

AMERICA'S COLLEGE PROMISE ACT/ PATHWAYS TO STUDENT SUCCESS FOR HBCUs AND MSIs



Background

- In January 2015, President Obama announced the America's College Promise proposal, which would make two years of community college tuition free for eligible students in participating states. As proposed, this new federal/state partnership would provide scholarships for such students with annual family income up to \$200,000. If all states participate, the White House estimates that nine million community college students could benefit by saving an average of \$3,800 in tuition per year.ⁱ
- UNCF, the 71-year-old leading nonprofit organization that invests in better futures for African- American students through higher education, strongly supports expanding college opportunity, especially for low-income students of color. UNCF raises private funds for scholarships to help African American and other minority students – who will be the majority of the population by 2050 – get the assistance they need to earn college degrees. UNCF, however, must turn away nine out of ten scholarship requests. Greater private and public investment is needed to meet the demand.
- Since President Obama's announcement, UNCF worked with Congressman Bobby Scott (D-VA) and other members of the Congressional Black Caucus, and officials from the White House and U.S. Department of Education to improve the America's College Promise proposal. UNCF advocated that the initiative should make lowering the cost of a four-year college education for students with limited financial means the top priority. Further, UNCF advocated for the inclusion of historically black colleges and universities (HBCUs), which predominately serve this population and have a track record of success in graduating low-income African American students.

On July 8, 2015, Representatives Bobby Scott (D-VA) and G.K. Butterfield (D-NC), along with another 60 Representatives, introduced HR 2962, the **America's College Promise Act of 2015**, including the **Pathways to Student Success for HBCUs and Minority-Serving Institutions (MSIs)** initiative.ⁱⁱ Senators Tammy Baldwin (D-WI) and Cory Booker (D-NJ), along with another 9 Senators introduced the companion measure in the Senate.

Under the **America's College Promise Act**, more than 9 million students at 1,300 community colleges and nearly 300,000 students at approximately 280 4-year HBCUs and MSIs stand to benefit each year.

By significantly reducing the cost of up two years of college for first-time, low-income students at HBCUs and MSIs, **Pathways to Student Success for HBCUs and MSIs** would bring higher educational opportunities to minority students who have the ability and desire to continue their education past high school, but lack the resources to achieve their college dreams.

The new federal initiative would provide a landmark \$10 billion investment over ten years in HBCUs and MSIs – hit hard by recent federal student aid restrictions and budget reductions – to enable them to continue to deliver affordable, high-quality education to prepare their students for careers of success and service.



Summary of America's College Promise Act

College Promise Grants

The legislation authorizes a new federal/state partnership, under which the U.S. Secretary of Education would make grants to participating states and Indian tribes to waive tuition and fees at community colleges for eligible students. Under this program, federal funding would cover 75-95 percent of the national average of community college tuition and fees per student for the 2016-2017 school year, and the state or Indian tribe would cover the remaining tuition costs. After the 2016-2017 school year, the tuition and fees used as a basis to calculate a State or Indian Tribes grant could not increase by more than three percent annually.

Eligible students include first-time students who enroll in a community college at least on a half-time basis, maintain satisfactory academic progress, and qualify for resident tuition. A student would lose eligibility three calendar years after first receiving the first benefits under this grant.

Additionally, community colleges would be required to waive tuition and fees for eligible students either enrolled in academic programs whose credits fully transfer to any four-year public institution in the state or in occupational training programs that lead to an in-demand, recognized postsecondary credential. Funding not needed for these purposes could be used for other higher education improvement activities.

Participating states and tribes would be required to maintain their previous level of financial support for public higher education and implement a performance-based funding model for public colleges and universities. In addition, they would be required to describe promising and evidence-based institutional reforms and innovative practices community colleges have implemented or will implement to improve student outcomes. Further, they must agree to coordinate with high schools, community colleges, and two- and four-year institutions, including HBCUs and MSIs, in an effort to expand college access, reduce the need for remediation and repeated courses, and improve student outcomes.

\$80 billion in mandatory funding would be provided over ten years through fiscal year 2025.

Pathways to Student Success for HBCUs and MSIs

The Pathways to Student Success for HBCUs and MSIs initiative would expand higher education access to underrepresented minority students by making two years of college free or significantly reduced for eligible low-income students at participating four-year HBCUs and MSIs. Focus would also be given to enhancing institutional success, while encouraging stronger partnerships between HBCUs and MSIs and community colleges.

The Pathways to Student Success for HBCUs and MSIs has three main objectives to:

- Encourage students to enroll as first-time students and successfully complete a bachelor's degree at participating HBCUs and MSIs.
- Incentivize community college students to transfer to HBCUs and MSIs to complete their bachelor's degrees through strong transfer pathways.
- Support HBCUs and MSIs to better serve new and existing students by engaging in reforms and innovations designed to improve completion rates and other student outcomes.

The new HBCU/MSI initiative is a federal/institutional partnership that would be open to four-year HBCUs and MSIs that enroll 35 percent or more low-income students and agree to make key commitments:

- Waive or significantly reduce tuition and fees for eligible students up to the amount of the federal per student grant received.

- Adopt or maintain promising and evidence-based institutional reforms and innovative practices to improve student outcomes.
 - Reforms may include providing comprehensive academic and student support services like mentoring, providing accelerated learning opportunities such as dual enrollment, implementing distance and competency-based education, partnering with employers and other groups to provide learning opportunities outside of the classroom, reforming remedial education, and redesigning high-enrollment courses to improve student outcomes and reduce cost.
- Set performance goals for improving student outcomes.
- Establish articulation agreements with community colleges, if receiving funding for community college transfer students to ensure that community college credits can fully transfer to participating HBCUs/MSIs.

Eligible students at HBCUs and MSIs include first-time students, first-time community college transfer students, and returning students who were forced to withdraw due to a denial of a PLUS Loan between November 2011 and March 29, 2015. All participating students must be from low-income families, enrolled at least on a half-time basis, and maintain satisfactory academic progress. Eligible students would receive free or significantly reduced tuition for the first 60 academic credits (approximately two years) at an HBCU or MSI.

To finance the free and reduced tuition, participating HBCUs and MSIs would receive a federal grant for each eligible student in the previous year, multiplied by the actual per-student tuition and fees at the institution, up to an amount equal to the national average of tuition and fees at all public four-year institutions (this amount was \$8,885 for the 2014-2015 school year).

The federal per-student grant would not increase by more than three percent annually, and during an institution's first year of participation in the program, the institution could not increase its tuition and fees by more than any annual percentage increase in the previous five years.

\$10 billion in mandatory funding would be provided over ten years through fiscal year 2025.



HBCUs – Their Value Proposition

HBCUs disproportionately enroll low-income, first-generation, and academically underprepared college students of color – 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 HBCU students received federal loans.ⁱⁱⁱ

In many ways, HBCUs are a “best buy” for students and the nation. In 2013, HBCUs:

- Comprised 3 percent of all two- and four-year nonprofit colleges and universities;
- 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.^{iv}

HBCUs attain these results at an affordable price for students – 31 percent less, on average, than other institutions, with fewer resources available to them.^v



Endnotes

ⁱ The White House. January 9, 2015. [Fact Sheet: White House Unveils America's College Promise Proposal: Tuition-Free Community College for Responsible Students.](#)

ⁱⁱ Accessed on July 8, 2015 at [http://democrats.edworkforce.house.gov/press-release/scott-baldwin-introduce-bill-make-higher-education-more-accessible-and-affordable.](http://democrats.edworkforce.house.gov/press-release/scott-baldwin-introduce-bill-make-higher-education-more-accessible-and-affordable)

ⁱⁱⁱ Data compiled by UNCF Frederick D. Patterson Research Institute.

^{iv} Ibid.

^v Ibid.