

White Paper – HBCUs and HUD Funding **-Federal Funding and HBCUs-**

Friday, August 7, 2020

Since the 1800's, Historically Black Colleges and Universities (HBCUs) have been vital to educating African-Americans others in the United States. The Higher Education Act of 1965 defines an HBCU as "...any historically black college or university that was established prior to 1964, whose principal mission, and is, the education of black Americans, and that is accredited by a nationally recognized accrediting agency or association determined by the Secretary [of Education] to be a reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation." These institutions were established to provide educational opportunities to African-Americans and other denied opportunities at other institutions of higher educations. At one point, there were as many as 121 institutions throughout the United States and U.S. Virgin Islands. Currently, there are approximately 101 federally-recognized HBCUs that continue to educate and prepare students for the global market. At least 21 of these institutions are considered land grant college or universities, designated by its state legislature or Congress to receive the benefits of the Morill Acts of 1862, 1890, and 1994. HBCUs have demonstrated its ability to graduate the highest number of African-Americans in fields that include the medical, finance, and legal professions. It should be noted that HBCUs have opened its doors to all students, regardless of their race, an opportunity to achieve an education that helps contribute to a global society.

HBCUs receive a variety of funding sources to help accomplish their objectives, missions, and goals. These sources of funding include federal, alumni, private corporation, and foundations that HBCU administrator seek to help operate their institutions. However, these institutions do not receive the same opportunities as non-HBCUs to obtain access to resources to help meet objectives, missions and goals. As a result, HBCUs have the tasks of doing more with less resources to educate its students.

Purpose

The purpose of this white paper is to provide an overview of one source of funding that HBCUs have received to help meet its objectives, missions, and goals. Specifically, this white paper will provide information about the various funding in the form of formula and competitive grants that HBCUs receive from the United States Department of Housing and Urban Development (HUD).

The breakdown

Around October 1990s to March 2020, 91 Federally-recognized HBCUs were approved to receive formula and competitive grants from HUD. During this period, 88 of the 91 HBCUs received HUD grants geared mostly towards financial assistance to eligible students. During this period, 88 HBCUs received 556 grants that totaled \$230,175,480.

There were 20 states with HBCUs that received HUD funding. There were 93 grants issued to HBCUs located in the State of North Carolina, making it the largest HBCU state to receive the most HUD grants. The State of North Carolina also had the distinction of being home to HBCUs receiving the largest total amount of HUD funding at \$32,039,882.

Among individual HBCUs, Howard University received 39 grants from the agency. Among HBCUs, Howard received the largest number of grants. In addition, this university received the largest total amount of HUD funding among HBCUs at \$13,525,216.

Perspective

It should be noted that these amounts were for period that spanned more than 30 years. In response to the COVID-19 pandemic, the Department of Education issued the *Higher Education Emergency Relief (HEER)* Fund through the recent CARES Act. Higher education institutions can use the funds to help provide financial assistance to its operations and students. For its part, the Education allocated more than \$577 million in initial round HEER funding to HBCUs. HBCUs received nearly double the amount of funding from Education within weeks when compared to the more than 30 years of funding from HUD. When you look at HBCUs on an individual level, Howard University received more than \$13 million from Education in a matter of weeks. However, the HBCU received more than \$13.5 million in HUD funding through a 30 year span. These amounts do not take into consideration that non-HBCUs receive more funding from the same agencies for the same purposes.

Additional reviews of other federal agencies could provide more information into how much funding was awarded to HBCUs. Based on this information, the following questions could be determined

- the amount of funding to HBCUs by federal agency,
- the time of period of funding,
- which HBCUs received the largest number of grants,
- which HBCUs received the largest total amount of funding,
- which HBCU state received the largest number of grants, and
- which HBCU state received the largest total amount of funding.

Many factors may play into the reasoning for funding level comparison. Among these factors include, but limited to Presidential administration's priorities, agency attention, and the level of advocacy and pursuit for funding. Another underlining factor is the perception that many HBCUs lack the capacity, competency, or ethics to manage large sums of funds in compliance with applicable rules. It would be beneficial to gain a better understanding as to

- what types of grants are HBCU seeking (e.g. financial assistance versus research and development),
- why some HBCUs have been able to obtain more funding and grants than others,

- why some HBCU states have been able to obtain more funding and grants than other HBCU states,
- the funding levels compare to non-HBCUs within the same state,
- why non-HBCUs have fared better in obtaining more funding and grants than HBCUs, and
- best practices and lessons needed to help HBCUs obtain access to all available federal funding.

HBCUs can take advantage of the funding opportunities from various federal agencies, while seeking other funding sources. However, it will take the necessary proactive actions and engagement with stakeholders to be able to obtain the funding. Further, HBCUs need to consider hiring or contracting with entities who have the necessary skills and knowledge to help these institutions minimize compliance risks.