



White House Initiative on Historically
Black Colleges and Universities



2018 NATIONAL HISTORICALLY BLACK
COLLEGES
AND UNIVERSITIES WEEK CONFERENCE

HBCU COMPETITIVENESS:

Aligning Institutional Missions With America's Priorities

September 16-19, 2018

Washington Marriott Wardman Park
2660 Woodley Road, NW
Washington, DC 20008



Exercising Leadership on a National Stage:

HBCU Engagement with the Federal Government and Using Thought Leadership to Impact the National Agenda at HBCUs

Thurgood Marshall College Fund

David K. Sheppard, Esq.

SVP, General Counsel & Chief of Staff



Engagement

2018 Presidents & Chancellors HBCU Fly-In

TMCF Member-School Presidents
with Representatives Bobby Scott
and Mark Walker



Keynote Address from Jonathan
Holifield, Esq., Executive Director
of the White House Initiatives on
HBCUs



Engagement

2018 Fly-In Reception on Capitol Hill



With Secretary Betsy DeVos and Senators Lamar Alexander, Chris Van Hollen, Chris Coons and Tom Carper



Our Recent Collective Gains

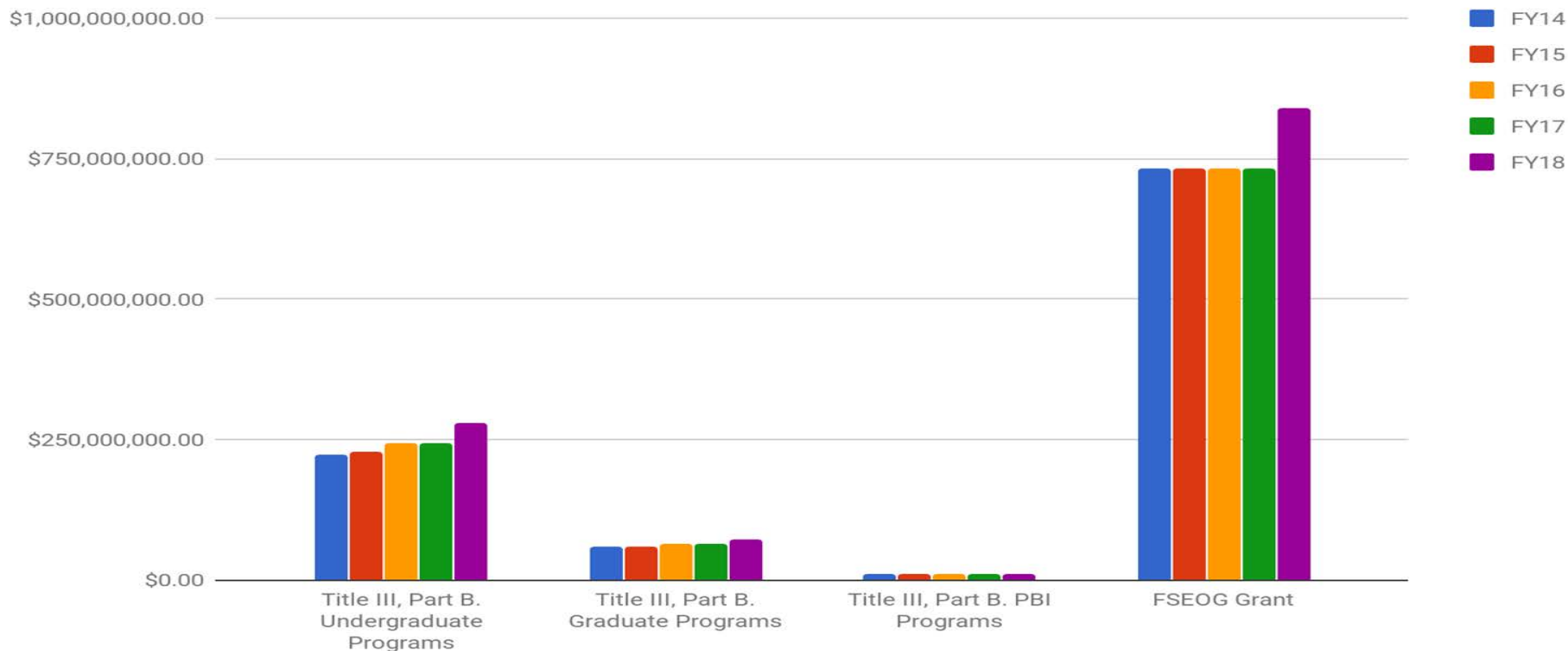
Revival of Year-Round Pell

The FY 2018 Omnibus Bill:

- \$35 million increase in the Strengthening HBCU Program (\$279.6 million);
- \$9 million increase in the Strengthening Historically Black Graduate Institutions (\$72.3 million);
- \$1 million increase in the Strengthening HBCU Masters Programs (\$8.6 million);
- Increases in student support programs like Pell Grants, Work Study and FSEOG

Relief for four HBCUs from \$322 million of hurricane relief loans





DOE Programs	FY14	FY15	FY16	FY17	FY18
Title III, Part B. Undergrad	\$224M	\$228M	\$244M	\$244.6M	\$279M
Title III, Part B. Graduate	\$57.9M	\$59M	\$63.2M	\$63.2M	\$72.3M
Title III, Part B. PBI	\$9.1M	\$9.2M	\$9.9M	\$9.9M	\$11.3M
FSEOG Grant	\$733M	\$733M	\$733M	\$733M	\$840M
Max Pell Award (per student)	\$5,730	\$5,775	\$5,815	\$5,920	\$6,095



HBCU Capital Finance Program

Program Summary

- First loans offered in 1996
- Total loan funding of ~\$1.1B available each year
- Approx. \$330M available to publics; \$770M available to privates
- Since FY 2012, Congress has appropriated funding for program in excess of \$1.1B
- Currently, \$1.8B in loans outstanding



What's In A (School) Name? Discrimination In Higher Education Bond Markets

- “Historically Black Colleges and Universities (HBCUs) pay higher underwriting fees to issue tax-exempt bonds, compared to similar non-HBCUs.”
- “This appears to reflect higher costs of finding willing buyers: the effect is three times larger in the far Deep South, where racial animus remains the most severe.”
- “Credit quality plays little role.”

Dougal, Casey and Gao, Pengjie and Mayhew, William J., and Parsons, Christopher A., *What's in a (School) Name? Racial Discrimination in Higher Education Bond Markets*, at 1 (June 16, 2018) (Journal of Financial Economics forthcoming).



Impact at Work

Grambling State University Housing Refinance Project



Impact at Work

Grambling State University Housing Refinance Project



5,188
STUDENTS

+7%

41 DEGREE PROGRAMS

INNOVATING IN

Cybersecurity | Nursing | Education

WITH PARTNERS THAT INCLUDE



Impact at Work

Grambling State University Housing Refinance Project



30
YEARS

SAVINGS
\$36
MILLION



Government Accountability Office (GAO) Report

- *Historically Black Colleges and Universities: Action Needed to Improve Participation in Education's HBCU Capital Financing Program*
- Report requested by Members of Congress to determine:
 - The capital project needs of HBCUs
 - The funding sources used by HBCUs to meet these capital needs
 - The extent to which DOE helps HBCUs access and participate in the Cap Finance program



Government Accountability Office (GAO) Report

- Primary reasons for participating:
 - Significant backlog of deferred maintenance
 - Need to modernize to be more competitive
 - Obligation to meet building requirements for historic buildings
- However, fewer than half of eligible HBCUs (46) have participated in the program
- Number of Schools reported an inability to participate due to state law or regulation



GAO Recommendations on HBCU Cap Finance

- Increase outreach to HBCUs to ensure Program awareness
- Coordinate efforts with state university systems to facilitate participation in the Program by system HBCUs
- Leverage the resources of the bonding authority to execute on DOE's outreach efforts
- Investigate loan modification options (e.g., deferment) to assist Program participants in making their loan payments
- Analyze whether the loan modification options are successful in helping schools participate in the Program and avoid default



Accessing HBCU Cap Finance

Florida A&M University Advocates to Change Florida Law



Accessing HBCU Cap Finance



- Amended Section 1010.62 Florida Statutes, to allow Florida A&M to participate in the HBCU Capital Finance Program
- Made technical adjustments to the State University System's (SUS) debt policy
- Ensured no fiscal impact to State of Florida



Accessing HBCU Cap Finance



- Facilitated open communication with all partners (Board of Governors, Division of Bond Finance, Florida Legislature, Governor, USDOE)
- Reviewed current law and proposed changes
- Obtained consensus from key stakeholders



Helping Your Institution's Federal Engagement

- The TMCF/Government Relations team can perform specialized advocacy on behalf of individual Member-Schools
- We have relationships with Members of Congress and their staff on key committees
- Can work with federal agencies to help facilitate capacity building opportunities
- Can help facilitate participation in the HBCU Cap Finance Program or work with DOE to address financial challenges an institution may be having



Center for Advancing Opportunity Thurgood Marshall College Fund

Gerard Robinson
Executive Director

Alma DuVall
Manager of Research and Operations



Our Story

- **About Us**

CAO is a research and education initiative created by a partnership with the Thurgood Marshall College Fund, the Charles Koch Foundation, and Koch Industries. We support **Historically Black Colleges and Universities** and other postsecondary institutions to develop research-based solutions to the most challenging issues in **education, criminal justice, and entrepreneurship.**

- **Our Mission**

To move people living in fragile communities from promise to prosperity. We accomplish this by listening to their aspirations, fears, and recommendations; supporting researchers who are best-positioned to explore communities' most pressing issues; and, using their findings to inform public, private, and community-based solutions.

- **Our Philosophy**

We believe the best way to advance opportunity is by listening to people in search of it and then equipping them with the intellectual and financial capital to create solutions.



Why Focus on HBCUs?

- “One of the great things about CAO is that we moved the conversation about HBCUs and problem solving from the object of the conversation to the subject of the conversation. When we’re looking at education reform, criminal justice and entrepreneurship, HBCUs aren’t an afterthought.”

Diverse Education, December 11,

2017



Gathering Data - Gathering People

- Our first *Opportunity in America Summit* was held on February 5-6, 2018 in Washington
 - Sir Angus Deaton, 2015 Nobel Peace Prize Winner, and Richelieu Dennis, CEO Sundial Brands, were keynote speakers
 - 114 HBCU professors and 38 non-HBCU professors participated
 - 44 HBCUs represented, 31 are TCMF members
 - Released the Opportunity Survey



Centers at HBCUs

- CAO has invested **\$8.7 million** in grants to establish a research center at three HBCUs:
- **The Center for the Study of Economic Mobility** at Winston-Salem State University = \$3.0 million.
- **The Center for Educational Opportunity** at Albany State University = \$3.0 million.
- **The Center for Justice Research** at Texas Southern University = \$2.7 million.



CAO Scholarships & Fellowships

- CAO will offer up to **20** undergraduate scholarships worth up to \$7,500.
- CAO will offer up to **5** doctoral fellowships worth up to \$40,000.
- CAO provided the following awards to HBCU students in 2017-2018:
 - Central State University, Florida A&M University, Spelman College, and West Virginia State University: **undergraduate scholarship**
 - Jackson State University and the University of Missouri – Columbia: **doctoral fellowship**



Closing Thoughts



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