FALL 2021

HISTORICALLY BLACK COLLEGES & UNIVERSITIES

Federal and State Policy Scan Brief

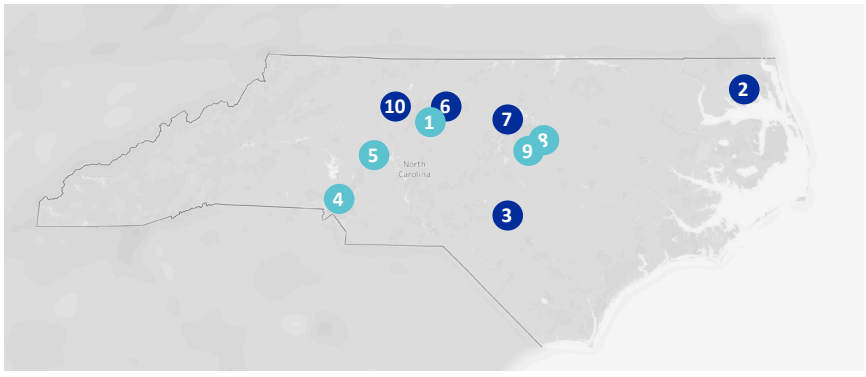
Historically Black colleges and universities (HBCUs) have long played an integral role in educating Black Americans, successfully meeting the mission of preparing Black students for life-sustaining careers, and strengthening the economies of the communities and states in which they are located. This success has not occurred by accident but is instead deeply rooted in a tradition and commitment to serving students who historically have not found a home in higher education. While federal and state policy provides a promise of parity between HBCUs and predominantly white institutions (PWIs), this promise has rarely been realized, requiring HBCUs to find innovative ways to serve their students and sustain their campuses over decades of chronic underfunding. As stakeholders, policymakers, and higher education leaders consider the role HBCUs play, it is critical to understand the history, policy landscape, and innovative practices these institutions bring.

THE HISTORY OF HBCUS

HBCUs are institutions of higher education (IHEs) established during the era of legal segregation prior to 1964, with the mission to provide Black Americans with a postsecondary education. HBCUs are concentrated in the South and Southeast regions of the United States and include both two- and four-year institutions. At their peak in the 1930s, there were 121 four-year HBCUs; today, there are 101 accredited four-year HBCUs serving more than 228,000 students. While HBCUs make up only three percent of all postsecondary institutions, they award about one-third of all science, technology, engineering, and mathematics (STEM) degrees earned by Black students and one-quarter of overall bachelor's degrees earned by Black students.

North Carolina has one of the most robust HBCU landscapes in the country. The state's 10 accredited, four-year HBCUs enroll the highest number of Black undergraduates in the country and award the greatest number of bachelor's degrees to Black students of all states home to HBCUs. While they comprise only 16 percent of the four-year institutions in the state, HBCUs enroll 45 percent of all Black undergraduates at public and private four-year institutions. Of the 10 HBCUs in North Carolina, five are public institutions under the University of North Carolina System and five are private institutions, as illustrated on the map below.

PUBLIC AND PRIVATE NORTH CAROLINA HBCUS



Public Private

1. Bennett College
2. Elizabeth City State University
3. Fayetteville State University
4. Johnson C. Smith University
5. Livingstone College
6. North Carolina A&T State University
7. North Carolina Central University
8. Saint Augustine's University
9. Shaw University
10. Winston-Salem State University

HBCU STUDENT POPULATION

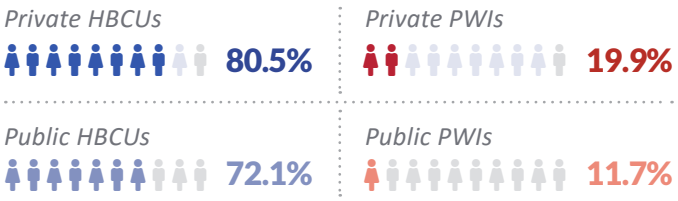
While HBCUs represent less than three percent of institutions of higher education nationally, they educate one in 10 Black students. HBCUs were created to provide opportunities for Black students to access higher education, and while these institutions currently enroll students from diverse racial and ethnic backgrounds, HBCUs continue to enroll significantly higher percentages of Black students compared to their peers. Nationally, about 24 percent of students enrolled at HBCUs are non-Black and enrollment demographics are similar for both public and private HBCUs in North Carolina, as depicted in table 1 in the Appendix. In comparison, North Carolina's public, predominantly white institutions (PWIs) enroll 88 percent non-Black students and private PWIs enroll 73 percent non-Black students.

HBCUs disproportionately serve low-income, first-generation, and students from under-resourced communities. While 33 percent of all higher education students are first-generation, 52 percent of first-time, full-time undergraduates at HBCUs are first-generation students. Black students often do not have access to the resources needed to be academically prepared college students. For example, only 57 percent of Black high school students have access to the full range of math and science courses necessary for college readiness. In 2015, 61 percent of graduating Black students who took the ACT met none of the four ACT college readiness benchmarks, nearly twice the rate for all graduating students. As a result, many Black students are placed into remedial college courses which often do not count for credit and add time to graduation.

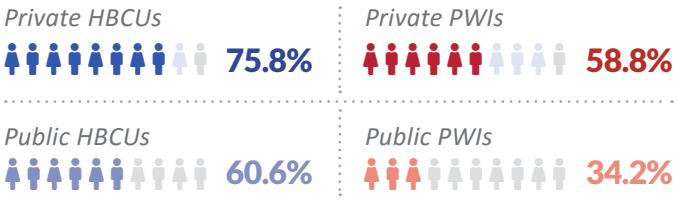
The ability to afford higher education continues to be a national topic, acting as a barrier to entry for many low-income students across the United States. Federal Pell Grants and PLUS Loans are need-based financial aid and often used as a proxy for determining the financial need of an institution's student population. In order to be eligible for Pell Grants and Plus Loans, students are required to complete a Free Application for Federal Student Aid (FAFSA), making it a critical step in the college going process. However, estimates suggest that the majority of twelfth graders eligible for Pell Grants do not complete their FAFSA.

Nationally more than 75 percent of students at HBCUs rely on Pell Grants and almost 13 percent rely on PLUS Loans. In North Carolina, 75.8 percent of undergraduate students receive Pell Grants at private HBCUs and 60.6 percent of undergraduate students receive Pell Grants at public HBCUs, as demonstrated in table 1. Given the larger than average number of low-income and Pell grant recipients that attend HBCUs, higher education leaders should further explore how increasing FAFSA completion can support HBCUs and the students who enroll in them.

ENROLLMENT DATA SPOTLIGHT: FALL 2019 UNDERGRADUATE ENROLLMENT - PERCENTAGE OF BLACK STUDENTS



ENROLLMENT DATA SPOTLIGHT: FALL 2018 - PERCENTAGE OF UNDERGRADUATE STUDENTS AWARDED PELL GRANTS



Pell Grants
The Pell Grant is a federal subsidy awarded to undergraduate students who display exceptional financial need.

Source

Plus Loans
Plus Loans are unsubsidized federal loans for graduate students or parents of dependent undergraduate students that are available only after a student exhausts eligibility for other loans.

Source

STUDENT EXPERIENCE

FOSTERING A SENSE OF BELONGING & STUDENT SUCCESS

Black students who attend four-year predominantly white institutions (PWIs) tend to have lower graduation rates than their white peers. Studies have found that Black students have difficulty persisting and graduating due to common factors they face at PWIs, including: feelings of alienation, financial burdens, and racial discrimination. Dr. Beverly Tatum, psychologist and President Emerita of Spelman College, found in a recent study that while white students rarely report feeling excluded in their educational environment, respondents of color reported that they often feel excluded in their collegiate educational setting. Additionally, Black students are more than twice as likely to report that the racial climate on their campus is poor, largely because racial bias continues to be the most common motivation for campus hate crimes.

Racial bias at PWIs has severe implications as many Black students experience racial battle fatigue and higher levels of psychological distress related to racial incidents. To make matters more difficult, Black students often do not have faculty and staff at their IHE they feel they can turn to when they need support. The College and University Professional Association for Human Resources reported that Black employees make up less than 10 percent of higher education professionals, leaving an abundant lack of representation at PWIs.

Racial Battle Fatigue Theory
This theory maintains that race-related stressors, such as exposure to racism and discrimination on campuses and the time and energy African American students expend to battle these stereotypes, can lead to detrimental psychological and physiological stress.

> "I MADE A DECISION TO COME [TO AN HBCU] AFTER THE EXPERIENCE THAT I HAD AT A PREDOMINANTLY [WHITE] INSTITUTION IN ORDER TO EMBRACE MY OWN HISTORY, HERITAGE, AND EVERYTHING THAT HAS GONE INTO MAKING US WHO WE ARE." Source

Studies have found that Black students have three main reasons for attending HBCUs: 1) being in an environment where people look like them, 2) experiencing lower levels of racism, and 3) to explore their cultural roots. For many Black students, early educational experiences in predominantly white schools resulted in experiences of blatant racism, leading to a desire for more inclusive postsecondary education experiences. Scholars generally agree that HBCUs provide culturally affirming, empowering, and cohesive campus environments that promote connectedness and a sense of pride, which tend to be associated with a student's sense of belonging.

Fostering a sense of belonging and vision for student success are cited as two of the key components HBCUs provide underrepresented students. Research demonstrates that HBCUs purposefully foster an "ethos of belief in the success of students" and that faculty and staff members continually communicate this vision to their students. This ethos of success is fostered through a collaboration mindset and the use of cohorts to ensure that students understand success as being tied to others and not reliant solely on their own responsibility.

> "SENSE OF BELONGING IS A STUDENTS' PERCEPTION OF SOCIAL SUPPORT ON CAMPUS, A FEELING OR SENSATION OF CONNECTEDNESS, THE EXPERIENCE OF MATTERING OR FEELING CARED ABOUT, ACCEPTED, RESPECTED, VALUED BY, AND IMPORTANT TO THE GROUP (E.G. CAMPUS COMMUNITY) OR OTHERS ON CAMPUS (E.G. FACULTY, PEERS)" Source

HBCUs also focus on intentional, interpersonal engagement between students, faculty, and staff. Faculty, student affairs professionals, and administrators all believe that they have a critical role in nurturing student success and view their work as student-centered, service oriented, and deeply committed to racial uplift and empowerment. By providing a campus culture that helps students feel academically and socially connected, students are more likely to persist through to graduation.

For most students, the HBCU experience leads to increased involvement on campus, higher levels of social involvement, and more favorable relationships with professors. Students report finding HBCUs as more nurturing, and providing access to more cultural activities, a better social life, and fewer instances of racial harassment, either from the institution or their peers. Black students at HBCUs also appear to have greater satisfaction, social support, and faculty support. Lastly, in comparison to Black students at PWIs, Black students at HBCUs tend to have higher levels of self-confidence upon graduating.

COMMUNITY OUTCOMES

HBCUs are critical to the education and success of Black students throughout the nation and in North Carolina, but students are not the only people who benefit from thriving HBCUs. HBCUs outpace their expected contributions to local, state, and national economic development. In 2017, the 101 HBCUs across the United States generated nearly $15 billion in economic impact, including generating over 134,000 jobs in their local and regional economies.

Further, HBCUs are important drivers of social mobility. While HBCUs enroll far more low-income students than PWIs, students attending HBCUs experience more upward mobility than students at PWIs. Nearly 70 percent of students at HBCUs attain at least middle-class incomes after graduation, and overall there is less downward mobility at HBCUs than at PWIs for all students at HBCUs. One-third of Black Americans with a doctorate in STEM fields earned their undergraduate degrees from HBCUs. HBCUs produce over 30 percent of Black engineers, 50 percent of Black elected members of Congress, and 80 percent of Black federal judges. In this light, HBCUs are critical for social mobility and creating a stronger, more inclusive middle class.

These outcomes also provide monetary benefits to society. HBCUs are critical to closing the postsecondary attainment gap between white students and Black students. It is estimated that closing this gap would result in nearly one trillion dollars in societal gains between the boost to gross domestic product (GDP) and reductions in public spending. Higher earnings from increased educational attainment would increase tax revenue, increase spending on goods and services, decrease government spending on public assistance programs, decrease spending on the criminal justice system, and decrease public health spending given the association between educational attainment and better health outcomes. Additionally, HBCUs and their graduates provide non-monetary benefits to society including stronger civic engagement, greater agency and self-empowerment, increased critical thinking abilities, lower inclinations toward authoritarianism, and the ability to create social capital in the next generation of Black students.

FEDERAL POLICIES

HBCUs play a vital role in educating and fostering a safe space for Black students in the United States while closing racial attainment gaps. However, federal and state policies have not always recognized the successes and importance of HBCUs. The remainder of this brief aims to provide a historical landscape of policies and practices impacting HBCUs and context of the current challenges that HBCUs across the United States, and in North Carolina, face.

HBCUs were born out of the fact that Black Americans were shut out of many traditional pathways into higher education. Prior to the Civil War, there was no structured higher education system for Black students, and as a result they were generally barred from participating in education. In fact, certain statutory provisions prohibited the education of Black Americans in various states across the United States. After the Civil War, access to elementary and secondary education began to grow for Black students, but it was not until the Second Morrill Act of 1890 that federal law required the development of higher education institutions for Black students. The Second Morrill Act required states that had land-grant institutions established for white students to also develop land-grant institutions for Black students; this led to the development of most of the HBCUs in southern states.

The 1896 Supreme Court decision on *Plessy v. Ferguson* established the "separate but equal" doctrine and further embedded the need for HBCUs in America. The court ruling established separate elementary and secondary school systems, which in turn created a need for Black teacher training. HBCUs stepped up by providing educator preparation programs in order to fill the need for Black teachers.

These HBCUs and their enrollment grew rapidly, and by the early 1950s, over 43,000 students were enrolled in public Black colleges, with another 32,000 enrolled in private Black institutions. By the time the U.S. Supreme Court overturned "separate but equal" in *Brown v. Board of Education* in 1954, HBCUs were embedded in the fabric of postsecondary education. Nevertheless, HBCUs had smaller budgets and inadequate infrastructure compared to their PWI counterparts. Over the next 10 years, many HBCUs either closed or merged with PWIs, leaving those that remained as an essential part of postsecondary education for Black students.

The Civil Rights Act of 1964 sought to create more equity in funding and enacted protections for individuals from discrimination based on race, color, or national origin in any programs that received federal funding through the passage of Title IV. A year after the Civil Rights Act of 1964, Title III of the Higher Education Act of 1965 officially defined HBCUs as schools of higher learning that were accredited and established before 1964, and whose principal mission was the education of Black Americans; it also authorized funds to support those institutions. The Civil Rights Act of 1964 established the Office of Civil Rights, which in 1969-1970 began to sue states that were maintaining separate systems of higher education based on race and therefore in violation of Title VI.

TITLE III OF THE 1965 HIGHER EDUCATION ACT	
Title III	Provides institutional aid for institutions serving students from low-income or racially underrepresented backgrounds, including strengthening HBCUs.
Section A	Authorizes the "Strengthening Institutions Program," which provides grants to institutions with financial limitations and a high percentage of high-need students.
Section B	Authorizes the "Strengthening Historically Black Colleges and University (HBCUs)" and "Historically Black Graduate Institutions" programs, both of which award grants to eligible institutions to assist in the strengthening of their academic, administrative, and fiscal capabilities.
Section C	Authorized the "Endowment Challenge Grant" program aimed at increasing HBCU endowments through a matching program, but it has not been federally funded since 1995.
Section D	Authorizes the "HBCU Capital Financing Program" to assist HBCUs in obtaining low-cost capital financing for campus maintenance and construction projects.
Section E	Authorizes the "Minority Science and Engineering Improvement Program," which provides grants to enact long-term improvements in science and engineering education.
Section F	Authorizes the mandatory appropriations for the "Science, Technology, Engineering, and Mathematics (STEM) Articulation Program," which provides minority-serving institutions with grants to increase the number of students in STEM fields and to develop model transfer and articulation agreements.

In 1977, the courts ordered that the federal government establish new criteria for statewide desegregation. This criteria recognized the role HBCUs play in meeting the educational needs of Black students, and as such called for the enhancement of HBCUs through investments in facilities, faculty, and financial support that are equal to their PWI counterparts. This criteria also called for expanding non-Black student enrollment at HBCUs by offering programs that were in high demand or not available at other public IHEs.

Today, HBCUs continue to serve a critical role in postsecondary education. Various federal executive orders have been aimed at ensuring the sustainability of HBCUs, but that work must continue to pass legislation and secure support for HBCUs for the long-term future.

STATE POLICIES

Both federal and state funding are essential to the operation of IHEs. Federal funding provides the bulk of financial aid and research funding for institutions, while state funding covers most of the general purpose appropriations, such as operating costs and capital improvements. Significant progress has been made at the Federal level regarding HBCU funding and support, but state funding continues to lag behind. Overwhelmingly, states' flagship institutions, which typically see higher enrollment and vast degree programs, receive a larger portion of state appropriation. Further, between 2003 and 2015, HBCUs saw the largest decline in state funding per full time student across all IHEs. Many IHEs rely on endowments to provide additional financial support and flexibility, but HBCU endowments lag behind those of non-HBCU institutions by over 70 percent.

States have failed to honor their funding obligations to land-grant HBCUs. The Second Morrill Act, which passed in 1890, required states to show that race was not an admissions criterion or designate separate land-grant institutions for students of color, leading to the creation of land-grant HBCUs in many southern states. Part of this requirement included a provision that HBCU land-grant institutions receive one-to-one matching dollars that states provided to other land-grant institutions that received federal funding. However, states have failed to meet this matching funding requirement since its inception. For example, between 2010 and 2012 alone, 61 percent of land-grant HBCUs established through the Morrill Act of 1890 did not receive sufficient funding to meet the one-to-one match of other state land-grant institutions.

This inequity has resulted in HBCUs missing out on nearly $57 million in funding per institution compared to their PWI land-grant peers.

Underfunding of HBCUs has negatively affected institutions' ability to educate and support students. While the success of HBCUs is often measured in comparison to other IHEs, HBCUs serve a population of students different from that of a PWI. HBCUs enroll and educate students who may not have pursued a postsecondary degree elsewhere. Further, the mission of HBCUs varies from other institutions, which means that institutional outcomes also differ.

In an attempt to make postsecondary education more affordable, accessible, and equitable to a broader group of students, various states have implemented policies or programs aimed at closing equity gaps.

- Several lawsuits have been filed on the behalf of public HBCUs to correct longstanding funding inequities:
  - In Maryland, Governor Hogan recently signed legislation that provides $577 million in funding to HBCUs over the next decade. This is part of a settlement agreement that addresses Maryland's systematic underfunding of the state's public HBCUs.
  - In Tennessee, a bipartisan legislative committee determined that the state has underfunded Tennessee State University (TSU) since the 1950s, costing the university between $150 and $544 million over time. Legislative committee meetings are currently underway to determine how much funding TSU will receive and how to best disperse those funds.
- Other states have attempted to make HBCUs more affordable through tuition caps.
  - In 2018, North Carolina implemented the NC Promise program, which reduces student tuition cost to $500 per semester at three UNC System institutions. One of these institutions, Elizabeth City State University, is one of the 10 HBCUs in North Carolina. Through this program, ECSU saw a 13 percent increase in enrollment and five percent retention rate increase between the 2019 and 2020 academic years.

- States that have Performance - Based Funding Models (PBF) have looked at ways to incorporate the purpose of HBCUs into their funding formulas, such as providing education for underprepared students and enrolling larger populations of underrepresented students. PBF models are used to award IHE funding based on an institution's progress toward state-designated goals.
  - Ohio uses course completion in their PBF model and awards a bonus weight to course completion by underprepared students to guard against IHEs becoming more exclusive in their admissions.
  - Florida provides a 25 percent bonus for completers who were recipients of Pell grants in their point PBF totals that determine nearly all funding allocations.
  - California Community Colleges apply "The Student Centered Funding Formula" to ensure community colleges are funded in part based on how well students are faring. This includes base allocations, supplemental allocations based on the number of students receiving Pell Grants or California's College Promise Grants, and a student success allocation based on outcomes such as the number of students earning certificates or degrees, number of students who complete transfer-level math and English within their first year, and the number of students who attain a regional living wage after graduation.

INSTITUTION-LEVEL POLICIES/ PRACTICES

While federal and state-level policies are necessary to close systemic opportunity gaps that exist at HBCUs due to under-resourcing, HBCUs have created institution specific initiatives to ensure students persist and are successful in attaining a postsecondary degree. Examples from outside of North Carolina include the following:

- Morehouse College in Georgia provides a peer-to-peer learning model within their cohorts in which students are responsible for supporting one another in attaining their degrees. Often, the students who lead initially struggled with coursework, which allows peer leaders to give guidance and model student success. The success of this initiative is most notable in STEM education, in which Morehouse is one of the nation's top producers of Black STEM graduates pursuing master's and doctoral degrees.
- Paul Quinn College in Texas anchors its work through its "We Over Me" philosophy. Paul Quinn President Michael Sorrell has engrained a sense of success that fosters a shared ownership of student triumphs. The institution has a focus on service and the greater community, one example being the We Over Me Farm, which produces organic produce for the college, community, charities, and businesses. Since the adoption of this mindset, Paul Quinn College has produced many activist leaders who give back to their communities.
- Xavier University of Louisiana has transformed its teaching methods to address the large percentage of under-resourced students they serve. Students engage in exercises, referred to as drills, and work collaboratively to understand academic materials in math, chemistry and biology, as well as an analytic reasoning course. While the institution has just 2,900 students, it sends more of its Black graduates to medical school than any other college and over 55 percent of its students are majoring in science, more than any other liberal arts college.
- Norfolk State University in Virginia hosts a summer bridge program pairing incoming and current students to provide mentoring, academic, and social support. They also offer a Breakfast Club which helps students strengthen social skills and prepares them to balance their academic preparation in the classroom with professional skills.

CHALLENGES

UNDERSTANDING STUDENT OUTCOMES DATA

Six-year graduation rates are typically used as a key indicator of the quality and success of IHEs, and with growing attention to the student debt crisis, institutions are under increasing pressure to ensure students persist to completion rather than dropping out with large amounts of student debt. When considering differences in graduation rates between HBCUs and their PWI peers, it is critical to consider how six-year graduation rates are calculated and reported. Traditional graduation rates track first-time, full-time undergraduate students; however, a study by The American Council on Education's Center for Policy Research and Strategy found that the majority of students at public and private HBCUs attended through mixed enrollment, meaning they move between full-time and part-time enrollment. This means that the majority of students attending HBCUs do not fit the profile of students captured by traditional graduation rates, making this key measure of student outcome insufficient in accurately measuring the success of HBCUs in supporting students through to graduation.

HBCUs serve a student population that largely does not fit the common perception of a traditional postsecondary student (i.e., a student who enrolls in a four-year college or university immediately after high school). In addition to school, many HBCU students are juggling conflicting interests including work and family, which may cause students to stop out, or leave their education for a period of time. It's important to note that HBCUs embrace students returning to college after an extended absence, though traditional graduation rates do not take into consideration a student's need to stop out or return to college after an absence.

To more accurately measure the success of HBCUs, many scholars encourage the use of completion rates when analyzing minority-serving institutions as they take into account students who transfer or swirl and complete their degree at another institution. Over nine percent of students at public HBCUs completed their first certificate or degree at another institution and over 10 percent did the same at private HBCUs. Students exclusively enrolled at public four-year HBCUs completed at a rate of 61.8 percent, yet the federal graduation rate for these institutions is 34.1 percent.

STUDENT OUTCOMES DATA SPOTLIGHT: 2019 SIX-YEAR GRADUATION RATE FOR ALL STUDENTS

Private HBCUs 31.2%

Private PWIs 42.5%

Public HBCUs 41.4%

Public PWIs 65.2%

Transfer usually represents a student moving from one institution to another before completing their degree.

Swirling refers to a student who moves back and forth between and amongst institutions, often both two- and four-year institutions, and sometimes enrolling at multiple institutions simultaneously.

Source 1 Source 2

Utilizing completion rates paints a more accurate picture of student success at HBCUs, accounting for the unique enrollment and transfer trends of the students they serve. In North Carolina, graduation rates for public HBCUs are 41.4 percent and 31.2 percent for private HBCUs, as illustrated in table 2. Unfortunately, national data reporting standards only track individual completion rates that are aggregated and reported at the national level, which ultimately leads to an undercount of HBCU completion data, making it difficult for institutions to demonstrate higher rates of student success. In fact, one study found that Black students attending HBCUs are up to 33 percent more likely to graduate than Black students attending a similar non-HBCU. Similarly, HBCUs were found to have a graduation rate about 10 percentage points higher than institutions without the HBCU designation, suggesting that HBCUs outperform institutions who serve similar student populations, including low-income and underprepared students.

BARRIERS TO FACULTY AND STAFF RECRUITMENT

Despite the growing evidence of the benefits associated with having an instructor of the same race and ethnicity as a student, the educator workforce, particularly at the postsecondary level remains overwhelmingly white. Institutional structures, policies, and interactions with faculty colleagues and students all shape access, recruitment and retention of faculty and staff of color. In particular, HBCUs battle a bias against their prestige, as the open access mission of HBCUs and lower levels of research activity create perceptions that HBCUs are less prestigious. Further, the pipeline to the next generation of professors and staff members is insufficient. Future professors are drawn from current graduate students, but the lack of funding to support graduate students and their research at HBCUs, coupled with the lower rates of racial diversity in graduate programs, shrinks the pool of possible future faculty candidates. Black students who do pursue graduate school are more likely to leave academia than their white peers due to the racism and unwelcoming climate faced during graduate school and the hiring process.

When possible faculty candidates do come on the market, they are often persuaded to pursue careers at PWIs and flagship universities given the largest budgets of these IHEs. On average, faculty at HBCUs are paid $18,000 less than faculty at non-HBCUs, making it difficult to recruit and retain qualified faculty. Further, flagships and fully-funded IHEs have committed to investing in physical infrastructure, such as state of the art laboratories, updated libraries, and other resources critical to the research process. Without these investments in the physical infrastructure, it is difficult for faculty members to create successful research projects that not only increase faculty prestige but also allow students to get much needed hands-on experience for the next generation of researchers and faculty members. Equitable investment in HBCUs would facilitate the recruitment, retention, and preparation of current and future faculty and staff.

UNDER-RESOURCING AND ITS IMPACTS

Rising college costs, student debt, and federal budget cuts are all factors that position higher education finance as a critical issue in the United States. This is especially true for historically underfunded and under-resourced minority serving institutions like HBCUs. Compared to peer institutions, HBCUs operate with

Research universities are designated by the Carnegie Classification of Institutions of Higher Education for institutions that award research/scholarship doctoral degrees. R1 institutions are the highest tier and are regarded as having very high research activity. R2 institutions are considered having high research activity and R3 institutions are considered having moderate research activity and/or award professional doctoral degrees.

Gaining the R1 designation can be beneficial for institutions of higher education as it generally attracts external research grants, is more appealing to industry partners, and improves the ability to inspire donors to invest in institutional projects. The designation also impacts recruitment to the institution, with R1s generally recruiting high-quality faculty, postdoctoral fellows, and graduate students by providing an additional justification for raising pay rates to compete with other R1 institutions.

Source 1 Source 2

fewer resources and much smaller endowments. The result is that HBCUs spend only 57 percent of what other schools spend on instruction, 63 percent on student services, and 49 percent on academic support functions. Further the lack of one-to-one matching by states, as mentioned above, leads to many HBCUs being under-resourced. This leads to fewer available student support services, staff and faculty members who are stretched thin, and students who must navigate the financial burdens of attending college.

The effects of under-resourcing HBCUs manifest in various ways. HBCUs play a vital role in graduating Black STEM students, and while HBCUs provide an opportunity for Black students to engage in research before graduating, there is a lack of resourcing to support this effort. In 2018, three-quarters of all U.S. academic research and development funding ($59.4 billion) was awarded to the 115 R1 institutions, with the top 25 R1 institutions responsible for nearly half of the total research and development performed. Currently, there are 11 R2 HBCUs and no HBCUs with an R1 designation, though Morgan State University and North Carolina A&T are poised to become the first.

HBCUs also have inadequate endowments that lag behind non-HBCUs by over 70 percent. Endowments are critical to attracting highly qualified students and providing those students with the academic services they need to succeed. However, the systemic underfunding of HBCUs and racial biases in philanthropic gifts have left HBCUs fighting an uphill battle to secure their endowments. While HBCU alumni donate to their alma maters at twice the rate of the national average, these gifts are typically smaller than gifts at PWI counterparts due to racial wealth gaps and systemic wage inequalities that still plague society in America. All of these issues related to underfunding create challenges for students and this is seen in student outcomes data.

GUIDING QUESTIONS

- How do North Carolina HBCU graduation rates compare to local non-HBCU institutions of higher education with similar student demographics? Is there a discernible difference between public and private HBCU graduation rates?
- What institution-level policies and practices are being implemented to help students persist and attain degrees?
- How successful has North Carolina been in its commitment to fund HBCUs at a one-to-one ratio of other public IHEs? In what ways can North Carolina better invest in the promises made to HBCU institutions?
- What effects does underfunding of HBCUs have on the education of students who are enrolled? On the recruitment and retention of students and faculty? On the surrounding community and North Carolina at large?
- What steps can North Carolina take to ensure the longevity of the NC10 and their role in postsecondary education?

APPENDIX

Table 1

NORTH CAROLINA ENROLLMENT SNAPSHOT

RACE/ETHNICITY	PUBLIC HBCUS	PRIVATE HBCUS	PUBLIC PWIS	PRIVATE PWIS
American Indian or Alaska Native	0.58%	0.37%	0.91%	0.54%
Asian	1.26%	0.92%	5.03%	4.28%
Black or African American	72.14%	80.54%	11.71%	19.90%
Hispanic	5.46%	1.43%	7.60%	6.49%
Native Hawaiian or Other Pacific Islander	0.07%	0.29%	0.08%	0.10%
White	11.60%	1.43%	63.13%	54.21%
Two or more races	4.29%	3.77%	4.00%	3.26%
Race/Ethnicity Unknown	3.08%	8.56%	2.81%	4.87%
Nonresident Alien	1.52%	2.70%	4.74%	6.36%
SEX				
Female	65.24%	57.59%	56.58%	59.19%
Male	34.76%	42.41%	43.42%	40.81%
AGE				
Under 25	72.66%	84.44%	75.21%	66.31%
25-29	10.05%	4.48%	10.85%	13.59%
30-34	5.47%	1.74%	5.30%	6.64%
35-39	3.84%	1.45%	3.20%	4.49%
35-39	3.84%	1.45%	3.20%	4.49%
40-49	5.22%	3.15%	3.81%	5.59%
50-64	2.61%	2.44%	1.54%	2.88%
65+	0.14%	0.31%	0.09%	0.23%

STUDENT CLASSIFICATION				
Undergraduate	85.66%	96.56%	78.89%	72.21%
Graduate	14.34%	3.44%	21.11%	27.79%
AGE				
Undergraduate Students Awarded Pell Grants	60.60%	75.80%	34.18%	58.75%

Note: All data are aggregates of institutional data from IPEDS data. Pell status is from Fall 2018. Sex, Age, and Race/Ethnicity are from Fall 2019.

Table 2

NORTH CAROLINA STUDENT OUTCOMES SNAPSHOT

STUDENT OUTCOMES	PUBLIC HBCUS	PRIVATE HBCUS	PUBLIC PWIS	PRIVATE PWIS
150 Percent Graduation Rate[1]	41.40%	31.20%	65.18%	42.51%
Retention Rate[2]	75.54%	57.20%	83.09%	67.90%

Note: All data are aggregates of institutional data from IPEDS data from 2019.

[1] 150 Percent Graduation Rate is defined by IPEDS for undergraduate bachelor degree students as graduation within six years. Data are collected on the number of students entering the institution as full-time, first-time, degree/certificate-seeking undergraduate students in a particular year (cohort), by race/ethnicity and gender and compared to the number completing their program within 150 percent of normal time to completion.

[2] Retention Rate is defined by IPEDS as the percentage of first-time bachelor's degree (or equivalent) seeking students enrolled in the fall of the prior year that are still enrolled in the fall of the current year.