-Profit Institutions that Enroll a Minimum of 40% FTE Pell Eligible Students.

PLEASE SHARE YOUR VIEWS WITH US ABOUT WAYS IN WHICH ACP MIGHT BE STRENGTHENED

(Julio, please ask you team member to include instructions for engaging in dialogue about this topic. Blog? Tweet?)