



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

**COMMITTEE ON LABOR, HEALTH, EDUCATION AND PENSIONS  
U.S. SENATE  
TUESDAY, MAY 13, 2014**

**TESTIMONY OF DR. MICHAEL L. LOMAX, PRESIDENT AND CEO  
UNCF (UNITED NEGRO COLLEGE FUND)**

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**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 21<sup>st</sup> 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 four- and two-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 ten places, ahead of elite private universities.

HBCU accomplishments include the following:

- Since 2008, Spelman College in Atlanta, Georgia has averaged a six-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 eight 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, Louisiana 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 four-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 2001-2002 and the 2012-2013 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 four-year institutions. However, while enrollment at all four-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-HBCUs by 14 percentage points when it comes to graduating demographically identical low-income student populations.<sup>ii</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.

HBCU's 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 ten to one.

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, 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 five 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 six years at a 70 percent rate – which is considerably higher than the 59 percent six-year graduation rate at all four-year institutions – and sees her likelihood of graduating increase by over seven percentage points.<sup>iii</sup> In contrast, the national six-year graduation rate for African Americans is 40 percent. If we could increase that rate by over seven 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 21<sup>st</sup> 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*, ten institutions<sup>iv</sup> developed comprehensive strategies for annual giving that increased total private gifts by 57 percent over a three- to four-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 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 five-year graduation rate by two 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 database 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 three 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 18<sup>th</sup> 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>v</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>vi</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 reinvest in and modernize Pell Grants to meet 21<sup>st</sup> 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 six-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 two award years; (4) incorporating more flexible repayment options; and (5) granting institutions



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 three-year cohort default rate of 30 percent for three consecutive years. That is a death sentence for any college or university.

In the short term, HBCUs seek a two-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 improvements. 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>vii</sup> In diving, swimmers receive a raw score from one to ten 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 longstanding principle that federal student assistance is awarded based on need.

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

<sup>ii</sup> Ibid.

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

<sup>iv</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.

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

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

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