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United Negro College Fund, Inc. 1805 7th Street, NW Washington, DC 20001 T 202 810 0200 **UNCF.org**

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October 1, 2021

The Honorable Nancy Pelosi Speaker, U.S. House of Representatives The Speaker's Rooms, The Capitol Washington, DC

The Honorable Kevin McCarthy Minority Leader, U.S. House of Representatives Room H-204, The Capitol Washington, DC

The Honorable Charles Schumer Majority Leader, U.S. Senate Room S-221, The Capitol Washington, DC

The Honorable Mitch McConnell Minority Leader, U.S. Senate Room S-230, The Capitol Washington, DC

We, the presidents of the 37 member-institutions of the United Negro College Fund (UNCF), and on behalf of all first generation and low-income students nationwide, are writing to encourage you to improve the \$ reconciliation package, particularly provisions which seek to aid and benefit HBCUs. The reconciliation package should aim to take important steps towards addressing the historic disparities in funding and investing for HBCUs. In its current form, the bill does not meet this mark.

Although HBCUs generate a significant return on investment, they are historically underfunded, face discrimination with investments, and have tighter budgets based almost exclusively on tuition from underserved students. Nearly 75% of HBCUs students are Pell Grant eligible, 52% are first-generation scholars, and 94% receive some type of financial aid. Taken together, HBCUs may be underfunded, but they are on the front lines of educating students who most need access to the transformative power of higher education.

While HBCUs consistently do more with less, the reconciliation package should offer much needed investments into the institutions that need it the most and the students they serve. The legislative proposal should strengthen HBCUs academically, administratively, and financially; invest in STEM programs; eliminate longstanding and persist discrimination in research and development grants; and prioritize HBCUs in developing advanced computing and biotechnology.

However, from our point of view as experts in higher education, the reconciliation package, which this Congress seeks to pass, should be improved for HBCUs and our student population. Important improvements should include the following:

- \$40 billion in upgrading research infrastructure in laboratories across the country, including brick-and-mortar facilities, computing capabilities, and networks. Of this number, institutions which have not shared in this level of investment before should be prioritized. The Administration's original plan, a precursor to this package, called for \$20 billion of the \$40 billion to be reserved for HBCUs and MSIs. Of that total, \$10 billion should go to HBCUs.
- Centers of Excellence—A \$15 billion proposal, which UNCF advanced since 2019, with 200 such centers that serve as research incubators at HBCUs and other MSIs to nurture undergraduates and to provide graduate fellowships and other opportunities for underserved populations, including through pre-college programs. This was also included in the Biden plan.
- **HBCUs IGNITE Excellence**—In addition to R&D infrastructure, HBCUs have lagged behind in terms of investment in their extensive backlog of deferred maintenance. There is currently a bipartisan, bicameral proposal which could assist with this issue. We are calling for a separate source of funding in the amount of \$5 billion. The effort to restore and revitalize existing facilities with grants, not loans, could be overseen by the same advisory body which oversees the HBCU Capital Financing Board. Please note that the bipartisan efforts around this bill are focused on HBCUs. Efforts to support other institutions at the expense of HBCUs are non-starters for us.
- No HBCU funding under reconciliation should not be in competition with MSIs. We have long made the case of a history of systemic discrimination which have allowed HBCUs to be chronically underfunded. To structure grant programs where HBCUs are required to compete with "MSIs" which happen to have large endowments and already have strong research-intensive components only serves to extend the history of treating HBCUs as lesser than. In the President's Families and Infrastructure plans he took great pains to make sure that was not the structure. Congress must stand with HBCUs and ensure that HBCUs compete against other HBCUs for dedicated funding and allowing MSIs to compete against each other for another dedicated source of funding. However, it is not acceptable to force institutions which have fewer resources to compete against much more well-financed institutions. Please, also, make sure any funding sources do not disadvantage HBCUs which are already R2 institutions seeking to become R1 institutions.
- **Pell Grants**—While we believe firmly in doubling the Pell Grant, the proposed \$1,400 in additional assistance to low-income students and increasing the maximum Pell Grant award would be a huge step towards investing in the students who show aptitude but do not have the ability to pay for college. Continued Pell Grant increases are a way to focus funding where it is most needed.

Adding the above provisions, along with the existing proposals, would strengthen HBCUs and the students they serve. The above recommendations should be adopted because HBCUs are a great return on investment as they represent only 3% of all public and non-profit private colleges and universities but enroll 10% of African American undergraduates; graduate 17% of all African Americans with bachelor's degrees; and produce 24% of African Americans with degrees in STEM fields. Their graduates make up approximately 80% of Black judges, 50% of Black lawyers, and 50% of Black doctors. Over a lifetime, an HBCU graduate earns about \$927,000 more than they would without a college degree. Over that same time period, the HBCU class of 2021 will earn \$130 billion more than they would if they did not have a degree. HBCUs also generate a significant amount of economic activity as they annually generate 134,090 jobs and generate \$14.8 billion in total annual economic activity for their local and regional economies.

If improved, UNCF believes that the plan for reconciliation would provide critical investments for HBCUs, benefit African American students generally, and benefit the economy nationwide. As America's largest private provider of scholarships and other educational support to students, UNCF believes that "a mind is a terrible thing to waste, but a wonderful thing to invest in ©." We encourage your strong support for reconciliation improvement because it provides much needed investments for HBCUs, addresses historic discrimination, and provide resources to students of color. These investments will bolster HBCUs as they educate students and prepare them to be leading contributors in our global economy.

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