

**STRENGTHENING MINORITY SERVING INSTITU-  
TIONS: BEST PRACTICES AND INNOVATIONS  
FOR STUDENT SUCCESS**

---

---

**HEARING**

OF THE

**COMMITTEE ON HEALTH, EDUCATION,  
LABOR, AND PENSIONS**

**UNITED STATES SENATE**

**ONE HUNDRED THIRTEENTH CONGRESS**

SECOND SESSION

ON

EXAMINING STRENGTHENING MINORITY SERVING INSTITUTIONS, FO-  
CUSING ON THE BEST PRACTICES AND INNOVATIONS FOR STUDENT  
SUCCESS

—————  
TUESDAY, MAY 13, 2014  
—————

Printed for the use of the Committee on Health, Education, Labor, and Pensions



Available via the World Wide Web: <http://www.gpo.gov/fdsys/>

U.S. GOVERNMENT PUBLISHING OFFICE

22-613 PDF

WASHINGTON : 2017

---

For sale by the Superintendent of Documents, U.S. Government Publishing Office  
Internet: [bookstore.gpo.gov](http://bookstore.gpo.gov) Phone: toll free (866) 512-1800; DC area (202) 512-1800  
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

TOM HARKIN, Iowa, *Chairman*

BARBARA A. MIKULSKI, Maryland	LAMAR ALEXANDER, Tennessee
PATTY MURRAY, Washington	MICHAEL B. ENZI, Wyoming
BERNARD SANDERS (I), Vermont	RICHARD BURR, North Carolina
ROBERT P. CASEY, JR., Pennsylvania	JOHNNY ISAKSON, Georgia
KAY R. HAGAN, North Carolina	RAND PAUL, Kentucky
AL FRANKEN, Minnesota	ORRIN G. HATCH, Utah
MICHAEL F. BENNET, Colorado	PAT ROBERTS, Kansas
SHELDON WHITEHOUSE, Rhode Island	LISA MURKOWSKI, Alaska
TAMMY BALDWIN, Wisconsin	MARK KIRK, Illinois
CHRISTOPHER S. MURPHY, Connecticut	TIM SCOTT, South Carolina
ELIZABETH WARREN, Massachusetts	

DEREK MILLER, *Staff Director*

LAUREN MCFERRAN, *Deputy Staff Director and Chief Counsel*

DAVID P. CLEARY, *Republican Staff Director*

(II)

# C O N T E N T S

## STATEMENTS

TUESDAY, MAY 13, 2014

Page

### COMMITTEE MEMBERS

Hagan, Hon. Kay R., a U.S. Senator from the State of North Carolina, opening statement .....	1
Alexander, Hon. Lamar, a U.S. Senator from the State of Tennessee, statement .....	2
Paul, Hon. Rand, a U.S. Senator from the State of Kentucky, opening statement .....	3
Murray, Hon. Patty, a U.S. Senator from the State of Washington .....	4
Casey, Hon. Robert P., Jr., a U.S. Senator from the State of Pennsylvania .....	5
Warren, Hon. Elizabeth, a U.S. Senator from the State of Massachusetts .....	43
Burr, Hon. Richard, a U.S. Senator from the State of North Carolina .....	45
Scott, Hon. Tom, a U.S. Senator from the State of South Carolina .....	51

### WITNESSES

Gasman, Marybeth, Ph.D., Professor of Higher Education and Director of the Center for Minority-Serving Institutions at the University of Pennsylvania, Philadelphia, PA .....	7
Prepared statement .....	9
Lomax, Michael L., Ph.D., President and CEO of the United Negro College Fund, Washington, DC .....	13
Prepared statement .....	14
Oakley, Elroy Ortiz, B.A., M.B.A., President of Long Beach City College, Long Beach, CA .....	21
Prepared statement .....	23
DeSousa, D. Jason, Ed.D., Assistant Vice Chancellor of Student Retention, Fayetteville State University, Fayetteville, NC .....	29
Prepared statement .....	30
Bassett, John, Ph.D., President of Heritage University, Toppenish, MA .....	33
Prepared statement .....	35

### ADDITIONAL MATERIAL

Statements, articles, publications, letters, etc.:	
Dene K. Thomas, Ph.D., President, Fort Lewis College, Durango, CO .....	57
Johnny C. Taylor, Jr., President & CEO, Thurgood Marshall College Fund (TMCf) .....	61



**STRENGTHENING MINORITY SERVING INSTITUTIONS: BEST PRACTICES AND INNOVATIONS FOR STUDENT SUCCESS**

TUESDAY, MAY 13, 2014

U.S. SENATE,  
COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS,  
*Washington, DC.*

The committee met, pursuant to notice, at 10 a.m., in room SD-430, Dirksen Senate Office Building, Hon. Kay Hagan presiding.

Present: Senators Hagan, Murray, Casey, Warren, Alexander, Paul, Burr, and Scott.

OPENING STATEMENT OF SENATOR HAGAN

Senator HAGAN. The Senate Committee on Health, Education, Labor, and Pensions will now come to order. Today's hearing is titled Strengthening Minority Serving Institutions: Best Practices and Innovations for Student Success. I want to thank all of our witnesses for coming today from all over the country. It's truly a pleasure having you here, and I look forward to hearing your testimony.

I want to thank Senator Paul, who will be here soon, for serving as the Ranking Member today and for all of the work he and his staff have done for this hearing.

Senator Alexander, thank you for being here.

Senator ALEXANDER. Thank you.

Senator HAGAN. This marks the ninth hearing that the HELP Committee has convened in advance of the Higher Education Act reauthorization. This morning, we are here to discuss the unique challenges facing our minority serving institutions and to learn about programs and support to help facilitate student success. I'm very excited to be able to hold a hearing on this topic, as I have been a strong supporter of minority serving institutions since before I came to the U.S. Senate.

My State of North Carolina is home to 10 historically black colleges and universities, or HBCUs. I have visited many of these campuses across the State, and I have seen first-hand the great work that they are doing to prepare students for the world ahead.

Last year, I hosted a summit with chancellors and presidents from North Carolina's HBCUs to discuss their unique challenges and ways we could strengthen the schools. It was an informative and productive conversation, and I'll discuss some of the ideas that came as a result of that meeting a little later.

While I'm very familiar with HBCUs because of their strong presence in North Carolina, I'm excited to be discussing all minor-

ity serving institutions. Today's conversation on the role these institutions play in our higher education system could not have come at a better time.

According to the 2012 U.S. census, it's estimated that by 2050, the United States will have no clear racial or ethnic majority. All of our institutions will soon be looking toward these institutions that we have here today to learn how to best serve their increasingly diverse populations. Minority serving institutions vary in mission, diversity, and history, but they are all connected to the complex racial and ethnic histories of the United States.

These institutions have a long history of helping students succeed who may not have otherwise gone to college. We must be committed to providing the best educational opportunities for all students, and we must ensure that they have the support they need to access and to graduate from college.

To accomplish this goal, it is essential that we invest in, and support the work of, our minority serving institutions. Together, the MSIs enroll 2.3 million students, including black, Hispanic, Native American, Asian American, and Pacific Islander American students.

Collectively, MSIs represent a rich cohort of schools, including our HBCUs, our predominantly black institutions, our Hispanic serving institutions, American Indian tribal controlled colleges and universities, Native American serving non-tribal institutions, Alaska Native, and Native Hawaiian serving institutions, and Asian American and Native American Pacific Islander serving institutions.

The MSIs serve a disproportionate amount of first-generation, low-income students. The greatest strength of these institutions lies in their extensive experience working with and serving underrepresented students and the communities in which they are located.

As we work to increase college completion rates and close the educational achievement gaps in this country, we must be focused on better meeting the needs of underserved populations of students. To help us understand the importance of MSIs and the students they serve, we're going to hear today from a group of distinguished panelists.

You will share with us your stories and insights about the challenges facing your institutions and discuss the innovative strategies that your schools are employing to meet the needs of this diverse student population. I ask that you keep your oral statements to less than 5 minutes. I thank you for your written statements which I have read and which have been submitted for the record.

Senator Paul, I'm sure, will be joining us.

Senator Alexander, do you have any comments that you would like to make?

#### STATEMENT OF SENATOR ALEXANDER

Senator ALEXANDER. Let me just thank you for holding the hearing. Senator Paul is expected before long, and I'm looking forward to the testimony.

Tennessee has a rich history of historically black institutions. One of them is Lane College, and one of my favorite stories is one

that Alex Haley used to tell about his father, Simon P. Haley, who, in his parents' words, was wasted. In other words, he wasn't required to be a sharecropper. They let him go on to North Carolina AT&T, and he met a man in the summer who paid for this scholarship. He was in the first class of African Americans to graduate from Cornell University.

He went back to Lane College to teach and raised four children, one a teacher; one an architect; one George Haley, who was required to sit by himself at the University of Arkansas in law school because he was black and later became an ambassador; and then the fourth child, who Simon P. Haley thought wasn't going to amount to anything. So he took him down and put him in the Coast Guard, and that was Alex Haley. So the historically black colleges have had a great role here, and I'm delighted to be here.

Senator Paul is our ranking Republican member, and if it's all right, Madam Chairman, if he could make his opening statement, and I would reserve any other comment until later.

Senator HAGAN. Senator Alexander, I appreciate your comment on North Carolina A&T. That's one of our HBCUs in North Carolina, and it happens to be in the city where I live, in Greensboro. It's a great university.

Senator Paul.

#### OPENING STATEMENT OF SENATOR PAUL

Senator PAUL. Thank you, Senator Hagan and Senator Alexander, for allowing me to be the Ranking Member today. I get an unusual promotion to do this, but I appreciate the opportunity.

Kentucky is famous for a lot of both good things and bad things that happened in education over time. We're proud of our historically black colleges, Kentucky State. We're proud of the fact that Berea College was one of the first integrated colleges in the South. We're not so proud of the fact that after about 50 years of being integrated, they passed a law in the Kentucky State Legislature banning integration, which continued to be the law until, I believe, *Brown v. The Board*.

But Kentucky has essentially been a microcosm of both good and bad things happening. Kentucky State University is our main historic black college, and the president has been Dr. Sias, who has been the president for the last 10 years. She is retiring, and I'd like to take this opportunity to congratulate her on a great term and being Kentucky State's first female public university president.

Kentucky State has had several famous graduates. I'll mention a few. Marion Kelly was the first Undersecretary of the Department of Labor under President George Herbert Walker Bush. Ersa Hines Poston was the first African American to head the U.S. Civil Service Commission, and Whitney M. Young, a graduate, was a famous civil rights leader and head of the National Urban League.

Also in Kentucky in the 19th century, we had a university by the name of State University, which was one of the first universities to educate African Americans when there were no other opportunities. It has recently been resurrected and rechartered and reaccredited, thanks really to the leadership of Dr. Kevin Cosby in Louisville, and it's been a great asset to rejuvenating part of our town of Louisville.

One of its famous graduates was William Warley, who, I think, really has been underappreciated in history. But there was a case in 1917, *Buchanan v. Warley*, which was one of the most famous Supreme Court cases where we overturned Jim Crow housing segregation laws. This was way back in 1917. The problem still persisted for a long time. The Supreme Court actually did the right thing, though, in 1917, and William Warley was a famous Republican and founder of the NAACP and also led this court case as one of the first NAACP trial cases that they fought in the early days.

One of the things I've noticed as I've traveled around the country, meeting with African American leaders in each city that I go to, is that Morehouse grads are everywhere. Anybody a Morehouse grad today? I laughingly call them the Morehouse Mafia because they're everywhere. But a good friend of mine, Elroy Sailor, has introduced me to a lot of their grads. He graduated from Morehouse and now is a partner and co-founder and CEO of Watts Partners here in DC.

In my travels, I've met many Morehouse grads. Nate Ford has become a friend. He's a Morehouse grad and vice president of Energy Partners and former director of engineering for the city of Detroit. Ashley Bell is a Morehouse grad who is now a candidate for commissioner for Hall County, GA, and is a candidate for the State board of education in Georgia—all Morehouse grads.

So there's some great success stories out there, and I get tired sometimes of hearing all the bad stories. I'm glad and I hope some of what we'll hear today are some of the good stories and the success stories that we're having, both with education and with individual success.

I think part of the success, though, we have to—and Senator Alexander has been a leader in this—we have to think about how we educate people, not only at the college level, but getting people to college and getting them ready. I think one of the real answers is through charter schools and through school choice. I think if we're able to do that, I think there's much more potential that we can find for everyone.

I want to thank Senator Hagan for convening this hearing and for allowing me to participate, and I thank the panel for attending.

Senator HAGAN. Thank you, Senator Paul. I'm so appreciative that we continue to work on these issues on the HELP Committee on a bipartisan basis.

Now to introduce our witnesses.

Senator MURRAY, would you like to introduce Dr. Bassett?

#### STATEMENT OF SENATOR MURRAY

Senator MURRAY. Thank you very much to Senators Hagan and Paul for holding a hearing talking about how we can strengthen and support our minority serving institutions to make sure their students are able to succeed. We all know the economic returns on investing in education. College graduates tend to earn more and have lower unemployment rates than their less-educated peers.

But disadvantaged, first-generation, low-income students face significant challenges accessing and completing postsecondary education. Children from well-off families are more likely to earn a college degree than children from other economic backgrounds. And

higher education is still unattainable for far too many families, especially under-represented minorities, which is why this hearing is so important.

I'm so excited to be here today to introduce my colleagues to Heritage University and its president, John Bassett. Heritage University is a very unique institution. It's located on the Yakama Indian Reservation in my home State of Washington. Heritage is the successor to Fort Wright College which was established in 1907 by Catholic nuns.

Years later, two American Indian women approached Fort Wright College, wanting to expand educational and training opportunities for their preschool teachers, and their dream eventually became a reality when Fort Wright College closed its doors and became Heritage College in 1982. Its initial enrollment was 85 students, and its first president was a Catholic nun, Sister Kathleen Ross.

The university has grown considerably over the past 30 years, and today Heritage University offers everything from certificates to master's degrees. It has an open enrollment policy and opens its doors to students from other community colleges by offering online courses. Nearly 80 percent of Heritage students are Pell eligible, 75 percent are women, and over 50 percent are over the age of 25.

Almost all of their students are first-generation college students. Heritage University also serves a very diverse population. Over 50 percent of its students are Hispanic, and 10 percent are Native American.

As chair of the Senate Budget Committee, I know an educated workforce is critical for our long-term economic and fiscal outlook. The United States once led the world in having the highest percentage of college graduates. Today we rank 12th. If we want to remain globally competitive and expand our college access and completion rates, we should support the education goals of under-represented minorities, the fastest growing U.S. demographic, and we should partner with minority serving institutions like Heritage University.

Despite its growth, a few things about Heritage University have not changed. It is still opening its doors to all students. It still serves the students, the community, and the State of Washington, and it still operates an early learning center.

Thank you, John, for making this trip to the other Washington to share your successes about Heritage University. We look forward to all of your testimony today, and I'm sorry that I have to chair a Budget Committee and won't be able to be here. But we certainly will be following and working with all of you.

Thank you very much.

Senator HAGAN. Thank you, Senator Murray. And I did learn this morning that Dr. Bassett spent 9 years at NC State University in Raleigh, NC. So we'll take claim to that, too.

Senator Casey, if you could introduce Dr. Marybeth Gasman, please.

#### STATEMENT OF SENATOR CASEY

Senator CASEY. Madam Chair, thank you. Ranking Member Paul, thank you, and thanks to the members of the panel who are

here for your testimony and for the information and testimony you will provide regarding best practices at a lot of great institutions.

I have the privilege as a Senator representing Pennsylvania to introduce Dr. Marybeth Gasman. Dr. Gasman serves as a Professor of Higher Education at the Graduate School of Education at the University of Pennsylvania. She is also director of the Penn Center on Minority Serving Institutions, which is focused on gathering research and data to assess best practices, innovation, and ideas related to minority serving institutions.

In 2006, Dr. Gasman received the Penn Graduate School of Education Excellence in Teaching Award, and we commend you for that. She has also been a leading voice on minority serving institutions and has published on the topic extensively, having written or edited 18 books—I wish I could say I've done that—18 books and contributed to top peer review journals in her field. Dr. Gasman serves on the Board of Trustees at Paul Quinn College, a historically black college in Dallas, TX, and on the Advisory Board of the United Negro College Fund's Frederick D. Patterson Research Center.

She received her bachelor of art's degree at Saint Norbert College and her master's of science and doctorate from Indiana University. I look forward to her testimony, and I am grateful that she is here today.

Thank you.

Senator HAGAN. Thank you, Senator Casey.

Next, we have Dr. Lomax, president and CEO of the United Negro College Fund. Under Dr. Lomax's leadership, UNCF has raised \$1.5 billion and has helped more than 92,000 students earn college degrees and launch careers. Annually, the United Negro College Fund's work enables 60,000 students to go to college with UNCF scholarships and attend its 37-member historically black colleges and universities.

Dr. Lomax, thank you very much for all of the great work that you have done and are continuing to do with the UNCF.

Following Dr. Lomax, we will hear from Mr. Oakley, president of Long Beach City College. Eloy Ortiz Oakley was appointed as the superintendent-president of the Long Beach Community College district in 2007. Since he started at Long Beach Community College, he has forged innovative partnerships with schools districts, universities, and Goldman Sachs to improve student success on the campus.

Our next witness is from my home State of North Carolina. Dr. DeSousa is the assistant vice chancellor of student retention at Fayetteville State University.

Dr. DeSousa, you have the distinct pleasure today of testifying in front of the committee with two Senators from North Carolina.

Senator Burr, would you like to welcome our witness?

Senator BURR. Senator Hagan, thank you.

Jason, I welcome you, as I do all the witnesses that are here today. Let me just say that North Carolina represents the largest pool of HBCUs in the country with 11.

Dr. Bassett, I'm not sure how we lost you, but we'll get you back eventually, I'm sure.

This hearing is important to our State and, more importantly, to our country and to the students that benefit from it. Let me say this, Senator Hagan, that Dr. DeSousa has quite a record every place he's been. But when we look for things to model, we look for people with quantitative data that proves that what they're doing works.

By every score, as it relates to retention, GPA, everything at Fayetteville State, the programs that he oversees, the programs that he has put in place, performance counts. And we've seen GPAs go up, we've seen retention go up, and we've seen the hiring of those graduates go up.

Congratulations. We've got something to learn, and I urge my colleagues to listen to what they've done at Fayetteville State.

Thank you.

Senator HAGAN. Thank you, Senator Burr.

And thank you, Dr. DeSousa.

We're going to begin with Dr. Gasman for our testimony. And once again, please limit your remarks to approximately 5 minutes. Once you have concluded with your remarks, we will begin the question and answer portion of this hearing.

Dr. Gasman.

**STATEMENT OF MARYBETH GASMAN, Ph.D., PROFESSOR OF HIGHER EDUCATION AND DIRECTOR OF THE CENTER FOR MINORITY-SERVING INSTITUTIONS AT THE UNIVERSITY OF PENNSYLVANIA, PHILADELPHIA, PA**

Ms. GASMAN. Thank you for having me today. I appreciate it. What I'm going to do is just give a quick overview of minority serving institutions in general, and then I'm going to talk about three areas, and that will be the STEM area, men of color, and also teacher education.

Minority serving institutions emerged in response to a history of inequity, lack of minority people's access to majority institutions, and significant demographic changes which are continuing to change in our country. So as a result, they are educating a really unique niche of students in the Nation. As we've heard, they serve a disproportionate amount of low-income and students of color.

I did want to point out a few things that they are particularly good at. They boast very diverse faculties and staffs, much more diverse than the majority of institutions across the Nation. They provide environments that have a significant impact on student learning, and they cultivate future leadership.

They also offer role models of similar racial and ethnic backgrounds for students, which research has proven to be instrumental in student success. And they provide programs of study that challenge students and make up for the deficiencies that happen at the K through 12 level. An investment in these institutions moves us all forward.

There are roughly 599 minority serving institutions, depending on how you count them, in the United States, and they educate 20 percent of all undergraduates. That's a pretty significant percentage. Over 50 percent of MSI students receive Pell grants, and if you look at HBCUs, in particular, that goes up to 84 percent. If you

look at tribal colleges, that goes up to 74 percent. The tuition at these institutions is 50 percent lower than at majority institutions.

I want to move to the STEM area. Research tells us that we need a million more STEM workers in order to be competitive on a global scale. Minority serving institutions can help us, because they disproportionately prepare students in STEM. If you look at the top 20 institutions that award STEM degrees, for example, to Asian and Pacific Islander students, seven of these institutions are what are called AANAPISIs, Asian American and Pacific Islander serving institutions.

Ten HSIs, Hispanic serving institutions, are among the top 20 institutions awarding STEM degrees to Latinos. If we look among HBCUs in the top 20, we find 10 HBCUs awarding the most degrees to blacks and African Americans. So they are hugely significant in the STEM area.

As of late, we've heard a lot about President Obama's My Brother's Keeper initiative. I think that we all, hopefully, care about the future of men of color. But they are disproportionately at risk in the United States. But if you look at minority serving institutions, they are doing the lion's share of work with men of color, and I don't think that people realize it.

Over 36 percent of men of color who are enrolled full-time are at minority serving institutions. Nearly 50 percent of men of color enrolled part-time are at minority serving institutions. Keep in mind that minority serving institutions only make up 7.8 percent of our colleges and universities. They are disproportionately educating men of color. They are also disproportionately graduating men of color.

The last area I want to focus on is teacher education. One of the things that we know is that our teaching force is not diverse, but our student body is, and it's becoming more and more diverse. If you look at the census projections for 2050, you see that there's a large increase with the country becoming majority-minority. So it's very, very important that we have a teaching force that reflects this growing diversity.

MSIs produce 11 percent of all teaching degrees. But if you look a little bit deeper, what you see is that they are accounting for 53.5 percent of all bachelor's degrees in teaching that are going to Latinos, that they are producing over half of the degrees for Asian Americans, that they are producing nearly a third for African Americans. They are having a significant impact, and we have some really wonderful models in that area.

The last thing that I'd like to say is that I made five recommendations, and I'm not going to go over them right now. But I would hope that you would ask questions related to my recommendations around supporting fundraising infrastructure at MSIs—I think that's incredibly important—around the collection of data that actually shows the value of MSIs—I think that Jason's work really exemplifies that—and also around an investment in teacher education. I think those are three of the most important recommendations that I made.

I look forward to the conversation. Thank you.

[The prepared statement of Ms. Gasman follows:]

## PREPARED STATEMENT OF MARYBETH GASMAN, PH.D.

## OVERVIEW OF MINORITY SERVING INSTITUTIONS (MSIG4S)

Minority Serving Institutions emerged in response to a history of inequity, lack of minority people's access to majority institutions, and significant demographic changes in the country. Now an integral part of American higher education, MSIs—specifically Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities (TCUs), Hispanic Serving Institutions (HSIs), and Asian American and Native American Pacific Islander Serving Institutions (AANAPISIs)—have carved out a unique niche in the Nation: serving the needs of low-income and under-represented students of color. These institutions boast diverse faculties and staffs, provide environments that significantly enhance student learning and cultivate leadership skills, offer role models of various racial and ethnic backgrounds, provide programs of study that challenge students, address deficiencies resulting from inadequate preparation in primary and secondary school, and prepare students to succeed in the workforce and in graduate and professional education. Because MSIs enroll a substantial share of minority students, many of whom might not otherwise attend college, the continuous development and success of these institutions is critical for realizing our Nation's higher education and workforce goals and for the benefit of American society overall. MSIs play vital roles for the Nation's economy, especially with respect to elevating the workforce prospects of disadvantaged populations and reducing the under-representation of minorities and disadvantaged people in graduate and professional schools and the careers that require post-baccalaureate education and training. By virtue of their Federal legislation, MSIs enroll a largely disproportionate population of students of color. If the Federal Government seeks to widen educational access to this population, they should increase the Nation's investment in these institutions.<sup>1</sup>

MINORITY SERVING INSTITUTIONS BY THE NUMBERS<sup>2</sup>

## 599 Minority Serving Institutions

- 34 TCUs
- 105 HBCUs
- 315 HSIs
- 145 AANAPISIs
- 3.6 million undergraduates are enrolled in MSIs—20 percent of all undergraduate students.
- Over 50 percent of all MSI students receive Pell Grants.
- Tuition at MSIs is on average 50 percent lower than majority institutions.

## INDIVIDUAL MSI SECTOR DESCRIPTIONS AND CONTRIBUTIONS

*Tribal Colleges and Universities*

The 34 colleges and universities that are regular members of the American Indian Higher Education Consortium are spread across 13 States and include 13 4-year and 21 2-year colleges. With nearly 30,000 students enrolled, TCUs have grown significantly since the first tribal college, Diné College in Arizona, opened its doors (under the name Navajo Community College) over four decades ago. Predominantly public institutions (over 75 percent), TCUs vary in enrollments from under 100 to nearly 3,000 students. Most TCUs are located on reservations: among the 34 TCUs are four urban or suburban campuses, three campuses located in distant or remote towns, and 27 rural campuses. With their roots in Native American movements for self-determination, TCUs were established to provide educational opportunities for a local tribe(s) and expand a network of regional higher education opportunities for Indians and non-Indians alike. TCUs serve as places where students find the support and social capital they need to get degrees that lead to careers. TCUs have also focused considerable educational resources on the survival and development of socially and economically marginalized communities, and these institutions have helped maintain and invigorate tribal languages and cultures while at the same time developing curricula that speak to the experiences and backgrounds of Native Americans.<sup>3</sup>

*Hispanic Serving Institutions*

Colleges and universities that serve large numbers of Hispanics date to the founding of the University of Puerto Rico (1903). In the 1960s and 1970s, drawing on the example of the African American civil rights movement and Historically Black Colleges and Universities (HBCUs), Latino student and community activists advocated changes in admissions policies and founded grassroots Hispanic colleges. Boricua

College (1968), Hostos Community College (1969), and National Hispanic University (1981) are living legacies of community action. Leaders of *de facto* Hispanic Serving Institutions founded the Hispanic Association of Colleges and Universities (1986) and coined the phrase “Hispanic Serving Institution.” This name became official Federal policy in 1992, and since the 2008 amendment of the Higher Education Act, “Hispanic Serving Institution” came to designate any accredited and degree-granting public or private nonprofit institution with an undergraduate Hispanic full-time equivalent student enrollment of 25 percent or higher coupled with substantial enrollment of low-income students. In the absence of a formal Federal list of HSIs, the name is generally applied to institutions that meet the Federal institutional and enrollment criteria. Based on these criteria, 315 institutions in the 50 States, Puerto Rico, and the District of Columbia qualified as HSIs in 2012. Scattered across 15 States and all institutional sectors, these institutions—just over 6 percent of all degree-granting institutions—enrolled almost four million undergraduates, including one quarter of all minority undergraduates in higher education in the United States, and nearly one-half of Hispanic undergraduates. Predominantly public (70 percent) and 2-year (49 percent) institutions, HSIs also count among their numbers 10 research universities and more than 50 master’s degree institutions. As a group, these institutions play a critical role in making college accessible and starting Hispanic students on the path to degrees. HSIs are some of the most diverse institutions in the United States, serving as critical points of access to technology, information, and public space for communities with few such resources.<sup>4</sup>

#### *Historically Black Colleges and Universities*

HBCUs were officially defined in the 1965 Higher Education Act as a “college or university that was established prior to 1964, whose principal mission was, and is, the education of black Americans.” Born out of segregation and spread across 20 States, the District of Columbia, and the U.S. Virgin Islands, these 105 institutions have played a critical role in providing education to Black Americans since the founding of Cheney University in 1837. In 2011 HBCUs made up 2 percent of the degree granting title IV institutions and enrolled nearly 346,338, students—including 1.6 percent of all undergraduate students in the United States, 3.7 percent of total minority undergraduates, .3 percent of White undergraduates, and 11 percent of Black undergraduates. HBCUs get students, especially Black students, to degrees, and they do this at the same rate as majority institutions but with less funding. HBCUs have long graduated a disproportionate percentage of the Black students who earn bachelor’s degrees and who go on to graduate or professional schools. In 2012, HBCUs accounted for nearly 18 percent of bachelor’s degrees awarded to Black students. HBCUs not only guide students in attaining the benefits of a first college degree (income, employment) but also contribute to students’ momentum toward further education and the professions. But HBCUs do more than produce degrees: HBCUs contribute to their students’—especially their Black students’—psychosocial adjustments to college and career as well as to their cultural awareness, self-confidence, and social capital.<sup>5</sup>

#### *Asian American and Native American Pacific Islander Serving Institutions*

In 1960 the Asian American and Pacific Islander (AAPI) population was less than one million, but it has nearly doubled in size every decade since then, changing the face of America and subsequently American higher education. This rapid growth is the result of immigration patterns, and these patterns have also led to an increased presence of the AAPI population on college campuses across the Nation. As a result, a small group of institutions now identify—through a Federal designation and funding program—as Asian American and Native American Pacific Islander Serving Institutions (AANAPISIs). In 2009, the Congressional Research Service determined that 116 institutions met the requirements of the Federal designation. However, there are 145 eligible institutions in 2014; the numbers are growing quickly. Ten percent of these institutions’ student populations are low-income Asian Americans or Pacific Islanders. Although the model minority myth perpetuates the false belief that all Asian Americans are academically advanced, AAPI students are in reality quite diverse and have needs that are similar to other under-represented racial and ethnic populations. There are 48 different ethnicities among the AAPI population, and these individuals speak more than 300 languages. Of note, the most poverty stricken of the AAPI groups in terms of socioeconomic status are the Hmong (38 percent live below the poverty line), Samoans, (20 percent live in poverty), and Filipinos (6 percent live below the poverty line). Still finding their identity, AANAPISIs are already unearthing the activist spirit within AAPI populations, creating pathways to graduate school for low-income AAPIs, providing them with mentors, and contributing to a Pan-Asian outlook that empowers the larger AAPI community.<sup>6</sup>

## AREAS OF DISPROPORTIONATE MSI IMPACT

*MSIs and Production of Science, Technology, Engineering, & Math (STEM) Degrees*<sup>7</sup>

Seventy-six percent of scientists and engineers with a bachelor's degree in the United States are White. If the Nation is to maintain its legacy of innovation in science and technology, we should look to MSIs to address the racial and ethnic disparities in STEM education, as diversity leads to innovation. Between 2006–10, many MSIs have been among the top 20 academic institutions that award science and engineering degrees to racial minority graduates.

- Of the top 20 institutions that award science and engineering degrees to Asians or Pacific Islanders, seven identify as AANAPISIs. These include large, regional universities, such as San Jose State University, which is located in the California Bay Area, and the University of Hawaii at Manoa.
- Ten HSIs are among the top 20 institutions that award science and engineering degrees to Hispanics/Latinos. Most of these institutions are located in California, Texas, and Puerto Rico.
- Ten HBCUs are among the top 20 institutions that award science and engineering degrees to Blacks/African Americans. These institutions vary in size and public and private status, and include institutions such as Alabama A&M University and Hampton University, which is located in Virginia.
- Of the top 20 institutions that award science and engineering degrees to Native Americans, only one TCU—Haskell Indian Nations University—is included. Considering that most TCUs are community colleges, with few awarding degrees beyond the associate level, this is not alarming.

MINORITY SERVING INSTITUTIONS AND MEN OF COLOR<sup>8</sup>

According to the Department of Education, data indicate that boys and men of color are disproportionately at risk. There are large disparities in preparation for boys and young men of color at all levels. Moreover, a disproportionate number of Black and Latino men are unemployed or in the criminal justice system. These factors contribute to the undermining of families and local communities. Last, as a result of these circumstances, men of color are more likely to be the victims of violent crimes. Minority Serving Institutions can and do play a large role in countering these statistics and changing the lives of men of color. Consider these data:

- Over 36 percent of men of color with full-time college enrollment are found at Minority Serving Institutions.
- Nearly half (48.6 percent) of men of color with part-time college enrollment are found at Minority Serving Institutions.
- Of the 196,110 bachelors degrees conferred to men of color, 24 percent (n=58,657) are awarded by MSIs.
- Twenty-two percent (n=50,829) of men of color with associate degrees earned by them at Minority Serving Institutions.
- MSIs represent less than 8 percent of all postsecondary institutions in the Nation.

MINORITY SERVING INSTITUTIONS AND TEACHER EDUCATION<sup>9</sup>

Between July 1, 2011 and June 30, 2012, there were 108,054 bachelor's degrees in education conferred in the United States. Of these 11,588 were conferred by MSIs (11 percent). Of note, MSIs account for 53.5 percent of all education bachelor's conferred to Latinos, over half of education degrees for Native Hawaiians and Pacific Islanders (54 percent), nearly a third for Blacks (32 percent) as well as over a third for Asians (35 percent). Across MSIs, the institutions within each sector that confer the most teaching degrees are Oglala Lakota College (TCU), the University of Texas, El Paso (HSI), Jackson State University (HBCU), and California State University-Fullerton (AANAPISI).

## RECOMMENDATIONS FOR EMPOWERING MINORITY SERVING INSTITUTIONS AND LOW-INCOME STUDENTS OF COLOR

1. Colleges and universities with strong endowments and alumni giving thrive and are able to support students in more comprehensive ways (e.g., institutional aid and student support services). Investments at the Federal level in MSIs should focus on building fundraising infrastructure in order to ensure long-term stability rather than short-term fixes.<sup>10</sup>

2. Forty-six percent of MSIs are community colleges that enroll a largely disproportionate population of part-time students of color. Increasing investments in MSIs affects not only racial minority students, but also minorities who are also con-

sidered non-traditional—over the age of 25, working full-time and/or have family dependents for which to care.<sup>11</sup>

3. Evidence suggests that the interventions, funded through MSI Federal legislation, actually work in improving student outcomes. In order for more students to reap the benefits of these interventions, more funding is needed to bring them up to scale, using exemplary programs as models. Exemplary models include math shame interventions at Chief Dull Knife College, peer mentoring in science at Morehouse College, computer-assisted learning at El Paso Community College, and the Full Circle Project at Sacramento State University. See *Minority Serving Institutions: Educating All Students* report for more details.<sup>12</sup>

4. The Federal Government should require MSIs to collect data on student outcomes across various stages—including retention, developmental education, attainment, and post-college employment. Likewise, the Federal Government should provide MSIs with funding to make data collection regular and manageable as most MSIs lack the infrastructure to collect good data. Having good, solid data on hand increases MSIs performance at the State level where outcomes-based funding is becoming the norm and in their interactions with private foundation and corporations looking to fund MSIs.<sup>13</sup>

5. As 11 percent of teacher education degrees nationwide were conferred by MSIs and a disproportionate number of teacher education degrees among students of color, it is essential to invest in teacher education programs at MSIs. Students in these programs are more likely to return to urban and rural communities to teach and can have a lasting impact on students of color in these communities. As the Nation's demographics change—as predicted by the U.S. Census—it will become even more important to have a teaching force that reflects the diversity of the Nation as research shows that having a teacher of the same racial or ethnic background increases student performance.<sup>14</sup>

#### REFERENCES

1. Clifton Conrad and Marybeth Gasman, *Lessons from the Margins: What American Higher Education can Learn about Empowering All Students to be Successful in College*. Cambridge, MA: Harvard University Press, forthcoming 2015.

2. Marybeth Gasman and Clifton Conrad, *Minority Serving Institutions: Educating All Students*. (Philadelphia, PA: Penn Center for Minority Serving Institutions, 2013).

3. Ibid.

4. Ibid. See also, Marybeth Gasman, Benjamin Baez, and Caroline Sotello Turner, *Understanding Minority Serving Institutions*. (Albany, NY: State University of New York Press, 2007).

5. Ibid. See also, Marybeth Gasman, Valerie Lundy Wagner, Tafaya Ransom, and Nelson Bowman, *Unearthing Promise and Potential: Our Nation's Historically Black Colleges and Universities*, (San Francisco: Jossey-Bass, 2010).

6. Robert Teranishi, *Asian American and Native American Pacific Islander Serving Institutions: Areas of Growth, Innovation, and Collaboration*. (New York, NY: National Commission on Asian American & Pacific Islander Research in Education, 2012).

7. Marybeth Gasman and Clifton Conrad, *Minority Serving Institutions: Educating All Students*. (Philadelphia, PA: Penn Center for Minority Serving Institutions, 2013).

8. Data prepared for My Brother's Keeper Initiative by the Penn Center for Minority Serving Institutions (Marybeth Gasman, Andrés Castro Samayoa, & Thai-Huy Nguyen), 2014. All data culled from the National Center for Educational Statistics.

9. Data prepared for a W.K. Kellogg Foundation-sponsored project titled "The Role of Minority Serving Institutions in Adopting and Implementing the New State Standards and Providing Leadership in Teacher Education" by researchers at the Penn Center for Minority Serving Institutions (Marybeth Gasman, Andrés Castro Samayoa, Kerry Madden, Karla Silva, and Carolina Davila). All data culled from the National Center for Educational Statistics.

10. Marybeth Gasman and Nelson Bowman III, *A Guide to Fundraising at Historically Black Colleges and Universities* (New York: Routledge Press, 2010).

11. Data prepared for a forthcoming report on community colleges that are also MSIs by the Penn Center for Minority Serving Institutions (Thai-Huy Nguyen, Valerie Lundy Wagner, Marybeth Gasman, Melanie Wolff, Desmond Diggs, Andrés Castro Samayoa, and Carolina Davila) All data culled from the National Center for Educational Statistics.

12. Marybeth Gasman and Clifton Conrad, *Minority Serving Institutions: Educating All Students*. (Philadelphia, PA: Penn Center for Minority Serving Institutions, 2013).

13. Clifton Conrad, Marybeth Gasman, Todd Lundberg, et al, *Collecting and Using Data at Minority Serving Institutions*, Philadelphia, PA: Center for Minority Serving Institutions, University of Pennsylvania, October 2013.

14. Recommendation based on data noted in reference 9.

Senator HAGAN. Thank you, Dr. Gasman.

Dr. Lomax with the United Negro College Fund.

**STATEMENT OF MICHAEL L. LOMAX, Ph.D., PRESIDENT AND  
CEO, UNITED NEGRO COLLEGE FUND, WASHINGTON, DC**

Mr. LOMAX. Thank you, Senator Hagan and Senator Paul, for the opportunity to testify on this important topic. Since our founding 70 years ago, UNCF's primary mission has been to increase the number of African American college graduates and especially from our 37 private member HBCUs.

HBCUs are a best buy in American education because of their strong record in graduating low-income minority students. The Nation's network of public and private historically black colleges enroll 10 percent of all African American undergraduates and graduate nearly 20 percent of all African Americans with college degrees and 27 percent of African Americans with STEM degrees, and at an affordable price, 30 percent less than other colleges.

Today, HBCUs face a financial crisis. The institutions themselves and the students they serve were hard hit by the Great Recession and, more recently, have suffered losses from abrupt changes in Federal student financial aid policies, such as the devastating change in underwriting rules for parent-plus loans that caused many students already in college to withdraw.

UNCF and our member institutions understand that it is our responsibility to confront these financial challenges and we are doing our part. In all, UNCF awards \$100 million in scholarships each year to over 12,000 students with a significant share attending HBCUs. But the painful reality is that today, UNCF can provide scholarship assistance to only 1 of every 10 qualified applicants.

Our member institutions are working hard to assure our long-term viability through more effective practices throughout their academic enterprises. To assist them, UNCF established our Institute for Capacity Building, or ICB, to provide grants, technical assistance, and professional development. With ICB support, for example, Claflin University increased alumni giving to over 50 percent, a giving rate higher than some elite institutions.

Four institutions, Clark Atlanta University, Oakwood University, Texas College, and Voorhees College, increased their applicant pools by at least 25 percent and first-time student retention by 13 percent. And Shaw University developed an institution-wide student loan default prevention initiative that reduced its cohort default rate by nearly 40 percent over 3 years.

Our institutions recognize they must change the way they do business in order to accelerate progress in closing achievement and attainment gaps. The reauthorization of the Higher Education Act represents an opportunity to spur innovation and new solutions at our institutions. With Federal venture capital, HBCUs could exper-

iment, pilot, evaluate, and scale up promising best practices for student success.

The HEA reauthorization also presents an opportunity to develop a holistic approach to helping more students of color go to and graduate from college. For example, the Federal student aid system must be improved so that it works better for low-income families. Reinvesting in Pell grants and summer Pell grants is essential to helping poor students finish college faster and at a lower cost.

Moreover, the complexity of Federal student aid is both a barrier to college access for low-income families and a regulatory burden on institutions. It should be streamlined. Stafford and Plus loans should be improved with lower interest rates, more effective loan counseling, and reasonable credit criteria.

Finally, Congress should establish a universal and automatic income-based student repayment system administered by the Federal Government. This could solve the student loan default problem and eliminate the need for cohort default rate measures that penalize HBCUs and smaller institutions and force them to focus on loan collection and not academic improvement.

UNCF believes that a mind is a terrible thing to waste, but a wonderful thing to invest in. This is a sentiment I believe we can all support. I look forward to answering your questions.

Thank you.

[The prepared statement of Mr. Lomax follows:]

PREPARED STATEMENT OF MICHAEL L. LOMAX, PH.D.

#### INTRODUCTION

Good morning and thank you Senator Hagan, Senator Paul, Chairman Harkin, Ranking Member Alexander and the entire committee for the opportunity to testify before you on a subject of critical importance to those of us who are working every day to enable more minority students to reach their full potential.

I am Michael Lomax, president and CEO of UNCF. UNCF is the Nation's largest higher education organization serving students of color, perhaps best known by our iconic motto, "A mind is a terrible thing to waste®." UNCF was founded 70 years ago to consolidate fundraising for America's private Historically Black Colleges and Universities (HBCUs) and our primary goal is to increase the number of African American college graduates from our member institutions through fundraising to support scholarships. In addition, we both advocate for and support increasing African American graduates from other HBCUs and all U.S. colleges and universities, assuring these young people have the skills they need to excel in the 21st century economy. To underscore our philosophy that investing in young people will pay dividends for the entire nation, we have updated our motto to: "A mind is a terrible thing to waste but a wonderful thing to invest in®."

During UNCF's 70 years, we have raised over \$4 billion in scholarship aid to help more than 400,000 students of color earn their degrees at HBCUs and 900 other colleges and universities across the country. We administer \$100 million in scholarships annually through 400 scholarship and internship programs. UNCF's largest program is the Gates Millennium Scholarship, founded in 1999 by The Bill and Melinda Gates Foundation through a \$1.6 billion grant to be used for scholarships for high-achieving, low-income African American, American Indian/Alaska Native, Asian Pacific Islander and Hispanic American students across the country.

#### THE HBCU VALUE PROPOSITION

UNCF's core mission, however, remains its partnership with the Nation's 37 private HBCUs, part of a network of 100 public and private HBCUs. Collectively, these institutions enrolled 235,000 undergraduate students in 2012, primarily first-generation, low-income and minority students.

The HBCUs that partner with UNCF play a unique role in the Nation's educational environment, preparing the next generation of professional and civic leaders needed by communities, employers and the Nation, especially as the country

trends toward a population and workforce in which the combined minorities are actually in the majority. In fact, recent studies by UNCF's Frederick D. Patterson Research Institute demonstrate that HBCUs often outperform larger, better-known and better-funded institutions at enrolling and graduating low-income students.<sup>1</sup>

In many ways, HBCUs are a "best buy" for students and the Nation. HBCUs represent 3 percent of all 4- and 2-year colleges and universities; enroll 10 percent of all African American undergraduates; confer 19 percent of all African American bachelor's degrees; and generate 27 percent of African American undergraduate STEM degrees, even though operating costs are among the lowest in the Nation. When the National Science Foundation ranked all colleges based on the number of African American graduates who went on to earn doctoral degrees in science and engineering, HBCUs took the top 10 places, ahead of elite private universities.

HBCU accomplishments include the following:

- Since 2008, Spelman College in Atlanta, GA has averaged a 6-year graduation rate of 77 percent—the highest of the 100 HBCUs and substantially above the national average of 59 percent.
- Claflin University in South Carolina has been recognized nationally as a leader by implementing a comprehensive plan that increased its retention rate by 8 percentage points in a single year; the university's 2012 retention rate was 74 percent—one of the highest of all HBCUs and slightly above the national rate.
- Nearly 50 percent of graduates with bachelor's degrees from Xavier University in New Orleans, LA are in the science, technology, engineering and mathematics (STEM) fields.
- In March 2014, a team of investigators from five HBCUs (Prairie View A&M University, Texas Southern University, Savannah State University, Tougaloo College, and Jarvis Christian College) was the first selected team of HBCUs to send a research payload to the International Space Station.

HBCUs attain these results at an affordable price for students—30 percent less, on average, than other institutions, with fewer resources available to them—and with operating budgets that average less than 50 percent of those of other 4-year colleges. At the same time, the vast majority of HBCU students are economically disadvantaged and academically unprepared for the rigors of college. Yet, our institutions get these students across the finish line.

#### HBCU CHALLENGES AND OPPORTUNITIES

At UNCF, we are encouraged that the Nation is focused on producing more college graduates in order to secure a bright future for our citizens and country. UNCF brings a sense of urgency to the prospect of producing more African American graduates, particularly as we face significant challenges and much remains to be accomplished to meet our goals.

Most important, HBCUs continue to face severe fiscal challenges. In fact, the money raised by UNCF for its 37 member HBCUs has become more important today than ever, as our member schools are experiencing a financial crisis as severe as any in UNCF's history. Already under-resourced, HBCUs have lost over \$250 million since 2011 in reduced Parent PLUS Loans, Pell Grants and other sources of critical Federal support for student financial aid, academic programs and student support services. Over 75 percent of students at HBCUs rely on Pell Grants—a substantially greater share than the 45 percent, on average, at other institutions.

In addition to the financial crisis, college readiness remains a significant barrier to the success of students at our institutions. Research tells us that students from poor families have lower educational aspirations, inadequate secondary-level academic preparation, and are less likely to persist and complete their degrees.

The good news is that interest from African American high school students in attending HBCUs has been on the rise for over a decade. Between the 2001–2 and the 2012–13 school years, UNCF member institutions saw a 78 percent rise in applications and a 64 percent increase in admissions. These numbers are comparable to all 4-year institutions. However, while enrollment at all 4-year institutions rose by 21 percent over the period, enrollment at UNCF's member HBCUs remained essentially flat, rising by only 5 percent. We believe the reason for this is a lack of student financial aid.

I'm often asked how colleges that serve an almost exclusively African American population can still be relevant in today's world. The answers are quite simple. First, HBCUs do a very good job at educating their students. Based on research from UNCF's Patterson Research Institute, we know that HBCUs outperform non-

<sup>1</sup>UNCF, Frederick D. Patterson Research Institute. 2012. *Understanding HBCU Retention and Completion*.

HBCUs by 14 percentage points when it comes to graduating demographically identical low-income student populations.<sup>2</sup>

There are also deeper reasons for continued demand for HBCUs. I've talked to thousands of students about their interest in attending an HBCU, and they tend to raise three points to explain why they want to attend an historically Black college. First, they say the schools feel like home—they feel like family. Second, they believe HBCUs will let them explore themselves as an individual, rather than as a statistic. And finally, at an HBCU, they feel they can learn more about where they come from. This is a powerful set of motivators that echoes research from UNCF's Patterson Research Institute, and I believe will continue for many years to come.

HBCUs have played—and are poised to continue to play—an outsized role in helping greater numbers of minority youth obtain a college degree. These strengths also lay the foundation for HBCUs to innovate and lead in a rapidly evolving higher education landscape. The traditional 18- to 22-year-old student population is no longer the typical college student in America. Today, non-traditional students—working, career seeking and family supporting adults—are looking to obtain degrees or some type of postsecondary credential. And they are demanding a more personalized and convenient education that can be accessed online—anytime, anywhere, any place. The ground is literally shifting right under HBCUs and our institutions need to get out in front of the coming earthquake. HBCUs can become more adept at serving and reaching out to:

- High-achieving students from low-income families, many of whom don't even apply to college because they believe they cannot afford it;
- Older students who work full-time and need to take classes via non-traditional formats (virtually, on weekends, in blended formats, at an accelerated pace, assessing credit for prior experiences and competencies, etc.);
- The over 35 million students who have earned some college credit but have not graduated, to provide them alternatives for earning their degrees; and
- International residents who have visas and have worked in the country but have not earned a degree.

#### WHAT UNCF IS DOING TO INCREASE AFRICAN AMERICAN COLLEGE ATTAINMENT

##### *Addressing College Readiness*

UNCF is working to address the college readiness gap by making the case that the Nation must invest in students earlier in the educational pipeline. The pre-K through college pipeline is broken for communities of color, and particularly for African Americans. According to ACT, Inc., only 5 percent of African American high school graduates meet college readiness benchmarks across four major subjects (English, reading, math, and science). Through our local community engagement efforts across the country, UNCF is actively working to build support for effective school reform, and to make students and families aware that the high school diploma is no longer a ticket to the middle class. UNCF's Patterson Research Institute is developing high-quality research so that we have the data and analysis to support this work and, indeed, all of UNCF's major streams of work.

##### *Addressing Financial Need*

UNCF is working hard to meet the strong demand by young African Americans for an education at our member schools, but donations have not kept pace with the demand, particularly in the aftermath of the Great Recession. In all, UNCF awards \$100 million in college scholarships each year to over 12,000 students, with a significant share attending HBCUs. However, the ratio of applications to available scholarships is approaching 10 to 1.

In 2009, thousands of students were at risk of being forced to leave college without their degrees largely due to the recession and the inability of their families to fill in the financial gap. In response, UNCF launched a just-in-time scholarship program (Campaign for Emergency Student Aid) that has raised over \$20 million and helped over 8,000 students pay outstanding tuition and dormitory bills so students could graduate and begin their careers. Indeed, a relatively small scholarship averaging \$1,500 has made the difference between a college dropout and a college graduate.

In 2010, UNCF partnered with Citibank and the Knowledge is Power (KIPP) charter schools to launch the UNCF College Account Program (UCAP), with a \$7.5 million gift from the Citi Foundation and Citibank. The UCAP program is a custom-designed college savings and scholarship initiative operating in Chicago, Houston, New York City, the San Francisco Bay Area and Washington, DC. KIPP elementary,

<sup>2</sup> Ibid.

middle and high school charter school students receive \$50 and an equal match when they open a college savings account. Their contributions are matched up to \$250 per year. In addition, high school seniors are eligible to receive scholarships for up to 5 years, further mitigating unmet financial need experienced by low-income students. KIPP regional coordinators work with Citibank branch offices to host financial literacy workshops for families and “bank days” for students. Over 8,000 students and families have enrolled since UCAP’s inception, and more than \$1.1 million in student contributions and matching funds has been achieved.

UNCF has redoubled our efforts to increase donations from the private sector, and we have revamped our operations to better serve UNCF members and students. We know that investing in students through UNCF works. Our Patterson Research Institute examined the effectiveness of our scholarships and found that an African American freshman who receives a \$5,000 UNCF scholarship returns for her sophomore year at a 94 percent rate, graduates in 6 years at a 70 percent rate—which is considerably higher than the 59 percent 6-year graduation rate at all 4-year institutions—and sees her likelihood of graduating increase by over 7 percentage points.<sup>3</sup> In contrast, the national 6-year graduation rate for African Americans is 40 percent. If we could increase that rate by over 7 percentage points, we would graduate close to 16,000 additional African Americans with bachelor’s degrees each year. That is an investment that pays dividends not only to those students, but also to the country at large.

#### *Enhancing HBCU Institutional Capacity*

Because HBCUs serve low-income students, their budgets are always tight and endowments are limited. That challenges the ability of HBCUs to operate effectively and efficiently and to evolve in response to higher education best practices—processes that better-funded institutions can afford to take for granted.

UNCF presidents understand that building internal capacity in all aspects of their academic enterprise is key to both educational excellence and the long-term viability of their institutions. In response to this need, UNCF launched the Institute for Capacity Building (ICB) with support from the Kresge Foundation—whose visionary work on HBCU institutional advancement programs provided a model for ICB. Since 2006, UNCF has raised more than \$30 million for ICB, which provides grants, technical assistance, consultative services and professional development opportunities to strengthen the ability of all UNCF member institutions, as well as other minority-serving institutions, to meet 21st century challenges.

ICB’s core program areas focus on:

- *Institutional Advancement*, including enhancing the capacity of UNCF institutions to raise more private, unrestricted sources of funding and, especially, to increase giving by alumni;
- *Enrollment Management*, including building communities of best practice across the UNCF network of institutions aimed at increasing student enrollment and improving retention and graduation rates;
- *Curriculum and Faculty Enhancement*, including fostering solutions to help faculty excel in HBCU academic environments;
- *Fiscal and Strategic Technical Assistance*, including doing “deep dives” around issues of fiscal management, institutional effectiveness and compliance with accreditation and Federal student aid requirements;
- *Facilities and Infrastructure Enhancement*, including building “green” at MSIs; and
- *Executive Leadership and Governance*, including providing leadership training for college presidents, senior administrators and board chairs.

The convergence of financial, technical and “on the ground” support has brought about new capacities that in some cases are unprecedented within UNCF campuses. For example, through the *Institutional Advancement Program*, 10 institutions<sup>4</sup> developed comprehensive strategies for annual giving that increased total private gifts by 57 percent over a 3- to 4-year period. For example, Bennett College in North Carolina increased its total number of donors by 42 percent and donations climbed by 70 percent. Claflin University in South Carolina more than doubled its first-time alumni donors, achieving an alumni participation rate of over 50 percent, which exceeds the participation rate at some elite universities and is twice the average 24

<sup>3</sup> UNCF, Frederick D. Patterson Research Institute. 2013. *Building Better Futures: The Value of a UNCF Investment*.

<sup>4</sup> Benedict College, Bennett College, Claflin University, Huston-Tillotson, Jarvis Christian College, Morehouse College, Philander Smith College, Talladega College, Virginia Union University and Wiley College.

percent rate at private baccalaureate institutions according to the Council for Aid to Education's 2013 Voluntary Survey of Education.

Through the *Enrollment Management Program*, four pilot institutions (Clark Atlanta University (Georgia), Oakwood University (Alabama), Texas College (Texas) and Voorhees College (South Carolina) increased their applicant pools by at least 25 percent and first-time student retention by 13 percent. Clark Atlanta University also increased its 5-year graduation rate by 2 percentage points.

ICB's *Curriculum and Faculty Enhancement Program* helped Virginia Union University (VUU) prepare undergraduate students to become math and science teachers in the Richmond, VA public school system. The ICB grant also helped VUU to develop courses, student learning communities and co-curricular activities in math and science.

The *Fiscal and Strategic Technical Assistance Program* included the establishment of an Accreditation Registry. This registry allows UNCF to offer a central data base of experts in critical areas as institutions prepare for accreditation visits and reviews. Miles College in Alabama improved its assessment of graduates' status by using National Student Clearinghouse Student Tracker, made possible with ICB grant funds. Shaw University in North Carolina developed an institution-wide student loan default prevention and management initiative that led to a nearly 40 percent reduction in its cohort default rate in 3 years.

Through the *Facilities and Infrastructure Enhancement Program*, UNCF launched a Building Green at Minority-Serving Institutions Initiative, which serves as a coordinating collective for sustainability efforts at historically black, tribal, Hispanic-serving and Asian American/Pacific Islander-serving institutions. The initiative identifies barriers to building green and incorporates principles of sustainable design and energy efficiency into campus building projects. As a result, the number of buildings and structures on MSI campuses that are registered for LEED certification has increased 30 percent. Lane College in Tennessee upgraded lighting in its athletic center, created a sustainability committee and began energy audits. Tougaloo College in Mississippi worked with MIT CoLab, a technical assistance partner, to establish a student-led Green Team to increase recycling, expand the community garden and support curriculum updates.

#### *Promoting STEM and Innovation*

Recognizing the potential of HBCUs to be hubs of innovation, and the need to dramatically increase African American participation in the innovation economy, UNCF embarked on a new course to expand its reach and impact through a major STEM initiative. HBCUs already have a strong track record in launching the STEM careers of African Americans. UNCF is building on these efforts to change the face of STEM with its groundbreaking partnership with Merck. The UNCF/Merck Science Initiative (UMSI), a \$44 million program now in its 18th year, has produced more than 600 world-class African American research scientists in biological, chemical and related disciplines. The UMSI capacity building program is increasing the research participation levels among undergraduates, enhancing career development and fostering a culture of inquiry on campus.

In 2013 and 2014, UNCF launched the centerpiece of its new STEM initiative—a national HBCU Innovation Summit held in Silicon Valley. The purpose of the Summit was to build bridges between HBCUs and the technology community, and to develop and enhance the innovation and entrepreneurial capacity of HBCUs—with the goal of establishing productive innovation-entrepreneurial ecosystems across the HBCU network.

#### *Using Research, Data and Analysis for Continuous Improvement and to Drive Results*

UNCF is supporting the national conversation about how to provide a quality education to all by developing and using data, research, evaluation and assessment to inform our work on minority education and to drive results. Since its founding in 1996, UNCF's Patterson Research Institute, frequently quoted in this document, has conducted research on the educational status and progress of African Americans.

The first publication in a growing body of research in K–12 education, Patterson's study, "Done to Us, Not With Us: African American Perceptions of K–12 Education" is helping to inform UNCF's work in target cities focused on increasing parental involvement for students of color and low-income backgrounds. Patterson is documenting the impact of UNCF scholarships on the students who receive them, and also analyzing the performance and progress of UNCF member institutions along

key dimensions, such as access, affordability, persistence and completion.<sup>5</sup> One such study, just completed, examined the affordability of the 37 UNCF member institutions benchmarked against peer institutions. It concluded that our institutions offer African Americans a viable, affordable avenue toward a college degree—with average total prices that are 26 percent lower than at comparison institutions.<sup>6</sup> This study is one of an ongoing series exploring how African Americans pay for college, policies and regulations that influence their ability to finance college attendance; and various institutional and individual factors that play a role in how money facilitates college access, retention and completion.

#### RECOMMENDATIONS FOR THE HIGHER EDUCATION ACT REAUTHORIZATION

The challenges and opportunities facing HBCUs come at a critical juncture in our Nation's drive to produce more African American college graduates—a time when a college education is both more essential and more expensive than ever. The reauthorization of the Higher Education Act (HEA) presents an important opportunity to develop a holistic approach to moving more students to and through college, particularly students of color. I would like to turn to UNCF's policy recommendations for renewing the HEA, particularly as they relate to HBCUs.

##### *Re-invest in and Modernize Pell Grants*

As you know, Pell Grants are the cornerstone of our national commitment to make higher education accessible and affordable for all, but especially those students who lack the financial means to attend college but stand to gain the most from a college education.

UNCF urges the committee to re-invest in and modernize Pell Grants to meet 21st century needs. We recommend that the committee reverse the programmatic cuts made between 2011 and 2013, which drained more than \$53 billion in vital college assistance from financially needy students. These reductions work against students at HBCUs who have the greatest financial need and often take longer to complete their degrees due to financial constraints. Accordingly, we support (1) restoring the “summer” Pell Grant that enables students to earn their degrees faster and at a lower cost; (2) restoring the income threshold to \$32,000 for an automatic Pell Grant and (3) repealing the 6-year limit for Pell Grant eligibility. Further, the Federal Government should make an early Pell Grant funding commitment to low-income high school students to increase college-going rates and improve K–12 academic outcomes by helping these young people to believe that college is possible. Finally, the complexity of the Federal student aid process and regulations is both a barrier to college access for low-income students and a burden on institutions. We urge the committee to explore the many ways in which financial aid experts have suggested to streamline a financial aid system that is confusing to students and parents.

##### *Improve Parent PLUS Loans*

When the Department of Education unilaterally tightened the credit requirements that determine eligibility for Parent PLUS Loans in October 2011, we learned just how critical these loans are to college access for thousands of students across the country, and especially to those students at HBCUs. Initially, 400,000 students nationwide and 28,000 students at HBCUs were impacted. Ultimately, HBCUs experienced a 45 percent drop in the number of students whose parents were able to obtain Parent PLUS Loans in the 2012–13 academic year and suffered a \$155 million or 35 percent reduction in Parent PLUS Loan revenue from already tight budgets. While the situation has improved somewhat in the 2013–14 academic year, thousands of low-income students continue to be denied access to the HBCU of their choice because of Parent PLUS Loan denials.

UNCF member presidents are working in good faith in negotiated rulemaking sessions on this issue at the Department of Education. However, should the Department of Education issue regulations this fall that fail to adequately address this problem, UNCF will seek this committee's support for a legislative remedy.

Further, we recommend several statutory improvements for the Parent PLUS Loan program, including: (1) lowering interest rates and origination fees; (2) incorporating loan counseling for parents so that they borrow only what they need and understand their loan obligations; (3) extending the eligibility period to 2 award years; (4) incorporating more flexible repayment options; and (5) granting institu-

<sup>5</sup> UNCF, Frederick D. Patterson Research Institute. 2013. *Building Better Futures: The Value of a UNCF Investment*.

<sup>6</sup> UNCF, Frederick D. Patterson Research Institute. 2014. *Lower Costs, Higher Returns: UNCF HBCUs in a High-Priced College Environment*.

tions flexibility to provide additional Federal aid to students in good academic standing whose parents are denied PLUS loans.

*Delay Cohort Default Rate Sanctions*

Cohort default rates are an emerging issue that looms large over our institutions. Beginning this year, institutions can lose title IV eligibility if they exceed a 3-year cohort default rate of 30 percent for 3 consecutive years. That is a death sentence for any college or university.

In the short term, HBCUs seek a 2-year delay in sanctions relating to cohort default rates. Cohort default rate sanctions unfairly penalize HBCUs, which are at greatest risk of losing Federal student aid eligibility because their students disproportionately rely on Federal loans to attend college, and borrow greater amounts, due to their limited financial means. Some HBCUs could exceed the 30 percent threshold if just a few students default because of their small enrollments. Moreover, when the new CDR requirements were enacted in 2008, neither Congress nor the HBCU community anticipated that graduates would be entering the worst job market since the Great Depression. The recession and sluggish recovery impacted the ability of many graduates to find employment and, thus, timely repay their loans.

*Redesign the Student Loan Program By Establishing A Universal and Automatic Income-based Student Loan Repayment System*

Unfortunately, the Federal Government is holding colleges accountable for student repayment of Federal education loans, when the loans are issued by the Federal Government and institutions do not have flexibility to reduce the amounts that students borrow below the statutory loan limits. Ensuring that students repay their loans is a distraction for our institutions and a drain on limited resources since schools must hire consultants to identify and track students who become delinquent on their loan repayments. UNCF member institutions want to focus on the academic needs of their students. The Federal Government should lift the burden of loan debt collection off their shoulders.

UNCF supports the establishment of a universal and automatic income-based student loan repayment administered by the Federal Government. Australia, the United Kingdom and other countries have figured this out; they have implemented successful systems for the government to collect on student loans through automatic, income-based repayment. In these countries, there is no student loan default problem. This is a solution that is simple, streamlined and a sensible way to support students who must take out loans to finance their futures, without burdening institutions with the role of debt collector.

*Support and Spur Innovation at HBCUs*

HBCUs could be important engines of innovation—generating and testing new ways of meeting the needs of an increasingly diverse student population; addressing the current challenges faced by higher education in providing quality education anytime, anywhere; any place; preparing students for a changing economy; and moving research ideas out of the laboratory and classroom into the marketplace. The HEA provides basic formula support to HBCUs through the title III, part B program, which supports basic operating needs. But, HBCUs could do so much more, if they only had the opportunities and resources.

New venture capital should be authorized within HEA to provide the resources and incentives for HBCUs to experiment, pilot, evaluate and scale up promising best practices for student success and to catalyze centers of innovation where the best minds can integrate education and research in exciting and new ways to drive innovation. The possibilities are almost limitless.

*Modernize Title III Formula Grants*

Title III, part B discretionary and mandatory grants are the bedrock of Federal financial support to our institutions, providing essential formula-based aid for academic programs, fiscal and management improvements, and technology. We support continued authorization for both the discretionary and mandatory programs, with several changes that we believe will strengthen the program. We recommend provisions expressly permitting title III funds to be used for creating or improving institutional capacity to offer distance education programs. In addition, UNCF supports expanding the authorized use of title III funds for supportive services, similar to the current authorization under the title V program.

*Expand the HBCU Capital Financing Program*

The HBCU Capital Financing Program provides HBCUs with access to low-interest loans not available elsewhere to support physical infrastructure and facility im-

provements. This program is a good news story for both HBCUs and taxpayers. As a result of previous investments, HBCUs have provided students with enhanced learning and living environments, rebuilt and restored historic buildings, and provided jobs in their communities, with little risk to the government since each borrowing institution must contribute 5 percent of loan proceeds to a pooled escrow fund to cover any potential delinquencies or defaults. UNCF supports an increase in cumulative loan authority from the current \$1.1 billion set in 2008 to \$3 billion to accommodate institutional infrastructure needs over the period of the next HEA reauthorization. In addition, we request that interest rates for loans for STEM-related facilities be lowered, to facilitate an expansion of the capacity of HBCUs to produce STEM graduates.

*Recognize “Degree of Difficulty” in the Proposed College Rating System and Do Not Distribute Federal Student Assistance Based on College Ratings*

Finally, UNCF would like to comment on the college rating system proposed by President Obama—officially named the Postsecondary Institution Ratings Systems. UNCF agrees that institutions should be held accountable for the quality of higher education they deliver. Nonetheless, we are concerned because the President’s plan has the potential to punish HBCUs that are already doing the hard work that needs to be done by educating large proportions of low-income, minority students, while privileging those institutions whose metrics look good on paper but have done little to get more minority students to the finish line.

The President’s plan also does not appear to take into consideration capacity and resource constraints that disadvantage HBCUs, and that can limit the ability of an institution to provide the necessary student support services so that underprepared students can succeed academically and institutional financial aid that can help students stay in school.

Dr. Walter Kimbrough, president of Dillard University, developed an apt metaphor for college performance ratings based on the scoring used in competitive diving.<sup>7</sup> In diving, swimmers receive a raw score from 1 to 10 based on dive execution. That score is averaged by the judges and then multiplied by the degree of difficulty for the overall score. For any college rating system to be fair and accurate, “degree of difficulty” in serving students must be calculated when judging institutional performance. Institutional raw scores must be adjusted to account for differences in the socio-economic composition of student populations, student academic preparation, institutional resources and other factors beyond an institution’s control, using a valid methodology.

UNCF opposes awarding and distributing Federal student assistance funds based on college ratings, as the President has proposed. We believe that such a system would result in significant inequities in the allocation of Federal financial aid to low-income students, undermine access and choice, and turn on its head the long-standing principle that Federal student assistance is awarded based on need.

Senator HAGAN. Thank you, Dr. Lomax.

Mr. Oakley.

**STATEMENT OF ELOY ORTIZ OAKLEY, B.A., M.B.A., PRESIDENT  
OF LONG BEACH CITY COLLEGE, LONG BEACH, CA**

Mr. OAKLEY. Thank you, Chair Hagan, Ranking Member Paul, and distinguished members of the committee. Thank you for inviting me here today to discuss these very important topics. I have the pleasure of serving as the president of Long Beach City College in Long Beach, CA, and I’m honored to be here today in support of this committee’s policy work that will shape America’s future. And I’m very grateful that you have exhibited interest in what we’re doing in Long Beach.

I testify before you today as a veteran of the U.S. military, as a Latino American, and as a first-generation college student who attended a California community college and had the opportunity to transfer to a University of California campus. This issue of strengthening MSIs to increase the number of under-represented students that obtain a quality college credential is something that

<sup>7</sup>Walter Kimbrough. 2013. Inside Higher Education. *When Rating Colleges, Think Diving*.

drives my presidency and I believe is a major economic imperative for our Nation.

The members of this committee are well aware of the demographic shifts in America and of the stubborn education achievement gaps that threaten our economic prosperity. While this gap is closing, it still has major economic and policy implications that I believe should be addressed by the reauthorization of the Higher Education Act.

Long Beach City College serves a diverse student population like many other urban community colleges. More than 83 percent of our students are from minority ethnic groups. The college has held the Hispanic serving institution designation for the past 17 years. Forty-one percent of our students received Pell grants, and more than 70 percent received need-based aid from California in 2012–13. In addition, 62 percent of our students are first-generation college students.

To improve student success, my college has implemented several key programs that have significantly increased college access and success for our students. The foundation of these efforts is in the Long Beach College Promise. The Long Beach College Promise is a partnership between the Long Beach Unified School District, the third largest school district in California, Long Beach City College, and California State University Long Beach.

The College Promise guarantees students from the Long Beach Unified School District the opportunity to pursue a college education locally. Students and families know what steps are required, and, in return, they receive preferential admission to Long Beach State, and if they decide to attend Long Beach City College, they receive additional financial assistance.

Through the College Promise, we have been able to reduce financial and structural barriers which prevent students from pursuing college. California's Little Hoover Commission cited the College Promise as a model that should be replicated throughout California.

Our partnership also provided us an opportunity to address one of the most significant barriers for under-represented students, placement into remedial courses. Until recently, more than 90 percent of Long Beach City College students were being placed into remedial courses, making them much less likely to succeed in college.

Our research staff conducted research that proved high school grades were the best predictor of success in college level courses. Prior to this research, my college, like most colleges throughout the Nation, used standardized test scores to place incoming students.

Based on this research, my college developed the Promise Pathways initiative in 2012. We use predictive analytics to assess and place students into English and math courses based on their high school achievement instead of standardized assessment tests.

As a result of these changes, successful completion rates of transfer-level English in the first year increased from 12 percent to 41 percent, and in math from 5 percent to 15 percent. Students were placed directly into college level courses, and they succeeded at the same rate as other students who had to take several semesters of remedial courses.

These findings are not unique to Long Beach City College. The potential extends well beyond California and throughout the Nation. These results have been validated by several other community colleges in California, as well as from research from the Community College Research Center.

National organizations like the American Association of Community Colleges and Complete College America are calling for community colleges to shift assessment and placement away from relying solely on placement exams. While this doesn't solve all of our problems of completion, we believe that this is an important step in the right direction. And we believe it will help more students earn more degrees in a much shorter period of time.

I believe we are on the right path. I look forward to your questions and thank you again for inviting me here today.

[The prepared statement of Mr. Oakley follows:]

PREPARED STATEMENT OF ELOY ORTIZ OAKLEY, B.A., M.B.A.

Chairman Harkin, Ranking Member Alexander, and members of the committee, thank you for inviting me here today to discuss two important topics that have significant impact on our Nation: strengthening Minority Serving Institutions (MSIs) and best practices and innovations for student success.

My name is Eloy Ortiz Oakley and I serve as the superintendent-president of Long Beach City College, in Long Beach CA. I am honored to be here today in support of the very important policy work of this committee. Your work will shape the future of America and I am grateful that you have an interest in learning more about how we serve students in Long Beach. I testify before you today as a veteran of the U.S. military, a Latino American and a first generation college student who transferred from a California community college to a University of California campus. The issue of strengthening MSIs to increase the number of under-represented and first generation students who obtain a quality college credential is an issue that drives my presidency at Long Beach City College and is a major economic imperative for our Nation.

As you are aware, community colleges and in particular MSIs are the gateway to higher education credentials for millions of Americans and are critical to meet the Nation's need to prepare a globally competitive workforce in the 21st Century and beyond.

According to the U.S. Department of Education data, Latinos represented 14 percent of the total Fall 2012 enrollment at degree-granting institutions. In Fall 2012, 57 percent of Latinos attended 2-year public institutions and 43 percent attended 4-year public institutions. According to U.S. Census Bureau data, Latinos are significantly less likely to complete their education—about 11 percent of 22–24-year-old Latinos have attained at least a bachelor's degree, half of the national average for this cohort (22 percent). This gap, which fortunately is closing, has major economic and policy implications and should be addressed in the reauthorization of the Higher Education Act (HEA).

Long Beach City College (LBCC), like many urban community colleges, serves a diverse student population in terms of ethnic and racial demographics, economic status, native language and college preparation. More than 83 percent of our students are from minority ethnic groups and LBCC has held the Department of Education's Hispanic-Serving Institution (HSI) designation for the past 17 years. As you can see, LBCC exemplifies the face of America's future.

Latino students are our largest student cohort and represent more than 52 percent of our student body. Latino enrollment at LBCC has risen substantially in the last decade, from 28 percent in 2002, and is expected to continue to increase given enrollment demographics of our largest local K–12 system, in which 84 percent of the students in the 2013–14 school year represent ethnic minority groups and 55 percent are Hispanic. LBCC also serves large numbers of African American (18 percent) and Asian/Pacific Islander (14 percent) students.

LBCC also serves a student population with significant financial need. Forty-one percent of our students received Pell grants and more than 70 percent received need-based State aid in the form of Board of Governors enrollment fee waivers in the 2012–13 academic year. In addition, 62 percent of our students are first-generation college students.

LBCC has implemented several key interventions and programs that have significantly increased student success, which I will discuss in more detail later. Even as the college has seen improvements in the number of students completing key academic milestones, stubborn achievement gaps persist. According to the California Community College Chancellor's Office (CCCCO) Student Success Scorecard data for the 2007–8 6-year cohort, Latinos demonstrated an overall completion rate of 36 percent versus 48.5 percent for Whites. Closing this and other achievement gaps and increasing the number of students receiving a community college credential or becoming transfer ready are the primary goals of LBCC and should be incentivized through the HEA.

#### SCALABLE INTERVENTIONS: LONG BEACH COLLEGE PROMISE & PROMISE PATHWAYS

LBCC has implemented several key interventions and programs that have significantly increased college access and success for our exceptionally diverse student body. The foundation of these efforts is the Long Beach College Promise—a partnership between Long Beach Unified School District, Long Beach City College and California State University, Long Beach.

Through the College Promise, our local public education institutions forged a partnership to improve preparation, access and success for our local students and specifically to address the barriers that first-generation students face in matriculating to and succeeding in higher education.

Together, we have built a holistic system that begins in elementary school and extends through college completion. At its core, the College Promise guarantees students from the Long Beach Unified School District the opportunity to pursue a college education locally. Students and families know what steps are required and in return receive access to preferential admission consideration at Long Beach State and financial assistance if they decide to attend Long Beach City College.

Here are just a few statistics to show what this partnership has accomplished in the 6 years since the inception of the College Promise:

- More than 31,000 fourth-graders have attended day-long field trips to LBCC, and 31,000 fifth-graders have attended field trips to CSULB.
- More than 57,000 middle-school students and their parents have completed and signed Long Beach College Promise Pledges, which commits parent and student to satisfactorily completing college and career preparatory courses.
- More than 5,600 students have had a free first semester at LBCC, intended to mitigate financial barriers to attending college.
- There has been 43 percent increase in LBUSD students enrolling at California State University, Long Beach despite significant increases in overall selectivity.

California's Little Hoover Commission cited the College Promise as a model that should be replicated throughout California saying:

“Regional partnerships such as the Long Beach College Promise not only get high school students to think of themselves as college-bound, but to prepare themselves so they are in a better position to succeed once they are there.”<sup>1</sup>

Through the College Promise, we have been able to reduce financial and structural barriers which too often prevent students from pursuing college.

Our partnership also provided an opportunity to address one of the most significant barriers to increasing college completions, especially for under-represented students: placement into remedial (developmental) courses.

Placement into remedial education is a significant barrier to completion. A recent report from the Community College Research Center at Teachers College, Columbia University (CCRC) found that only 28 percent of community college students who take a developmental education course go on to earn a degree within 8 years, and many students assigned to developmental courses drop out before completing their sequence and enrolling in college-level courses. These numbers are particularly chilling since national figures show that 68 percent of community college students enroll in at least one remedial course.<sup>2</sup> These numbers are significantly higher for Latino and African American students.<sup>3</sup>

At Long Beach City College, 90 percent of incoming students were being placed into remedial courses in English, math or reading. Despite all of our work to align curricula and to improve preparation, Long Beach Unified graduates were only doing slightly better.

<sup>1</sup>*A New Plan for a New Economy: Reimagining Higher Education*, Little Hoover Commission 2013; p. 35.

<sup>2</sup>*What We Know About Developmental Education Outcomes*, Community College Research Center; January 2014.

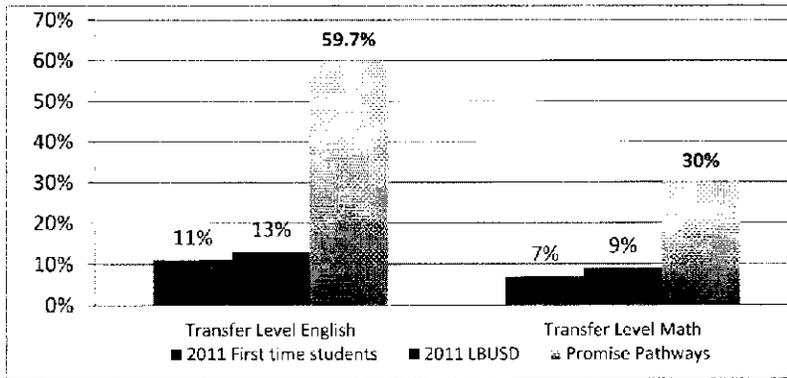
<sup>3</sup>*Remediation: Higher Education's Bridge to Nowhere*, Complete College America, 2012.

Our close relationship with Long Beach Unified provided both the opportunity and the impetus to seek a new approach. Long Beach City College research staff examined 5 years of data from incoming freshmen from Long Beach Unified high schools to identify the best predictors for success in college courses. The research showed that high school grades were the best predictors of success in college-level courses and yet LBCC, like most colleges, relied primarily upon standardized test scores to place incoming students.

The impact of this disproportionate emphasis on standardized test scores has been profound: many students who would likely succeed in transfer level English and math were being diverted into remediation—often multiple semesters in each subject. This misalignment between high school preparation and college placement was causing unnecessary remedial placements, slowing and too often halting altogether, momentum toward a degree or transfer, and disproportionately affected students of color.

Based on the opportunity this research presented and other best practices, Long Beach City College developed the Promise Pathways initiative, which launched in the fall of 2012. The initial cohort of freshman consisted of 976 diverse students and the results they achieved are impressive. LBCC used predictive analytics to assess and place these students into English and math courses based on their high school achievement, instead of standardized assessment tests. Assessment into college-level English increased from barely 10 percent using traditional assessment in the previous cohort to almost 60 percent using multiple measures assessment. Assessment into college-level math increased from less than 10 percent to over 30 percent.

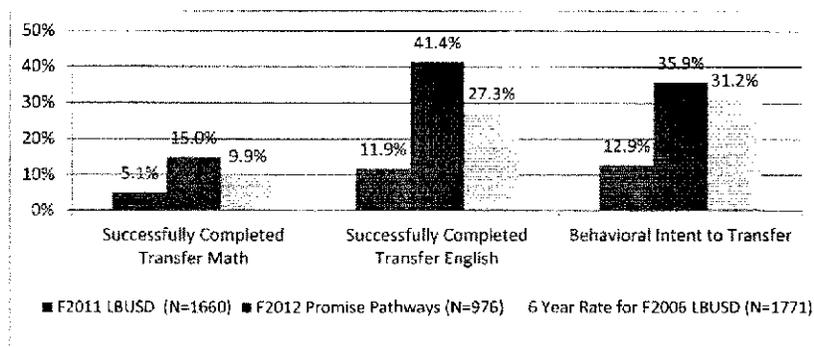
**Percentage of students assessed into transfer-level in English and Math by cohort.**



LBCC also provided these students with clear first-semester education plans and registration priority to ensure that students enrolled in these foundational courses upon entry into college. Students were also encouraged to enroll full-time and 85 percent of the cohort did.

As a result of these changes, first time students in Promise Pathways were much more likely than students in previous cohorts to successfully complete transfer-level English and math and to achieve key early milestones in their first year. Successful completion rates of transfer-level English in the first year jumped from 12 percent in the previous year to 41 percent. For transfer-level math, successful completion in the first year increased from 5 percent to 15 percent. (See graph.)

**F2012 Promise Pathways achievement in first year vs. 6-year rates of achievement for most recent (F2006) six-year cohort from LBUSD available.**



Importantly, despite dramatically expanding placement directly into college-level coursework, those students succeeded at the same rates as students who had received multiple semesters of developmental instruction and had persisted through multiple years at the college (both typically predictors of higher rates of success), and outperformed other first-time students who tested in via the assessment, providing powerful validation of the initiative.

Access to, entry into and, most importantly, completion of transfer-level courses increased for all demographic groups. Rates of achievement of these milestones increased for every demographic group with some of the largest relative gains made by Latino and African American students. In fact, the rates of achievement of these milestones by students of color in the Promise Pathways in 2012 outpaced those of white students in 2011 in nearly every case.<sup>4</sup>

The 2013 Promise Pathways cohort of more than 1,300 students and comprised of students from three school districts showed similar gains mid-year and demonstrates that the positive effects of using multiple measure-based placement is not limited to a single school district.

The implications of our initial efforts are clear: basing assessment and course placement upon a blunt instrument like a placement test needlessly impeded many of our students who already had the tools to succeed by putting them in remedial courses that they didn't need and that often failed to improve student outcomes.

Tremendous gains were made by adjusting in how we placed students to align with evidence of their previous achievement. But what is most promising and important for this committee to know is that these findings are not unique to Long Beach City College. The potential reach of this extends throughout California and the United States.

LBCC's award-winning Predictive Placement model<sup>5</sup> has been tested at other community colleges in California, and according to a recent report from the RP Group, our efforts "helped catalyze . . . a growing network of colleges reproducing and refining this approach and using its results to inform local use of multiple measures in placement."<sup>6</sup> The California Community College Chancellor's Office is developing a statewide multiple measures database, based on the methods developed at Long Beach City College, to enable expanded use of high school grades to place students.<sup>7</sup>

Several studies from the Community College Research Center at Teachers College, Columbia University strongly support the use of multiple measures using high

<sup>4</sup> *Overview and disaggregation of the impact of the Fall 2012 Promise Pathways on key educational milestones*, LBCC Office of Institutional Effectiveness; 2013.

<sup>5</sup> President Oakley accepted the 2014 James Irvine Leadership Award in recognition of the Promise Pathways initiative. LBCC's research received the 2014 Mertes Award for Excellence in Community College Research & the 2012 RP Group Excellence in College Research Award.

<sup>6</sup> *Stepping Up: Progression in English and Math from High School to College*, Willet & Karandjeff, RP Group; 2014.

<sup>7</sup> *Multiple Measures Assessment Project*, RP Group; 2014.

school achievement in assessment of students' readiness for college-level work.<sup>8</sup> Findings from one large scale study found that "one in four test-takers in math and one in three test-takers in English are severely mis-assigned under current test-based policies, with mis-assignments to remediation much more common . . . [and] using high school transcript information—either instead of or in addition to test scores—could significantly reduce the prevalence of assignment errors."<sup>9</sup>

National organizations like the American Association of Community Colleges<sup>10</sup> and Complete College America<sup>11</sup> are calling for community colleges to shift assessment and placement away from primary reliance upon traditional standardized placement tests. Several States, most notably Florida and North Carolina, have recently implemented significant changes to assessment and placement practices in their community colleges.<sup>12</sup>

While improving assessment and placement alone will not solve our completion challenges, it clearly is one of the most effective steps that can be taken and will produce savings for taxpayers and students by not forcing students to retake coursework they had already successfully completed but also will help more students earn degrees and certificates by removing barriers and help them do so more quickly. The saved opportunity costs of 1–2 additional years of college being replaced with 1–2 additional years of adult earning potential for thousands of students at LBCC alone are tremendous. At the national level, adding 1–2 years of earning potential back to the productive adult lives of millions of citizens would be a significant boost to our Nation's economy. When combined with other efforts to improve remediation, create clear pathways for students and to target resources toward completion, evidence-based placement is an essential ingredient to meeting our goal for having 60 percent of adults earn a post-secondary credential.

We believe that LBCC is on the path to continued success. There are many ways in which the Federal Government can assist these and other efforts to increase success of under-represented students. These recommendations follow.

#### IMPLICATIONS AND RECOMMENDATIONS FOR FEDERAL POLICY

##### *Expand Support for MSIs through Title III & V*

- As our Nation and its colleges and universities become more diverse, the need for programs to support completions of minority students is increasing. Unfortunately, current program and funding levels are not keeping pace with the increased demand. Competition for HSI, PBI and AANAPISI is intense and many deserving institutions and students are not funded under the HEA currently. While we understand that funding remains a challenge, we do believe that increased support is a solid investment in our Nation's future productivity.

- Competitive grants are currently available to colleges designated as an AANAPISI, HSI, and PBI. Colleges are precluded from applying for more than one competitive grant even when they qualify for more than one designation. Colleges that qualify for multiple MSI designations—like LBCC in which 83 percent of our students are minority students—should be allowed to apply for title III & V competitive grants in more than one of the designations. Multiple MSI grants will enable colleges with large minority populations to scale interventions to meet all students' needs and encourage more innovation in interventions resulting in improved outcomes for more under-represented students. Because these grants are targeted to specific populations at a given college, there is no reason why the current limitation should be retained.

##### *Support Use of Student Data for Placement*

- Too often, Federal policies like Family Educational Rights and Privacy Act (FERPA) inhibit efforts like LBCC's Promise Pathways program, which uses grades to help students. The sharing of student data can improve transition between K–12 and college, lead to improved assessment and placement, create opportunities for personalized interventions, and assist colleges in preparing student plans at the time of enrollment. LEAs and higher education institutions should be further per-

<sup>8</sup>*Do High-Stakes Placement Exams Predict College Success?*, Scoot-Clayton, CCRC; 2012 & *Predicting Success in College: The Importance of Placement Tests and High School Transcripts*, Belfield & Crosta, CCRC; 2012.

<sup>9</sup>*Improving the Targeting of Treatment: Evidence from College Remediation*, Scott-Clayton, Crosta & Belfield, CCRC; 2012.

<sup>10</sup>*Empowering America's Community Colleges to Build the Future: Implementation Guide*, AACC; 2014 p. 18.

<sup>11</sup>*Core Principles for Transforming Remedial Education: A Joint Statement*, Complete College America; 2012 pp.3–4.

<sup>12</sup>"*Reimagining Remediation*," *Community College Week*, Paul Bradley; Jan. 6, 2014.

mitted to use data to help students so long as student privacy is protected. And even though promising steps are being taken in California, data sharing agreements between the California Department of Education and the Chancellor's Office continue to be cumbersome and difficult to deploy. We also believe that earnings information should be made available on all undergraduate students, assuming, again, that privacy is maintained.

*Promote College Readiness*

- Institutions should be given incentives, including funding, to work with their local secondary schools to engage in practices that ensure students receive adequate preparation for higher education. Enhanced counseling, dual enrollment offerings, and early college assessment (leading to better choices in high school curriculum) have been found effective in increasing student preparation. Creating incentives will encourage more K–20 partnerships such as the Long Beach College Promise. This proposal is also supported by the national community college association (American Association of Community Colleges).

*Restore & Expand Pell Grant Program*

- The year-round Pell Grant, which is so critical to older, working students, needs to be restored, as does eligibility for ability-to-benefit (ATB) students. Year-round Pell Grants will allow more students to take courses that lead to degrees and transfer preparation during the summer and winter intersessions, which will decrease time to degree and increase awards. Given the current lifetime limit on Pell Grants, there is no logical reason not to re-instate the year-round Pell Grant. California was disproportionately impacted by the loss of ATB eligibility and we believe that this was a short-sighted policy, particularly given that the State bears the primary cost of educating these students, and believes that they merit support by the Federal Government as well.

- Higher education should be viewed as an investment both in the U.S. economy as well as the attainment of greater equity for individuals. Adequate funding for this foundational program must be retained. In particular, the base appropriated grant of \$4,860 must be sustained so that automatic inflation-adjusted increases are implemented. More than 3.3 million community college students—about 34 percent—received a Pell Grant last year.

*Simplify Filing the Free Application for Federal Student Aid (FAFSA)*

- Currently, too many community college students fail to file the FAFSA. There are a variety of reasons for this, including cultural barriers, a reluctance to become enmeshed with the Federal Government, a lack of awareness of the true cost of the education, and the complexity (and steps involved) in the application process. Students cannot access student financial if they don't first apply for it, and further action in this area is needed. This includes continued simplification of the aid application as well as greater early awareness efforts, perhaps through the tax-filing process.

*Use Financial Aid to Create Incentives for Student Success*

- Community colleges always have and always will emphasize the “open door” that is a central part of their heritage. However, new incentives for students to come ready for higher education and to persist in it are appropriate in a changing environment. Some studies show that “aid like a paycheck” and financial incentives for completion may play a helpful role in persistence. The student aid programs may need to allow for new types of programs, particularly shorter term offerings, to be eligible for student aid. We also urge Congress to avoid negative sanctions such as creating more stringent standards of satisfactory academic progress or limiting access to aid for relatively less well-prepared students.

*Promote Innovations that Accelerate Student Progress to Quality Credentials and Outcomes*

- As described above in LBCC's case, much effective innovation is occurring at the local and State level. The Federal Government could leverage these developments through a number of approaches. These could include providing incentives for innovation and for the expansion of evidence-based models through FIPSE, community college innovation programs, Higher Education Race to the Top, or other initiatives that provide States and institutions with the resources and flexibility needed to test, develop, and take successful strategies to scale.

*Transfer*

- Substantial benefits accrue to the many students who complete degree and certificate programs at community colleges. However, for many students, attainment of

the baccalaureate degree is necessary for economic success and a family sustaining job. The increasing premium being placed on the baccalaureate degree merits deliberate policies focused on helping more community college students continue through to receive the Bachelor's Degree (B.A.). For this reason, more reliable and efficient pathways to the B.A. degree for community college students need to be generated while also insuring that more students achieve Associate Degrees and/or certificates on the way. Incentivizing State policies such as California's Associate Degree for Transfer (SB 1440) programs that improve the transfer process between community colleges and State universities through streamlined transfer pathways and the elimination of excess credit units will increase the number of minority students transferring to a 4-year college, improve the diversity of universities and increase the number of minority students obtaining a B.A.

*Align Federal Laws and Regulations*

- The committee should act to align Federal laws related to higher education and workforce preparation—HEA, ESEA, Perkins, WIA—so that requirements (e.g., eligibility, reporting requirements, performance metrics) do not add unnecessary compliance costs for institutions and allow for greater transparency in programs performance, while promoting system-level student success innovations. The current set of overlapping and conflicting requirements is a serious drag on the higher education system. We strongly support the ongoing effort by members of this committee to reduce Federal regulations on higher education institutions.

Senator HAGAN. Mr. Oakley, thank you very much for your opening statement.

Dr. DeSousa from Fayetteville State University.

**STATEMENT OF D. JASON DeSOUSA, Ed.D., ASSISTANT VICE  
CHANCELLOR OF STUDENT RETENTION, FAYETTEVILLE  
STATE UNIVERSITY, FAYETTEVILLE, NC**

Mr. DeSousa. Good morning, Chairwoman Hagan, Ranking Member Paul, Senator Burr, and distinguished members of the Senate Health, Education, Labor, and Pensions Committee. Thank you for inviting me to testify about student success and best practices that are being implemented at Fayetteville State University.

I am a proud graduate of Morgan State University in Baltimore, MD. As an undergraduate, the enriching educational experiences, effective mentoring, and supportive campus environment helped shape the person I am today. I would be remiss if I did not mention the role of my academic advisor, Ms. Margaret Barton, who set the very highest levels of academic and personal expectations for others and me. I believe that every HBCU in this country has a Margaret Barton, one who academically challenges students yet nurtures and supports them.

My career in education includes several stints in seven public and private HBCUs in the country. Fayetteville State University is comprehensive, regional, constituent institution of the University of North Carolina. At Fayetteville State University, 66 percent of the students are African American, 5 percent Hispanic, 75 percent Pell eligible, 20 percent military affiliated, the highest percentage of total enrollment in the University of North Carolina system. In addition, nearly half are adult learners, and 95 percent of our students are in-State, most of whom come from the rural regions of North Carolina.

At FSU, African American males represent the lowest performing campus subgroup. We are making strides in turning that around. On average, during the period of 2005 to 2010, male students have accounted for 36 percent of our first-year, first-time students in contrast to females. The average rate at which males persisted to

graduation during such periods and for which 4-year data were available was 10 percent, demonstrating that FSU attracted a small proportion of men and, more troubling, graduating them at lower rates.

Because most academic performance measures showed that males were underperforming, FSU was intentional about initiating a set of student success interventions for male students, starting in 2012 with a unique assistant vice chancellor for student retention and male initiative position, a coordinator for academic resources, supplemental instruction, program associate, and a cadre of peer tutors help along with the program.

FSU's major male initiative, the MILE, Male Initiative on Leadership and Excellence, takes advantage of over \$400,000 in title III funds to develop targeted student success initiatives and practices. In its initial year, the initiative helped increase retention rates of males from 67 percent in 2010 to 74 percent in 2011.

In addition to its emphasis on academic success, the university's male initiative now focuses on financial literacy, a desired educational outcome for the university, through a new summer course entitled Black Men Banking on Their Future, a hybrid course which has a field component on Wall Street in New York City. FSU male initiatives helped attract a College Access Grant from the University of North Carolina General Administration. We were one of five institutions to receive the grant for the purpose of strengthening minority male mentoring.

We have a very strong relationship with Fayetteville Tech Community College through a specialized grant from The Links. Through this Links grant, we're able to partner Fayetteville Tech Community College's male initiative with the Bronco MILE, Fayetteville State University's male initiative, and have realized important gains in terms of creating expectations that will improve the rates at which transfer students from Fayetteville Tech Community College come to Fayetteville State University. Many HBCUs are improving African American male college completion rates through similar innovative programs, including the Morgan State University MILE and the North Carolina Central University Centennial program.

Fayetteville State University is working very hard to ensure Federal investments are yielding high returns. Additionally, we are doing our part to leverage resources by partnering with majority institutions and others to provide greater academic support services to our students.

I look forward to answering your questions.

[The prepared statement of Mr. DeSousa follows:]

PREPARED STATEMENT OF D. JASON DESOUSA, ED.D.

#### INTRODUCTION

Good morning. Chairwoman Hagan, Ranking Member Paul, and distinguished members of the Senate Health, Education, Labor and Pensions Committee, my name is Dr. D. Jason DeSousa, assistant vice chancellor of Student Retention for Fayetteville State University (FSU). Thank you for inviting me to testify about student success and the best practices that are being implemented at FSU.

Additionally, please allow me to thank Fayetteville State University's Chancellor James Anderson and Provost Jon Young for the support and resources that they have provided me to implement practices that undergird student success for the

University's students. I would be remiss if I did not thank Dr. George D. Kuh, Indiana University Professor Emeritus of Higher Education, for guiding and mentoring me through graduate school at Indiana University.

I am a proud graduate of Morgan State University, an HBCU in the State of Maryland. As an undergraduate, the enriching educational experiences, effective mentoring, and supportive campus environment, helped shape the person I am today. Based on my high school performance and standardized test scores, I was fortunate enough to be accepted to Morgan State University. It was Morgan's "talent development" philosophy that inspired my confidence and motivated me to be a resilient student with superb habits of the mind—habits that prepared me for graduate school at Bowling Green State University (Bowling Green, OH) and Indiana University Bloomington (Bloomington, IN). I would be remiss if I did not mention the role of my academic adviser, Mrs. Margaret Barton, who set the very highest levels of academic and personal expectations for others and me. Every HBCU has a Margaret Barton—one who academically challenges students yet nurtures and supports them.

My career in education includes several stints on seven public and private HBCU campuses. On those campuses, the enrollments ranged from 850 to 9,000 and I have seen first hand what works and where resources are needed to gain more success. I hope you will leave today with a better understanding of what we are doing at Fayetteville State to create success for all students and in particular for those who traditionally underperform or face significant challenges as non-traditional students.

#### BACKGROUND ON FAYETTEVILLE STATE UNIVERSITY

Fayetteville State University (FSU) is a comprehensive, regional constituent institution of the University of North Carolina. Founded in 1867 to prepare teachers for the children of recently freed slaves, the core aspect of FSU's mission is to ". . . promote the educational, social, cultural, and economic transformation of southeastern North Carolina and beyond." The institution continues to serve its original purpose and mission to provide quality education to underserved populations. The student population demographic is 66 percent African American, 5 percent Hispanic, 75 percent Pell eligible, and 20 percent military-affiliated (the highest percentage of students (of total enrollment) in the UNC system). In addition, nearly half (49.2 percent) are adult learners and 95 percent of our students are in-State most of whom come from the region which is largely rural.

FSU has six *Strategic Priorities*, with "Retention and Graduation" expressed as its first priority. Given our emphasis on student access, success, and persistence to graduation, this year the Washington, DC-based "Institute for Higher Education Policy" named FSU as an "Exemplar Institution for Access and Success" for its commitment to high-impact access and success practices that are particularly targeted to improve underserved North Carolina populations. (FSU joins California State University-Northridge, Florida State University, and Miami Dade College in this distinction.)

Some of the University's "Points of Distinction" include the following:

1. The University of North Carolina General Administration's "Teacher Quality Impact Study" listed FSU's School of Education as producing highly effective teachers of science and English.

2. As of 2012, FSU enjoys the distinction of being the only UNC institution to house on its campus an International Early College High School.

3. FSU is one of 20 high performing institutions, with higher-than-predicted graduation rates according to the Indiana University-based National Survey of Student Engagement (NSSE) Institute. FSU joins other high performing schools such as Macalester College, Miami University of Ohio, University of Kansas, University of Texas El Paso, and University of Michigan.

4. The University actively supports the military by developing specialized online courses and offering classes on military installations in North Carolina and Fort Sam Houston in Texas.

The university has a longstanding commitment to student success with an institutional culture characterized by academic challenge and support. Student success and achievement initiatives include increasing admission standards, policy changes, strengthened academic support and advisement, and implementation of support programs for under-represented groups, consistent data analysis.

#### BEST PRACTICES AND INNOVATION AT FAYETTEVILLE STATE UNIVERSITY

At FSU, African American males represent the lowest performing campus sub group. We are making strides in turning that around. On average, during the period

of 2005 to 2010, male students have accounted for 36 percent of first-time, first-year students in contrast to females. The average rate at which males persisted to graduation during such periods and for which 4-year data were available was 10 percent, demonstrating FSU attracted a small proportion of men and, more troubling, graduated them at lower rates. Because most academic performance measures showed that males were underperforming, FSU was intentional about initiating a set of student success interventions for male students, starting in spring 2012, with a unique “Assistant Vice Chancellor for Student Retention and Male Initiative” (AVC) position. A Coordinator for Academic Resources, Supplemental Instructor, Program Associate, and a cadre of peer tutors and mentors augment the senior-level Academic Affairs position.

FSU’s male initiatives—the “Male Initiative on Leadership and Excellence” (MILE) and the “Boosting Bronco Brothers Transition to FSU Initiative” (B3)—take advantage of over \$400,000 in title III funds to develop targeted student success initiatives and practices. Taken together, the MILE and B3 serve 205 males, which represents 18.4 percent of the target group of first-time male freshmen (1,114) or 12.3 percent of the total male student population at FSU (1,667).

In its initial year, the initiatives helped increase the fall-to-fall retention of males from 67 percent in 2010 to 74 percent in 2011, a 7-percentage point increase. As was stated earlier, males who participate in the BRONCO MILE program were retained at a significantly higher rate (84 percent) than non-participants (66 percent). In addition to its emphasis on academic success, the University’s male initiatives now focuses on financial literacy—a desired institutional outcome—through a new summer course entitled “Black Men Banking on Their Future,” a hybrid-type course, which has a field study component on Wall Street in New York City, NY. FSU’s male initiatives helped attract a College Access Challenge Grant from the University of North Carolina General Administration (system office)—only one of five institutions to receive the grant for the purpose of strengthening male mentoring.

FSU’s strong relationship with Fayetteville Technical Community College (FTCC) has enabled both institutions to take their male initiatives to a more innovative level. Through The Links, Inc., FSU and FTCC have been collaborating over the past 2 years to better increase transfer rates from FTCC to FSU. FTCC’s “Male Mentoring Program” and FSU’s MILE now partner to create opportunities for men of color transferring to FSU to connect with a MILE peer mentor before entering FSU. While the initial grant did not require both male initiatives to partner together, Chancellor Anderson and FTCC President Larry Keen insisted on this innovative practice, which has been yielding positive results.

Accordingly, many HBCUs are improving African American male college completion rates through similar innovative programs, including the Morgan State University MILE and the North Carolina Central University Centennial Scholars.

#### OTHER INNOVATIONS THAT UNDERGIRD STUDENT SUCCESS

In addition to the afore-mentioned initiatives, these additional programs have improved access and success for underserved populations at FSU: (1) Faculty Development; (2) Collegiate Learning Assessment; (3) CHEER Scholars Program; (4) Learning Communities; (5) Student Fairs for Selecting Majors; (6) Academic Support—Learning Center, Supplemental Instruction; and (7) Pre-College Outreach. I will expound here on just a few of these.

- CHEER Scholars Program (Creating Higher Expectations for Educational Readiness), which began in 2002, is a residential summer bridge for incoming freshmen who do not fully meet FSU’s admission standards. Serving 20 percent to 25 percent of FSU’s first-year students each year, the program provides college access to students who perform poorly on standardized tests. Studies indicate that high school GPA is a strong predictor of college success, while standardized tests (SAT and ACT) are poor predictors, yet those tests continue to be the cause of denying college admission to good students. From 2008–12, over 99 percent of CHEER participants (549 out of 554), all of whom were denied full admission due to standardized test scores, earned a C or better in both summer courses, allowing full-time enrollment in the fall.

- Female Students find support through two unique programs: “Saving Our Sisters” (SOS) and “Strong Sisters Soaring” (S<sup>3</sup>). These programs provide academic support for first-year females who were admitted on a provisional basis because of low GPA and/or test scores. The latter is an initiative designed to address health issues for women.

- Learning communities are sets of linked courses, usually exploring a common theme. Instructors in learning communities work together to develop the theme and coordinate the course content. Students enroll in all of the courses linked through

the learning community. By linking together students, faculty, and courses, learning communities create more opportunities for enrichment, interaction, and exploration. For the last two decades the research on learning communities indicates that when they are structured effectively they almost always have a positive impact. Since 2009, nearly 80 percent of entering freshmen have participated in learning communities each year. Learning community participants at FSU have higher GPA's than students who are not in learning communities (2.5 to 2.04 in fall 2012) and return for the second year at a higher rate than students who are not in learning communities (75.4 percent to 60 percent).

- As it relates to pre-college outreach, the Office of College Access Programs provides a broad range of high-quality college preparatory services annually to an average of 3,000 youth low-income/first-generation students, their parents and professional development services for educators who teach at Title I Schools. The Office includes national youth programs Gaining Early Awareness for Undergraduate Programs (GEAR UP), Talent Search, Upward Bound, Upward Bound Math & Science and 21st Century Community Learning Centers. In addition, AmeriCorps VISTA (Volunteers In Service to America), an anti-poverty program, is housed in the Office of College Access Programs to provide capacity building for mobilizing local resources to achieve sustainable solutions. Ninety percent (90 percent) of the students are of color with graduation rates of 91 percent and college placement rates of 75 percent.

- Financial aid education is also a major priority for this population of students. Financial aid education begins prior to enrollment with the FIRST STEPS program. FIRST STEPS is a program that helps prospective first-time students and their families take the first steps toward success at FSU, to include placement testing, advisement, registration, and financial aid counseling. During the financial aid counseling, students and families discuss decisionmaking related to financing their college education, including instruction on debt-burden, financial literacy, and true cost of education. Once enrolled the priority order of financial aid packaging is always free money (grants, scholarships); loans are packaged last as needed up to one's cost of attendance. Where loans are offered, students must go online to accept and if a new borrower (entrance counseling has to be completed) before funds will disburse. New initiatives in planning for academic year 2014–15 are: in person loan counseling sessions (schools did this before automation), and hiring of a Default Manager (many schools are going this route with the new default guidelines).

#### CONCLUSION

Fayetteville State University is working hard to ensure Federal investments are yielding high returns. Additionally, we are doing our part to leverage resources by partnering with majority institutions and others to provide greater academic support services to our students. I look forward to answering your questions.

Thank you.

Senator HAGAN. Thank you, Dr. DeSousa.

Dr. Bassett, president of Heritage University.

#### **STATEMENT OF JOHN BASSETT, Ph.D., PRESIDENT OF HERITAGE UNIVERSITY, TOPPENISH, WA**

Mr. BASSETT. Thank you, Senator Hagan and Senator Burr—great years in North Carolina, although I did have to tell Senator Warren this morning that immediately before Washington, I was in Massachusetts for 10 years—never could keep a job, you know, always moving around.

Senator Murray introduced Heritage University so well I wasn't quite sure I had anything left to say, except that when people say, "Well, what is Heritage?" I say, "Well, it's only had one president. She's a Catholic nun, but it's not a Catholic school, and it is on tribal land, but it's not a tribal school." Well, what in the world is it?

It's a private university that was established about 32 years ago, not where Fort Wright was. That was in Spokane. But it did have a kind of branch in the Yakima Valley. Two Native American

women, when Fort Wright folded, said, “There’s no place to educate our teachers,” and they started a new college.

Now, that’s kind of hard to believe right now. How in the world do you start a new college that way? They raised money. They got land. They got some influential trustees, and they told Sister Kathleen Ross, who was the provost in Fort Wright then as it closed, that she had to be the first president.

So 28 years later, she handed off her baby to somebody coming in from Massachusetts. It’s a remarkable place. The Yakima Valley is a great agricultural valley, where all your apples come from. We grow the hops and so forth. That’s really what has led to the student population being about 55 percent Mexican American and about 10 percent to 15 percent Native American with the population on the Yakama Reservation.

The educational attainment in the valley is low, particularly the lower valley, which doesn’t include the city of Yakima, as the upper valley. It includes a great deal of poverty. Only 6 percent of the adults in the lower valley have a bachelor’s degree. Appalachia is 12 percent by comparison. The students grow up there with people telling them for one reason or another what they can’t do. “Well, your people don’t do that sort of thing? What is it that you think you’re doing?”

Over and over again, we meet a person that’s been told by counselors, you know, “You’re very good with your hands, Juanita. You might think about beauty school.” Now, I have nothing against beauty schools, but these Juanitas are capable of being brain surgeons, and they’ve been told all their life what they can’t do, what the limitations are.

When I arrived at Heritage, I felt that as wonderful as it was, anecdotally, statistically, it wasn’t performing the way it should. We’ve made a number of investments to improve performance in the last couple of years. One is to really increase the intentional tutoring and advising of all of our students. That individual attention, building on TRIO and CAMP programs too, is making a huge difference.

Second is attaching them to a major and a dream earlier. We find that almost all the students that drop out really don’t have a clear image of themselves being an airline pilot or a doctor, lawyer, business person, or whatever it is.

Third is changing the financial aid formula to a more equitable formula so that more students can go. Fourth is raising expectations, creating a culture of higher expectations. The worst thing we can do is lower the bar for students. These students have amazing potential. Yes, they’ve been educationally disadvantaged, but they have wonderful potential.

Over and over again, I see students—a young woman named Brenda who dropped out of school, had a baby, and was working in the fields. Somebody said, “Why are you doing this? You’re a smart young woman.” And they got her to go back and get a GED, get a college degree. She graduates from Heritage, takes a couple of corporate jobs in the East, and is now managing a lot of the international marketing for St. Michelle Wineries.

I could tell the same story about people now with managerial positions at Costco, Walmart, and many other corporations like that,

or holding excellent teaching positions. Our residency-based teacher training program is recognized maybe as the best in the State, and the teachers are culturally sensitive to the kinds of students in the classroom.

A couple of comments about the particular populations we have. The Hispanic population—very family-oriented. Students don't get to college. Families go to college. In fact, we know if we don't get out in the valley and reach the kids when they're this age, working with their families, we're always going to be fighting a rear guard action.

In order to improve statistically the performance in the valley, we need to get everybody up. The Native American population—much more reserved, harder to build up trust with that population, wonderful abilities there. We find cohorting that group, having them study in groups at least for the freshman year of students with like backgrounds and like interests, can make a huge difference in their long-term success. But raising the bar, providing a lot of support—these things make a huge difference for our populations. Thank you very much.

[The prepared statement of Mr. Bassett follows:]

PREPARED STATEMENT OF JOHN BASSETT, PH.D.

SUMMARY

Heritage University is a private commuter university on Reservation land deeded from the Yakama Nation. Only 32 years old, it has about 1,000 undergraduates of whom 55 percent are Hispanic, mostly children of Mexican farm workers, and 10–15 percent Native, the others a mix. The mission is to provide high quality higher education to a population largely underserved, since there is no other 4-year college for miles. It has 400 graduate students, mostly in Education. The undergraduates are 90 percent Pell-eligible, 80 percent first gen; the average family ability to pay is \$150. The average parent has a 6th grade education. Educational attainment in the Yakima Valley is low, but the intelligence and potential of the young people are great.

In my 4 years we have taken a number of steps to improve completion and success rates: (1) improved financial aid practices so through an equity-based formula more students can stay in school; (2) added professional support staff for tutoring and advising to build further on successful TRIO and CAMP programs; (3) built a culture of high expectations, for the worst thing is to let these talented students, through misplaced compassion, graduate by getting over a low bar; (4) hired more full-time (not less expensive adjuncts) faculty who are there all week for the students; (5) encouraged students to identify an area of study sooner, since students who drop out—usually because of competing pressures in their life—invariably have not identified a field of study or a dream to have as a goal; (6) changed admission practices to be more certain that students who matriculate are at a point of their life when they can do the hard work to succeed; (7) built faculty agreement that they must take attendance and report red flags quickly to allow intervention; and (8) started enrolling students in cohorts that take classes together so they can have a peer group with whom they are closely engaged.

Success stories are remarkable. Our teacher prep program, honored at Federal and State levels, is a national model and has a 90 percent+ placement rate. Our business program shows amazing transformational stories of inarticulate freshmen lacking confidence in themselves going out as eloquent, confident seniors with Fortune 500 companies seeking to hire them. Successes include students like Brenda, a dropout from a culture of poverty and gangs. She had a baby but no dreams until a mentor encouraged her through the GED and college. She went on to good jobs on the east coast and now manages a lot of the international marketing for St Michelle Winery. Similar students hold managerial jobs at Costco, Walmart, and elsewhere. Haydee received her diploma Saturday; 3 years ago you would have given her no chance to have so many companies trying to hire her. Haver Jim, a 43-year-old Yakama native who entered with a not uncommon distrust of western education, has become quite a success story and received his diploma Saturday. He

is taking many skills back to his people. I have essays in my iPad from graduating students—one Native, one Latina—who came out of cultures of drugs, gangs, and poverty and who because of TRIO and University support are headed to great careers.

The cultures are very different, although poverty and lack of personal dreams are common traits. Native students, like their elders, have a deep natural reserve; they are often not forthcoming. It can take a long time to buildup trust with them. These are a community-focused, less individualistic people, yet they can be good business people. Unlike the agriculture-centered Mexican immigrants, they are a fishing people (also hunters and gatherers). They are a people with a more rooted and organic sense of their relationship to the land, which they protect like a family member. They have amazing talents.

While family is important for Indians, I would say that family is the first issue to address with the Mexican population; students do not go to Heritage, families go. You need to have family support for Juanita or Jose to succeed at Heritage; and sometimes parents say, "If you were not in college but picking apples, we could have meat on the table." Heritage knows it must reach children and their families when the kids are little and give them a sense of dreams and opportunities; otherwise over half will be gone before 12th grade and enormous potential lost to America.

Heritage University was established in 1982 by two Native American (Yakama) women and Sister Kathleen Ross, a member of the Order of the Holy Names of Jesus and Mary who had been Provost of Fort Wright College. That institution had gone out of business, leaving the south central part of the State of Washington with no teacher-training program for the region. It is hard to imagine starting a private college the way Heritage started and also hard to imagine there was and is no other 4-year college within 70 miles of Toppenish in any direction. Heritage is located on tribal land (deeded to the University) of the Yakama Nation, the only college on reservation land that is not a tribal college.

Starting as a program in Education with 50–100 students on an impossibly tight budget, Heritage now has close to 1,000 undergraduates and 400 graduate students (mostly in Education), and a diverse set of majors. Its mission for almost its entire existence has been to provide higher education opportunities to an educationally disadvantaged and largely place-bound population. In its early years it had about the same number of Native and Hispanic students. Because of the large growth of Hispanic peoples, mostly Mexican-American farm workers, undergraduates are now about 55 percent Hispanic and 10–12 percent Native American. The rest are a mixture of everything else. There is currently capacity and planning to grow to 2,000 undergraduates and 1,000 graduate students.

About 90 percent of the undergraduates are Pell-grant eligible, a percentage matched at perhaps no other private college. About 75–80 percent of the students are first in their family to attend college and fewer than 10 percent have a college graduate as a parent. The average family ability to pay (on the FAFSA form) is only \$150. So tuition is covered by Pell and State need-based grants, philanthropy, and loans. Heritage tries to manage student loan burdens through equity-packaging of aid; but most of the upper classmen are transfers from community colleges and often arrive with large burdens.

Heritage is a commuter campus without residence halls but with three regional sites on community college campuses elsewhere in the State. These take only transfer students. Many young people grow up in our Yakima Valley with no sense of a future, no ability to see themselves as an airline pilot, scientist, business owner, or doctor. Our Upper Valley includes the city of Yakima, which has poverty but also wealth. The Lower Valley is very poor and only 6 percent of the adults there have a bachelors degree (Appalachia is 12 percent). In the Lower Valley half the kids are gone from school before 12th grade to join a gang or have a baby or give up. The Reservation, moreover, like many reservations also includes a great deal of hopelessness. Our redefined mission at Heritage includes intentional strategies to reach children and their families at an early age, to help youth dream and to know the opportunities that are out there for anyone who is willing to work hard. Otherwise Heritage will always be treading water instead of effecting the major improvement in the region that is its goal.

I have been at Heritage 4 years. When I arrived, I realized Heritage scored badly on IPEDS graduation scores but also realized IPEDS covered only a teeny part of our population since many of our students were part-time students, most of our juniors were transfer students, and because our students' personal and economic conditions led to stop-out-and-return patterns that made 10-year graduation rates significantly better than 6-year rates.

To improve results, however, we have made several major changes. First a totally new admissions office is making sure that students who matriculate are ready to do the hard work needed to succeed. Second, a major investment in professional student support, advising and tutoring includes enhancement of the successful TRIO and CAMP programs. Students who get support in these programs, as well as those who get solid intentional tutoring elsewhere, have a much higher graduation rate than other students. Young people from the Yakima Valley can do anything a kid from Chevy Chase can do (I was a kid from Chevy Chase); they need more support because the Valley leaves them educationally behind. But the worst thing a teacher or adviser can do is let them graduate by getting over a low bar. If a Heritage graduate cannot compete effectively with a grad from Washington State or the University of Washington we are wasting our time.

Third we have developed a culture of high expectations, not always an easy transition for teacher or student. Fourth, we have invested in more full-time faculty who are there for the students all week, as part-time adjuncts cannot be. Fifth, we have deliberately tried to broaden our student base to include more students who enter college with a clearer sense of ambitions and opportunities to help build on campus a culture of completion and success, not just a culture of access. Sixth, having learned that students who drop out generally have not committed themselves to a major or program, we are trying to connect freshmen to an area of interest if not a major and to show them how that passion can lead to a productive career. Seventh, we are working more and more with cohorts, with groupings of students who take classes together and thereby become more engaged with their studies and programs because they bond with their shared group. Eighth, faculty members have agreed to take attendance regularly and to forward to the Dean of Students all red flags related to absence or poor performance. Ninth, we have improved our financial aid packaging to a more equitable formula that increases the number of students who can afford to stay in school.

The success stories at Heritage are what make almost everyone at the University love to come to work in the morning. Never have I seen a place where teachers are more dedicated to their students; and that is one reason I could forego retirement and have an encore career in the west. Our teacher prep program is a residency based (junior and senior years) program honored by the U.S. Department of Education and called by some in Olympia the best program in the State. Its placement rate is over 90 percent; and schools love the fact that the graduates are not only excellent teachers but have a culturally sensitive dimension for the region's diverse populations that no other program provides.

Some of the most amazing results are in our Business program. Professor Len Black provides a tough-love program for hard-working students and also has built a student team over the last decade that takes part every year in the SIFE (Students in Free Enterprise) Program that is now called Enactus. The team makes presentations in a regional, then a national competition about projects the group has done (for example, financial literacy for middle school kids; helping Mexican-American farmers start and market their new business; helping women in Belize use recycled products to make baskets). The presentations are judged by teams of corporate executives. What is unusual about the Heritage team, unlike others, is that the students are often second-language learners; they come from apple orchards and hop fields; as freshmen they were often inarticulate and totally lacked confidence. Now they are eloquent, educated, and confident. Fortune 500 companies are knocking at their door to hire them. Education there is transformative. The Heritage team, moreover, this year finished third in the entire nation against the likes of Syracuse and other national universities; four times in the last decade they have finished in the final four.

I think of so many examples of success. Brenda, a Mexican-American high school dropout from a culture of poverty but with a baby and no plans for a future, was encouraged by a mentor to go back and get her GED and then go on to college. After graduating from Heritage she went on to corporate positions in the east and now is back in Washington managing the marketing for St Michelle Wineries in that part of the world. I think of similar stories of young people who came from poverty and hold excellent positions at Costco or Walmart or another major company. Last weekend I gave a diploma to Haydee, one of the stars of the Enactus team with a great business career ahead of her. Three years ago I could hardly have imagined that with faculty guidance and her own determination she would be such a confident, capable, and eloquent future leader. I think of Crystal, a Native American with a similar story who completed Heritage, then finished a masters at Gonzaga, and later served as my chief of staff. Finally I lost her because she wanted to return to the Yakama Nation and help her people by taking a position managing its real estate purchases and sales. Now she is pursuing a doctoral degree as well. I think

of Haver Jim, who just received his diploma. He is about 43 years old and entered several years ago with the not uncommon Indian suspicions of white man's education (they sent my daddy to boarding school, destroyed our culture, would not let us use our language) and became a very important part of the campus culture. He is bringing many skills back to his people as a leader. I have in my iPad essays by a Native American and a Mexican American student just graduating with the assistance of TRIO tutors. Both of them fought through youths in a culture of poverty, drugs, gangs, and low expectations. Both are graduating with honors and going on to a good job or graduate school.

The cultures are very different, and they have not always played nicely in the sandbox together. The Native American population at times has thought they were having a second colonial invasion—first the Anglos, now the Mexicans. The Yakama were traditionally a fishing population and hunters and gatherers. The Mexican population there has been largely agricultural. That leads to very different notions about water usage. Cultural practices differ. The Heritage campus is one of the few places in the region where the Mexican, Yakama, and white (the population with most of the wealth) can actually come together in civil discourse; and for many reasons the intercultural relations are better now than they used to be.

Our Native American students, like the Yakama adults, have a deep reserve that non-Indians may take a long time to appreciate. It can take a long time to build up trust. More than any other group they can benefit in the first year from a cohort approach in which students take classes together and build up mutual confidence and a mutual support group. The Native students often, moreover, believe they have to miss class, for example, for a family funeral that may last a week. Faculty members have a hard time figuring out how to balance academic and cultural values with these students. If a faculty and administration have patience, however, they can build strong partnerships over time with their Native populations.

I mentioned earlier the distrust many people in the older generation of Indians feel toward western education. There is a strong younger group, however, in their 30's or early 40's who want to retain many values of their elders but understand the need for a 21st century education to help the tribe be successful. They have a greater sense of oneness, wholeness, with their land and environment than other peoples do; but they insist on good science and relevant technology. They are very community-focused, interested in the common good more than individualistic goods, but they can be excellent businessmen and women.

Our Mexican-American students are very family-focused. This does not mean the Yakama people are not, although the term "family" may have a fuzzier definition in our minds as they use it than it does for Mexicans. "My younger brother" is a term that may be meant seriously by an Indian but not refer to a blood tie, although family is important for both populations. For Mexican-Americans, though, getting belief within the family in the importance of education for youth will triple the likelihood of a young person completing high school and college. While some families are supportive, others see college interfering with putting meat on the family table. I also have to add that I have not yet seen a person from these cultures of poverty who escaped, and by that I mean completed high school and at least a 2-year college degree, without a mentor urging him or her forward. It might be a family member or teacher or just another supportive adult able to bring young people back to the right path and give them confidence in their potential.

What one finds in our Valley are young people who have been told all their life what they cannot do: "Your people don't do that kind of thing" (become a doctor or scientist or engineer). We have students who were continually told "You are good with your hands, Juanita, so you might think about beauty school." I have nothing against beauty schools, but we are talking about someone who turns out to have the ability to be a brain surgeon.

How much of what I am discussing is grounded in poverty rather than ethnic identity? A lot of it, to be sure, but nonetheless there is still a great deal of correlation between economic and ethnic indicators in America. African American populations have, of course, a longer and more complex historical context that others here will cover more thoroughly than I. Native Americans have a different but also specific and complex historical context and a Reservation culture that very much needs an educational partnership between tribal education, including tribal colleges, and sympathetic mainstream education.

The Hispanic challenge differs because of the rapid and widespread recent growth of the Latino population in the United States. In our region immigration, itself a complicating factor for better or worse, has been largely of low-income and low-education workers and their families, yet smart and talented people with enormous potential—and unlike middle-class American students no sense of entitlement that the world owes them everything. Their potential, and the wasted potential, reminds us

all that unless we face the crisis of low expectations and underachievement in our K-12 world, higher education is never going to do all the things in America we would like it to.

There are surely financial issues to consider as well. We worry a lot about the cost of tuition and affordability, although surely there is as great a range in the market between Ivy League tuitions (which research shows are well worth it given lifetime earnings of graduates) and community college and local 4-year-public-college tuitions as there is between an Aston Martin and a Chevrolet. Often the more expensive the school the more financial aid is available, although in truth it is the middle-income student who gets blocked out of the well-known private colleges: not wealthy enough to pay nor poor enough to get a big aid package.

Almost all students at Heritage who graduate do so without having a larger debt burden than the 25-30K range, manageable for most graduates to repay if not for those who have the burden but do not graduate.

I want to focus at the end, however, on one financial issue that hampers our Hispanic and Native students greatly but also HBCU students and poor white students. That results from the number of pre-college or remedial courses they must take to come up to the level of the Math 101 or English 101 college-level course. They use their Pell grant and State need-based grants to pay for these courses as well as others, but these courses do not count toward graduation because they are beneath college level. When these students become juniors and seniors they find they have run out of their financial aid, and their university may not have the resources to cover everything with institutional funds. Heritage may be unusual as a 4-year school in the large percentage of its students facing this crisis. Most such students may well be in 2-year colleges where they will not use up 4 years of funding; but they will face a crisis if they transfer later for a bachelors degree. Some national or State strategies will be needed to help students reach college-level coursework without a major risk to their future.

Senator HAGAN. Just listening to the opening testimony, I know we're going to have an incredible question and answer discussion period going on today. Thank you for all that you're doing on behalf of the minority serving institutions, because a mind is a terrible thing to waste, and we must be investing in it. I appreciate your testimony.

I did want to start with the questions, and we'll have 5-minute questions, and we'll go back and forth.

Dr. DeSousa, we know that we've got to provide better support service to help our African American males succeed and graduate. You opened with your MILE program. You were discussing it, and it obviously is a work in progress, but it's been successful.

Can you talk a little bit more about how you actually go into high schools, how you talk to families, how you work to be sure, and then the measurements that you're looking at to be sure that you are successful?

Mr. DESOUSA. Thank you, Senator Hagan. May I start my response by saying that one of the features of the MILE is getting young men from Fayetteville State University outside of North Carolina, making the United States of America the classroom, so moving beyond the traditional bricks and mortar of the campus.

I'll never forget when we took a group of students to Wall Street, a young man said to me, "Dr. DeSousa, I'm going to graduate from Fayetteville State University." I said, "William, why?" He said, "Because you see that young man across the street? He looks just like me. He's my height. He looks my age. He dresses like me, and I want to be a Wall Street banker one day."

Do you know that William's grade point average over the course of four semesters went from a 2.3 to a 3.7 by the mere fact of him being able to put in practice something that he can see himself in many years from now.

In Cumberland County, we have great relationships with many of the local high schools. The Bronco MILE has become known for its bow ties. We go into middle schools and high schools and do tutoring, and as a part of that, we teach them how to do bow ties. They are just absolutely thrilled about that.

We work with parents just about every day. We want to keep them abreast within the purview of FERPA. We want to see their young men, their sons, graduate from Fayetteville State University. We have some very targeted initiatives that work very closely with parents, middle schools, high schools, and, of course, with getting young men outside of the North Carolina area, which is a tremendous help to our program and to the success rates that we are realizing.

Senator HAGAN. Thank you, Dr. DeSousa.

Dr. Lomax, in your testimony, I think you also talked about the need for travel and different opportunities for students. Could you comment on that? And then I also wanted to ask about your financial literacy workshops and bank days for students. I'm a big believer in the fact that we don't teach financial literacy, and we need to be doing this.

I know that when I was in the State senate in North Carolina, I mandated that a course be taught, but we need to do more. It's not rocket science. We just don't teach it.

Mr. LOMAX. With respect to the travel programs, UNCF provided scholarships to over 12,000 students this year at 900 colleges and universities. About half of those will be students at HBCUs. The first and most important travel opportunity we provide to students is travel to and from college.

Our largest single scholarship program, the one funded by Bill and Melinda Gates—1,000 students a year, 17,000 students to date, and will be 20,000 when the program ends. So many of the young men and women who earn Gates scholarships—I can't tell you how competitive these scholarships are. For 1,000 scholarships, we have 14,000 completed applications. So these are the best of the best—35 percent African American, 35 percent Latino, 15 percent Native American, 15 percent Asian Pacific Islander. For so many of these young men and women, this is the first time they've had an opportunity to leave home.

They get the opportunity to attend the college of their choice. I think just as the president of Heritage has noted, and all of my colleagues, this opportunity to see a world beyond is what inspires them to work hard and to complete. And I might just note on the Gates program, we have a 90 percent completion rate for this program, and these are students attending the most competitive institutions in the world.

They've gotten an education at home, sometimes on the reservation, sometimes in the inner city, and worked hard. But now with this scholarship, they're able to leave home and go see a bigger world. The challenge is that that just doesn't happen for enough of our kids. So one of the things that we're trying to do is to find other ways. Bill and Melinda Gates aren't going to pay for everybody to go to college.

But one of our most exciting innovative programs has been one we've done with Citi, which is to teach financial literacy by doing.

It's a college savings program. We've done this with the KIPP Foundation, and we've initiated this at KIPP charter schools around the country. These young men and women are challenged—they learn about saving and planning for college, and they learn by doing. You can give them book learning on this, but when they actually have to raise the dollars and we match up to \$250 a year, then if these students complete this program, they have the opportunity to get a scholarship as well.

What we've learned, Senator, is that low-income kids and their families know how important college is, and they will save. One of the things I'd say is that if we can look at other opportunities to learn about matching college savings, we can take the burden of all of this being scholarship or debt, and they can actually begin to save for college as well.

Senator HAGAN. Thank you.

Senator Paul.

Senator PAUL. Thank you to everyone on the panel for coming.

Dr. Lomax, one of the things that we've tried to get in Kentucky and are still fighting for is charter schools. I'm a big fan of them, because, to me, I just sort of see them as being equivalent to innovation and allowing people to make changes at a more local level. Senator Alexander and I have visited some of the KIPP schools in Nashville. I visited with some of the students here in DC and have been really amazed at the poise, the education, the articulation of their education.

I was just wondering what your thoughts are and whether or not you think that charter schools and school choice, in general, is part of getting our kids better prepared for college.

Mr. LOMAX. UNCF believes that we're not going to achieve our goals of significantly increasing the number of African Americans who graduate from college unless we ensure that the youngsters who graduate from high school are, in fact, college-ready. A big part of our message today is that to go to school is not just enough. You've really got to get the kind of rigorous academic preparation which is going to enable you to succeed in college.

According to the ACT, only 5 percent of African American high school graduates are college-ready in the major disciplines of math, science, English, and reading, which means that they've got a 75 percent chance of earning a C on a college level course or a 50 percent chance of earning a B. I believe that not all, but a number of the charter schools are demonstrating that we can introduce rigorous academic programs for kids who come from low-income communities.

At KIPP this year—and I serve on the KIPP Foundation board—we will have 160 charter schools across this country by the beginning of the new academic year. This fall, 2,000 KIPPsters have been admitted to colleges and universities across the country. Ten percent of those students have been admitted to UNCF member institutions. They are academically ready. Seventy-five of them have been admitted to Dillard University, where I was president.

The challenge these kids are going to have, Senator Paul, is that they can't finance the education that they have the academic opportunity to earn. I would say that what we've really got to focus on is both the academic readiness and the financial readiness.

Most of these young people are going to have to rely upon Federal financial aid. So the Pell grants have got to do a more effective job, and they're going to have to borrow. That's the truth. But if they're borrowing at interest rates that—I'll give you one example, the Parent-Plus loan. You combine the interest rate of 6.4 percent and the origination fee of 4 percent, it's 10 percent for that loan. The default rate is less than 5 percent. So they're paying an interest rate double the default rate.

Why is the interest rate so high? Because they're being told that the interest and the origination fee are high because the default rate is high. Well, we scrubbed that, and we found out that the default rate is not high. The Federal Government will earn \$66 billion, according to the Government Accountability Office, on the Federal loans that are issued between 2007 and 2012—\$66 billion on the backs of low- and moderate-income kids, including the graduates of public charter schools.

Senator PAUL. I agree with you that the financial burden is a real problem, but it is also, in some ways, a conundrum in the sense that when we stimulate the demand and subsidize the demand, we elevate the cost, and that has happened now decade after decade. Then we come back in on the back end and we have to say, "Well, how do we reduce the cost?"

Education gets more and more expensive, but we say we want everybody to go, so we subsidize people going to college. And I'm not saying we can stop doing that. I'm just saying that we have to realize that as we subsidize the demand, we put pressure on, and we raise cost.

Just one more thing, and I'll let you respond. We have to look at some way of reducing cost. The American Action Forum reports that Department of Education paperwork has doubled in recent times. It now costs us \$2.7 billion in compliance costs.

We spoke in our office with Phillip Howard from Morehouse, who projects that just at Morehouse, it's a seven-digit range, in the million dollar range of compliance. We have to figure out something—and maybe part of it is excessive paperwork and regulation—but realize that it's the pressure pushing things up, and then people have to look for ways to clamp down on cost.

Mr. LOMAX. Streamlining is something which I think you, Senator Alexander, have spoken about with regard to these government regulations. And on the side of the institutions—and I was a college president for 7 years and a college professor for 20—I know how hard it was for my students at Morehouse and Spelman and at Dillard University to figure out the maze, m-a-z-e, of Federal financial aid.

I think that if you go back and look at the Higher Education Act, we could scrub it and remove some of these duplicative and oftentimes contradictory expectations. We're talking about kids who are oftentimes, like my colleagues have noted, the first in their families to attend college. Their parents have to have a Ph.D. to figure out how to get the Federal financial aid.

One of the things that needs to happen is that more of the folks who have loans today need to convert to income-based repayment. There are four different competing income-based repayment plans. It's so confusing that now only 25 percent of the eligible borrowers

are, in fact, opting for something which they either don't know about or can't figure out how to manage their way through.

I think some of this could be improved, Senator, by, in fact, reviewing and streamlining all these actions that have been taken over the last 50 years which have made what was a great initiative in this Nation—to support students who are pursuing a college education—more effective and efficient.

Senator HAGAN. Thank you.

Senator Warren.

#### STATEMENT OF SENATOR WARREN

Senator WARREN. Thank you, Madam Chairman. Thank you for holding this hearing.

Thank you, Ranking Member Paul.

And thank you all for being here today. I'd like to go back to this question about college loans. The rising cost of tuition is causing more and more students to have to take on more and more debt, and students of color are being hit the hardest. According to the Urban Institute, African Americans and Latinos are about twice as likely as other students to have loan debt.

Now, let's be really clear about this loan debt. This is not federally subsidized loan debt. In fact, what the numbers show is that the Federal Government is making a profit from the student loan program. I think you cited the GAO statistics that show that just one narrow slice, the loans from 2007 to 2012, are on track to produce \$66 billion in profits for the U.S. Government.

In other words, young people whose parents can afford to write a check for college pay one price, and young people whose parents can't afford to pay up front for college and have to borrow that money pay a much higher tax in order to go to college. They pay more.

So we're starting to feel the effects of this throughout the economy. The Federal Reserve, the Consumer Financial Protection Bureau, the Treasury Department have all weighed in, talking about the fact that young people are not saving up to buy homes. They're not buying homes. They're not buying cars. They're not making the move, starting small businesses that we would otherwise expect.

But what I'd like you to do, if you could, for just a minute is—you work hard at your institutions—Dr. Lomax, at your organization—to give students opportunities so that they can realize from higher education an opportunity to build something in their own lives, in their communities, and in this country. What's the impact on these young students of having rising college student loan costs?

Maybe, Dr. Gasman, you could start.

Ms. GASMAN. Sure. One of the things that we know for sure—there's countless research that shows us that your income level correlates with your chances of graduating. I, personally, am a first-generation, low-income student and went to school on a Pell grant and took out student loans. So this hits home for me.

A couple of things happened, and I think the rest of the panelists can talk about this. If you are on a Pell grant, if you're a low-income student, you don't have a safety net. So when things happen, as they do in college, you have nothing to fall back on. It's sort of like a family that doesn't have a savings account, and they might

only have a little bit of money left in their checking account. So the situation becomes more volatile.

There's quite a bit of research. One of my colleagues, Camille Charles, at the University of Pennsylvania has done research related to how African Americans and low-income students, in particular—and this correlates with what you said—tend to have more stress in their lives with regard to income as well. I think that I would back up what you're saying and say that all the research plays out and verifies it.

Senator WARREN. Good. Thank you.

Dr. DeSousa, did you want to add to this?

Mr. DESOUSA. Senator Warren, yes. Thank you. One of the things I'd like to say is that within North Carolina, Fayetteville State University is among the most affordable institutions to attend. The Fayetteville State University model is to give students grants and scholarships first, followed by loans if necessary. One of the things we've found, however, is that when students get the refund checks, they can—or I should say disbursement checks, more appropriately, they could use that money frivolously.

So what we are trying to do through the male initiative is if you're interested in a banking on your future course, or if you're interested in attending an educationally purposeful experience outside the State of North Carolina, you have to produce a disbursement plan or, slash, a refund check plan to tell us how you intend to use the moneys. Just don't go to the mall and spend it.

You are required to show evidence that you have created a savings account. We don't want to know how much is in there, but we just want proof that they've created that. I think through the male initiative, we're seeing men at Fayetteville State University create savings accounts for the first time.

Senator WARREN. That's wonderful to hear.

Madam Chairman, may I ask Mr. Oakley to respond as well?

Mr. OAKLEY. Yes. Thank you, Senator Warren. I think what I've heard missing thus far is that we need to begin to reward value. Value is the key to under-represented students. Our large access public institutions are the gateway to these individuals. The California State University system, for example, on my campus, in my back door—they are graduating over 8,000 students next week. There is great value there, and these are predominantly first-generation students receiving a great education.

California State University at Long Beach received over 83,000 applications for admission this last year, the fifth largest in the Nation. We need to reward that kind of value, and we need to encourage our young people to seek value so that they are not chasing a dream of a \$50,000 education that may not return to them the value that an education such as our public universities offer. So I would say the more we can encourage those students and give them an opportunity to attend our large access public institutions, the better off they're going to be.

Senator WARREN. Thank you very much. And I see that I'm out of time. But I do want to thank Dr. Lomax publicly for your work on—talking about student loans and the importance of reducing student loan rates. I do not believe the Federal Government should be making a profit off the backs of our young people who are trying

to get an education, and I worry about how this disproportionately falls hard on students of color.

Thank you, Madam Chairman.

Senator HAGAN. Thank you.

Senator Alexander.

Senator ALEXANDER. Thank you, Madam Chairman. I'm going to defer to Senator Burr.

Senator HAGAN. Senator Burr.

#### STATEMENT OF SENATOR BURR

Senator BURR. Thank you, Senator Alexander.

Let me again welcome all of our witnesses today. I'm reminded as we talk about the fact that the Federal Government had \$66 billion worth of profits that we turned around, as Congress usually does, and we took \$8.7 billion of it and we spent it on a healthcare plan, not on education.

We can talk the talk, but we don't always walk the walk, and I think you guys are on the front lines. I believe searching for every silver bullet that you can find, not to build an institution, but to graduate students that are marketable in the 21st century. That's what I'm impressed with and it's what I want to ask you about.

So I'll throw it out to all of you. What is an institution's responsibility, if any, to try to guide or influence a student's pathway to a degree that's marketable in the 21st century, in other words, their major? I'll open it up to you.

Mr. Oakley.

Mr. OAKLEY. Thank you for the question, Senator Burr. First of all, students come to college for a specific purpose. They want to improve their lives, and many first-generation students want to improve their families' lives. They want to obtain a good job. They want to improve their living wage.

It's incumbent upon us, particularly in the public institutions, to help guide students as best as possible, providing them access to the kinds of support services they need early in their first semester so that they not waste time getting to their degree. It's good for them if they get to their degree faster, and it's good for us as a State and as a Nation.

Senator BURR. How about if they've chosen a pathway that you, as educators and business people, look at and say, "You know, this is not a winner for the 21st century." Does an institution have an obligation to sit down and—like Dr. Bassett and Dr. DeSousa said, part of what you had as a challenge was to change people's expectations about what they could accomplish.

If their expectations are too low, you're trying to expand that. If their choice of academic path is not one of—let's use your analogy. If their earnings potential is less than the investment that they made in their education, does an institution have a responsibility to point that out to them and try to point them in a different direction?

Mr. OAKLEY. I think the first role of an institution is to ensure all of its degrees and certificates are quality degrees that lead to some sort of improved employment opportunity, and I think that's our first responsibility, to ensure that we are conferring degrees that matter.

Senator BURR. Dr. Bassett, you've got this puzzled look on your face.

Mr. BASSETT. I think you're always trying to balance two things. You're trying to balance the need to open them up to what is out there in terms of real careers, and our problem in the valley is so many of the young people have no sense of a future. That is, they don't imagine themselves doing any of these things that you would consider to be a successful career.

I picked up on Dr. DeSousa's comment about really giving them a sense of opportunity out there, and put it together with Dr. Lomax's comment on getting them over the wall to see that bigger world where there are people like them doing these things. But the balance I think I'd talk about in response to your question is explaining to them what those real options are and, clearly, what real careers are out there and what aren't. The balance is with their passion. That is, their passion is driving them in this direction, and you're inclined to say, "Well, that's going to be a pretty steep hill to go up there."

So we educate you, we prepare you, we advise you into what the career options are. But at some point, I also want to take advantage of that passion, because the student with ability and passion and the art major may be very successful. The person without much ability going into that field—whoops, I think we'd better get you over into the accounting major here.

I think it's always a balance between an education and what the real world is out there, but also take advantage of their passion and ability. And I think our responsibility is to provide intentional advising that helps them finally make the decision with as much of that information as we can give them.

Mr. DESOUSA. Senator Burr, may I comment?

Senator BURR. Yes, sir.

Mr. DESOUSA. Senator, one of the things about Fayetteville State University, I think, that is very unique is that during the first year, we demand that first year students take the Strong Interest Inventory, the SII, during freshman seminar. As a result of that, it helps to create opportunities for them to see where their strengths are and where they fall on this inventory, and they can connect with the proper major.

One of the things that we have found at Fayetteville State University is that for first-year students who select majors early, they are more likely to return the second year than students who do not select majors during their first year. To your point, what we have found is that some students are a little bit too ambitious about majors.

There was a young man who came in to see me and said, "I want to be a part of the nursing program at Fayetteville State University." I pulled up his academic profile, and I noticed that he wasn't strong in math and science. I said, "I want you to go over and talk to someone in nursing and ask whether or not you would be a candidate for that program in about 1 or 2 years." He has done that, and I believe that he has made some different choices about his major.

Senator BURR. Dr. Gasman.

Ms. GASMAN. Sure. One of the comments that I wanted to make kind of harkens to what the president of Heritage mentioned. That is, I think it's really important that institutions open up the possibilities to students and put those in front of them. I, personally, am a professor, but I do think that institutions have an obligation to make sure that students know what their earning potential is for particular majors. That information is available and I think can be given to students.

Part of the issue has to do with guidance counselors who are at the K through 12 level, however, in that they are not necessarily giving that information. I, in particular, am a case in point, in that like the Heritage students, I was told that I would make a lovely secretary because I could type 98 words a minute, but was never looked upon as someone who could be a professor. It was a teacher that told me that I could be something different, and also told me about the rewards of that profession.

I do think that institutions do have an obligation to make sure that students know what's out there ahead of them, and I think that that does happen among staff, among faculty, among career services offices. I think we could probably do a better job, but I do think it's essential.

Senator BURR. Once again, with a panel focused on higher education, all of you have referred it back to a reference to K through 12 at some point, and I think that's consistent with every time we've had a hearing on reauthorization. And it really doesn't matter whether it's charter schools or the KIPP academy or public schools. The one thing that you find in a successful K through 12 system is passionate teachers, exactly what Dr. Bassett was talking about. For KIPP, you find a large majority of those out of Teach for America, which is a fantastic program.

I want to thank all of you for being here. I want to thank Senator Alexander for yielding me his time. I'll just conclude with this, that this is important to North Carolina, and it's important to the country. But North Carolina produces the second largest pool of graduates of higher education annually of any State in the country other than California. That provides us the future workforce that business investment needs.

The challenging thing today is I don't think any of us look out, regardless of the State you come from, and say, "We'll build another university tomorrow." It's cost prohibitive. We've got to focus on how we take the infrastructure we have, grow it, make it better, utilize it in a fashion that everything that's coming out the door is intended for exactly the time we're in, which is the 21st century.

Thank you for the input—Dr. Lomax, thank you for all you do. Thank you, Madam Chairman.

Senator HAGAN. Thank you, Senator Burr.  
Senator Alexander.

Senator ALEXANDER. Thank you, Madam Chair. I know that the vote has started and that you and Senator Paul may have some additional questions. So I'll try to get right to the point.

First, thanks to every one of you for coming. We're in the middle of a reauthorization of the Higher Education Act, and I, for one, would like to start from scratch. It's been reauthorized eight times, and the stuff just piles up and piles up and piles up.

I'd like to deregulate higher education as much as we can and still be good stewards of the trillion dollars in loans and \$33 billion in Pell grants of the taxpayers' money that we spend every year. Your specific suggestions to us about how to do that would be very helpful and very timely. We're working on that now.

For example, over-borrowing is a problem. Dr. DeSousa, you mentioned that you were working on helping a student make a plan. Under the current law, you can't require the student to do that as a condition for getting the loan. You have to offer the opportunity. Right?

Mr. DESOUSA. Yes, sir.

Senator ALEXANDER. Wouldn't it be helpful if the law made it clear that institutions that wanted to do a good job of counseling about that could? I mean, any 19-year-old can walk in and get \$5,500 at 3.86 percent, I think, is what we cut it to. That's a pretty tempting offer. What to do with it is another thing and can lead to the over-borrowing problems we hear so much about.

Mr. DESOUSA. Senator Alexander, the best way I can respond to this question is to say that what Fayetteville State University does is entrance counseling. So when students visit the Office of Financial Aid, they sit down and talk with a financial aid advisor.

Senator ALEXANDER. Which, I guess, every single one does. Almost every single student must do that. Right?

Mr. DESOUSA. Yes, sir. They must do that. And, again, I just want to reiterate, Senator Alexander, that the model at Fayetteville State University is surely scholarships and grants first. That's what we must do at our institutions.

Senator ALEXANDER. Right. Do any of you—I mean, the average Pell grant is about \$3,300. The average community college tuition is about the same. Do any of you work with community colleges to help low-income students have a chance to go there for 2 years and then reduce their expenses by coming on later to the 4-year institutions?

Mr. DESOUSA. Senator Alexander, one of the things that I'm proud to say is that Fayetteville State University, through a grant from The Links, Incorporated, is working very closely with Fayetteville Tech Community College. The purpose of The Links grant is to better create a pipeline for students from 2-year institutions to 4-year institutions. Fayetteville State University has sweetened the pot. While The Links has not required us to provide additional funds on top of what students are getting, the Office of the Provost has permitted us to provide an extra \$1,000 to students who come in through The Links program initiative.

Senator ALEXANDER. Let me go on to other questions. I'm about out of time, and we're about to have a vote.

Dr. Lomax, you were president of a university twice—once?

Mr. LOMAX. Once. That's enough.

[Laughter.]

Senator ALEXANDER. I was going to say—I won't say it. But I respect that. Let me put it that way. When you were president of a university, did you have to hire extra people to help students fill out Federal application forms?

Mr. LOMAX. We really did. I was president of Dillard University in New Orleans, and, you know, so many of the—now, this was 10

years ago, and I think a lot has happened since then. People are more aware of Federal financial aid forms. I think we do a better job getting them to fill those out.

I think what they're not aware of is that loans aren't grants. I don't think we've really gotten them to fully understand that there's going to be a reckoning, and the reckoning is—even if you graduate, there's going to be a reckoning, and if you don't graduate, there'll be a reckoning as well. I think making students understand that this is—and their families—this is serious. This is an obligation. They will be required to repay it, and they should borrow only what they need, not what they want.

Senator ALEXANDER. Thank you. I'll make one observation, and then I'll go back to the chairman and thank her and Senator Paul for holding this hearing.

I've heard the comment that taxpayers are profiting off of students on loans. According to the law, that's true, but not according to the Congressional Budget Office, who has told us the reverse, that if we were to fairly account for the student loan program, it would be the students who are profiting off the taxpayers. They've told us that the accounting we use now is bad accounting, because it doesn't take in risk, and they've recommended instead that we use the accounting system that we use for the Troubled Relief Asset Program, which took into account risk.

There are two sides to that story, and I wouldn't want students around the country to believe that the taxpayers are profiting off the students when the Congressional Budget Office, who we pay to give us nonpartisan advice, tells us that it's the reverse.

Thank you, Madam Chairman.

Senator HAGAN. Thank you, Senator Alexander.

There's obviously more questions I want to ask. I want to talk quickly on one, and then we're going to recess while we go and vote, and then I will definitely come back and we can have another question or two and then some closing statements.

Dr. Gasman and Dr. Bassett, both of you have talked about the teacher education programs at our minority serving institutions and the impact that they make on other students, minority students, around the country.

Dr. Gasman, I think in your testimony, you said that 11 percent of teacher education degrees were awarded at minority serving institutions.

Could both of you talk just a minute or so about the impact that that means to our minority students and how we've got to be sure these education programs are of the highest caliber and quality?

Ms. GASMAN. Eleven percent is an interesting percentage because it's the percentage of teachers that MSIs award today. But if you were to look at the teachers who are out in the workforce, teachers of color, you would find that the majority of them were educated at minority serving institutions overall. That's also something really important.

I think that the most important reason why we need more teachers of color bears out in all of the research around the success of students of color, and that is—and I heard Jason say this—that it is really important to see people in the classroom who look like

you. It is empowering, and there is a myriad of research that shows that that is true. That's incredibly important.

As our Nation is changing very rapidly, I think it is absolutely essential—not that it wasn't before—but absolutely essential that the teaching force look more like the students who they are going to serve.

Senator HAGAN. Dr. Bassett.

Mr. BASSETT. I think you've made the salient point. There's a huge disconnect between our current population of students in the classroom and the teachers that they have. I think the two most important points about the Heritage teaching program are, first, it is a residency-based program. Junior and senior year, they're actually in the school and learning early if they're not meant to be teachers.

Second, it builds cultural sensitivity into the teacher training program. One of the reasons the teachers graduating are so valued is that they bring that cultural sensitivity for the minority populations to their preparation, and the students coming out of the other colleges in the region do not.

Senator HAGAN. And I believe you said they tend to go back to their—

Mr. BASSETT. Our students do stay in the region, and they don't leave the teaching profession after 5 years. We lose so many people. So many young teachers we lose in the first 5 years.

Senator HAGAN. All right. We will take a very short recess, and then I'll be right back. Thank you.

[Recess.]

Senator HAGAN. We will resume the testimony, and thank you very much. Votes do cause us to interrupt a hearing every now and then. So I appreciate your time and the fact that you have stayed around.

I did want to ask Dr. DeSousa one question about our military bases. I know that probably other institutions also offer classes working with our active duty men and women on military bases. I know Fayetteville State offers classes on Fort Bragg, Camp Lejeune, and Seymour Johnson. And as we're talking about diversity in higher education, students on military bases are another distinct population with their own set of specific needs.

Dr. DeSousa, what lessons do you think the university has learned from offering these classes on military bases?

Mr. DESOUSA. Senator Hagan, thank you for the question, first of all. I think that given Fayetteville State University's location in Fayetteville, next door to Fort Bragg, we have had tremendous opportunities to work hand in hand with the soldiers there. And based on our presence at Fort Bragg, we can contribute growth in enrollment and increases in graduation rates.

One of the jewels, I think, that you'll be hearing more about over the course of the next year or so is this new certificate program in cyber security that we're now offering to returning veterans, a certificate program that allows them to be able to get jobs in homeland security and defense and related types of fields. But Fort Bragg has been a tremendous asset to Fayetteville State University, particularly our ability to grow enrollment.

Senator HAGAN. Especially with the African American males. I would presume that that would also be a number.

Do any of the other witnesses have any other comments on that issue?

I see Senator Scott here.

Senator Scott.

#### STATEMENT OF SENATOR SCOTT

Senator SCOTT. Thank you, Madam Chairwoman.

Thank you all, panelists, for being here today and participating in this process and for the enlightening information. I've had two committee hearings at the same time. I just wanted to ask a couple of questions on the public-private partnerships, and perhaps, Dr. DeSousa, you would have an opportunity to answer the question.

I think about the success in South Carolina with the partnerships with Claflin, Abney Foundation, AT&T, Bank of America, as well as other partnerships that exist around the State. Boeing has a partnership with my old high school, Stall High School, to promote instruction for aerodynamics and manufacturing.

The United Negro College Fund, of course, has a partnership with Merck to increase research at the undergraduate level and enhance career opportunities. We see success with Howard and GM, the foundation. We've had a longstanding partnership, and Lockheed Martin just partnered with Bowie State.

I have a piece of legislation called the SEA Jobs Act, which is looking at ways to create more seismic activity off the South Atlantic coast, giving an opportunity to some of the HBCUs to receive revenues from that stream of resources, realizing that over the next 20 years or so, we'll see another 1.3 million jobs in the oil, gas, and petrochemicals industry. Yet in 2010, about 8.2 percent of that workforce were black. So we're looking for ways to use the STEM opportunity to promote and to encourage more students to end up in the field that seems to be the highest or the largest growth opportunity in our economy.

My question to you, sir, is when you look at using existing resources, how can our schools replicate public-private partnerships on a larger scale to boost the number of STEM graduates and to help prepare our students for success in the job market?

Mr. DESOUSA. Senator Scott, that's a very good question. Thank you for asking it. As I mentioned to Senator Hagan in my comment about cyber security, this is an example of Fayetteville State University working directly in partnership with the University of Maryland Baltimore County, which, as you know, has a stellar record in the country in terms of producing African American STEM majors. So we're pleased about that partnership.

The cyber security program is funded through title III, so it's not a private resource. The university has a very strong partnership with North Carolina State University through a Two-Plus-Three program, where students start 2 years in the sciences, perhaps chemistry or biology, and then transfer to North Carolina State University where they will major in a STEM field, particularly in engineering. So those are two examples.

In terms of using private resources, Senator, earlier, you were not here when I mentioned the fact that through The Links Foun-

dation with funding from Lumina and support from NAFIO, we are able to partner with Fayetteville Tech Community College. Throughout the country, there are only 14 schools nationally that have resources from The Links and Lumina with support from NAFIO that creates opportunities for 2-year students to transfer into 4-year institutions.

And, of course, our emphasis at Fayetteville State University is on many majors for these students transferring. But we highly encourage them to get involved in STEM fields. As a part of The Links program, students come in on Tuesdays—we call it transfer Tuesdays—and they meet with academic departments, and the sciences are among the most popular for Fayetteville Tech Community College students.

Senator SCOTT. Thank you.

Dr. LOMAX, did you want to add something?

Mr. LOMAX. Thank you very much, Senator Scott. You referenced in passing the UNCF-Merck science initiative, which is now in its 18th year, and Merck has been a partner with UNCF to the tune of \$44 million, providing undergraduate, graduate, and post-graduate funding for students to pursue degrees in research science.

We've produced to date, in partnership with Merck, 600 Ph.D.s in the research sciences. The big beneficiary has been the NIH. But that's been a demonstration that there is talent, and I would note for you that these are students who don't just attend HBCUs. They attend colleges and universities all across the country, but they are all African American, and many of them are the first in their families to graduate from college. So there's a big interest in STEM.

I would say there are two barriers. One is that to succeed in STEM, you've got to build a firm academic foundation. So math and science—I taught English, so communication doesn't hurt, either, but really grounding kids in the math. I have a 21-year-old daughter who is at Howard University. She will be an intern at Google this summer in computer science, a highly competitive opportunity. But she's a whiz in math, and she's been getting a strong math education.

So it's really to give them the foundation, and also give them the opportunity to see that there is a world out there. In 2013, UNCF launched the centerpiece of its new STEM initiative, a national HBCU Innovation Summit held in Silicon Valley. The purpose of the summit was to build bridges between HBCUs and the technology community and to develop and enhance the innovation and entrepreneurial capacity of HBCUs with the goal of establishing productive innovation, entrepreneurial ecosystems across the HBCU network.

I think it's also encouraging innovation, encouraging partnership. We did that with Stanford University, and we did it with a number of the major companies out there, Facebook, Google, and others. I think that innovation opportunity is there, Senator Hagan, if we'll just lift it up with some investment.

Senator SCOTT. Thank you. I'll wrap it up since my time has expired. I will say that I do concur that we need to find a way to not only focus on college level education but to focus perhaps more on the academic direction of our K through 12 education.

My nephew on Sunday graduated from Duke with his master's in engineering and management and spent 4 years at Georgia Tech getting his biomedical engineering major. And I will tell you that when you go onto those campuses and you see the diversity, the international diversity, and you see the workforce in the next 20 or 30 years as it continues to evolve, the global competition for the jobs in the STEM field will require us to have a greater focus on K through 12 to produce a competitive product in the upcoming workforce.

Thank you, ma'am.

Senator HAGAN. Senator Scott, thank you for your comments. I am one of the biggest proponents of STEM education in the Senate, because it is so important for the jobs today, the jobs of the 21st century, and the jobs that are going to move our country forward on a competitive basis worldwide.

With that in mind, Mr. Oakley, in your testimony and in your opening statement, you talked about how you are no longer using the standardized—or how you're looking at students' grades within the high school. I've been hearing a lot about the number of remedial classes that our students have to take at a community college after they've graduated from high school.

Of course, the problem here is that now they are paying for these remedial courses before they can ever really get toward their college 2-year associate's degree, college education, and it's expensive. And from what I've been reading, too, so many people actually then drop out because they don't see the payback, whether in the debt that they're already putting forward or how they're going to get through.

Can you talk about that? And do you think there's some feedback mechanism that we can set up with our high schools to know if a disproportionate number of their students are in need of remediation? We've got to have that strong background in our middle schools and in our high schools.

Mr. OAKLEY. Yes. Thank you for that question, Senator Hagan. First of all, as we all know, remedial education is really a burial ground for disadvantaged students, for under-represented students. We tend to oversubscribe our remedial classes with under-represented students, and that's where they wind up finishing, and they're not completing.

So because of our relationship with the Long Beach Unified School District, we've been working for several years, and the K-12 system has been doing tremendous work at better preparing students to be college- and career-ready. But when they were getting to our doors, we noticed that 90 percent, or virtually 90 percent, when we gave them the assessment test, were testing below college level. So we noticed that there was a clear disconnect. Something was wrong.

So we decided to look at 5 years of data, over 7,000 students, and what we found was that the best predictor of successful placement is past performance, and that makes sense to most normal people. Your experience tells you a lot about how you're going to succeed.

Senator HAGAN. I understand that. But what about those students who have not done well, or they haven't had the course offerings that would prepare them for a stricter academic study?

Mr. OAKLEY. If we can do a better job of placing students up front, we can do a better job of aligning the resources that we have to do a better job with remedial education and to work in the K-12 system to have a better communication structure with the K-12 system to understand early in their academic experience where those points are that we need to improve and to invest in those points, because those kids are all of our responsibilities. So we need to work more closely with the K-12 system.

Senator HAGAN. I agree.

Dr. Lomax.

Mr. LOMAX. I think there's one fix which is right there in front of us. A lot of these young people, for the time being, are going to require personalized education plans that will enable them to meet the standards for credit bearing courses at the college level. They shouldn't be paying full tuition to do that, and we ought to have opportunities to teach them using technology.

Right now, one of the barriers for HBCUs innovating in this area is that we can't use title III funds for online programs. I think if we could remove that barrier and really encourage investment in using technology as a low-cost way of personalizing the instruction for students who don't yet meet our standards and use blended learning and direct technology as a way of reaching those students, improving their skill levels, so that when they come to our campuses and they start paying full tuition, they're actually taking credit-bearing courses.

Senator HAGAN. And I think you also mentioned the need for Pell grants in the summertime, too.

Mr. LOMAX. Absolutely, because that's a time when many of our students, who need to get some direct improvement in some of their basic skills or want to try to finish within that 4-year period, could be on our campuses. Thank you.

Senator HAGAN. Dr. Gasman.

Ms. GASMAN. Sure. I wanted to comment just about developmental education overall. I think that there are organizations that have told us that developmental education doesn't work. But there are institutions where it does work.

Over the past 3 years, I conducted a large scale national study funded by Lumina Foundation, Kresge Foundation, and USA Funds with my colleague, Cliff Conrad. One of the things that we found is that at quite a few institutions—and I'll give you some examples—developmental education, when mainstreamed with other classes, works very well.

For example, at El Paso Community College, they track all of their students in developmental education at every stage along the way so that they know how—any student that you put in front of them, they can tell you how that student is doing. They're really a model for the whole nation. But developmental education works really well there.

Or at Chief Dull Knife College, which is a tribal college in Montana, they have a problem with math shame among Native Americans. And through developmental education, computer-assisted developmental education, they've actually made enormous strides. If you've ever been to Chief Dull Knife, they have no resources, but they've made enormous strides.

I think that matters, and I think it depends on where the developmental education takes place. It also depends on how it plays out. I don't think that we can forget students who are underprepared by the K through 12 system. What happens to them if we don't provide that kind of service, because we can't summarily fix the K through 12 system?

Senator HAGAN. Dr. Bassett.

Mr. BASSETT. Thank you, Senator Hagan. We have a tremendous under-utilized population with STEM potential, the minority population, whether African American, Hispanic American, Native American, that is never given an opportunity really to develop those skills in the K through 12 world in math and science. Picking up on Senator Scott's comment, I think one of the greatest potentials for a business philanthropy public sector partnership would be to have a major impact on STEM education for elementary age and middle school kids.

If you get them excited about real world problems, they then want to learn the math and the science. When it remains abstract, they're never quite sure why it's there, why they're learning it. I think there's a tremendous potential here with those populations for an initiative to change STEM education at the elementary and middle school level.

Senator HAGAN. I couldn't agree more. And with that, I really want to thank all of our witnesses today for being here, for traveling here, for your testimony, for staying through the recess, and certainly for what you do on the campuses—and Dr. Lomax—that you make such a difference to the minority serving institutions and the students, the faculty, and, obviously, the families.

These schools are richly diverse schools, and they're all working hard to meet the challenges and the changing needs of our students in America. I thank you for what you're doing. Hearing the testimony, it's clear in my mind that we need to support our minority serving institutions, our HBCUs, in their drive toward innovation on campuses and, in particular, in the STEM fields. We know we've got to work in partnership and buildup from elementary and middle school and our K-12 programs for STEM.

But there are great programs being implemented all over the country, like the MILE program, areas that we need to be sure that these schools have the support to create and expand these programs. The issue seems to be universal and reaffirms what I've heard from our chancellors at HBCUs in North Carolina.

That's why I am proud to announce that I'm going to be introducing the HBCU Innovation Fund as a mechanism to help HBCUs surmount the challenges that we've discussed today. This legislation is going to provide competitive grants to HBCUs to develop innovative initiatives to address specific outcomes that meet the needs of their students, their population base, the students that they serve in their communities.

This includes building partnerships between the HBCUs and their local high schools within those communities, increasing student enrollment in the STEM fields, developing partnerships to support entrepreneurship and research—we discussed the entrepreneurship demand—and increasing the number of African American males who attain postsecondary degrees. I look forward to

sharing more information about this bill, encouraging my colleagues to support the HBCU Innovation Fund.

This hearing is going to remain open for 10 business days for other Senators to submit questions that they didn't get a chance to ask today and to obviously hear your response to those questions and those issues. So with that, once again, I thank you so much for your travel, your time, and being in this hearing. We have a great number of Senators that are very interested in these ideas and in the programs that you are carrying out.

With that, this hearing is now adjourned.  
[Additional material follows.]

## ADDITIONAL MATERIAL

U.S. SENATE,  
WASHINGTON, DC 20510-0609,  
May 22, 2014.

CHAIRMAN HARKIN AND RANKING MEMBER ALEXANDER: I would like to submit a testimony for the record on Minority Serving Institutions from Dr. Dene Kay Thomas, president of Fort Lewis College in Colorado. Fort Lewis College serves over 4,000 students, including students from 146 American Indian Tribes. I believe her thoughts on this issue will provide necessary insight and helpful information as the HELP Committee continues the HEA reauthorization.

Thank you for your consideration of Dr. Thomas' testimony.

Sincerely,

MICHAEL F. BENNET,  
U.S. Senator.

---

PREPARED STATEMENT OF DENE K. THOMAS, PH.D., PRESIDENT, FORT LEWIS  
COLLEGE, DURANGO, CO

*I don't think anybody anywhere can talk about the future of their people without talking about education.*—Wilma Mankiller, former principle chief, Cherokee Nation

UNIQUE HISTORY AND MISSION OF NATIVE AMERICAN-SERVING  
NONTRIBAL INSTITUTIONS

Good morning Chairman Harkin, Ranking Member Alexander, Senator Hagen, Senator Paul and members of the committee. My name is Dr. Dene Thomas and I am the president of Fort Lewis College in Durango, CO. Fort Lewis College is named for Fort Lewis, a U.S. Army Post established in 1878 at Pagosa Springs, CO. Two years later, the military post was moved to Hesperus, CO, a location more central to American Indian settlements and pioneer communities in the early 1890s. On January 25, 1911, Governor John Shafroth of Colorado signed a contract with the Federal Government which transferred 6,279 acres in southwest Colorado to the State of Colorado "to be maintained as an institution of learning to which Indian students will be admitted free of tuition and on an equality with white students" in perpetuity (Act of 61st Congress, 1911). There were approximately 40 students in 1909. The school was an Indian boarding school and began to offer college-level courses in 1925.

Fort Lewis College moved to the Durango campus in 1956, and the first baccalaureate degrees were granted in 1964. The first graduate degree program, a Masters of Arts in Teacher Leadership, began in fall 2013. Fort Lewis College continues to honor its historic commitment to Native Americans by offering tuition scholarships to Native Americans of all tribes who meet admission requirements. It is one of only two, public 4-year colleges in the Nation to grant tuition waivers to qualified Native American students from any federally recognized tribe and has done so for more than 100 years.

Fort Lewis College is proud of its dual mission as Colorado's only public liberal arts college and as a Native American-Serving, Nontribal College, a designation it received from the U.S. Department of Education in fall 2008 and still holds today. The college is 27 percent American Indian/Alaskan Native (AI/AN) and includes students from 146 tribes and 46 States. As of 2013, Fort Lewis College ranks fourth in the Nation in the percent of full-time Native American undergraduates enrolled in a baccalaureate institution.<sup>1</sup> Almost half of Fort Lewis College Native students are from the Navajo Nation (second largest tribe in the United States), closest border of this vast 25,000-square mile reservation is located 84 miles from campus, and 11 percent are from Native Alaskan tribes.

Fort Lewis College awards more degrees to Native American/Alaskan Native students than any other baccalaureate institution in the Nation (National Science Foundation, WebCASPAR, data retrieved September 2013). From 2006–10, Fort Lewis College awarded over 10 percent (556) of the total number of baccalaureate degrees earned by Native American students in the United States.<sup>2</sup> In 2010, Fort

<sup>1</sup>EchoHawk, Sarah, "Winds of Change, Expanding Opportunities for American Indians and Alaska Natives", Spring 2013.

<sup>2</sup>Ibid.

Lewis College was first in the Nation in baccalaureate STEM (science, technology, engineering and math) degrees earned by AI/AN students.<sup>3</sup>

At Fort Lewis College, programs and classes offer students the ability to learn or strengthen their collective Native culture through the Native American Center, the Native American Honor Society, American Indian Business Leaders, the American Indian Science and Engineering Society, and the Native American Indigenous Studies program. In our Elder-In-Residence program, Mrs. Lucille Echohawk, a member of the Pawnee Nation, encouraged students to stay strong in their Native traditions, as they move through College and beyond. We believe that it is this emphasis on academic and cultural support that has helped to make Fort Lewis College one of the top public institutions in the country where Native students excel and graduate.

Another public institution that qualifies as a Native American-Serving, Nontribal Institution to have the same mandate of free tuition is the University of Minnesota, Morris. The campus of the University of Minnesota, Morris (UMM) sits on land that was once home to people of the Anishinaabe (Ojibwe) and the Dakota and Lakota (Sioux) nations. In 1909, through Federal legislation and a Minnesota State statute, (in Laws 1909, chapter 184), about 290 acres and the buildings on the land in rural Minnesota were deeded to the State of Minnesota for the purpose of establishing an agricultural boarding high school under the auspices of the University of Minnesota. The agreement stated “that said lands and buildings shall be held and maintained by the State of Minnesota as an agricultural school, and that Indian pupils shall at all times be admitted to such school free of charge for tuition and on terms of equality with white pupils” (Act of the 60th Congress, 1909). Today, 271 AI/AN students from 50 federally recognized tribes and Alaskan villages attend UMM, which comprise 15 percent of their total enrollment. More important, 61 percent of AI/AN students graduate within 6 years. Since 1960, over \$20.0 million in tuition has been waived for AI/AN students.

The University of North Carolina, Pembroke is also a Native American-Serving, Nontribal College. The College was founded in 1887, as the State Normal School for Indians, in response to a petition from American Indians in the area to establish and train American Indian teachers. In 1909, it moved to its present day location in Pembroke, which was the center of the Indian community. In 1933, the College offered 2-year degrees, and by 1949 it began to offer 4-year degrees. American Indian/Alaskan Native students comprise 16 percent (863) of their fall 2013 student enrollment.

These institutions share a unique relationship to the land and the Native American people from which the origins of the higher education institutions were founded. These institutions are also connected to greater social movements and education initiatives in this country—from the American Indian boarding school movement to the agricultural boarding high school movement to the expansion of American higher education in the 1960s under the Johnson administration’s Great Society. This expansion promised to prepare a workforce for a growing American economy, and to open public educational opportunities to a broader array of people—those under-represented in American higher education (Johnson, 2012).<sup>4</sup>

#### AMERICAN INDIAN/ALASKAN NATIVE EDUCATION

Native American-Serving, Nontribal Colleges are comprised of mainly public institutions that are rural and centrally located to AI/AN populations in the southwestern, plains, and southeastern portions of the United States. According to the White House Initiative on American Indian/Alaskan Native Education, more than 90 percent of AI/AN postsecondary students attend institutions of higher education that are not tribally controlled. Many Native American-Serving, Nontribal Colleges have a strong relationship with TCUs. Often students complete their associate degree at a TCU and transfer to a Native American-serving, nontribal school to complete their baccalaureate degree, and have the chance to enroll in graduate and professional school.

According to 2010 U.S. Census Bureau, the AI/AN population increased twice as fast as the total U.S. population, growing by 18 percent, in comparison to the total U.S. population that grew by 9.7 percent from 2000–10.<sup>5</sup> However, the AI/AN population is under-represented in educational attainment rates. U.S. Census Bureau data show that 28 percent of the overall U.S. population has a bachelor’s degree,

<sup>3</sup> Ibid.

<sup>4</sup> Johnson, Jackie, “Need for Assistance in Fulfilling Certain Federal Mandates to Provide Education Opportunities to American Indians”; Written Testimony, U.S. Senate Health Education, Labor, and Pensions Hearing, Denver, CO, August 2012.

<sup>5</sup> Norris, Vines, and Hoeffel, “The American Indian and Alaskan Native Population: 2010,” U.S. Department of Commerce Economics and Statistics Administration, January 2012.

while only 13 percent of the AI/AN population has a bachelor's degree.<sup>6</sup> Less than 1 percent (0.7 percent) of American Indians attain a Baccalaureate Degree annually, which is notably lower than all other minorities, (African American (8.9 percent), Hispanic (7.5 percent), and Asian American (6.6 percent). Yet, AI/AN students slightly outpace all other students in the percent of 2012 ACT-tested high school graduates that have educational aspirations beyond high school. Forty-eight percent reported an interest in obtaining a bachelor's degree, compared to 45 percent of all students. 28.4 percent of the AI/AN population lives in poverty, versus 15.3 percent of the overall population in the Nation as a whole.

The educational attainment rate gap for Native American students is widening as bachelor's degrees conferred by ethnicities has increased for every minority group, with Hispanics accelerating the highest from 5.6 percent in 1998 to 7.5 percent in 2008. Other ethnicities have also had positive percent changes in degree attainment rates, such as African Americans (2.8 percent) and Asian Americans (3.1 percent), while Native Americans remained flat over the 10-year period at 0.7 percent.<sup>7</sup>

While AI/AN students have stagnated at less than 1 percent of bachelor's degrees attained for decades, AI/AN populations have the highest suicide rates, unemployment rates, and poverty rates than any other population in the Nation. Education is the only way to address these systemic problems in AI/AN communities, as demonstrated in the success of Black and Hispanic student success. With additional support, it is anticipated that similar positive changes will occur in Indian country.

Recent U.S. population and demographic trends confirm that under-represented students, particularly undergraduate students are critical to fulfill 21st century workforce needs. More must be done to support AI/AN students achieve educationally and to help Native communities to thrive. At Fort Lewis College, the tuition waiver program provides important access and opportunity to the most underserved minority population, AI/AN students, but more support and robust policies and programs are needed to help increase the number of AI/AN students who enter and graduate college. AI/AN students need increased access to higher education, and also access to support systems that ensure greater completion rates once they enter the collegiate level.

#### FEDERAL TRUST RESPONSIBILITY FOR AI/AN EDUCATION

The Federal Government has a trust responsibility in improving postsecondary education attainment rates of AI/AN students, particularly as they face barriers to achieving and persisting in the higher education system. Financial aid programs provide assistance for Native students to succeed in higher education and prepare them to enter the workforce. Such need-based aid should be adequately funded and expanded to year-round assistance to help ensure Native students graduate in 4 years. Unfortunately, as the Federal Government tackles fiscal issues in Washington, budget cuts are decreasing the investment in education initiatives that could increase college attainment for Native students.

The tuition waiver programs at Fort Lewis College and UMM are a major factor in promoting the attendance and success of AI/AN students in postsecondary education, yet the Federal mandates have required two States to shoulder the responsibility that covers students from 231 congressional districts and 46 States. Today, the Colorado land where Fort Lewis College is situated is valued at \$20 million; however, the cost of the Native American Tuition Waiver program has grown to over \$12 million per year to the State of Colorado. In the past 12 years, Colorado has paid out nearly \$120 million for what has become a very fast growing program that is national in scope. A more equitable distribution of costs to share the responsibility between the Federal and State government would restore the Federal trust responsibility. That is why I strongly encourage the Senate HELP Committee and Congress to pass The Native American Indian Education Act (S. 765), introduced by Colorado Senator Michael Bennet.

Title III strengthening institutions grants have been a tremendous resource to minority serving schools that typically serve high number of low-income and first generation students.

Historically Black Colleges and Universities (HBCUs) and Hispanic-Serving Institutions (HSIs) have programs for capital financing, master's degree program development, STEM articulation and program development, post-baccalaureate program development, competitive grants, and formula grants. Investments in minority education for these groups have resulted in increased enrollment and graduation rates for Hispanic and African American students. It is important to expand programs

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

and resources for all minority serving institutions, across Federal agencies and within them, so that funds are available for urgent needs in areas such as capital financing, master's degree development, and STEM articulation and programs, and minority science and engineering programs.

There is only a \$5 million Federal allocation annually that was created in fiscal year 2008–09 to support Native American students outside of Tribal Colleges, through the Native American Serving, Nontribal College discretionary funds at the U.S. Department of Education. Currently, Fort Lewis is just 1 of 14 Native American-serving, Nontribal Colleges who focus on the attainment of the bachelor's degrees for Native American students. Bachelor's degrees offer an important educational experience for Native American students so that they too can compete in the global market place and carry the hopes and dreams of their nation, and ours, into prosperity.

Institutional partnerships and programs need expanded resources, such as U.S. Department of Education, Indian Education Professional Development and other grant opportunities, to instruct Native educators to teach in higher education and schools that serve reservations and communities with high Native populations. At Fort Lewis College, through a partnership with the Navajo Nation, we have increased the percentage of certified Native (Navajo) teachers in reservations schools from 8 percent to 60 percent since 1990.

Further, education programs such as TRiO are invaluable resources for low-income Native students on college campuses, as many of whom are first generation and low-income students. They provide critical academic and student support services in higher education to help students stay in school and graduate at higher rates. However, with nearly 10 percent budget reductions in recent years, funding for TRiO programs such as Student Support Services, Upward Bound, and Talent Search have been greatly reduced. These services are critical for Native students who need remedial education services to succeed and close the collegiate preparation gap for Native students.

Executive Order 13592 established the White House Initiative on American Indian and Alaskan Native (AI/AN) Education, which has established goals for Fort Lewis College to fill 21st-century workforce needs by awarding 2,539 additional baccalaureate degrees or 46.2 per year by 2020. All Native American-Serving, Non-Tribal Institutions have similar goals and benchmarks, as noted here: <http://batchgeo.com/map/8b8fd7a96af2aeb93211cead868d45c3>. To reach this goal Native American-Serving, Non Tribal Institution representatives should participate in the national dialog on Indian education with the U.S. Department of Education, in such groups as the National Advisory Council on Indian Education, to collaborate and work with the Initiative and the Department on goals for these institutions in promoting American Indian/Alaskan Native education, as 90 percent of AI/AN postsecondary students attend institutions of higher education that are not tribally controlled.

Education matters. The U.S. Census Bureau data show that the median household income of AI/AN households in 2012 was \$35,310 in comparison to \$51,371 for the Nation as a whole.<sup>8</sup> In 2011, the median earnings of bachelor's degree recipients with no advanced degree working full-time were \$21,100 higher than those of high school graduates. The difference includes \$5,000 in tax payments and \$16,100 in after-tax income.<sup>9</sup> Education is a critical part of the American dream, particularly for the AI/AN population in this country where there is still the greatest educational and economic disparity.

#### CONCLUSION

Thank you, Mr. Chairman and committee members, for the opportunity to provide comments and suggestions about minority-serving institutions, in particular, the challenges faced by Native American-serving, Nontribal Institutions. I appreciate your time and would be happy to respond to any questions that you might have for me.

<sup>8</sup> [http://www.census.gov/newsroom/releases/pdf/cb13ff-26\\_aian.pdf](http://www.census.gov/newsroom/releases/pdf/cb13ff-26_aian.pdf).

<sup>9</sup> Baum, Ma, & Payea, "Education Pays 2013, The Benefits of Higher Education for Individuals and Society, The College Board, 2013.

PREPARED STATEMENT OF JOHNNY C. TAYLOR, JR., PRESIDENT & CEO,  
THURGOOD MARSHALL COLLEGE FUND (TMCF)

INTRODUCTION

Thank you Senator Hagan, Senator Paul, Chairman Harkin and Ranking Member Alexander and the entire committee for holding a hearing on best practices and innovations to promote student success on the campuses of minority serving institutions and Historically Black Colleges and Universities (HBCUs). My name is Johnny C. Taylor, Jr., and I serve as President & CEO of the Thurgood Marshall College Fund (TMCF). The Thurgood Marshall College Fund supports and represents 300,000 students attending the country's 47 publicly supported Historically Black Colleges and Universities, medical schools and law schools. More than eighty percent of all students enrolled in HBCUs attend TMCF member-schools. TMCF was established in 1987 under the leadership of Dr. N. Joyce Payne.

It is with great enthusiasm that I submit this written testimony in an effort to highlight some of the important work TMCF is doing to support our network of *publicly supported* HBCUs and the students they serve everyday. The contributions of HBCUs to the Nation's ability to be globally competitive are significant. Additionally, TMCF's role in ensuring our network of schools are graduating a pipeline of students who are ready to compete for and create jobs in the 21st Century is critical. Outlined below are a few suggestions the committee should implement in order to maximize use of precious Federal resources under critical programs that support institutional curriculum and student success. TMCF is creating success one student at a time. We are doing it with scholarship and leadership development support while creating a culture of entrepreneurship on our campuses. We also recognize that many students arrive on our campuses without adequate preparation from their K-12 academic period. In an effort to reach students sooner, TMCF is launching our first TMCF Collegiate Academy at Southern University in New Orleans, LA.

BACKGROUND ON THE THURGOOD MARSHALL COLLEGE FUND

Last year TMCF expanded and acquired **The Opportunity Funding Corporation** (OFC). TMCF now owns the OFC not-for-profit and the OFC for-profit entities. OFC was created in 1970 to support minority and disadvantaged entrepreneurs with investment capital to support for-profit business ventures. The U.S. Office of Economic Opportunity, under President Richard Nixon's administration, funded OFC in the amount of \$7 million. Later, OFC, the not-for-profit was established. Today, TMCF uses OFC to support student innovation and entrepreneurship that will ultimately lead to job creation.

Our core values are focused on the following:

- *Scholarships*: TMCF provides merit and financial-based scholarships to students;
- *Capacity Building*: TMCF provides capacity building in the form of faculty research fellowships and internship opportunities as well as technical support and grants to our network of member schools.
- *Policy & Advocacy*: TMCF serves as the chief advocate for public HBCUs and remains engaged on Federal policy and programs that support our students and HBCUs nationwide.

*Scholarships*

To date, TMCF has provided more than \$200 million in scholarships and programmatic and capacity building support to students and our member schools. Many TMCF member-school graduates have become leaders in the business, education, government and entertainment industries to name a few. Few of these achievements would be possible without TMCF.

*Capacity Building & Programmatic Support*

Each year TMCF convenes a capacity building conference entitled the Member-Universities Professional Institute (MUPI). This year's conference theme, "Full STEAM Ahead: Improving Retention, Graduation & Career Readiness in Science, Technology, Engineering, Agriculture and Mathematics" (STEAM), proved to be extremely valuable. Through workshops, plenary sessions and forums TMCF-connected faculty, provosts and students with program officers from many Federal agencies including U.S. Department of Agriculture (USDA), Centers for Disease Control (CDC), and Department of Defense (DOD). MUPI conference attendees learned first hand about how to successfully compete for resources at the Federal level and how to ensure students are prepared to compete for internships and full-time employment with Federal agencies.

Additionally, during the same week, TCMF hosted our member presidents and board chairs for a 2-day governance session. TCMF is committed to ensuring our HBCU member presidents have the opportunity to learn and share best practices around board engagement and governance generally.

Our programmatic support is very much focused on ensuring TCMF students have access to great internship and fellowship opportunities. Each year we host an Annual Leadership Institute. We know these internships do not always turn into a job after graduation but many do. All of these experiences help expose students to the possibilities of what can be achieved with their degree once they enter the job market.

This is critical for first generation college students who often do not have multiple role models to show them what opportunities exist across the public and private sectors. TCMF teams up with the top employers across the country and during the Annual Student Leadership Institute to create opportunity for high achieving students to interview with top employers nationwide. During this time students also receive leadership development training.

TCMF is also working to create a culture of entrepreneurship on our campuses. During April 2014, TCMF's new subsidiary, The Opportunity Funding Corporation (OFC) hosted our first Student Innovation & Entrepreneurship Venture Challenge. This competition brought HBCU and other MSI students to Atlanta, GA where they presented their business plans to a panel of real life CEO judges. The OFC venture challenge competition is designed to mimic the real world process of raising venture capital and helps student entrepreneurs showcase their business acumen. A total of 19 public and private HBCUs participated as well as the University of the West Indies. TCMF urges the committee to find ways to support student entrepreneurship on HBCU campuses. In today's job market when individuals more frequently change jobs, we know it is increasingly important for students to be able to develop skill sets and that will lead to job creation.

#### RECOMMENDATIONS FOR THE REAUTHORIZATION OF THE HIGHER EDUCATION ACT

While the average tuition at publicly supported HBCUs is about \$6,3000 per year, college costs are increasing and students and their families are continuing to accumulate record levels of college loan debt. TCMF would like the committee to consider finding ways to address and enhance existing loan programs in an effort to curb costs to families and reward students with great academic talent.

#### **Enhance Title III B, Strengthening Historically Black Colleges & Universities**

Title III, part B discretionary and mandatory funding accounts are critical formula-based aid that is effectively used to support undergraduate academic programs and activities. TCMF urges the committee to support continued and increased authorization levels for these accounts. Specifically, TCMF urges the committee to support a significant investment in title III part B that would restore pre-sequestration levels and account for inflation. Additionally, consider authorizing expanded permissible use of the funds to cover distance learning. Under current law, title III part B funds are not authorized to support distance learning for HBCUs. As HBCUs enhance their technology use on campus or work to find ways to attract more non-traditional students, providing long distance learning opportunities is critical.

#### **Enhance and Grow the HBCU Capital Financing Program**

The HBCU Capital Financing Program provides low-interest financing to eligible HBCUs to support infrastructure and facility building and improvements. Use of these funds results in restoration and creation of dormitories and academic buildings on HBCU campuses. The risk to the government in this loan program is extremely low.

Each approved borrower is required to contribute 5 percent of their loan funds to a pooled escrow account to cover any future defaults in the program. During the entire history of the program, there has only been one default and that was of a private HBCU that is no longer active.

During the last re-authorization of the Higher Education Act, TCMF worked with the HBCU Community to successfully secure several programmatic changes including an increase to the total authorized loan authority. In light of the ongoing economic challenges faced by institutions coupled with the well-documented use of dollars under this program, there is room for additional modifications. TCMF encourages the committee to authorize an increase from the current \$1.1 billion loan authority to \$3 billion to cover future construction and infrastructure projects over the course of the next re-authorization period.

Additionally, TCMF supports the recommendation of the President's Advisory Board on HBCUs that urges Congress to permit a lower interest rate to approved borrowers who are going to use the loan money to construct or expand STEM-related facilities on their campuses.

#### **Modernize Pell Grants**

For many students attending HBCUs and for the majority of first generation college students, the Pell Grant is extremely important. TCMF urges the committee to support the following:

1. Re-invest, authorize and support funding to cover summer Pell. The absence of summer Pell creates increased challenges for students to complete college within 4 to 6 years. This is especially true for the non-traditional students.

2. Restore the \$32,000 income threshold for automatic Pell eligibility. Recent changes to Pell have reduced the number of students who are eligible for the award and result in fewer students securing the funding they need to complete their education.

As the Nation works to build long-term economic growth, we need to find ways to increase college completion rates. Increasing college completion rates will require Congress, the higher education sector and the private sector to find ways to create more support for first generation and low-income families to pay for college. TCMF feels strongly that the current Federal dollars allocated toward Pell can be maximized more effectively. Finally, TCMF urges the committee to continue to find ways to streamline the financial aid process for students and families.

#### **Address Challenges With the Administration's Proposed College Rating System**

TCMF opposes awarding Federal student aid assistance based on the college rating system proposed by the Administration. Any new college rating system should take into account the significant work HBCUs are doing to enroll often under-prepared low-income students and providing them with the resources needed to fill academic gaps and then complete college.

Allocation of aid under this new proposed rating system would result in harm to low-income students and inequities in the distribution of aid.

#### **Delay Cohort Default Rate Sanctions**

In 2008, new cohort default rate policies were instituted. Beginning this year, institutions are in jeopardy of losing their title IV eligibility if they exceed a 3-year cohort default rate of 30 percent for 3 consecutive years. TCMF supports a 2-year delay in instituting sanctions for HBCUs connected to cohort default rates.

#### **Retain Original Credit Criteria For the Parent PLUS Loan Program**

In October 2011, the Department of Education without notice or input from the education community decided to unilaterally change the credit criteria used to determine eligibility for Parent PLUS Loans. This impacted more than 400,000 students nationwide and at least 28,000 HBCU students on both public and private HBCU campuses. Our schools experienced significant drops in enrollment. Students who were persisting with strong academic records were suddenly forced to go home with debt and no chance of securing their degree. The impact of these changes is still felt today on our campuses.

TCMF urges the committee to support a return to the former credit criteria used to determine Parent PLUS Loan eligibility. According to the Department of Education data the Parent PLUS Loan program has the lowest default rate of any Federal education loan program, just over 3 percent for both public and private HBCUs.

[Whereupon, at 12 p.m., the hearing was adjourned.]