PUBLIC POLICY PRIORITIES FOR THE 114TH CONGRESS
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INTRODUCTION

With the start of the 114th Congress in January 2015, the U.S. Congress and the Obama administration have a unique opportunity to shape federal education policies of great importance to African Americans, their communities and the country for the next decade. America’s changing demographics mean that students increasingly are from more diverse backgrounds, and too many of these students lack the educational, social and financial advantages of other college-bound students.

The most critical federal education laws—the Elementary and Secondary Education Act, the Carl D. Perkins Career and Technical Education Act and the Higher Education Act—must be renewed and modernized to meet America’s need for more college graduates to compete in the 21st-century economy. This legislative convergence presents an unparalleled opportunity to synergize federal education policies and programs to make a quantum leap to help all students, and especially low-income students of color, to fulfill their educational and career aspirations. At the same time that the 114th Congress has this unprecedented opportunity, a budget-constrained environment will require commitment, creativity and courage to enact the solutions needed to ensure educational opportunity for all students.

UNCF will focus on a legislative agenda in the 114th Congress to address these challenges and accomplish our public policy goals to ensure that every high school graduate is college-ready and has the financial resources needed to complete a college credential. Over the next two years, UNCF will strive to make the voices of UNCF, our 37-member colleges and universities and the students who attend them heard at the highest levels of the federal government in pursuit of these legislative objectives.

Sincerely,

Michael L. Lomax, Ph.D.  Cheryl L. Smith  
President and CEO  Senior Vice President, Public Policy and Government Affairs  
UNCF  UNCF
Investing in College Access through Attainment for Low-income African American Students

The federal government must make a strong investment in the college readiness of low-income students of color and the financial resources they need to go to and through college. Our nation’s economic competitiveness depends on it. By 2020, nearly two-thirds of all jobs will require some form of post-secondary education and training, and employers are increasingly looking globally for the highly skilled employees needed to grow their businesses. Our nation’s changing economy and economic growth depend on matching and, indeed, exceeding the investments other countries are making in their citizens and colleges.

In 2012, at a time when college degrees are more essential than ever, only 23 percent of young African Americans between ages 25 and 29 had earned a college degree—about half the rate for white Americans. Even worse, the nation’s progress in boosting this percentage and closing college attainment inequities has slowed. Today, too many low-income African American students feel shut out of the college degree that they need and that the nation needs them to have due to academic, social, financial and other challenges.

The college aspirations of African American families are high; a substantial proportion (77 percent) of low-income, African American parents believe it is important for their children to attend and graduate from college. Nonetheless, only five percent of African American students are college-ready across all of the core subjects of English, mathematics, science and reading, based on ACT (formerly American College Testing service) standards. African American students who are not college-ready must spend valuable time and money taking remedial coursework and struggling in college, often in ways that they have never faced before, because of the low level of rigor in their K-12 experience.

Federal financial assistance targeted to low-income students has not kept pace with the need, however, and restrictions implemented since 2011 on federal grants and loans have further limited access to the resources these students have to pay for college. The Pell Grant program is the single largest source of federal scholarships for students who lack the financial means to pay for college; over 8 million students receive Pell Grants. Nonetheless, in the 2014-2015 school year, the maximum Pell award of $5,730 paid, on average, only 30 percent of the cost of attending a four-year public college and only 14 percent of the cost of attending a four-year private college—the lowest share in the history of the program. Over the past 10 years, federal aid available to students through the work-study and other campus-based student aid programs declined 37 percent in real terms. As a result, low-income students are twice as likely as other students to
rely on education loans—and incur larger amounts of debt—to earn their degrees. Finally, federal student financial aid requirements are overly complex, both for students and administrators, and create confusion and uncertainty, presenting additional hurdles for low-income students to overcome. All of these factors have impeded the nation’s progress in producing more college graduates of color.

Evidence on the benefits of a post-secondary education continues to grow. College graduates are employed more, earn more, save more, pay more in taxes and vote more than those without a college education. Their parents may live longer. Thus, it is critically important that the federal government does more to ensure that students who are underrepresented among the college educated are afforded the opportunity for these benefits.

**UNCF will support proposals to:**

- **Improve the college readiness of African American students.** Promote rigorous college and career-ready academic standards and strong public schools, including charter schools, in African American communities. Enhance state, district and school accountability for student achievement and closing achievement gaps between vulnerable children and their more advantaged peers. Promote meaningful parental engagement in school reform. Ensure that federal dollars for K-12 education are targeted to historically underserved students and schools.

- **Provide early and personalized college advising that includes financial aid information.** Advance earlier, better and more personalized college advising for low-income students and students of color in middle and high school so that students can make college choices that fit their needs. Such advising should include counseling and information about federal financial aid eligibility and repayment options so that students can make informed choices about how to pay for college.

- **Simplify and streamline the federal student aid application and programs.** Simplify the Free Application for Federal Student Assistance and streamline federal student aid programs—the complexity of which has become a barrier to boosting college attendance for low-income students and students of color. Utilize “prior-prior” year income tax data so that families can determine their federal financial aid eligibility earlier and easier.

- **Invest in and modernize Pell Grants.** Make the federal Pell Grant Program a true entitlement program that guarantees aid to all students who qualify, covers a greater
share of college costs and provides flexible assistance to both young and adult learners. Double the current maximum Pell award to approximately $12,000 to support 60 percent of the cost of attendance at a four-year public university and continue a cost-of-living adjustment for the award. Restore “year-round” Pell Grants to support learning anytime, anywhere. Extend or repeal the 12-semester Pell Grant eligibility limit that does not recognize the longer period that low-income students often require to earn their degrees. Raise the family income level at which students automatically qualify for the maximum Pell award so that more low-income students can get the support they need.

- **Preserve federal campus-based student aid programs.** Preserve the Federal Supplemental Educational Opportunity Grants, Federal Work-Study Program (formerly College Work-Study Program) and Perkins Loans and change how these grant funds are allocated to better target assistance to low-income students. These 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, and reduce the amount of debt that low-income students must incur.

- **Make student and parent education loans more manageable.** Reduce federal student loan interest rates and eliminate origination and other fees that make borrowing for a college education more costly than necessary for students and parents. Streamline the complex array of student loan repayment options that few students understand and are able to navigate, by making income-based loan repayment automatic and universal for all borrowers, with flexible options for borrowers who wish to pay off their loan debt faster. Improve servicing of student loans. Allow colleges and universities to limit student borrowing below federal limits based on objective criteria.

**Sustaining and Investing in HBCUs**

Federal policymakers must bring a sense of greater urgency to producing more African American graduates to secure a brighter future for our citizens and country. Historically black colleges and universities (HBCUs) have played—and are poised to continue to play—an outsized role in helping greater numbers of minority youth obtain a college degree. HBCUs already excel in providing access to minority youth who might otherwise be shut out of higher education, and they are committed to strengthening persistence and retention to build on their track record of success.

Despite achievements, the legacy of HBCUs has included a history of under-investment, and these institutions continue to confront fiscal challenges. Because HBCUs largely serve low-income
students, their budgets are always tight and endowments are limited. Constrained resources challenge the ability of HBCUs to innovate and evolve in response to changing higher education needs and demands—capacity that better-funded institutions take for granted.

The Higher Education Act (HEA) authorizes formula grants to HBCUs through the Title III, Part B, Strengthening HBCUs Program, which supports improvements to academic programs, student support services, financial and institutional management, as well as endowment building. Since 2011, however, federal policy changes reversed some of the gains achieved in the last HEA reauthorization and created an even greater fiscal squeeze for many HBCUs. Already under-resourced, HBCUs lost hundreds of millions of dollars in reduced Parent PLUS Loans, Pell Grants and other sources of critical federal support for student financial aid, academic programs and student support services.

Thus, a renewed federal commitment is required so that HBCUs can enhance their track record of results. With additional federal investments, HBCUs can be important engines of innovation—accelerating their capacity to graduate underrepresented students by scaling up existing, evidence-based practices, generating and testing new ways of addressing the academic and noncognitive skills and behaviors of diverse students, producing African American graduates in science, technology, engineering and mathematics (STEM) and other high-need fields such as teacher education, and moving scientific knowledge out of the laboratory and classroom into the marketplace.

UNCF will support proposals to:

- **Invest in the Title III, Part B (Discretionary) Strengthening HBCUs Program.** Authorize $375 million for Title III, Part B, Section 323 to increase and modernize institutional assistance for HBCUs and $125 million for Title III, Part B, Section 326 to do the same for HBCU graduate schools in order to support continuous academic and operating improvements, scale up effective recruitment and retention practices, grow endowments for long-term sustainability, and permit the continued use of endowment earnings for scholarships. For near-term funding, restore the Section 323 discretionary appropriation to at least $267 million and the Section 326 appropriation to at least $61 million—the level of federal support provided five years ago—in each of fiscal years 2016 and 2017.

- **Repeal sequestration cuts to and extend the Title III, Part F (Mandatory) Strengthening HBCUs Program.** Repeal the 2011 and 2013 Budget Control Act provisions that subject Title III, Part F mandatory appropriations to damaging across-the-board cuts, or mandatory “sequestration.” The Student Aid and Fiscal...
Responsibility Act (P.L. 111-148) appropriated $85 million per year through 2019 for STEM initiatives at HBCUs, but these funds were cut via sequestration in fiscal years 2013, 2014 and 2015. In addition, extend these essential mandatory appropriations through the life of the HEA reauthorization.

- **Spur innovation at HBCUs.** Authorize $250 million in new venture capital (HBCU Innovation Fund) to provide the resources and incentives for HBCUs to experiment, pilot, evaluate and scale up promising best practices, and to catalyze centers of innovation where the best minds can integrate education and research in exciting and new ways to drive innovation. Intensify federal research and development support across the spectrum of federal science agencies to develop a pipeline of diverse talent at HBCUs dedicated to solving scientific and technological problems in areas of national need. Articulate strategies, timelines and measurable goals for engaging HBCUs in federal research and development programs.

- **Sustain and improve HBCU infrastructure.** Raise the cumulative, multi-year loan limit to at least $3 billion (from $1.5 billion loans outstanding in fiscal year 2015) for the HBCU Capital Financing Program, and appropriate $25 million in each of fiscal years 2016 and 2017 for loan interest subsidies in order to leverage approximately $390 million annually in loans. This would provide HBCUs with greater access to low-interest loans for the repair, renovation and construction or acquisition of campus educational facilities, instructional equipment and physical infrastructure.

- **Save historic structures on HBCU campuses.** Reauthorize the Historic Preservation Fund at the U.S. Department of Interior and provide annual appropriations of $15 million to allow HBCUs to undertake deferred maintenance and renovation of historically significant campus structures.

- **Reauthorize and fund the Augustus F. Hawkins Centers of Excellence Program.** Renew the Hawkins Centers of Excellence Program authorized in Title II of the HEA for minority-serving institutions, and fund it at $35 million, so that HBCUs may enhance teacher education programs and accelerate efforts to prepare highly effective teachers of color for classrooms whose students are increasingly racially diverse.

- **Invest in the College Opportunity and Graduation Bonus Program.** Reward institutions such as HBCUs that enroll and graduate higher than average numbers or percentages of Pell-eligible students, with lower than average institutional resources, in order to expand college opportunity for underserved populations.
■ Improve the America’s College Promise initiative. Improve the administration’s proposal to provide tuition-free community college to eligible students in participating states by recognizing the successful track record of HBCUs in graduating low-income African American students. Expand financial support for the first two years of college, irrespective of type of institution and location, and target this educational benefit to the most financially needy students.

College Accountability
UNCF-member institutions are accountable to the federal government for the proper expenditure of federal appropriations; to their accrediting agencies, which ensure that instructional programs, resources and policies are fulfilling institutional missions; to their governing boards for oversight over mission, education programs and the efficient allocation of institutional resources; and, ultimately, to the students and families who select these institutions to meet their educational aspirations.

UNCF and its 37-member institutions recognize that federal policymakers and the American public want a bigger “bang for the buck” from the resources that taxpayers provide for post-secondary education. In an era of budget constraints, we agree that there must be a greater return on investment from the nearly $150 billion that the federal government annually invests in student financial assistance. The federal government must work with HBCUs, other colleges and universities, states and accrediting organizations to respond to legitimate government obligations and the needs of students and families for more meaningful information about college costs and value, without undermining institutional missions, diversity and creativity.

We believe that the federal return on investment in higher education assistance must be measured, in substantial part, on how well the nation’s colleges and universities perform in moving to the finish line those individuals who are at risk of not entering or persisting through higher education. Moreover, additional college accountability measures should include incentives, rather than punitive provisions, that can be effective at ensuring that more Americans receive a quality education at an affordable price.

In August 2013, President Obama proposed to implement by the 2015 school year a federal college rating system, which would evaluate nearly 5,000 degree-granting institutions based on access, affordability and outcome goals. However, a poorly designed rating system would do more harm than good, potentially incentivizing some institutions to limit enrollment of disadvantaged students in order to generate higher ratings. UNCF and its member institutions believe that a federal college rating system is not likely to be accurate, fair and meaningful given the diversity
of America’s higher education institutions and students, and that such a system is a distraction. Rather than ratings, the federal government should focus its time and attention on real solutions, such as reforming federal student aid programs, to help more students achieve college success.

UNCF will support proposals to:

- **Improve federal higher education data.** Improve the Integrated Postsecondary Education Data System (IPEDS), maintained by the National Center for Education Statistics, to capture better information about today’s college students—the vast majority (approximately 85 percent) of whom are excluded from IPEDS because they are not first-time, full-time students. There is growing consensus that current methods of calculating some important post-secondary 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, in constructing accountability measures, policymakers need an accurate picture of where the nation stands on producing college-educated citizens.

- **Enhance institutional accountability through smart policies, not penalties.** Establish alternatives to institutional “risk-sharing” proposals that seek to penalize institutions when students do not repay their student loans. For example, grant institutions greater flexibility to limit student borrowing. Eliminate student loan defaults and lower taxpayer risk with automatic income-based student loan repayment through employer withholding. Increase financial literacy education to help students avoid loan default. Exempt HBCUs from risk-sharing requirements given their historic commitment to enrolling at-risk and underrepresented students.

- **Prohibit the federal college rating system.** Prohibit the federal college rating system, which is not the right solution to enhancing college access, affordability and value. If not repealed, any rating system must, at a minimum, use accurate input data that reflect all students in the post-secondary education system and include risk-adjusted metrics to provide apples-to-apples comparisons that take into consideration the “degree of difficulty” that HBCUs face in educating academically and economically disadvantaged students with relatively low levels of institutional resources.

- **Repeal cohort default rates (CDRs) and suspend CDR sanctions.** Repeal the HEA provisions establishing severe sanctions for institutions that exceed a CDR threshold of 30 percent for three consecutive years, including loss of all eligibility for federal student
financial assistance. This all-or-nothing requirement places HBCUs at greater risk than other institutions because of the socioeconomic characteristics of the students they serve. Suspend enforcement of 2015 and 2016 CDR sanctions.

- **Reduce regulatory requirements.** Reduce and remove unnecessary federal education regulations, as recommended in *Recalibrating Regulation of Colleges and Universities*, the report issued in February 2015 by the Task Force on Federal Regulation of Higher Education. These burdensome requirements divert HBCUs’ limited instructional resources to compliance costs without clear benefits to students, institutions or taxpayers.

**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 participation through appropriate incentives. Current post-secondary 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, mainly provide an “after-the-fact” benefit to high-income households and have limited impact on increasing college attendance for the low-income students who most need a college education because relatively few benefit from tax subsidies. In 2014, federal tax spending on the AOTC and Lifetime Learning Credit (LLC) totaled nearly $18 billion, more than half of the $31 billion spent on Pell Grants. But, while approximately 74 percent of Pell Grant funds flow to families earning $30,000 or less, the amount of tax-based student aid that flows to these families is less than 25 percent.

Higher education tax expenditures can be more effective in helping low-income families fill college financial aid gaps. These tax benefits should be simplified and improved to enhance their use by low- and moderate-income families and to maximize their impact so that financially needy students can borrow less, work less and improve their chances of earning college credentials.

UNCF will support proposals to:

- **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.
Create college savings accounts for low-income students. Consider reforming the AOTC to support college savings accounts before students go to college 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 such an account.

UNCF—INVESTING IN BETTER FUTURES

In 1943, Dr. Frederick D. Patterson, 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 member colleges and 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, comprising 37 private, accredited, four-year HBCUs. 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 to and operating funds for UNCF-member colleges and universities.

During its 71-year existence, UNCF has raised $4.3 billion to provide scholarships and support students at its member HBCUs and other institutions. Each year, in addition to supporting the education of the more than 50,000 students at its member institutions, UNCF awards scholarships to approximately 12,000 students at 900 colleges and universities nationwide. More than 425,000 students have earned college degrees thanks to UNCF support.

UNCF plays a critical role as an advocate for African American students. Through its Public Policy and Government Affairs Department, UNCF provides leadership in assessing, developing and influencing federal policy, legislative, regulatory and budget issues that are significant to its 37-member colleges, to the entire network of HBCUs, to HBCU students and to the nation as a whole.
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 106 HBCUs today constitute the class of institutions that satisfy the statutory definition of the term “HBCU.” Title III of the Higher Education Act of 1965, 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; and
- 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 2012:

- Over 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; and
- More than 70 percent of all students at HBCUs received federal Pell Grants, and 80 percent of these students received federal loans.13

In many ways, HBCUs are a “best buy” for students and the nation. In 2013, HBCUs comprised three percent of all two- and four-year nonprofit colleges and universities, yet they:

- Enrolled 10 percent of African American undergraduates;
- Produced 18 percent of all African American college graduates with bachelor’s degrees; and
- Graduated 25 percent of African Americans with bachelor’s degrees in STEM fields.14

HBCUs attained these results at an affordable price for students—31 percent less, on average, than other institutions, with fewer resources available to them—and with operating budgets that averaged less than 50 percent of those at other four-year nonprofit colleges and universities.15 At the same time, the vast majority of HBCU students are economically disadvantaged and many are academically unprepared for the rigors of college. Yet, HBCUs get these students across the finish line.
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

Notes
6. UNCF calculation based on average charges of tuition, fees, room and board of $18,943 for in-state students enrolled at a public four-year university and $42,419 for students enrolled at a private, nonprofit four-year university in the 2014-2015 academic year from Trends in College Pricing 2014 published by The College Board.
7. UNCF-compiled data for the campus-based programs from Trends in student aid 2014 published by The College Board.
13. Data compiled by UNCF Frederick D. Patterson Research Institute.
14. Ibid.
15. Ibid.