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# Programs for Minority-Serving Institutions Under the Higher Education Act

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## Summary

Minority-serving institutions (MSIs) are institutions of higher education that serve high concentrations of minority students who, historically, have been underrepresented in higher education. Many MSIs have faced challenges in securing adequate financial support, thus affecting their ability to develop and enhance their academic offerings and ultimately serve their students. Federal higher education policy recognizes the importance of such institutions and targets financial resources to them. Funding for MSIs is channeled through numerous federal agencies, and several of these funding sources are available to MSIs through grant programs authorized under the Higher Education Act of 1965, as amended (HEA; P.L. 89-329). Over the years, HEA programs that support MSIs have expanded and now include programs for institutions serving a wide variety of student populations. In FY2016, MSI programs under the HEA were appropriated approximately \$817 million, which helped fund more than 929 grants to institutions.

Currently, the HEA authorizes several programs that benefit MSIs:

- Title III-A authorizes the Strengthening Institutions Program, which provides grants to institutions with financial limitations and a high percentage of needy students. Title III-A also authorizes separate similar programs for American Indian tribally controlled colleges and universities; Alaska Native and Native Hawaiian-serving institutions; predominantly Black institutions (PBIs); Native American-serving, nontribal institutions; and Asian American and Native American Pacific Islander-serving institutions. Grants awarded under these programs assist eligible institutions in strengthening their academic, administrative, and fiscal capabilities. These programs are typically funded through annual discretionary appropriations, but additional annual mandatory appropriations are provided through FY2019 under Title III-F.
- Title III-B authorizes the Strengthening Historically Black Colleges and Universities (HBCUs) program and the Historically Black Graduate Institutions program, both of which award grants to eligible institutions to assist them in strengthening their academic, administrative, and fiscal capabilities. These programs are typically funded through annual discretionary appropriations; however, additional annual mandatory appropriations are provided for HBCUs through FY2019.
- Title III-C authorizes the Endowment Challenge Grant program, which has not been funded since FY1995.
- Title III-D authorizes the HBCU Capital Financing Program, which assists HBCUs in obtaining low-cost capital financing for campus maintenance and construction projects and is generally funded through annual discretionary appropriations.
- Title III-E authorizes the Minority Science and Engineering Improvement Program, which provides grants to MSIs and other entities to effect long-term improvements in science and engineering education and is funded through annual discretionary appropriations.
- Title III-F provides additional annual mandatory appropriations through FY2019 for many of the Title III-A and Title III-B MSI programs. It also provides mandatory appropriations through FY2019 for the Hispanic-serving institutions (HSIs) Science, Technology, Engineering, and Mathematics (STEM) Articulation Program, which provides grants to HSIs to increase the number of Hispanic

- students in STEM fields and to develop model transfer and articulation agreements.
- Title V authorizes the HSI program and the Promoting Postbaccalaureate Opportunities for Hispanic Americans (PPOHA), both of which award grants to eligible institutions to assist them in strengthening their academic, administrative, and fiscal capabilities. Typically, both programs are funded through annual discretionary appropriations, but additional annual mandatory appropriations were provided for the PPOHA program from FY2009 through FY2014.
  - Title VII-A-4 authorizes Masters Degree Programs at HBCUs and PBIs, which provide grants to select HBCUs and PBIs to improve graduate educational opportunities. Typically, both programs are funded through annual discretionary appropriations, but additional annual mandatory appropriations were provided for both programs from FY2009 through FY2014.

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## Introduction

Minority-serving institutions (MSIs) are institutions of higher education<sup>1</sup> that serve high concentrations of minority students who, historically, have been underrepresented in higher education. MSIs tend to have relatively low educational and general expenditures and high enrollments of needy students. Generally, many such institutions have faced challenges in obtaining access to financial support, thus affecting their ability to enhance their academic offerings and institutional capabilities and ultimately serve their students.<sup>2</sup> Federal higher education policy recognizes the importance of such institutions in improving access for and increasing completion of underrepresented minorities and targets financial resources to them. Funding for MSIs is channeled through numerous federal agencies, and several of these funding sources are available to MSIs through grant programs authorized under the Higher Education Act of 1965, as amended (HEA; P.L. 89-329). Over the years, HEA support of MSI programs has expanded to include a wider variety of underrepresented groups, and in FY2016, MSI programs under the HEA were appropriated approximately \$817 million, which helped fund more than 929 grants.<sup>3</sup>

For purposes of this report, MSIs include, but are not limited to, American Indian Tribally Controlled Colleges and Universities (TCCUs); Alaska Native and Native Hawaiian-serving institutions (ANNHs); predominantly Black institutions (PBIs); Native American-serving, nontribal institutions (NASNTIs); Asian American and Native American Pacific Islander-serving institutions (ANNAPISIs), historically Black colleges and universities (HBCUs), and Hispanic-serving institutions (HSIs).

This report describes the several programs devoted to financially assisting MSIs under the HEA. This report does not attempt to describe all HEA programs for which an MSI may be eligible; rather, it aims to describe those programs that are directed specifically toward one or more types of MSIs. MSIs are eligible for other federal programs for which IHEs and nonprofit organizations are eligible if they meet the program eligibility criteria.

This report first discusses how the various HEA MSI programs are funded. It then provides a description of each program, organized by the type of MSI to which the program is available. Included in each program description is a discussion of eligibility criteria for program participation; a description of authorized uses of financial awards; and administrative procedures, including a description of how funds are allocated among multiple institutions either via a competitive award process or a formula-based grant.

**Appendix A** provides a list of acronyms used in this report. **Appendix B** details mandatory and discretionary appropriations for selected MSI programs authorized under the HEA.

All programs discussed in this report are administered by the U.S. Department of Education.

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<sup>1</sup> For purposes of this report, an “institution of higher education” is one that offers a postsecondary education and meets the HEA section 101 definition of institution of higher education.

<sup>2</sup> See U.S. Congress, Senate Committee on Labor and Human Resources, *Higher Education Amendments of 1986*, report to accompany S. 1965, 99<sup>th</sup> Cong., 2<sup>nd</sup> sess., May 12, 1986, 99-296 (Washington: GPO, 1986), p. 24.

<sup>3</sup> Office of Management and Budget, <http://www.usaspending.gov>, downloaded July 13, 2017.

## Funding for Minority-Serving Institutions Under the Higher Education Act

Typically, many of the MSI programs authorized under the HEA are funded through annual discretionary appropriations. However, in recent years, mandatory appropriations have been provided to many of the programs, which were in addition to discretionary appropriations, in some cases. In 2007, with the College Cost Reduction and Access Act (P.L. 110-84), Congress established the Strengthening Historically Black Colleges and Universities and Other Minority-Serving Institutions programs. The act created some new MSI programs<sup>4</sup> and provided mandatory appropriations for both the newly authorized and the preexisting Title III-A and III-B MSIs programs for FY2008 and FY2009. The programs receiving the mandatory appropriations were

- strengthening TCCUs;
- strengthening ANNHs;
- strengthening PBIs;
- strengthening NASNTIs;
- strengthening ANNAPISIs;
- strengthening HBCUs; and
- HSI STEM.

The Higher Education Opportunity Act (HEOA; P.L. 110-315) redesignated the Strengthening Historically Black Colleges and Universities and Other Minority-Serving Institutions programs under Title III, Part F of the HEA. The HEOA also authorized additional annual mandatory appropriations for Masters Degree Programs at HBCUs and PBIs and the Promoting Postbaccalaureate Opportunities for Hispanic American programs for each of fiscal years FY2009 through FY2014,<sup>5</sup> programs that typically receive discretionary appropriations.

Finally, the Student Aid and Fiscal Responsibility Act (SAFRA), as part of the Health Care and Education Reconciliation Act (P.L. 111-152) extended the Title III-F mandatory appropriations for Title III-A, III-B, and HSI STEM programs through FY2019.

**Appendix B** details mandatory and discretionary appropriations for each of these programs from FY2013 to FY2017.

## Programs Targeting Low-Income-Serving Institutions

The Strengthening Institutions Program (SIP) provides grants to institutions of higher education that serve a high percentage of low-income students and that have low educational and general

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<sup>4</sup> The Strengthening PBIs; Strengthening NASNTIs; Strengthening ANNAPISIs; and HSI Science, Technology, Engineering, and Mathematics and Articulation programs were newly authorized under the CCRAA.

<sup>5</sup> Authorization of mandatory appropriations for these programs, and an appropriation of mandatory funds, were provided through FY2014 (HEOA; P.L. 110-315). Mandatory funds have not been provided for these programs since the end of FY2014.

expenditures. It is the foundational program upon which many other HEA programs designed to aid minority-serving institutions (MSIs) are based.

## **Background**

Since the HEA's inception in 1965, Congress has authorized grant programs to strengthen and support postsecondary institutions that, because of financial limitations, were struggling to survive.<sup>6</sup> The original HEA Title III-A program was not specifically directed at MSIs, and in the 1986 reauthorization of the HEA, Congress found that the original program "did not always meet the specific development needs of historically Black colleges and universities and other institutions with large concentrations of minority, low-income students."<sup>7</sup> Congress then amended the program to make institutions with high minority and low-income student concentrations eligible. In subsequent reauthorizations, Congress established several additional Title III-A programs with separate appropriations, each targeting different institutions serving specific types of minority students.

Today, SIP grants are available to institutions that serve low-income students, regardless of minority enrollment, while separate Title III-A program grants are available to institutions that serve high concentrations of Native American, Alaska Native, Native Hawaiian, Black, Asian American and Native American Pacific Islander, and Hispanic students. This section of the report discusses the Strengthening Institutions Program. SIP's provisions and definitions also apply to several of the MSI-specific Title III-A programs.

## **Strengthening Institutions Program**

The Strengthening Institutions Program (SIP) was authorized at the HEA's inception. Its purpose is to improve the academic quality and institutional management and increase the self-sufficiency of institutions with a high percentage of needy students and with low expenditures (financial limitations). The program provides competitive grants to eligible institutions of higher education (IHEs).<sup>8</sup> SIP is funded through discretionary appropriations and receives the largest appropriation of the Title III-A programs.

This section describes the basic eligibility criteria for institutions participating in SIP, authorized uses of grant monies, and SIP administration. Descriptions in this section are presented in greater detail than in each section for MSI-specific programs, as generally, unless otherwise noted in this report, other Title III-A and III-F program requirements and provisions mirror those of SIP.

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<sup>6</sup> P.L. 89-329, §301.

<sup>7</sup> P.L. 99-498, §301.

<sup>8</sup> In determining which grants to fund in a competitive competition, the Secretary evaluates an application based on an applicant's meeting statutory and regulatory requirements, and a review panel awards points based on selection criteria. If two grant applications receive the same amount of points and funding is available for only one grant, the Secretary may give special consideration (e.g., award a tie-breaking point) to an applicant IHE with endowment funds that, per full-time equivalent (FTE) student, have a market value less than the average current market value of endowments of similar institutions or an applicant IHE that has expenditures for library materials per FTE enrolled student that are less than the average expenditures for library materials per FTE enrolled students at similar institutions. Additionally, for development grants (grants to carry out activities that implement an IHE's strategy for achieving growth and self-sufficiency, rather than planning grants, which assist a grantee in formulating a strategy), the Secretary may give special consideration to strategies that propose to carry out one or more of several activities, including faculty development, development and improvement of academic programs, and student services. HEA §311(b)(2)(A) & (B) and 34 C.F.R. §607.23.



## Eligibility

The eligibility requirements for SIP are the basic eligibility criteria for several of the other Title III-A and III-F programs and are found in Section 312(b) of the HEA.<sup>9</sup> In general, an institution meets SIP eligibility criteria (hereinafter referred to as HEA Section 312(b) requirements) if it

- has low educational and general expenditures (E&G);
- has a requisite enrollment of needy students;
- is legally authorized within its respective state to award bachelor's degrees, is a junior or community college, or is specified in Section 312(b);<sup>10</sup>
- is accredited or pre-accredited by a Department of Education (ED)-recognized national or state accrediting agency;<sup>11</sup> and
- is located within one of the 50 states, the Commonwealth of Puerto Rico, the District of Columbia, or the outlying areas.<sup>12</sup>

An institution has low E&G if the total amount expended by the institution for instruction and operation per full-time equivalent (FTE) undergraduate student is low,<sup>13</sup> as compared to the average E&G per FTE at institutions that offer similar instruction.<sup>14</sup> The Secretary has defined similar instruction as institutions within the same institutional sector (e.g., public four-year institutions).<sup>15</sup>

An institution meets the enrollment of needy students criterion if (1) at least 50% of its degree-, certificate-, or credential-seeking students receive need-based assistance under Title IV of the HEA (e.g., Federal Supplemental Educational Opportunity Grant, Federal Work Study, and Federal Perkins Loan, but *not* Subsidized Stafford Loans) in the second fiscal year preceding the fiscal year for which the determination is being made or (2) the percentage of its undergraduate degree-, certificate-, or credential-seeking students who were enrolled at least half-time and received Federal Pell Grants exceeded the median percentage for similar institutions.<sup>16</sup>

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<sup>9</sup> An eligible institution may apply as an individual institution or as part of a cooperative arrangement with institutions that may or may not be eligible for SIP. HEA §394(a)(1).

<sup>10</sup> Currently, the College of the Marshall Islands, the College of Micronesia/Federated States of Micronesia, and Palau Community College are specified in Section 312(b).

<sup>11</sup> For additional information on state authorization and accreditation requirements, see CRS Report R43159, *Institutional Eligibility for Participation in Title IV Student Financial Aid Programs*, by Alexandra Hegji.

<sup>12</sup> The term “outlying areas” includes Guam, American Samoa, the U.S. Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Freely Associated States of the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

<sup>13</sup> Included in the determination of amounts expended by an institution are amounts used for instruction, research, public service, academic support, student services, institutional support, scholarships and fellowships, operation and maintenance of physical facilities, and mandatory transfers that the institution is required to pay by law.

<sup>14</sup> Waivers are available (under all Title III-A programs) for institutions that do not meet the E&G requirement. The Secretary can waive the requirement if, based on persuasive evidence, it is determined that the institution's failure to meet the requirement is due to factors that distort the determination that it meets the E&G requirements and that the institution's designation as an eligible institution is otherwise consistent with the purposes of the program. HEA §392(b). The Secretary has determined that some factors to be considered that may distort an institution's E&G expenditures include low student enrollment, location of an institution in an area with an unusually high cost-of-living, high energy costs, an increase in state funding that was part of a desegregation plan for higher education, or the operation of high-cost professional schools (e.g., medical or dental schools). 34 C.F.R. 607.4(d).

<sup>15</sup> 34 C.F.R. §607.7(c).

<sup>16</sup> 34 C.F.R. §607.3(a)(2). The Secretary can waive the requirement for a number of reasons, including in the case of

Branch campuses of institutions of higher education are eligible for SIP if the institution as a whole meets the eligibility requirements, even if the branch campus does not meet the state authorization or accreditation requirements. Branch campuses must, however, individually meet the needy student enrollment and low E&G requirements.<sup>17</sup>

## Authorized Uses

SIP grants are intended to assist institutions in improving “academic quality, institutional management, and fiscal stability ... in order to increase their self-sufficiency and strengthen their capacity to make a substantial contribution to the higher education resources of the Nation.”<sup>18</sup> To that end, Section 311(c) of the HEA lists several authorized activities for which grants can be awarded.<sup>19</sup> Authorized activities include<sup>20</sup>

- the purchase, rental, or lease of scientific or laboratory equipment for educational purposes;
- the construction, maintenance, renovation, and improvement of instructional facilities;<sup>21</sup>
- the support of faculty exchanges, development, and fellowships to assist in attaining advanced degrees in the faculty’s field of instruction;
- the development and improvement of academic programs;
- the purchase of library books, periodicals, and other educational materials;
- tutoring, counseling, and student services programs designed to improve academic success, retention, and completion, including innovative and customized courses that may include remedial education and English language instruction;
- financial literacy education or counseling;

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institutions that are extensively subsidized by the state in which they are located and that charge little or no tuition; that serve a “substantial number” of low-income students as a percentage of total student population; that are substantially increasing higher education opportunities for individuals in rural or isolated areas that are underserved by postsecondary institutions; that are located on or near an Indian reservation if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of American Indians; or, wherever located, if the Secretary determines that a waiver will substantially increase higher education opportunities appropriate to the needs of Black Americans, Hispanic Americans, Native Americans, Asian Americans, or Pacific Islanders (including Native Hawaiians). Additionally, tribally controlled colleges and universities, as defined in the Tribally Controlled Colleges and Universities Act of 1978 (but not as defined in HEA §317), are specifically exempt from this needy student criterion. HEA §392(a). The reasons for granting a waiver are further detailed in 34 C.F.R. §607.3(b).

<sup>17</sup> HEA §312(b)(2).

<sup>18</sup> HEA §311(a).

<sup>19</sup> The accompanying regulations also list those activities specifically prohibited, which include activities not included in a grantee’s approved application; activities that relate to sectarian instruction or religious worship; the purchase of standard office equipment, such as filing cabinets and furniture; student recruitment activities, such as advertising; and the use of funds to cover the cost of health and fitness programs. 34 C.F.R. §607.10(c).

<sup>20</sup> The authorized uses listed in the HEA serve mainly as examples of potential uses. Generally, unless specifically required by the HEA or its accompanying regulations, grantees are given considerable discretion in how they use grant funds.

<sup>21</sup> Grantees cannot, however, use grants for the acquisition of real property. The Education Department General Administrative Regulations (EDGAR), which provide regulations that apply to all ED-administered grant programs, prohibit recipients of ED-administered grants from using grant monies for the acquisition of real property or for construction, unless specifically permitted by the authorizing statute or implementing regulations for a program. 34 C.F.R. §75.533.

- funds management, administrative management, and equipment acquisition for use in funds management;
- the joint use of facilities, such as laboratories and libraries;
- the establishment or improvement of a development office to strengthen or improve alumni and private sector contributions;
- the creation or improvement of facilities of Internet or other distance education technologies;
- other activities, approved by the Secretary of Education (Secretary), that contribute to the purposes of the program; and
- the establishment or enhancement of an endowment fund.<sup>22</sup>

Although institutions are allowed to establish or improve endowment funds with SIP grants, they may not use more than 20% of grant monies for such purposes. Additionally, if an institution does use SIP funds for endowment development, it must provide matching funds from nonfederal sources in an amount equal to or greater than the federal contribution.<sup>23</sup>

In awarding grants, statutory provisions direct the Secretary to give special consideration to institutions that propose to engage in faculty development, funds and administrative management, development and improvement of academic programs, equipment acquisition for the strengthening of funds management and academic programs, the joint use of facilities, and student services.<sup>24</sup>

## Program Administration

There is a two-step application process for participation in SIP. In step one, an institution applies to be designated as eligible under the HEA Section 312(b) eligibility criteria.<sup>25</sup> If approved by the Secretary, the institution may then apply for a SIP grant. SIP grants are awarded through a competitive process. The SIP application must, among other requirements, detail the institution's comprehensive development plan, describe the policies it will use to ensure that the federal funds awarded will be used to supplement and not supplant funds that would have otherwise been made available for the authorized activities described in Section 311(b), provide for making at least one report annually to ED regarding the institution's progress towards achieving its objectives, and provide for fiscal control and fund accounting procedures necessary to ensure the proper

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<sup>22</sup> The Consolidated Appropriations Act, 2017 (CAA 2017; P.L. 115-31) authorizes IHEs that maintain endowment funds supported with funds appropriated for HEA Title III and Title V programs for FY2017 to use the income from the endowment fund to award student scholarships. This provision, enacted through Division H, Title III of the CAA 2017, will remain in effect until Title III and Title V are reauthorized. Previous appropriations acts have authorized the same use of endowment income in recent years.

<sup>23</sup> HEA §311(d).

<sup>24</sup> HEA §311(b)(2)(3).

<sup>25</sup> Prior to the 2016 award cycle, an IHE wishing to be designated as eligible by ED submitted an application with relevant enrollment and E&G data. ED would verify the information, review any waiver applications, and then designate an institution as "eligible" or "ineligible." Beginning with the 2016 award cycle, ED annually develops an eligibility matrix (EM) that lists potentially eligible institutions using ED data. An IHE appearing on the EM as potentially eligible is not required to submit additional data to ED; rather, it must submit an eligibility certification, provided by ED. IHEs that do not appear on the EM may submit an application with institutional data showing they meet program eligibility requirements or may submit a waiver request for the relevant data element (e.g., low E&G, enrollment of needy students). See U.S. Department of Education, "Eligibility Designations and Applications for Waiver of Eligibility Requirements; Programs Under Parts A and F of Title III of the Higher Education Act of 1965, as Amended (HEA), and Programs Under Title V of the HEA," 80 *Federal Register* 72423, December 19, 2015.

disbursement and accounting for grant funds.<sup>26</sup> Applications are selected based on the score of a review panel; the applications with the highest score are selected for funding.

ED awards two types of SIP grants. Development grants, which are used to carry out activities to implement an institution's strategy for achieving growth and self-sufficiency, under this program are generally five years in length, unless otherwise requested. ED may also award one-year planning grants for the purpose of preparing plans and applications for SIP grants. Finally, each institution that receives a development grant under this part is subject to a two year wait-out period (i.e., they are ineligible for another SIP grant for two years after the date of the grant's termination).<sup>27</sup>

In awarding grants, the Secretary gives priority to applicants who are not already receiving development grants under another Title III-A program; however, grantees under other Title III-A programs (e.g., Strengthening PBIs) are prohibited from concurrently receiving funds under other Title III-A programs. Thus, in effect, SIP grantees cannot receive funds under other Title III-A programs.<sup>28</sup> Additionally, SIP grantees cannot receive funds under Title III-B (HBCU and HBGIs programs) or Title V-A (HSI program) in the same fiscal year in which it receives a SIP grant.<sup>29</sup> Institutions receiving SIP grants in a fiscal year, however, can receive a grant under any one type of the Title III-F programs in the same fiscal year.<sup>30</sup>

## **American Indian Tribally Controlled Colleges and Universities Programs**

Section 316 establishes the Strengthening American Indian Tribally Controlled Colleges and Universities (TCCUs) program, which was first authorized under the Higher Education Amendments of 1998 (P.L. 105-244). It is the only HEA program specifically available to TCCUs and provides SIP-type grants to them. The program is intended to assist TCCUs in improving and expanding their capacity to serving American Indian students.

Typically, Strengthening TCCU program grants are funded through discretionary appropriations under Title III-A. Additional mandatory appropriations are provided annually through FY2019 in Title III-F and are treated "as part of the amount appropriated ... to carry out section [316]";<sup>31</sup> therefore, in this report, the Title III-A and III-F TCCU programs are collectively referred to as the Strengthening TCCU program and are discussed in conjunction with one another, unless otherwise noted.

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<sup>26</sup> HEA §391.

<sup>27</sup> HEA §313.

<sup>28</sup> In practice, this typically results in all types of institutions receiving Title III-A, III-B, or V program grants being excluded from SIP eligibility.

<sup>29</sup> HEA §312(h) and 34 C.F.R. §607.2(g).

<sup>30</sup> See, for example, Department of Education, Office of Postsecondary Education, "Native American-serving nontribal institutions program," Frequently Asked Questions," <http://www2.ed.gov/programs/nasnti/faq.html>, accessed July 12, 2017.

<sup>31</sup> HEA §371(b)(2)(D)(i).

## Eligibility

To qualify for a Strengthening TCCU grant, an institution of higher education<sup>32</sup> must meet the HEA Section 312(b) requirements and qualify for funding under the Tribally Controlled Colleges and Universities Assistance Act of 1978 (TCCUAA)<sup>33</sup> or the Navajo Community College Act (P.L. 92-189, as amended), or be cited in Section 532 of the Equity in Educational Land-Grant Status Act of 1994 (EELGSA).<sup>34</sup>

Institutions that qualify under the TCCUAA are institutions of higher education that are formally controlled, or have been formally sanctioned or chartered, by the governing body of an Indian tribe or tribes. Additionally, such institutions must have a majority of students who are Indians and must be operated for the purpose of meeting the needs of Indians.<sup>35</sup> For the purposes of Strengthening TCCUs, an Indian student is a member of an Indian tribe or a biological child of a member of an Indian tribe, living or deceased.<sup>36</sup> Institutions that qualify under the Navajo Higher Community College or EELGSA are specifically named in the relevant statute.

## Authorized Uses

Strengthening TCCU grants must be used to carry out activities that improve an institution's ability to serve Indian students. The authorized uses for Strengthening TCCU grants include those authorized under SIP. Additionally, TCCUs are specifically authorized to use grant funds to acquire real property adjacent to their campuses on which they can construct facilities. Grant recipients are also permitted to establish or enhance programs designed to qualify students to teach in elementary and secondary schools, with a particular emphasis on teaching Indian youth, and to establish community outreach programs that encourage Indian elementary and secondary students to develop academic skills and interest in pursuing a postsecondary education. While TCCUs are allowed to use up to 20% of grant funds, like SIP grantees, to establish or increase endowments,<sup>37</sup> they must provide nonfederal<sup>38</sup> matching funds equal to federal funds.<sup>39</sup>

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<sup>32</sup> Generally, the HEA requires that grantees be IHEs as defined by HEA §101; however, TCCUs are not required to meet the Section 101(a)(2) requirement of being legally authorized to provide a postsecondary education within the state in which they are located, per HEA §316(b)(4).

<sup>33</sup> 25 U.S.C. §1801 et seq.

<sup>34</sup> 7 U.S.C. §301 note.

<sup>35</sup> 25 U.S.C. §§1801 & 1804.

<sup>36</sup> HEA §316(b)(1) & 25 U.S.C. §1801(a).

<sup>37</sup> The Consolidated Appropriations Act, 2017 (CAA 2017; P.L. 115-31) authorizes IHEs that maintain endowment funds supported with funds appropriated for HEA Title III and Title V programs for FY2017 to use the income from the endowment fund to award student scholarships. This provision, enacted through Division H, Title III of the CAA 2017, will remain in effect until Title III and Title V are reauthorized. Previous appropriations acts have authorized the same use of endowment income in recent years.

<sup>38</sup> For the purposes of Strengthening TCCU grants, funds provided to institutions under the Tribally Controlled Colleges or Universities Grant Program or specifically to Dine College under the Navajo Community College Act are treated as nonfederal, private funds of the institutions. 25 U.S.C. §1809(c) & 25 U.S.C. §640c-2(b).

<sup>39</sup> HEA §316(c).

## Allotments

Prior to the Higher Education Opportunity Act of 2008 (HEOA; P.L. 110-315), the Strengthening TCCU program was a competitive grant program. The HEOA, however, transformed the competitive program into a largely formula-based grant program.<sup>40</sup>

Under the program, the Secretary is given the option to reserve up to 30% of fiscal year appropriations for the purpose of awarding competitive one-year grants for construction, maintenance, and renovation needs; these grants may not be less than \$1 million each.<sup>41</sup> After the Secretary awards such grants, 60% of the remaining appropriated funds are distributed among eligible TCCUs on a pro rata basis, based on the number of Indian student counts of the respective institutions.<sup>42</sup> The remaining 40% is then distributed in equal shares to all eligible TCCUs. The minimum grant amount a recipient can be awarded is \$500,000.<sup>43</sup>

## Program Administration

As with SIP, there is a two-step application process for participation in the Strengthening TCCU program. In step one, an institution applies to be designated as eligible under 312(b). In step two, institutions apply to the TCCU program and submit project plans. The application and project plan must contribute to the purposes of the program, not include unallowable activities, and meet any statutory provisions and regulations. If approved by the Secretary, the Secretary then makes an allotment to the institution based on the above-described formula. For formula-funded grants under this program, the performance period is five years.<sup>44</sup>

Institutions that receive grants under this section are not subject to the Section 313(d) two-year wait-out period.<sup>45</sup> Additionally, TCCUs that receive grants under the Title III-A, Section 316 program are prohibited from receiving funds from other Title III-A programs, Title III-B programs (Strengthening HBCU program and Historically Black Graduate Institutions (HBGIs) program), or Title V-A (the HSI program) during the same fiscal year; however, in general, they may receive a grant under any of the Title III-F programs in the same fiscal year. Generally,

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<sup>40</sup> In FY2009-FY2012 Congress inserted language into ED's appropriations bills requiring that noncompeting continuation (NCC) grants, in amounts not less than the originally authorized amount, be made to grantees that had been selected for awards by the last competitive process in FY2008. NCC grants are awarded to current grantees for succeeding years of the life of a grant after the Secretary has determined that the grantee is making satisfactory progress in carrying out the grant. NCC funding for the older competitive grants under the Strengthening TCCU program was taken from the TCCU's new formula allotment; the institutions' funding, however, was allowed to exceed what the institutions were entitled to under the formula. See, for example, the Consolidated Appropriations Act of 2012, P.L. 112-74.

<sup>41</sup> Although the Secretary has the discretion to award such grants, the option has not yet been exercised. Department of Education, Office of Postsecondary Education, "American Indian Tribally Controlled Colleges and University—Title III Part A Programs, Frequently Asked Questions," <http://www2.ed.gov/programs/induesaitcc/faq.html>, accessed July 12, 2017.

<sup>42</sup> "Indian student counts" is defined in the TCCUAA as "a number equal to the total number of Indian students enrolled in each tribally controlled college or university ... on the basis of the quotient of the sum of the credit hours of all Indian students so enrolled, divided by twelve." 20 U.S.C. §180(a)(8).

<sup>43</sup> Generally, institutions are only allowed to receive one Title III-A grant; however, under the Strengthening TCCU program, an institution could receive both a one-year Strengthening TCCU construction grant and also a grant based on the Strengthening TCCU formula.

<sup>44</sup> HEA §313(a).

<sup>45</sup> HEA §316(d)(4)(B).

institutions receiving a Title III-F TCCU grant may simultaneously receive a grant under another Title III-F program.

## Alaska Native and Native Hawaiian-Serving Institutions Programs

Section 317 of the HEA establishes the Strengthening Alaska Native and Native Hawaiian-Serving Institutions (ANNHs) program, which was first authorized under the Higher Education Amendments of 1998 (P.L. 105-244). It is the only HEA program specifically available to ANNHs and provides SIP-type grants to them. The program is intended to enable such institutions to improve and expand their ability to serve Alaska Natives or Native Hawaiians.

Typically, Strengthening ANNH grants are funded through discretionary appropriations under Title III-A. Additional mandatory appropriations are provided annually through FY2019 in Title III-F and “shall be made available as grants under [Section 317 ANNH program].”<sup>46</sup> Therefore, in this report, the Title III-A and III-F ANNH programs are collectively referred to as the Strengthening ANNH program and are discussed in conjunction with one another, unless otherwise noted.

### Eligibility

To qualify for a Strengthening ANNH grant, an institution of higher education must meet the HEA Section 312(b) requirements and must also have an enrollment of undergraduate students that is at least 20% Alaska Native students or at least 10% Native Hawaiian students.<sup>47</sup> For purposes of the Strengthening ANNH program, a Native Alaskan is a citizen of the United States who is “of one fourth-degree or more Alaska Indian ... Eskimo, or Aleut blood, or a combination thereof.”<sup>48</sup> A Native Hawaiian is a citizen of the United States who is a “descendent of the aboriginal people who, prior to 1778, occupied and exercised sovereignty in the area that now comprises the State of Hawaii....”<sup>49</sup>

### Authorized Uses

Strengthening ANNH grants must be used to assist an institution in planning, developing, undertaking, and carrying out activities to improve an institution’s capacity to serve Alaska Natives or Native Hawaiians. The authorized uses for grants under these provisions are similar to those authorized under Section 311(b) of the HEA. Unlike other Title III-A or III-F programs, neither the HEA nor the regulations specifically permit or prohibit ANNHs from using grant funds to create or improve institutional endowments; however, in ED’s grant application for

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<sup>46</sup> HEA §371(b)(2)(D)(ii).

<sup>47</sup> Although different enrollment criteria apply depending on whether an institution wants to be designated as an Alaska Native-serving institution or a Native Hawaiian-serving institution, in its budget and its administration of the program, ED does not appear to otherwise differentiate between the two types of institutions, such that both types compete for funds from the same pool of money (i.e., ED does not allot a specified amount of grant funds to each type of institution).

<sup>48</sup> This term is defined in the Alaska Native Claims Settlement Act, 43 U.S.C. §1602(b).

<sup>49</sup> This term is defined in the Elementary and Secondary Education Act, 20 U.S.C. §7517(1).

FY2015,<sup>50</sup> it appears that the use of up to 20% of grants awards was allowed for endowment investment.<sup>51</sup>

## Program Administration

As with SIP, there is a two-step award process for participation in the Strengthening ANNH program. First, an institution applies for Section 312(b) designation. If approved by the Secretary, the institution may then apply for a Strengthening ANNH grant. Strengthening ANNH grants are awarded through a competitive process. Applications are selected based on the score of a review panel, and the applications with the highest score are selected for funding.

Strengthening ANNH grants are generally five years in length for general development grants and two years in length for grants used for facility renovation. ANNHs that receive grants under this program are not subject to the Section 313(d) two-year wait-out period.<sup>52</sup>

Institutions that receive Strengthening ANNH grants are prohibited from receiving funds under other Title III-A programs, Title III-B programs (Strengthening HBCU and HBGI), and Title V-A (HSI program) during the same fiscal year; however, in general, they may receive a grant under any of the Title III-F programs in the same fiscal year. Generally, institutions receiving a Title III-F ANNH grant may simultaneously receive a grant under another Title III-F program.

## Native American-Serving, Nontribal Institutions Programs

Section 319 establishes the Strengthening Native American-Serving, Nontribal Institutions (NASNTIs) program, which was first authorized in 2007 under the College Cost Reduction and Access Act (CCRAA; P.L. 110-385). It is the only HEA program specifically available to NASNTIs and provides SIP-type grants to them. The program is intended to enable such institutions to improve and expand their ability to serve Native American and low-income students.

Since 2010, Strengthening NASNTI program grants have been funded through discretionary appropriations under Title III-A. Mandatory appropriations are provided annually through FY2019 in Title III-F.<sup>53</sup> In general, Title III-A and Title III-F NASNTI program grants are subject to the same eligibility criteria, authorized uses, and administrative procedures; therefore, in this report, the Title III-A and III-F NASNTI programs are collectively referred to as the Strengthening NASNTIs program and are discussed in conjunction with one another, unless otherwise noted.

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<sup>50</sup> The grant application reads, in relevant part, “if you propose to use up to 20% for endowment investing, do not write an activity narrative regarding this use of endowment investing, as we do not consider it an activity in the usual sense.” Department of Education, Office of Postsecondary Education, *Fiscal Year 2015: Application for Grants Under the Title III, Part A Alaska Native and Native Hawaiian-Serving Institutions Program*, OMB No. 1840-0810, p. 73.

<sup>51</sup> The Consolidated Appropriations Act, 2017 (CAA 2017; P.L. 115-31) authorizes IHEs that maintain endowment funds supported with funds appropriated for HEA Title III and Title V programs for FY2017 to use the income from the endowment fund to award student scholarships. This provision, enacted through Division H, Title III of the CAA 2017 will remain in effect until Title III and Title V are reauthorized. Previous appropriations acts have authorized the same use of endowment income in recent years.

<sup>52</sup> HEA §317(d)(3)(B).

<sup>53</sup> HEA §371(b)(2)(D)(iv).



## Eligibility

To qualify for a Strengthening NASNTIs program grant, institutions of higher education must meet the HEA Section 312(b)<sup>54</sup> eligibility requirements and must also have an enrollment of undergraduate students that is at least 10% Native American students. A Native American is defined as an individual who is of a tribe, people, or culture indigenous to the United States. Additionally, an eligible institution cannot be a TCCU.<sup>55</sup>

## Authorized Activities

Title III-A and III-F NASNTI grants must be used to assist NASNTIs in planning, developing, and carrying out activities to improve their capacity to serve Native American and low-income individuals. The examples of authorized activities for NASNTI grants mirror the authorized uses under Section 311(b); however, NASNTIs cannot use grant monies to start or improve an endowment.<sup>56</sup>

## Program Administration

As with SIP, there is a two-step award process for institutions to receive grants under either the Title III-A or III-F NASNTI programs. In step one, an institution applies for eligibility by demonstrating it meets either the HEA Section 312(b) criteria for Title III-A NASNTI grants or the specific eligibility criteria set forth in Title III-F for those NASNTI grants. If approved by the Secretary, the institution may then apply for a NASNTI grant under the grant it wishes to receive. Both types of NASNTI grants are awarded through a competitive process. Applications are selected based on the score of a review panel, and the applications with the highest score are selected for funding.

Title III-A NASNTI grants were first awarded in FY2010, and Title III-F NASNTI grants were first awarded in FY2008. Both types of grants are five years in length. The minimum award for a Title III-A NASNTI grant is \$200,000;<sup>57</sup> there is no statutorily set minimum grant amount under the Title III-F NASNTI program.

Institutions that receive grants under the Title III-A or III-F NASNTI programs are not subject to the Section 313(d) two-year wait-out period. Institutions receiving a Title III-A NASNTI grant cannot receive funds under other Title III-A programs, Title III-B programs (Strengthening HBCU and HBGI), or Title V-A (HSI program) in the same fiscal year; however, in general, they may receive a grant under any one type of the Title III-F programs in the same fiscal year. Generally, institutions receiving a Title III-F NASNTI grant may simultaneously receive a grant under another Title III-F program.

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<sup>54</sup> HEA §319 requires that IHEs meet HEA §312(b) eligibility requirements to receive Title III-A funds under the NASNTI program. HEA §371(c) does not require that IHEs meet HEA §312(b) requirements to receive Title III-F funds under the NASNTI program; however, in its Notice of Intent to Apply, ED requires that institutions applying for NASNTI III-F grants meet the §312(b) requirements. See U.S. Department of Education, “Eligibility Designations and Applications for Waiver of Eligibility Requirements; Programs Under Parts A and F of Title III of the Higher Education Act of 1965, as Amended (HEA), and Programs Under Title V of the HEA,” 81 *Federal Register* 85212, November 25, 2016.

<sup>55</sup> HEA §319(b).

<sup>56</sup> Department of Education, Office of Postsecondary Education, “Native American-Serving Nontribal Institutions Program, Frequently Asked Questions,” <http://www2.ed.gov/programs/nasnti/faq.html>, accessed July 13, 2017.

<sup>57</sup> HEA §319(d)(3)(D).

## Asian American and Native American Pacific Islander-Serving Institutions Programs

Section 320 establishes the Strengthening Asian American and Native American Pacific Islander-Serving Institutions (AANAPISIs) program, which was first authorized in 2007 under the College Cost Reduction and Access Act (CCRAA; P.L. 110-85). It is the only HEA program specifically available to AANAPISIs and provides SIP-type grants to them. The purpose of the program is to enable such institutions to improve and expand their ability to serve Asian Americans and Native American Pacific Islanders and low-income individuals.

Section 320 Strengthening AANAPISI grants have been funded through discretionary appropriations since FY2009 under Title III-A. Additional mandatory appropriations are provided annually through FY2019 under Title III-F.<sup>58</sup> In general, eligibility requirements, authorized uses, and administrative processes for Title III-A and Title III-F AANAPISI grants are the same; therefore, in this report, the Title III-A and Title III-F AANAPISI programs are referred to collectively as the Strengthening AANAPISI program and are discussed in conjunction with one another, unless otherwise stated.

### Eligibility

To qualify for a Strengthening AANAPISI program grant under either Title III-A or III-F, institutions of higher education must meet the HEA Section 312(b) eligibility requirements. Additionally, at the time of application, an institution must have an enrollment of undergraduate students that is at least 10% Asian American students or Native American Pacific Islander students. For purposes of the Strengthening AANAPISI program, an Asian American is an individual “having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent,”<sup>59</sup> and a Native American Pacific Islander is “any descendant of the aboriginal people of any island in the Pacific Ocean that is a territory or possession of the United States.”<sup>60</sup>

### Authorized Uses

Strengthening AANAPISI grants awarded under Title III-A and Title III-F must be used to assist an institution in planning, developing, and carrying out activities that improve and expand the institution’s capacity to serve Asian American and Native American Pacific Islanders (AANAPIs) and low-income individuals.

Title III-A grants to AANAPISIs have authorized uses similar to the authorized uses under 311(b); however, AANAPISIs are also authorized to use grant funds to provide academic instruction in disciplines in which AANAPIs are underrepresented, to conduct research and data collection for AANAPI populations and subpopulations, and to establish partnerships with community-based organizations that serve AANAPIs.<sup>61</sup> Title III-F grants to AANAPISIs can be

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<sup>58</sup> HEA §371(b)(2)(D)(iii).

<sup>59</sup> Office of Management and Budget, “Revisions to the Standards for the Classification of Federal Data on Race and Ethnicity,” HEA §320(b)(1) and 62 Federal Register 58787, October 30, 1997.

<sup>60</sup> HEA §320(b)(3).

<sup>61</sup> HEA §320(c)(2)(K)-(M).

used only for activities authorized under Section 311(c).<sup>62</sup> Under both programs, grant recipients can use up to 20% of grant funds to establish or increase endowments, but they must provide matching nonfederal funds that are equal to the amount of federal funds.<sup>63</sup>

## Program Administration

As with SIP, there is a two-step award process for institutions to receive grants under either Title III-A or III-F Strengthening AANAPISI programs. First, an institution applies for designation as Section 312(b) eligible. If approved by the Secretary, the institution may then apply for either a Title III-A or III-F AANAPISI program grant. Grants under both programs are awarded through a competitive process. Applications are selected based on the score of a review panel, and the applications with the highest score are selected for funding.

Strengthening AANAPISI grants are generally five years in length. Additionally, AANAPISIs that receive grants under either the Title III-A or the Title III-F program are not subject to the Section 313(d) two-year wait-out period. Institutions that receive a Strengthening AANAPISI grant under Title III-A in a fiscal year are prohibited from receiving funds under other Title III-A programs, Title III-B (Strengthening HBCU and HBGI programs), or Title V (HSI program and Promoting Postbaccalaureate Opportunities for Hispanic Americans (PPOHA))<sup>64</sup> in the same fiscal year; however, in general, they may receive a grant under any of the Title III-F programs in the same fiscal year. Generally, institutions receiving a Title III-F ANNAPISI grant may simultaneously receive a grant under another Title III-F program.

## Historically Black Colleges and Universities Programs

Most historically Black colleges and universities (HBCUs) were established between 1867 and 1900 with the purpose of serving the educational needs of Black Americans.<sup>65</sup> Before HBCUs were established, and to a certain extent afterwards, Black Americans were generally denied admission to traditionally white institutions.<sup>66</sup> As a result of these practices, HBCUs became a primary means for providing postsecondary education to Black Americans. As of 2015, there were 97 HBCUs located in 19 states, predominantly in the Southeast; the District of Columbia; and the U.S. Virgin Islands. They include private and public, two-year and four-year institutions.<sup>67</sup>

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<sup>62</sup> HEA §371(b)(2)(D)(iii).

<sup>63</sup> The Consolidated Appropriations Act, 2017 (CAA 2017; P.L. 115-31 authorizes IHEs that maintain endowment funds supported with funds appropriated for HEA Title III and Title V programs for FY2017 to use the income from the endowment fund to award student scholarships. This provision, enacted through Division H, Title III of the CAA 2017 will remain in effect until Title III and Title V are reauthorized. Previous appropriations acts have authorized the same use of endowment income in recent years.

<sup>64</sup> Generally, institutions receiving a Title III-A program grant are eligible to simultaneously receive a PPOHA grant; however, IHEs receiving Section 320 AANAPISI grants are specifically prohibited from concurrently receive PPOHA grants. HEA §320(d)(3)(A).

<sup>65</sup> Stephen Provasnik and Thomas D. Snyder, *Historically Black Colleges and Universities, 1976 to 2001*, National Center for Education Statistics, NCES 2004-062, Washington, DC, September 2004, p. 1.

<sup>66</sup> Department of Education, Office for Civil Rights, “Historically Black Colleges and Universities and Higher Education Desegregation,” <http://www2.ed.gov/about/offices/list/ocr/docs/hq9511.html>, accessed July 13, 2017.

<sup>67</sup> HBCUs were identified using the Department of Education’s FY2017 Eligibility Matrix.

HBCUs are funded under Title III-B of the HEA. At various points in time, HBCUs were provided funding under HEA Title III, but it was not until the Higher Education Amendments of 1986 (P.L. 99-498) that a separate HBCU program was established under Title III-B. In establishing the Title III-B HBCU program, Congress found that many HBCUs were struggling to survive because of financial limitations and that “the current state of Black colleges and universities [was] partly attributable to the discriminatory actions of the States and the Federal Government.”<sup>68</sup> The HBCU program was meant to address these issues and to ensure HBCUs’ participation in providing equality in education.

HEA Title III-B authorizes programs for both undergraduate and graduate and professional programs at eligible HBCUs. Section 323, the Strengthening HBCUs program, authorizes the Secretary to award formula-based grants to eligible HBCUs for activities to strengthen academic, administrative, and fiscal capabilities; these grants are typically available through discretionary appropriations. The Historically Black Graduate Institutions (HBGIs) program, Section 326, provides funds for formula-based grants to specifically listed graduate and professional programs at HBCUs for authorized activities similar to those under Section 323, typically with discretionary funds. Title III-F authorizes additional appropriations for the Section 323 eligible institutions.

In addition to the Title III-B and Title III-F programs, Title VII, Part A, Subpart 4 of the HEA authorizes Masters Degree Programs at HBCUs, which provides grants to specifically listed institutions that make a substantial contribution to the graduate education of Black Americans at the master’s degree level. Finally, the Historically Black College and University Capital Financing (HBCU Cap Fin) program assists HBCUs in obtaining low-cost capital financing for campus maintenance and construction projects.

This section of the report discusses both of the Strengthening HBCU Program, the HBGI, Masters Degree Programs at HBCUs, and the HBCU Cap Fin program, including eligibility criteria, authorized uses, and program administration.

## **Strengthening Historically Black Colleges and Universities**

Section 323 authorizes the Strengthening Historically Black Colleges and Universities program, which provides institutional grants to HBCUs. The program is intended to enable HBCUs to participate in activities that strengthen their academic, administrative, and fiscal capabilities.

While the Strengthening HBCU program is similar in purpose and structure to the Title III-A programs in many ways, it is also markedly different from them. Unlike most of the Title III-A programs, which are competitive, the Title III-B Strengthening HBCU program is formula-funded. Additionally, HBCUs are not required to meet many of the Title III-A eligibility requirements related to educational and general expenditures or a requisite number of needy students.

Typically, the Strengthening HBCUs program is funded through discretionary appropriations under Title III-B. Additional mandatory appropriations are provided through FY2019 in Title III-F.<sup>69</sup> The Title III-F authorizing language states that the mandatory funds shall be made available to eligible HBCUs under Title III-B and shall be allotted in the same manner and for the same authorized purposes; therefore, in this report, the Title III-B Strengthening HBCU program and

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<sup>68</sup> P.L. 99-489 §321(3).

<sup>69</sup> HEA §371(b)(2)(C)(i).

Title III-F Strengthening HBCU programs are collectively referred to as the Strengthening HBCUs program and are discussed in conjunction with one another.

## Eligibility

HBCUs eligible for grants under HEA Title III programs are known as Part B institutions. In this report, the terms HBCU and Part B institution are used interchangeably. A Part B institution is defined as one

- established before 1964;
- with a primary mission that was, and is, the education of Black Americans; and
- that is accredited or preaccredited by an ED-recognized accrediting agency.<sup>70</sup>

Additionally, the accompanying regulations require that an eligible Part B institution be legally authorized by the state in which it is located to operate as a junior or community college or to award bachelor's degrees.

Institutions that were established after 1964 may also qualify as eligible Part B institutions. To do so, they must (1) have been a branch campus of a southern institution of higher education that, prior to September 30, 1986, received a grant as an institution with special needs under HEA Section 321;<sup>71</sup> and (2) have been an institution formally recognized by the National Center for Education Statistics as an HBCU but that, on or after the date the enactment of the Strengthening HBCUs program (October 17, 1986), was determined not to meet the newly established Part B eligibility criteria.<sup>72</sup>

## Authorized Activities

In general, many of the authorized activities listed in Section 323 mirror those authorized under the Strengthening Institutions Program. For example, Part B institutions may use grants for purchasing or renting laboratory equipment, constructing or renovating instructional facilities,<sup>73</sup> or tutoring or counseling students to improve academic success. However, several additional uses are specified in Section 323. These additional authorized uses include

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<sup>70</sup> HEA §322(2).

<sup>71</sup> Prior to the HEA Amendments of 1986, the program authorized under HEA Title III, Part B was the Aid to Institutions with Special Needs program. This program provided short-term assistance for improving the management and fiscal capabilities of "special needs" institutions. Special needs institutions were determined based on eligibility criteria that included the number of Pell Grant recipients enrolled at the institution and the total amount of Pell Grant dollars awarded to students attending the institution and the total educational and general expenditures of the institution. Additionally, institutions were required to have no fewer than 100 FTE students enrolled. Finally, the Secretary was allowed to consider additional factors in awarding grants, such as little or no endowment, a high student-to-faculty ratio, and limited library resources. U.S. Congress, Senate Labor and Human Resources, *Reauthorization of the Higher Education Act: Program Descriptions, Issues, and Options*, committee print, prepared by the Congressional Research Service, 99<sup>th</sup> Cong., 1 sess., February 1985, S. Prt. 99-8 (Washington: GPO, 1985), pp. 227-228.

<sup>72</sup> Additionally, the Secretary is authorized to make grants that encourage cooperative arrangements. With funds available to carry out Title III-B programs, cooperative arrangements can be entered into between institutions eligible under Title III-B and institutions that are not receiving assistance under Title III. The cooperative arrangements must support activities authorized by HEA Section 323. HEA §394(a)(2).

<sup>73</sup> No more than 50% of a Strengthening HBCU grant can be used for constructing or maintaining a classroom, library, laboratory, or other instructional facility. HEA §323(c)(2).

- establishing or enhancing a program of teacher education designed to qualify students to teach in a public elementary or secondary school in the states and that includes preparation for teacher certification;
- establishing community outreach programs that will encourage elementary and secondary students to develop the academic skills and interest to pursue a postsecondary education; and
- acquiring real property in connection with the construction, renovation, or addition to or improvement of campus facilities.

Part B institutions are also authorized to use up to 20% of grant funds to establish or increase endowments.<sup>74</sup> If an institution chooses to do so, it must provide nonfederal matching funds that are equal to or greater than the federal funds.

### **Allotments**

Strengthening HBCU grants are formula-based, such that each eligible Part B institution that meets the eligibility criteria and submits a qualifying application may receive a grant award. For amounts appropriated for these grants, the Secretary must allot to each institution a sum

1. that bears a ratio equal to 50% of the number of Federal Pell Grant recipients in attendance at the institution at the end of the preceding academic year to the total number of Federal Pell Grant recipients at all Part B institutions;
2. that bears a ratio equal to 25% of the number of an institution's graduates for the academic year to the number of graduates for all Part B institutions;
3. that bears a ratio equal to 25% of the percentage of an institution's graduates who are admitted to and in attendance at, within five years of graduating with a bachelor's degree, a graduate or professional school in a degree program in disciplines in which Blacks are underrepresented to the percentage of such graduates per institution from all Part B institutions.<sup>75</sup>

If the amount of a grant to be awarded to an institution, based on the above formula, is greater than \$250,000 and less than \$500,000, then the Secretary must award the institution \$500,000. If the amount of a grant to be awarded to an institution is less than or equal to \$250,000, then the Secretary must award the institution \$250,000. Additionally, if the amounts appropriated in any fiscal year are insufficient to make these minimum allotments to each eligible institution, then the minimum allotments are ratably reduced. Finally, if ED determines that an individual institution's allotment for any fiscal year is not needed by that institution, ED may redistribute the unneeded funds to other HBCUs as ED determines appropriate.<sup>76</sup>

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<sup>74</sup> The Consolidated Appropriations Act, 2017 (CAA 2017; P.L. 115-31) authorizes IHEs that maintain endowment funds supported with funds appropriated for HEA Title III and Title V programs for FY2017 to use the income from the endowment fund to award student scholarships. This provision, enacted through Division H, Title III of the CAA 2017 will remain in effect until Title III and Title V are reauthorized. Previous appropriations acts have authorized the same use of endowment income in recent years.

<sup>75</sup> If an otherwise eligible Part B institution did not have any enrolled Pell Grant recipients; did not graduate any students; did not have any students who, within five years of graduation, were admitted to and in attendance at a graduate or professional school in a degree program in disciplines in which Blacks are underrepresented; or failed to provide the Secretary with the data required for the formula, then it shall not receive an allotment (including the minimum allotment) for a fiscal year. HEA §324(h).

<sup>76</sup> HEA §324.

Finally, Howard University and the University of the District of Columbia may not receive allotments if either institution's allotment under criteria 2 and 3 is less than the amounts they would receive under their permanent annual appropriations.<sup>77</sup>

### Program Administration

The award process for Strengthening HBCU grants is a multi-step process. First, an institution must be designated by ED as a Part B institution. ED maintains a list of Part B institutions.<sup>78</sup> If an institution has been designated as a Part B institution, it must then submit to ED the data required to calculate the formula allotments. Finally, at a separate time, the institution submits a project plan to ED, which must describe the institution's proposed activities, not include unallowable activities, and meet any statutory provisions and regulations. If approved by the Secretary, the Secretary then makes an allotment to the institution based on the above-described formula.

Program grants are five years in length.<sup>79</sup> Any funds paid to an institution that are not used within the five-year time period can be carried over and expended during the succeeding five-year period, so long as those funds are obligated for the same purpose.<sup>80</sup>

Finally, institutions receiving a Title III-B Strengthening HBCU grant in a fiscal year cannot receive funds under any Title III-A, III-F, Title V (HSI program), or Title VII (Masters Degrees at PBIs) program not specifically established for HBCUs in the same fiscal year.

### Historically Black Graduate Institutions

Section 326 of the HEA authorizes the Historically Black Graduate Institutions (HBGIs) program. As with the Strengthening HBCU program, the purpose of the HBGI program is to enable such institutions to participate in activities that strengthen their academic, administrative, and fiscal capabilities.

Like the Strengthening HBCU program, the HBGI program has been funded through discretionary appropriations. However, unlike institutions eligible under the Strengthening HBCU program or most of the Title III-A programs, Title III-F does not provide additional mandatory funding for the HBGI program.

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<sup>77</sup> HEA §324(g). Both Howard University and the University of the District of Columbia receive annual discretionary appropriations. See HEA, 20 U.S.C. §123 & 87 Stat. §774. Howard University has not received a Strengthening HBCU grant since at least FY2003.

<sup>78</sup> ED regulations, 34 C.F.R. §608.2, provide a list of institutions that the Secretary determined qualified as HBCUs under HEA Section 322 as of June 24, 1994. Those institutions listed in the regulations do not, however, reflect the current list of institutions that qualify as HBCUs, as some institutions have lost accreditation, gained accreditation, or have closed since the regulations were last updated. For instance, Mary Holmes College in West Point, MS, closed in 2005. See, for example, Garthia Elena Burnett, "Mary Holmes gets new lease on life," *Commercial Dispatch*, June 17, 2011. Unlike the Title III-A programs, this designation is generally granted outside of the grant-making process. Typically, a school wishing to be designated as an HBCU must contact ED's Office of Postsecondary Education and express its interest in being designated as an HBCU. The institution provides ED with evidence that it meets the HBCU criteria, and ED makes a determination of the institution's status.

<sup>79</sup> ED has not yet determined how to allocate funds if a school is newly designated as a Part B institution after a five-year grant cycle has started.

<sup>80</sup> HEA §327(b).

## Eligibility

All institutions or graduate programs eligible for HBGI grants are specifically listed in the HEA. HBGI grants are available to postgraduate institutions or institutions offering “qualified graduate programs” that have been determined by ED to be “making a substantial contribution to the legal, medical, dental, veterinary, or other graduate education opportunities in mathematics, engineering, or the physical or natural sciences for Black Americans.”<sup>81</sup> Qualified graduate programs are graduate or professional programs that provide a program of instruction in law, physical or natural sciences, engineering, mathematics, psychometrics, or other scientific disciplines in which African Americans are underrepresented and in which students are enrolled at the time of application for the grant.<sup>82</sup>

Originally, five institutions or schools were listed as eligible under Section 326,<sup>83</sup> and over the years, Congress has designated several other schools and programs as eligible to receive HBGI grants. Prior to passage of the Higher Education Opportunity Act of 2008 (HEOA; P.L. 110-315), 18 institutions, schools, and programs were specified in Section 326 and, therefore, were eligible for HBGI grants. Those institutions, schools, and programs were

- Morehouse School of Medicine,
- Meharry Medical School,
- Charles R. Drew Postgraduate Medical School,
- Clark-Atlanta University,
- Tuskegee University School of Veterinary Medicine and other qualified graduate programs,
- Xavier University School of Pharmacy and other qualified graduate programs,
- Southern University School of Law and other qualified graduate programs,
- Texas Southern University School of Law and School of Pharmacy and other qualified graduate programs,
- Florida Agricultural and Mechanical University School of Pharmaceutical Sciences and other qualified graduate programs,
- Morgan State University qualified graduate programs,
- Hampton University qualified graduate programs,
- Alabama Agricultural and Mechanical University qualified graduate programs,
- North Carolina Agricultural and Technical State University qualified graduate programs,
- University of Maryland Eastern Shore qualified graduate programs,
- Jackson State University qualified graduate programs,
- Norfolk State University qualified graduate programs, and
- Tennessee State University qualified graduate programs.

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<sup>81</sup> HEA §326(a).

<sup>82</sup> HEA §326(e)(2).

<sup>83</sup> The five original institutions and schools were Morehouse School of Medicine, Meharry Medical School, Charles R. Drew Postgraduate Medical School, Atlanta University (now Clark-Atlanta University), and Tuskegee Institute School of Veterinary Medicine (now Tuskegee University School of Veterinary Medicine). P.L. 99-498 §326(e).



In 2008, the HEOA amended Section 326 of the HEA to include six additional postgraduate schools or programs that are now also eligible for HBGI grants. The distinction between the pre- and post-HEOA schools and program is important for award allocation purposes, which are discussed later in this report. The six post-HEOA schools and programs are

- Alabama State University qualified graduate programs,
- Prairie View Agricultural and Mechanical University qualified graduate programs,
- Delaware State University qualified graduate programs,
- Langston University qualified graduate programs,
- Bowie State University qualified graduate programs, and
- University of the District of Columbia David A. Clarke School of Law.<sup>84</sup>

### **Authorized Activities**

In general, many of the authorized uses of HBGI program grants are similar to those authorized under the Strengthening Institutions Program of Title III-A. For example, HBGI grants may be used for purchasing or renting laboratory equipment, constructing or renovating instructional facilities, or tutoring or counseling students to improve academic success. However, several other uses for HBGI grants are specified in Section 326. These additional authorized uses include

- scholarships, fellowships, or other financial assistance for needy graduate and professional students to permit them to enroll in and complete doctoral degrees in disciplines in which African Americans are underrepresented;<sup>85</sup>
- acquisition of real property that is adjacent to the campus and in connection with the construction or renovation of campus facilities; and
- development of a new qualified graduate program, so long as the institution does not use more than 10% of its HBGI grant for such a purpose.<sup>86</sup>

HBGI grant recipients are allowed to establish or maintain endowment funds with HBGI grants; however, in doing so, they must comply with the provisions for Endowment Challenge Grants (see subsequent entitled section) set forth in HEA Section 331.<sup>87</sup> Among other requirements in Section 331, HBGI grant recipients that wish to use grant monies for endowment funds must provide nonfederal matching funds equal to the federal funds provided.

### **Allotments**

The HBGI program specifies how funds are to be allotted to institutions based on the amount of funds appropriated by Congress each year. Section 326 specifies that the first \$56.9 million (or

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<sup>84</sup> HEA §326(e)(1).

<sup>85</sup> Such disciplines include medicine, dentistry, pharmacy, veterinary medicine, law, physical or natural sciences, engineering, mathematics, and other scientific disciplines. HEA §326(c)(4).

<sup>86</sup> HEA §326(e)(2)(B). For purposes of this provision, new graduate programs are not subject to the eligibility requirement that qualified graduate programs have students enrolled in them.

<sup>87</sup> The Consolidated Appropriations Act, 2017 (CAA 2017; P.L. 115-31) authorizes IHEs that maintain endowment funds supported with funds appropriated for HEA Title III and Title V programs for FY2017 to use the income from the endowment fund to award student scholarships. This provision, enacted through Division H, Title III of the CAA 2017 will remain in effect until Title III and Title V are reauthorized. Previous appropriations acts have authorized the same use of endowment income in recent years.

lesser amount appropriated) is available only to the 18 pre-HEOA eligible institutions, schools, and programs, and grant amounts must be at least as much as each institution's grant amount in FY2008. Any amount appropriated that is greater than \$56.9 million and less than \$62.9 million is available only to the six institutions or programs added to the statute by the HEOA.<sup>88</sup> Finally, any amount appropriated over \$62.9 million is made available to any of the eligible institutions, schools, or programs pursuant to a formula to be developed by ED that uses the following elements:

- the ability of an institution, school, or program to match federal funds with nonfederal funds;
- the number of students enrolled in the program for which funding is being received;
- the average cost of education per student for all full-time graduate and professional students enrolled in the eligible professional or graduate school;
- the number of students in the previous year who received their first professional or doctoral degree from the programs for which funding was received in the previous year; and
- the contribution, on a percentage basis, of the programs for which the institution is eligible to receive funds to the total number of African Americans receiving graduate or professional degrees in the professions or disciplines related to the programs for the previous year.<sup>89</sup>

In FY2016, for the first time, program appropriations exceeded \$62.9 million. Specifically, Congress appropriated approximately \$63.2 million. ED has not yet developed an allocation formula for this additional amount.

Finally, grants in excess of \$1 million cannot be made under the HBGI program unless the applicant provides assurances to ED that 50% of the cost of the purposes for which the grant is made will be paid from nonfederal sources. An award recipient is not required to match any portion of the first \$1 million awarded.<sup>90</sup>

## **Program Administration**

The HBGI program award process comprises a single step. Eligible institutions, schools, and programs need only submit an application to ED requesting funds and detailing proposed project plans for those funds.<sup>91</sup> The application and project plans must contribute to the purposes of the program, not include unallowable activities, and meet any statutory provisions and regulations. If approved by the Secretary, the Secretary then makes an allotment to the institution based on the above-described formula.

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<sup>88</sup> CRS had not identified any additional guidance regarding how aid is divided among these six institutions.

<sup>89</sup> HEA §326(f).

<sup>90</sup> HEA §326(a)(2).

<sup>91</sup> Because grants are five years in length and the Secretary is prohibited from awarding more than one grant per institution in any fiscal year, the president or chancellor of a recipient institution that wishes to allot funds to multiple graduate or professional schools or programs at the institution may decide which graduate or professional school or qualified graduate program will receive funds under the grant for any one fiscal year, if the allocation of funds among such schools or programs is delineated in the grant application. HEA §326(e)(5).

HBGI program grants are five years in length. Funds awarded must be obligated during the five-year grant period and must be expended within 10 years of the start of the 5-year grant period.<sup>92</sup>

An HBGI grant recipient cannot receive more than one grant under this program in any fiscal year.<sup>93</sup> Institutions that are eligible for and receive awards under the Promoting Postbaccalaureate Opportunities for Hispanic Americans Program (PPOHA),<sup>94</sup> the Masters Degree Programs at HBCUs Program,<sup>95</sup> or the Masters Degree Programs at PBIs Program<sup>96</sup> are ineligible to receive grants under the HBGI program in the same fiscal year.<sup>97</sup> Finally, in general, institutions receiving an HBGI grant in a fiscal year cannot simultaneously receive funds under a Title III-A, Title III-F, or Title V (the HSI program) program not specifically established for HBCUs.

## Masters Degree Programs at Historically Black Colleges and Universities

In 2008, the Higher Education Opportunity Act (HEOA; P.L. 110-315) established Masters Degree Programs at Historically Black Colleges and Universities under Title VII, Part A, Subpart 4. The program seems to have been established to address concerns that the Title III HBCU, PBI, and HBGI programs were limited in scope and did not extend eligibility to a variety of graduate opportunities for Black Americans.<sup>98</sup> The Title VII-A-4 program is intended to assist institutions in improving graduate education opportunities at the master's level for Black students in a variety of fields of study. The program is funded through discretionary appropriations under Title VII-A-4, and was provided with mandatory appropriations for FY2009-FY2014 under Title VIII.<sup>99</sup> Prior to FY2017, the program had not received discretionary appropriations. The program was provided mandatory appropriations annually for FY2009 through FY2014.<sup>100</sup> Authorization for mandatory appropriations lapsed at the end of FY2014, and for two years the program did not receive funds. In FY2017, discretionary appropriations for the programs were provided, totaling \$7,500,000.<sup>101</sup>

HEA Section 723 specifically authorizes Masters Degree Programs at Historically Black Colleges and Universities (Masters Degrees at HBCUs). The program's purpose is to improve graduate education opportunities at the master's level in mathematics, engineering, physical or natural

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<sup>92</sup> HEA §326(b).

<sup>93</sup> HEA §326(e)(4).

<sup>94</sup> HEA §512.

<sup>95</sup> HEA §723.

<sup>96</sup> HEA §724.

<sup>97</sup> HEA §326(h).

<sup>98</sup> For instance, in his testimony before Congress, Dr. Larry Earvin, president of Huston-Tillotson University, stated that the HBGI program "has always limited institutional and programmatic participation to those first, professional degree programs, such as law, medicine, and dentistry, and to those doctoral programs in physical and natural sciences.... The inclusion of master's degrees without restriction would dramatically expand institutional participation in the program." U.S. Congress, House Committee on Education and Labor, Subcommittee on Higher Education, Lifelong Learning, and Competitiveness, *Higher Education Act: Institutional Support for Colleges and Universities Under Title III and Title V*, field hearing held in Austin Texas, 110<sup>th</sup> Cong., 1<sup>st</sup> sess., June 4, 2007, 110-43 (Washington: GPO, 2008), pp. 23-24.

<sup>99</sup> Authorization of mandatory appropriations for these programs, and an appropriation of mandatory funds, were provided through FY2014 (HEOA; P.L. 110-315). Mandatory funds have not been provided for these programs since the end of FY2014.

<sup>100</sup> HEA §897.

<sup>101</sup> U.S. Department of Education, FY2018 President's Budget Request.

sciences, computer science, information technology, nursing, allied health, or other scientific disciplines for Black Americans.<sup>102</sup>

## **Eligibility**

Masters Degrees at HBCUs program grants are available to those institutions specifically listed in the HEA that have been determined “to be making a substantial contribution to graduate education opportunities”<sup>103</sup> for Black Americans at the master’s level in one of the several educational disciplines listed above. None of the institutions listed as eligible for the HBGI program (Title III-B, Section 326) are listed as eligible for the Masters Degrees at HBCUs program. Currently, 18 institutions are eligible for the Masters Degrees at HBCUs program; they are

- Albany State University,
- Alcorn State University,
- Claflin State University,
- Coppin State University,
- Elizabeth City University,
- Fayetteville State University,
- Fisk University,
- Fort Valley State University,
- Grambling State University,
- Kentucky State University,
- Mississippi Valley State University,
- Savannah State University,
- South Carolina State University,
- University of Arkansas at Pine Bluff,
- Virginia State University,
- West Virginia State University,
- Wilberforce University, and
- Winston-Salem State University.<sup>104</sup>

Although each of these institutions is eligible to receive funding, grants under this program must be used to support a graduate school or a qualified master’s degree program at the institution. A qualified master’s degree program is one that provides a program of instruction in mathematics, engineering, science, physical or natural sciences, computer science, information technology, nursing, allied health, or other scientific disciplines in which African Americans are underrepresented. Students must be enrolled in the program at the time of application for a grant, unless it is a new program, in which case, the institution cannot use more than 10% of the grant for the new program.<sup>105</sup>

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<sup>102</sup> HEA §723(a).

<sup>103</sup> HEA §723(a).

<sup>104</sup> HEA §723(b).

<sup>105</sup> HEA §723(b)(2).

## Authorized Uses

Masters Degrees at HBCUs program grants are intended to enable eligible institutions to develop and enhance their capacity for graduate education and opportunities for Black Americans and low-income students. In general, the program activities authorized under the Masters Degrees at HBCUs program are the same as those authorized under the HBGI program. For instance, Masters Degrees at HBCUs program grants may be used for purchasing or renting lab equipment, constructing or improving classrooms and other instructional facilities, or tutoring students. As with the HBGI program, grants under this program can also be used for

- scholarships, fellowships, or other financial assistance for needy graduate students to permit the enrollment of the students in, and completion of, a master's degree in mathematics, engineering, the physical or natural sciences, computer science, information technology, nursing, allied health, or other scientific disciplines in which African Americans are underrepresented;
- the acquisition of real property that is adjacent to the campus and in connection with the construction or renovation of campus facilities;<sup>106</sup> and
- the development of a new qualified graduate program, so long as the institution does not use more than 10% of its grant for such a purpose.<sup>107</sup>

Institutions may also use program grants to establish or maintain endowment funds.<sup>108</sup> However, in doing so, they must comply with the provisions for Endowment Challenge Grants set forth in HEA Section 331. Among other requirements, Masters Degrees at HBCUs grant recipients that wish to use grant monies for endowment funds must provide nonfederal matching funds equal to the federal funds provided.<sup>109</sup>

## Allotments

Masters Degrees at HBCUs program grants are formula-based. Section 723 specifies that, subject to available appropriations, no grant awarded under the Masters Degrees at HBCUs program shall be less than \$500,000. If an institution receives a grant that is greater than \$1 million, however, it must provide assurances that 50% of the cost of a grant project will be paid with nonfederal funds.<sup>110</sup>

The first \$9 million (or lesser amount) appropriated are available only to the 18 institutions currently listed in Section 723(b) for the purposes of making the \$500,000 minimum grants. If the amount appropriated is insufficient to pay the minimum grant amount to each eligible institution, then each institution's award is ratably reduced. If other institutions are subsequently added to the list of eligible institutions, they are entitled to the minimum grant amount, unless such funds are

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<sup>106</sup> HEA §723(d).

<sup>107</sup> HEA §723(b)(2)(B).

<sup>108</sup> The Consolidated Appropriations Act, 2017 (CAA 2017; P.L. 115-31) authorizes IHEs that maintain endowment funds supported with funds appropriated for HEA Title III and Title V programs for FY2017 to use the income from the endowment fund to award student scholarships. This provision, enacted through Division H, Title III of the CAA 2017 will remain in effect until Title III and Title V are reauthorized. Previous appropriations acts have authorized the same use of endowment income in recent years.

<sup>109</sup> HEA §723(d)(6).

<sup>110</sup> HEA §723(a)(2) & (3). If an institution is unable to meet this matching requirement, the Secretary must distribute, on a pro rata basis, any amounts that the institution cannot use due to its failure to meet the matching requirements to those institutions that do comply with the matching requirements.

not appropriated. In that case, the 18 institutions currently listed receive funding priority and subsequently added institutions' awards are ratably reduced.

Any appropriations greater than \$9 million are available to each of the currently listed 18 institutions based on a formula, to be determined by ED. As of FY2017, the appropriation has not exceeded \$9 million. The formula for appropriations greater than \$9 million uses the following elements:

- the ability of an institution to match federal funds with nonfederal funds;
- the number of students enrolled in the qualified master's degree program in the previous academic year;
- the average cost of attendance per student for all full-time students enrolled in the qualified master's degree program;
- the number of students in the previous year who received a degree in the qualified master's degree program; and
- the contribution, on a percent basis, of the master's level programs for which the institution is eligible to receive funds to the total number of African Americans receiving master's degrees in the disciplines related to the institution's programs for the previous year.

Notwithstanding the above formula to allocate funds, no eligible institution that received a grant under the program for FY2009 and that is eligible to receive a grant in subsequent years shall receive a grant that is less than the amount received in FY2009. However, this hold harmless rule does not apply if the amount appropriated for a fiscal year is insufficient to provide such grants to all such institutions or if an institution is unable to provide sufficient matching funds.<sup>111</sup>

### **Program Administration**

Like the HBGI award process, the Masters Degrees at HBCUs award process is a single step. Eligible institutions need only submit an application to ED requesting funds and detailing proposed project plans for those funds. The application and project plans must contribute to the purposes of the program, not include unallowable activities, and meet any statutory provisions and regulations. If approved by the Secretary, the Secretary then makes an allotment to the institution based on the above-described formula

Program grants are no longer than six years in length, but grants may be periodically renewed for a period determined by the Secretary. Additionally, an institution can only receive one grant per fiscal year under this program.<sup>112</sup> An institution that is eligible for and receives an award under the HBGI, PPOHA, or Masters Degree Programs at PBIs programs in a fiscal year is ineligible to receive grants under the Masters Degrees at HBCUs program in the same fiscal year.<sup>113</sup> An institution receiving a Masters Degree Programs at HBCUs grant may not concurrently receive a Title III-A or V-A grant but may concurrently receive a Title III-B (Strengthening HBCUs program) grant and generally may concurrently receive a Title III-F grant.

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<sup>111</sup> HEA §723(g).

<sup>112</sup> Because program grants are six years in length and the Secretary is prohibited from awarding more than one grant per institution in any fiscal year, the president or chancellor of a recipient institution that wishes to allot funds to multiple graduate or professional schools or programs at the institution may decide which graduate or professional school or qualified graduate program will receive funds under the grant for any one fiscal year, if the allocation of funds among such schools or programs is delineated in the grant application. HEA §723(b)(3).

<sup>113</sup> HEA §723(e).

## Historically Black College and University Capital Financing

The Historically Black College and University Capital Financing Program (HBCU Cap Fin) is a loan guarantee program that was established to provide federal assistance to HBCUs in obtaining low-cost capital financing for campus maintenance, renovation, and construction projects. It was authorized by the Higher Education Amendments of 1992 (P.L. 102-325). The extension of such loans is intended to help HBCUs continue educating African Americans and low-income, educationally disadvantaged Americans.

When enacting the legislation, Congress found that the academic and residential facilities on many HBCU campuses suffered from neglect and deferred maintenance. Congress also found that HBCUs were often unable to obtain financing to perform needed maintenance and construction projects because of their small enrollments, limited endowments, and other financial risk factors.<sup>114</sup> To remedy this situation, Congress enacted HBCU Cap Fin to help provide HBCUs with access to low-cost capital financing. HBCU Cap Fin provides HBCUs with access to capital financing by issuing federal guarantees on the full principal and interest of qualified bonds, the proceeds of which are used for capital financing loans.

### Eligibility

Institutions eligible for HBCU Cap Fin are those eligible as Part-B institutions under the Strengthening HBCU program, as defined in HEA Section 322(2).<sup>115</sup> Howard University is specifically excluded from program eligibility, while Lincoln University of Pennsylvania is specifically included in program eligibility.<sup>116</sup> An HBCU applicant wishing to receive a loan under the program must undergo a credit review to determine whether it is qualified to receive a loan under the program.<sup>117</sup>

### Authorized Uses

HBCU Cap Fin loans provide low-cost financing for capital projects to HBCUs. Authorized capital projects include the repair, renovation, or, in exceptional circumstances the construction or acquisition of

- a classroom facility, library, dormitory, laboratory, or other facility customarily used by institutions of higher education for instructional or research purposes or the housing of students, faculty, and staff;
- an institutional administration facility or student center;<sup>118</sup>
- instructional equipment and any capital equipment or fixture related to the facilities described above;

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<sup>114</sup> HEA §341.

<sup>115</sup> HEA §342(1).

<sup>116</sup> HEA §344(a).

<sup>117</sup> HEA §343(b)(4). Criteria that may be taken into account when determining credit worthiness include a school's accreditation status, eligibility to participate in HEA Title IV federal student aid programs, cohort default rates, enrollment, debt ratio, debt service coverage, and capital improvement plans. Department of Education, Office of Postsecondary Education, "Historically Black College and University Capital Financing Program: Frequently Asked Questions," <http://www2.ed.gov/programs/hbcucapfinance/faq.html>, accessed July 13, 2017.

<sup>118</sup> No more than 5% of the loan proceeds may be used for such purposes if the facility is owned, leased, managed, or operated by a private business that, in return for such use, makes a payment to the eligible institution. HEA §342(5)(B).

- a maintenance, storage, or utility facility that is essential to the operation of a facility;
- real property or any interest therein;
- a facility designed to provide primarily outpatient health care to students and faculty;
- physical infrastructure essential to support projects authorized under the HEA, including roads, sewer and drainage systems, and other utilities; and
- any other facility or equipment essential to maintaining accreditation.<sup>119</sup>

## Program Administration

Rather than directly providing capital financing loans to HBCUs, ED contracts with a private, for-profit corporation to act as the Designated Bonding Authority (DBA) and to operate HBCU Cap Fin.<sup>120</sup> The DBA issues taxable bonds on behalf of HBCU borrowers, and ED guarantees full payment on the qualified bonds issued by the DBA. The DBA then sells the bonds to a third party,<sup>121</sup> and bond proceeds are then used by the DBA to provide loans to eligible HBCUs at interest rates that are slightly above the federal government's cost of borrowing.<sup>122</sup> The HEA limits the program to an outstanding balance of \$1.1 billion in bonds and unpaid interest.<sup>123</sup> HEA Section 344(a) provides that no more than two-thirds of this limit may be held on behalf of private HBCUs, and no more than one-third may be held on behalf of public HBCUs; however, in recent years, appropriations acts have authorized ED to make programs loans to support both public and private HBCUs, without regard to these statutory limitations.<sup>124</sup>

## Loan Terms

The HEA sets forth specific loan terms under HBCU Cap Fin, under which all parties must operate. These statutorily prescribed terms include the percentage of loan funds an HBCU may use for capital projects and the parties' recourses in the event of a delinquency or default.

HBCUs must use at least 95% of an HBCU Cap Fin loan to complete one or more of the statutorily authorized capital projects or to refinance a prior obligation, the proceeds of which were used to finance a capital project. The remaining 5% of the loan must be deposited into a pooled escrow account. The escrow account is used to cover any delinquencies or defaults by an institution in the program. If no institution defaults during the period in which the participating HBCU has an outstanding loan, the HBCU will receive the remainder of its escrow within 120 days of its final scheduled loan repayment.<sup>125</sup>

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<sup>119</sup> HEA §342(5).

<sup>120</sup> The current DBA is Rice Financial Products Company.

<sup>121</sup> The bonds have only ever been purchased by the Federal Financing Bank.

<sup>122</sup> HEA §343.

<sup>123</sup> The Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (P.L. 109-234) provided HBCU Cap Fin special terms for HBCUs located in areas affected by Hurricane Katrina or Rita that incurred physical damage resulting from one of the hurricanes. With these emergency appropriations, ED awarded approximately \$400 million in loan guarantees to institutions affected by the hurricanes. Department of Education, *Historically Black College and University Capital Financing Program Account*, Fiscal Year 2018 Budget Request, p. U-8.

<sup>124</sup> See, for example, The Consolidated Appropriations Act, 2017 (P.L. 115-31), Division H, Title III.

<sup>125</sup> HEA §343(b)(2) & (8).



If an HBCU is delinquent on an HBCU Cap Fin loan, the DBA may assist the HBCU in making the payment within 45 days. If after that time, the HBCU is still delinquent or defaults on the loan, the DBA draws funds from the pooled escrow account to make payments on behalf of the HBCU. If the pooled escrow account is exhausted, ED will make payments according to the insurance agreement with the DBA. ED then collects remuneration directly from the delinquent or defaulted HBCU or disposes of the HBCU's collateral.<sup>126</sup>

While the statutory provisions of HBCU Cap Fin set forth several specific loan terms, many are left to the parties to negotiate. Such terms include interest rate, payment terms, frequency of payments, and the length of the loan.

### **HBCU Capital Financing Advisory Board**

The HBCU Capital Financing Advisory Board (Advisory Board) provides advice and counsel to ED and the DBA on the most efficient means of implementing construction financing on HBCU campuses. It also advises Congress on the progress made in implementing HBCU Cap Fin.<sup>127</sup>

The Advisory Board is composed of 11 members who are appointed by the Secretary. The Advisory Board members are

- the Secretary or the Secretary's designee;
- three presidents of private HBCUs;
- three presidents of public HBCUs;
- the president of the United Negro College Fund, Inc.,<sup>128</sup> or the president's designee;
- the president of the National Association for Equal Opportunity in Higher Education,<sup>129</sup> or the designee of the Association;
- the executive director of the White House Initiative on HBCUs;<sup>130</sup> and
- the president of the Thurgood Marshall College Fund,<sup>131</sup> or the president's designee.<sup>132</sup>

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<sup>126</sup> HEA §343(b) & (c).

<sup>127</sup> HEA §347(a).

<sup>128</sup> The United Negro College Fund, Inc. (UNCF) is a membership organization of 37 HBCUs. Its mission is to “build a robust and nationally-recognized pipeline of under-represented students who, because of UNCF support, become highly-qualified college graduates and to ensure that [its] network of member institutions is a respected model of best practices in moving students to and through college.” United Negro College Fund, Inc., “Our Mission,” <https://www.uncf.org/our-mission>, accessed July 13, 2017.

<sup>129</sup> The National Association for Equal Opportunity in Higher Education is a membership organization of HBCUs and PBIs. Its mission is to “champion interests of HBCUs and PBIs; provide membership services; build capacity of HBCUs; [and] serve as [an] international voice and advocate for preservation and enhancement of HBCUs and PBIs and for blacks in higher education.” National Association for Equal Opportunity in Higher Education, “Our Mission,” <http://www.nafeonation.org/our-mission/>, July 13, 2017.

<sup>130</sup> The White House Initiative on HBCUs was established in 1980 by Executive Order 12232 to overcome the effects of discriminatory treatment of HBCUs and to strengthen and expand their capacity.

<sup>131</sup> The Thurgood Marshall College Fund is a membership organization of public HBCUs and PBIs. Its mission is to “partner with [its] member-schools to increase access, retention and graduation rates of students; identify and prepare students attending member-schools who have significant leadership potential; [and] create a pipeline for employers to highly-qualified member-school students and alumni.” Thurgood Marshall College Fund, “Our Mission & Vision,” <http://tmcf.org/about-us/who-we-are>, accessed July 13, 2017.

<sup>132</sup> HEA §347(b).

The term of service for each president of an HBCU (public or private) that serves on the Advisory Board is three years. The term of service for all other Advisory Board members is the length of the tenure in their other professional capacities.<sup>133</sup>

## **Predominantly Black Institutions Programs**

Predominantly Black Institutions (PBIs) are IHEs that enroll a high concentration of Black American students and that also enroll a high concentration of low-income or first-generation college students. Unlike HBCUs, PBIs were not necessarily established to serve the educational needs of Black Americans; additionally, their date of establishment need not fall within a certain timeframe. Two HEA programs are authorized specifically to assist PBIs; they are the Strengthening PBIs program and Masters Degree Programs at PBIs. This section discusses each of these programs, including their eligibility criteria, authorized uses of grant monies, and program administration.

### **Strengthening Predominantly Black Institutions**

Title III-A, Section 318, of the HEA establishes the Strengthening Predominantly Black Institutions (PBIs) program, which was first authorized in 2007 by the College Cost Reduction and Access Act (CCRAA; P.L. 110-84) and which provides SIP-type grants to PBIs. The program is intended to assist PBIs in expanding educational opportunities.<sup>134</sup>

Since FY2010, the Title III-A Strengthening PBI program grants have been funded through annual discretionary appropriations under Title III-A. Additional mandatory appropriations are provided annually through FY2019 under Title III-F. Grants awarded under the Title III-A program are formula-based; grants awarded under the Title III-F program are competitive.<sup>135</sup> Typically, eligibility requirements, authorized uses, and administrative processes for Title III-A formula PBI program and Title III-F competitive PBI program are the same. When discussed together, they are referred to as the Strengthening PBI programs.

### **Eligibility**

Eligibility requirements for Strengthening PBI grants vary appreciably from eligibility requirements for the other Title III-A programs. To qualify for either Strengthening PBI program, institutions of higher education must meet the HEA Section 318(b)(1) requirements, rather than the Section 312(b) requirements that institutions participating in the other Title III-A programs are required to meet. Under Section 318(b)(1), institutions must have low educational and general expenditures (E&G) per full-time equivalent undergraduate as compared to institutions that offer similar instruction,<sup>136</sup> be accredited or preaccredited by an ED-recognized accrediting agency, and have authorization within their respective states to award a bachelor's degree or associate's degree.

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<sup>133</sup> For additional information on the Advisory Board and its current members, see Department of Education, "Historically Black College and University Capital Financing Advisory Board," <http://www2.ed.gov/about/bdscomm/list/hbcu-finance.html>, accessed July 14, 2017.

<sup>134</sup> HEA §318(a).

<sup>135</sup> HEA §371(b)(2)(C)(ii).

<sup>136</sup> The Secretary can apply the same waiver requirements as those for the other Part III-A programs.

In addition to the Section 318(b)(1) requirements, an institution’s undergraduate student enrollment must be at least 40% Black American students and must have a requisite “enrollment of needy students.”

The Section 318(b)(1) “enrollment of needy students” criterion means that at least 50% of an institution’s undergraduate students enrolled in an academic program leading to a degree

1. were Federal Pell Grant recipients in the second fiscal year preceding the fiscal year for which the determination is made;
2. come from families that receive benefits under a means-tested federal benefit program;<sup>137</sup>
3. attended a public or private nonprofit secondary school (a) that was in a school district of a local educational agency that was eligible for assistance under Title I, Part A of the Elementary and Secondary Education Act of 1965 (ESEA) for any year during which the student attended the school and (b) that was determined by the Secretary to be one in which the enrollment of children meeting a measure of poverty under Section 1113(a)(5) of the ESEA exceeded 30% of the total enrollment; or
4. are first-generation college students and a majority of such first-generation college students are low-income individuals.<sup>138</sup>

Once an institution qualifies as an eligible institution under the Section 318(b)(1) criteria, it must then be designated as a PBI. A PBI is defined as an eligible institution with not less than 1,000 undergraduate students, at which not less than 50% of the enrolled undergraduates are low-income individuals or first-generation college students, and at which not less than 50% of the undergraduates are enrolled in programs that lead to a bachelor’s or associate’s degree.<sup>139</sup>

## **Authorized Uses**

Authorized uses differ between the Title III-A formula PBI program and the Title III-F competitive PBI program. The Title III-A formula PBI program mandates required activities to be funded and authorizes additional uses for such grants. Title III-F competitive PBI grants have a different set of authorized uses from those authorized for Title III-A formula PBI grants.

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<sup>137</sup> A “means-tested federal benefit program” is a federal program (other than those under HEA Title IV) in which eligibility is determined on the basis of an individual’s or family’s income or resources, for instance, Temporary Assistance for Needy Families (TANF) or Housing Assistance. HEA §318(b)(5).

<sup>138</sup> A “first-generation college student” is an individual both of whose parents did not complete a baccalaureate degree or, in the case of an individual who regularly resided with and received support from only one parent, an individual whose only such parent did not complete a baccalaureate degree. A “low-income individual” is an individual from a family whose taxable income for the preceding year did not exceed 150% of the federal poverty guidelines. HEA §402A(h)(3) & (4).

<sup>139</sup> HEA §318(b)(6). These two sets of criteria, in effect, ensure that institutions with a large enrollment (greater than 1,000) of undergraduate students and an above average proportion of Black American and needy students, but with only a small fraction of the total student population enrolled in a degree program, are ineligible for Strengthening PBI grants. For instance, an institution with an undergraduate population of 2,000 students and that otherwise meets the needy student criteria but that only has 100 undergraduate students enrolled in a degree program (with the other 1,900 students enrolled in certificate programs) would be ineligible to receive a Strengthening PBI grant, as only 5% of its total undergraduate population is enrolled in a degree program.

### ***Title III-A***

PBIs that receive Title III-A formula PBI grants must use them for the following purposes:

- to plan, develop, undertake, and implement programs to enhance grantee's capacity to serve more low- and middle-income Black American students;
- to expand higher education opportunities for students eligible to participate in programs under Title IV of the HEA<sup>140</sup> by encouraging college preparation and student persistence in secondary education; and
- to strengthen the financial ability of the grantee institution to serve the academic needs of low- and middle-income Black American students and Title IV eligible students.

Additional grant activities that are authorized under Section 318 include most of the activities authorized under the Title III-A Strengthening Institutions Program (SIP), academic instruction in disciplines in which Black Americans are underrepresented, establishment or enhancement of a teacher education program designed to qualify students to teach in a public elementary or secondary school, and establishment of community outreach programs designed to encourage elementary and secondary school students to develop the academic skills and the interest to pursue postsecondary education. PBIs are also allowed to use Title III-A formula PBI grants to fund construction and maintenance projects; however, not more than 50% of a grant may be used for such purposes.

Finally, PBIs are allowed to use up to 20% of Title III-A grant funds to establish or increase endowments.<sup>141</sup> If a PBI chooses to do so, it must provide nonfederal matching funds that are equal to or greater than the federal funds.

### ***Title III-F***

Authorized uses of Title III-F competitive PBI grants differ from their Title III-A formula PBI counterparts. Title III-F competitive PBI grants must be used for programs in science, technology, engineering, or mathematics (STEM); health education; internationalization or globalization; teacher preparation; or improving educational outcomes of African American males.<sup>142</sup>

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<sup>140</sup> HEA Title IV authorizes a variety of programs to help prepare students for a postsecondary education, including the Federal TRIO Programs, which authorizes grants to help prepare individuals from disadvantaged backgrounds for a postsecondary education. For information on the TRIO programs, see CRS Report R42724, *The TRIO Programs: A Primer*, by Cassandra Dortch. Title IV also authorizes the majority of federal student aid programs, including the Pell Grant program, the William D. Ford Federal Direct Loan Program, and the Perkins Loan program. For information on the Pell Grant program, see CRS Report R42446, *Federal Pell Grant Program of the Higher Education Act: How the Program Works and Recent Legislative Changes*, by Cassandra Dortch. For information on the William D. Ford Federal Direct Loan Program, see CRS Report R40122, *Federal Student Loans Made Under the Federal Family Education Loan Program and the William D. Ford Federal Direct Loan Program: Terms and Conditions for Borrowers*, by David P. Smole. For information on the Perkins Loan program, see CRS Report RL 31618, *Campus-Based Student Financial Aid Programs Under the Higher Education Act*, by Joselynn Fountain.

<sup>141</sup> The Consolidated Appropriations Act, 2017 (CAA 2017; P.L. 115-31) authorizes IHEs that maintain endowment funds supported with funds appropriated for HEA Title III and Title V programs for FY2017 to use the income from the endowment fund to award student scholarships. This provision, enacted through Division H, Title III of the CAA 2017 will remain in effect until Title III and Title V are reauthorized. Previous appropriations acts have authorized the same use of endowment income in recent years.

<sup>142</sup> HEA §371(b)(2)(C)(ii).

## Title III-A Allotments

Unlike most other Title III-A programs, Title III-A PBI grants are formula-based, such that each institution that applies and meets the eligibility and application requirements receives a grant. After an institution has been designated a Section 318(b) eligible institution, it must submit data relevant to the Title III-A PBI grant formula. The Secretary then reviews these data and allots funds accordingly among all such institutions. For amounts appropriated for these grants, the Secretary must allot to each eligible institution submitting formula data a sum

- that bears a ratio equal to 50% of the number of Federal Pell Grant recipients in attendance at the institution at the end of the preceding academic year to the total number of Federal Pell Grant recipients “at all such institutions”<sup>143</sup> at the end of the preceding year;
- that bears a ratio equal to 25% of the number of an institution’s graduates for the academic year to the number of graduates of all such institutions for the academic year; and
- that bears a ratio equal to 25% of the percentage of graduates from the institution who are admitted to and in attendance at, not later than two years after graduation with an associate’s or bachelor’s degree, a bachelor’s degree-granting institution or a graduate or professional degree program, respectively, in disciplines in which Black American students are underrepresented to the percentage of all graduates for all such institutions.<sup>144</sup>

Notwithstanding the above formula, grants to each eligible PBI must be at least \$250,000. If the amounts appropriated in any fiscal year are insufficient to make these minimum grants, then the minimum amount is ratably reduced.<sup>145</sup> If ED determines that an individual institution’s allotment for any fiscal year is not needed by that institution, ED may redistribute the unneeded funds to other PBIs as ED determines appropriate.<sup>146</sup>

## Program Administration

Like other Title III-A programs, there is a two-step award process for the Title III-A formula PBI program. First, an institution wishing to receive assistance must be designated by ED as an eligible institution that meets the Section 318(b)(1) eligibility criteria.<sup>147</sup> If an institution is designated as an eligible institution,<sup>148</sup> during the second step of the award process, the institution must demonstrate that it meets the additional criteria of the statutory definition of a PBI and submit a proposed project plan to ED. The project plan must contribute to the purposes of the program, not include unallowable activities, and meet any statutory provisions and regulations. If

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<sup>143</sup> For purposes of the Strengthening PBI formula-based grants under Title III-A, “all such institutions” means all Strengthening PBIs formula-based grant applicants whose application has been accepted by the Secretary.

<sup>144</sup> HEA §318(e).

<sup>145</sup> If additional sums become available later in a fiscal year, reduced allotments must be increased on the same basis as when the allotment was reduced, until the \$250,000 minimum grant amount is met.

<sup>146</sup> HEA §318(e)(5).

<sup>147</sup> ED allows institutions to demonstrate meeting the Section 312(b) and/or the Section 318(b) basis eligibility requirements in a single application package.

<sup>148</sup> In awarding grants under the Title III-A formula PBI program, the Secretary is required to give priority to PBIs with larger numbers or percentages of needy undergraduate students or Black American students. PBIs with large numbers or percentages of needy undergraduate students are given twice the level of priority as PBIs with large numbers or percentages of Black American students. HEA §318(c)(2).

approved by the Secretary, the Secretary then makes an allotment to the institution based on the above-described formula.<sup>149</sup> Unlike other Title III-A program participants, PBIs receiving grants under this section are subject to a two-year wait-out period.<sup>150</sup> A grantee must return any grant funds not expended within 10 years of an award.<sup>151</sup>

Grants awarded to PBIs under Title III-F are competitive. Of the amounts made available each year, 25 competitive grants in the amount of \$600,000 each are awarded.<sup>152</sup> Applicants for the Title III-F competitive PBI grant must also go through the two-step award process described above, which includes being designated as an eligible PBI per Section 318(b)(1). Applicants must then submit a project plan to ED and prove that it meets the additional criteria of the statutory definition of PBI. However, because Title III-F PBI grants are competitive, project plans are selected based on the score of a review panel, and the project plans with the highest score are selected for funding.<sup>153</sup>

Institutions receiving Title III-A formula PBI grants may not receive grants under other Title III-A programs, Title III-B (Strengthening HBCU and HBGI programs), Title V-A (HSI program) or the Howard University program during the same fiscal year;<sup>154</sup> however, in general, they may receive a grant under any of the Title III-F programs in the same fiscal year. Generally, institutions receiving a Title III-F PBI grant may simultaneously receive a grant under another Title III-F program.

Unlike other Title III-F programs, institutions receiving a Title III-F competitive PBI grant are specifically prohibited from also receiving a Title III-B or Title V-A grant in the same fiscal year.<sup>155</sup>

## Masters Degree Programs at Predominantly Black Institutions

In 2008, the Higher Education Opportunity Act (HEOA; P.L. 110-315) established Masters Degree Programs at Predominantly Black Institutions (Masters Degrees at PBIs) under Title VII, Part A, Subpart 4 (Section 724).<sup>156</sup> The program's purpose is to improve graduate education opportunities at the master's level in mathematics, engineering, physical or natural sciences, computer science, information technology, nursing, allied health, or other scientific disciplines for Black Americans.<sup>157</sup> The program is provided authorization for discretionary appropriations under

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<sup>149</sup> Department of Education, Black Institutions Program—Formula Grants: Applicant Information,” <http://www2.ed.gov/programs/pbihea/applicant.html>, accessed July 14, 2017.

<sup>150</sup> The authorizing language for all other MSI-specific Title III-A programs specifically waives the section 313(d) two-year wait-out period. The authorizing language for Strengthening PBIs does not waive this wait-out period.

<sup>151</sup> HEA §318(h).

<sup>152</sup> HEA §371(b)(2)(C)(ii).

<sup>153</sup> Department of Education, Office of Postsecondary Education, *Application for Grants Under the Predominantly Black Institutions Program: Fiscal Year 2015*, OMB No. 1840-0797, <http://www.reginfo.gov/public/do/DownloadDocument?objectID=54275101>.

<sup>154</sup> HEA §§318(b)(1)(F)(iii), 318(i), & 371(c)(9)(F)(iii). Howard University receives annual appropriations to provide for partial support of construction, development, and maintenance. For additional information on the program, see Department of Education, Office of Postsecondary Education, “Howard University,” <http://www2.ed.gov/programs/howard/index.html>, accessed January 20, 2016.

<sup>155</sup> HEA §371(c)(9).

<sup>156</sup> See the section of this report titled “Master’s Degree Programs at Historically Black Colleges and Universities” for a brief background of both Masters Degrees at PBIs and Masters Degrees at HBCUs.

<sup>157</sup> HEA §723(a).

Title VII-A-4 but has never received funds under this authority. Authorization for mandatory appropriations, and mandatory appropriations, were provided for the program under Title VIII for FY2009-FY2014. Authorization for mandatory appropriations lapsed at the end of FY2014.

In general, the Masters Degrees at PBIs program operates in the same way as the Masters Degrees at HBCUs program. This section will discuss elements of the Masters Degrees at PBIs program and will highlight which provisions of the program differ from the Masters Degrees at HBCUs program, for all other provisions, see the section of this report titled “Masters Degree Programs at Historically Black Colleges and Universities.”

## **Eligibility**

Masters Degrees at PBIs program grants, like Masters Degree at HBCUs program grants, are available to those institutions that have been determined “to be making a substantial contribution to graduate education opportunities at the master’s level in mathematics, engineering, the physical or natural sciences, computer science, information technology, nursing, allied health, or other scientific disciplines for Black Americans.”<sup>158</sup> All eligible institutions for this program are specifically listed in the HEA. Currently, five institutions are eligible for the Masters Degrees at PBIs program; they are

- Chicago State University;
- Washington Adventist University;<sup>159</sup>
- Long Island University, Brooklyn campus;
- Robert Morris University, Illinois;<sup>160</sup> and
- York College, The City University of New York.<sup>161</sup>

Also like the Masters Degrees at HBCUs program, grants awarded under this program must be used to support a graduate school or a qualified master’s degree program.

## **Authorized Uses**

The authorized uses of grants awarded under the Masters Degrees at PBIs program are the same as the authorized uses of grants awarded under the Masters Degrees at HBCUs program.<sup>162</sup>

## **Allotments**

Masters Degrees at PBIs grants are formula-based and awarded in a manner similar to grants awarded under the Masters Degrees at HBCUs program. Subject to appropriations, no grant awarded under the Masters Degrees at PBIs program shall be less than \$500,000. If an institution receives a grant that is greater than \$1 million, however, it must provide assurances that 50% of the cost of a grant project will be paid with nonfederal funds.<sup>163</sup>

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<sup>158</sup> HEA §724(a).

<sup>159</sup> Formerly Columbia Union College.

<sup>160</sup> Formerly Robert Morris College.

<sup>161</sup> HEA §724(b)(1).

<sup>162</sup> HEA §724(d).

<sup>163</sup> HEA §724(a)(2) & (3). If an institution is unable to meet this matching requirement, the Secretary must distribute, on a pro rata basis, any amounts that the institution cannot use due to its failure to meet the matching requirements to those institutions that do comply with the matching requirements.

The first \$2.5 million (or lesser amount) appropriated is available only to the five institutions currently listed in Section 724 for the purposes of making the \$500,000 minimum grants. If the amount appropriated is insufficient to pay the minimum grant amount to each institution, then each institution's award is ratably reduced. If other institutions are subsequently added to the list of eligible institutions, they are entitled to the minimum grant amount, unless such funds are not appropriated. In that case, the five institutions currently listed receive funding priority and subsequently added institutions' awards are ratably reduced.<sup>164</sup>

Any appropriations greater than \$2.5 million are available to each of the currently listed five institutions based on a formula, determined by ED, that uses the same elements as the formula for the Masters Degrees at HBCUs program. Masters Degrees at PBIs also has the same hold harmless rule as Masters Degrees at HBCUs: notwithstanding the above method to allocate funds, no eligible institution that received a grant under the program for FY2009 and that is eligible to receive a grant in a subsequent year shall receive a grant that is less than the amount received in FY2009. However, this hold harmless rule does not apply if the amount appropriated for a fiscal year is insufficient to provide such grants to all such institutions or if an institution is unable to provide sufficient matching funds.<sup>165</sup>

### Program Administration

Administration of the Masters Degrees at PBIs program also mirrors the administration of the Masters Degrees at HBCUs program. The award application process, grant duration, and limit of one grant per institution per fiscal year are the same. Additionally, an institution that is eligible for and receives an award under the HBGI, PPOHA, or Masters Degree Programs at HBCUs programs in a fiscal year is ineligible to receive grants under the Masters Degrees at PBIs program in the same fiscal year. An institution receiving a Masters Degree Programs at PBIs grant may not concurrently receive a Title III-A grant, a Title III-B (Strengthening HBCUs program) grant, or a Title V-A (HSI program) grant, but may generally receive a Title III-F grant.

## Hispanic-Serving Institutions Programs

Under the Higher Education Amendments of 1992 (P.L. 102-325), Congress created the Developing Hispanic-Serving Institutions (HSIs) Program under HEA Title III-A. Under the Higher Education Amendments of 1998 (P.L. 105-244), the Developing HSI program was moved to its own title, HEA Title V.<sup>166</sup> In moving the HSI program to Title V, Congress stated, “[I]n recognition of the importance of finding new ways of serving our Nation’s rapidly growing Hispanic community, [Congress] has created a new part within Title V dedicated solely to supporting the needs of Hispanic-Serving Institutions.” The purpose of the program was and is to expand educational opportunities for and improve the academic attainment of Hispanic students and to enhance the institutional stability of institutions that are educating the majority of Hispanic college students.

Currently, Title V is divided into two parts. Part A contains the HSI program, which provides grants to HSIs to support and expand educational opportunities for Hispanic students and is similar to the various HEA Title III-A and III-B MSI programs. Part B contains the Promoting

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<sup>164</sup> HEA §724(f).

<sup>165</sup> HEA §724(g).

<sup>166</sup> U.S. Congress, Senate Committee on Labor and Human Resources, *Higher education Act Amendments of 1998*, report to accompany S. 1882, 105<sup>th</sup> Cong., 2<sup>nd</sup> sess., May 4, 1998, S.Rept. 105-181 (Washington: GPO, 1998), p. 79.



Postbaccalaureate Opportunities for Hispanic Americans program, which assists in expanding postbaccalaureate education opportunities for Hispanic students.

Title III-F contains the HSI Science, Technology, Engineering, and Mathematics and Articulation Program (HSI STEM), which assists in increasing the number of Hispanic and low-income students attaining degrees in STEM fields and in the development of transfer and articulation agreements between two-year and four-year institutions in STEM fields. Although HSI STEM is not part of Title V, grants made under HSI STEM are generally subject to the same requirements as grants made under the Title V-A HSI program; therefore, Title V-A and Title III-F HSI STEM will be addressed in the same section of this report. This section of the report will discuss each of the three HSI programs; for each program, this report will discuss eligibility criteria, authorized uses, and program administration.

## **Title V-A: Hispanic Serving Institutions**

Section 501 of the HEA establishes the Hispanic Serving Institutions (HSI) program. The purpose of the program is to expand educational opportunities for Hispanic students and to enhance academic offerings and institutional stability at HSIs.<sup>167</sup> The HSI program is funded through annual discretionary appropriations.

### **Eligibility**

To qualify for an HSI program grant, institutions of higher education must meet the HEA Section 312(b) criteria.<sup>168</sup> Additionally, an institution must have an enrollment of undergraduate full-time equivalent (FTE) students that is at least 25% Hispanic students at the end of the award year immediately preceding the date of application for a grant.<sup>169</sup> A Hispanic student is one of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin.<sup>170</sup>

Branch campuses of institutions of higher education are eligible for the HSI program if the institution as a whole meets the eligibility requirements, even if the branch campus does not meet the state authorization or accreditation requirements. Branch campuses must, however, individually meet the needy student enrollment and low E&G requirements.<sup>171</sup>

### **Authorized Uses**

HSI program grants are intended to assist institutions in planning, developing, undertaking, and carrying out programs to improve institutions' ability to serve Hispanic and low-income students.

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<sup>167</sup> HEA §501(b).

<sup>168</sup> Although HEA §502(2) does not specifically reference HEA §312(b), the eligibility criteria are the same. However, Section 502 does not specifically include the College of the Marshall Islands, the College of Micronesia/Federated States of Micronesia, and Palau Community College, which are included in §312(b). Waiver requirements for low E&G expenditures and needy student enrollment are substantially similar as those of the Title III-A programs; however, the Secretary cannot waive the needy student requirement for HSIs located on or near an Indian reservation or a substantial population of Indians. The Secretary can grant waivers if it is determined that doing so would substantially increase the higher education opportunities appropriate to the needs of Hispanic Americans. Finally, waiver requirements for the low E&G criterion are the same as for Title III-A programs. HEA §522(b).

<sup>169</sup> HEA §502(a)(5). Eligible institutions may apply as an individual institution or as part of a cooperative arrangement with institutions that may or may not be eligible for the HSI program. HEA §524(a).

<sup>170</sup> 34 C.F.R. §606.7(b).

<sup>171</sup> HEA §502(a)(2).

Authorized uses of HSI program grants largely mirror the authorized uses of Title III-A SIP grants. However, HSI program grants are authorized for several additional activities, including

- articulation agreements and student support programs designed to facilitate the transfer of students from two-year to four-year institutions;
- establishing or enhancing teacher education programs designed to qualify students to teach in public elementary and secondary schools;
- establishing community outreach programs that encourage elementary and secondary school students to develop academic skills and the interest to pursue postsecondary education; and
- expanding the number of Hispanic and other underrepresented graduate and professional students that can be served by an institution through expanding institutional resources and courses offered.<sup>172</sup>

Like the Title III-A programs, HSIs are permitted to use up to 20% of grant funds to establish or improve an endowment, but they must provide nonfederal matching funds equal to or greater than the amount of federal funds used.<sup>173</sup>

### **Program Administration**

As with many of the Title III-A programs, there is a two-step award process for institutions to receive HSI program grants. First, an institution applies for designation as a Section 312(b)/Section 502 eligible institution. If approved by the Secretary, the institution may then apply for an HSI program grant. Grants under this program are awarded through a competitive process. Applications are selected based on the score of a review panel, and the applications with the highest score are selected for funding.

HSI program grants are five years in length. HSIs that receive grants under this program are not subject to a wait-out period. Unlike many of the other MSI programs, institutions may simultaneously receive multiple HSI program grants. Additionally, institutions that receive grants under this program are prohibited from receiving grants under any Title III-A or Title III-B program for the duration of its HSI program grant;<sup>174</sup> however, in general, they may receive a grant under any of the Title III-F programs in the same fiscal year. Generally, institutions receiving an HSI STEM Title III-F grant may simultaneously receive a grant under another Title III-F program.

### **Title III-F: HSI STEM and Articulation Programs**

HEA Title III-F authorizes the HSI Science, Technology, Engineering, and Mathematics and Articulation Program (HSI STEM). This is a competitive grant program funded with annual mandatory appropriations through FY2019.<sup>175</sup>

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<sup>172</sup> HEA §503(b).

<sup>173</sup> The Consolidated Appropriations Act, 2017 (CAA 2017; P.L. 115-31) authorizes IHEs that maintain endowment funds supported with funds appropriated for HEA Title III and Title V programs for FY2017 to use the income from the endowment fund to award student scholarships. This provision, enacted through Division H, Title III of the CAA 2017 will remain in effect until Title III and Title V are reauthorized. Previous appropriations acts have authorized the same use of endowment income in recent years.

<sup>174</sup> HEA §505.

<sup>175</sup> HEA §371(b)(2)(B).

HSIs eligible under the Title V-A HSI program are also eligible for HSI STEM grants. Although grants can be used for any authorized purpose listed under Title V-A, priority is given to applicants that propose to (1) increase the number of Hispanic and low-income students attaining degrees in STEM fields and (2) develop model transfer and articulation agreements between two-year HSIs and four-year institutions in STEM fields. The administration of the HSI STEM program generally mirrors that of the Title V-A HSI program.

## **Title V-B: Promoting Postbaccalaureate Opportunities for Hispanic Americans**

HEA Section 511 establishes the Promoting Postbaccalaureate Opportunities for Hispanic Americans (PPOHA) program, which was first authorized in 2008 under the Higher Education Opportunity Act (HEOA; P.L. 110-315). The purpose of the program is to enable HSIs to expand postbaccalaureate educational opportunities for Hispanic students.<sup>176</sup>

Since FY2009, PPOHA program grants have been funded through discretionary appropriations under Title V-B. In FY2009, Congress provided \$10 million for PPOHA within the Fund for the Improvement of Postsecondary Education (FIPSE) appropriation account. Mandatory appropriations were provided annually for FY2009 through FY2014 under Title VIII-AA, Section 898. Authorization for mandatory appropriations lapsed at the end of FY2014.

### **Eligibility**

To qualify for a PPOHA grant, an institution of higher education must meet the same criteria as for the HSI program, and it must offer a postbaccalaureate certificate or degree-granting program.<sup>177</sup>

### **Authorized Uses**

The PPOHA program is intended to expand postbaccalaureate opportunities and academic offerings for, and improve the academic attainment of, Hispanic and low-income students. Authorized uses of PPOHA grants include one or more of the following activities:

- the purchase, rental, or lease of scientific or laboratory equipment for educational purposes;
- the construction, maintenance, renovation, or improvement of classrooms, libraries, laboratories, and other instructional facilities, including the purchase and rental of telecommunications equipment or services;
- the purchase of library books, periodicals, technical and scientific journals, and other educational materials;
- support for faculty exchanges, development, and research;
- curriculum development and academic instruction;
- the creation or improvement of facilities for distance education;
- collaboration with other IHEs to expand postbaccalaureate educational offerings;

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<sup>176</sup> HEA §511.

<sup>177</sup> HEA §513. Eligible institutions may apply as an individual institution or as part of a cooperative arrangement with institutions that may or may not be eligible for the PPOHA program.

- and other activities that serve the purposes of the program and that are approved by the Secretary.<sup>178</sup>

Additionally, a PPOHA grant can be used to provide direct financial assistance to Hispanic and low-income postbaccalaureate students. Types of assistance offered can include scholarships, assistantships, fellowships, travel expenses for graduate students at professional conferences, funds for students to conduct research, and other forms of financial assistance. Institutions may use up to 20% of their PPOHA grant for direct student financial assistance.<sup>179</sup>

## Program Administration

Like the HSI program, there is a two-step award process for institutions to receive PPOHA grants. First, an institution applies for designation as an eligible institution. If approved by the Secretary, the institution may then apply for PPOHA program assistance. Grants under the program are awarded through a competitive process. Applications are selected based on the score of a review panel, and the applications with the highest score are selected for funding.

Grant awards provided under this program may not exceed five years in length. Institutions are prohibited from receiving more than one grant under this program in a fiscal year,<sup>180</sup> and an institution receiving a PPOHA grant in a fiscal year cannot also receive an HBGI, Masters Degrees at HBCUs, or Masters Degrees at PBIs program grant in the same fiscal year. An institution receiving a PPOHA grant may not concurrently receive a Title III-A or III-B grant but may concurrently receive a Title V-A Strengthening HSIs grant. In addition, an institution receiving a PPOHA grant generally may receive a Title III-F grant.

## Additional Programs

Additional programs are available specifically to MSIs under the HEA.<sup>181</sup> These programs are not targeted to a specific type of MSI but, rather, are available to most IHEs with a high concentration of minority students. Two such programs are the Endowment Challenge Grant and the Minority Science and Engineering Improvement Program.<sup>182</sup>

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<sup>178</sup> HEA §513.

<sup>179</sup> Department of Education, Office of Postsecondary Education, “Promoting Postbaccalaureate Opportunities for Hispanic Americans Program, Frequently Asked Questions,” <http://www2.ed.gov/programs/ppoha/faq.html>, accessed July 14, 2017.

<sup>180</sup> HEA §514.

<sup>181</sup> HEA Title III-E authorizes two additional programs: the Yes Partnerships Grant Program and Promotion of Entry into STEM Fields. The Yes Partnerships Grant Program authorizes the Secretary to make grants to support the engagement of underrepresented minority youth in STEM outreach. Promotion of Entry into STEM Fields authorizes the Secretary to contract with a firm to implement an advertising campaign to encourage youths to enter STEM fields. Neither program has been implemented; therefore, they are not discussed in detail in this report.

<sup>182</sup> HEA Title VI-C authorizes the Institute for International Public Policy (IIPP), which is a program that provides a single grant to assist a consortium of colleges and universities to establish an institute designated to increase the representation of minorities in international services. This report does not attempt to describe all HEA programs for which an MSI may be eligible; rather, it aims to describe those programs that are directed specifically toward one or more types of MSIs. Thus, because IHEs that are not MSIs may receive IIPP grants, this report does not detail the IIPP. For more information on IIPP, see U.S. Department of Education, Office of Postsecondary Education, “Institute for International Public Policy,” <http://www2.ed.gov/programs/iegpsiipp/index.html>, accessed July 14, 2017.

## Endowment Challenge Grants

The Endowment Challenge Grant program under HEA Title III-C provides matching grants to eligible institutions to either establish or increase endowments and to increase self-sufficiency at such institutions. Eligible institutions are those that are eligible under HEA Title III-A and Title III-B and institutions of higher education that make substantial contributions to postgraduate medical educational opportunities for minority and economically disadvantaged students. Grants under this program may not exceed \$1 million, and recipients must provide nonfederal matching funds equal to the amount of federal funds provided.<sup>183</sup> This program has not been funded since FY1995.

## Minority Science and Engineering Improvement Program

The Minority Science and Engineering Improvement Program (MSEIP) was first authorized in the National Science Foundation Act of 1950 (P.L. 81-507),<sup>184</sup> and its administration was transferred to the Department of Education under HEA Title III-E by the Department of Education Organization Act of 1979 (P.L. 96-88). In creating the program, Congress had found that minority-serving institutions provide important educational opportunities for minority students, particularly in science and engineering fields, but that such institutions often face significant limitations in resources and, therefore, lag behind in program offerings and student enrollment. To counter this, MSEIP was established to provide grant-based assistance to predominantly minority institutions to effect long-term improvements in science and engineering education. Additionally, MSEIP is intended to increase the number of underrepresented ethnic minorities, particularly minority women, in science and engineering careers.<sup>185</sup>

This section of the report first discusses general MSEIP eligibility criteria and then details the four types of MSEIP grants. Included in the discussion of each grant type are specific eligibility criteria, and authorized uses. Finally, this section of the report then discusses how MSEIP as a whole is administered.

### Eligibility

MSEIP grants, generally, are available to a variety of entities, not just institutions of higher education. However, MSEIP is divided into four categories of grants, each of which is used to address specific issues in science and engineering educational opportunities for minority students. Only certain entities that are eligible for MSEIP grants generally are eligible for each specific type of MSEIP grant, as determined by ED, through regulations.

In general, Section 361 lists the following entities as eligible for MSEIP grants:

- **Public and private nonprofit minority-serving institutions of higher education** that either (1) award bachelor's degrees or (2) award associate's degrees and have a curriculum that includes science or engineering subjects and that enter into partnerships with public or private nonprofit IHEs that award bachelor's degrees in science and engineering.
- **Nonprofit science-oriented organizations, professional scientific societies, and bachelor's degree awarding IHEs**, all of which must provide a needed

<sup>183</sup> HEA §331.

<sup>184</sup> While under the authority of the National Science Foundation, MSEIP was operated as the Minority Institutions Science Improvement Program.

<sup>185</sup> HEA §§350 & 351.

service to a group of minority-serving institutions or provide in-service training for project directors, scientists, and engineers from minority-serving institutions.

- **Consortia of organizations** that provide needed services to one or more minority-serving institution. Consortia membership may include (1) public and private nonprofit IHEs that have a science or engineering curriculum; (2) IHEs that have a graduate or professional program in science or engineering; (3) research laboratories of or under contract with the Department of Energy, the Department of Defense, or the National Institutes of Health; (4) relevant offices of the National Aeronautics and Space Administration, National Oceanic and Atmospheric Administration, National Science Foundation, and National Institute of Standards and Technology; (5) quasi-governmental entities that have a significant scientific or engineering mission; or (6) IHEs with state-sponsored centers of research in science, technology, engineering, and mathematics fields.<sup>186</sup>

For purposes of MSEIP grants, HEA Section 365 defines a minority-serving institution as an IHE with an enrollment of a single minority, or a combination of minorities, that exceeds 50% of the total enrollment. The definition of minority includes American Indian, Alaskan Native, Black (not of Hispanic origin), Hispanic (including persons of Mexican, Puerto Rican, Cuban, and Central or South American origin), Pacific Islander, or another ethnic group that is underrepresented in science and engineering.<sup>187</sup>

Although each of the above types of entities is eligible for MSEIP grants generally, ED has set regulations that direct which entities are eligible for specific types of MSEIP grants.

## Grant Types

MSEIP is broken into four different grant types, each of which is intended to serve specific objectives. The four grant types are institutional grants, cooperative grants, design project grants, and special project grants.

### *Institutional Grants*

Institutional grants are awarded for projects that support the implementation of a comprehensive science improvement plan. Such plans may include any combination of activities for improving the preparation of minority students for careers in sciences.<sup>188</sup> Specifically authorized uses for institutional grants include, but are not limited to, faculty development programs and the development of curriculum materials.<sup>189</sup>

ED has determined that eligibility for institutional grants is limited to public and private nonprofit minority-serving institutions of higher education and consortia of such institutions.<sup>190</sup>

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<sup>186</sup> HEA §361.

<sup>187</sup> HEA §354(2) & (3). “Underrepresented in science and engineering” is defined as a minority group “whose number of scientists and engineers per 10,000 population of that group is substantially below the comparable figure for scientists and engineers who are white and not of Hispanic origin.” HEA §365(5).

<sup>188</sup> HEA §365(6).

<sup>189</sup> HEA §353(b)(1).

<sup>190</sup> Department of Education, “Applications for New Awards; Minority Science and Engineering Improvement Program,” 81 *Federal Register* 72791, October 21, 2017.

### ***Cooperative Grants***

Cooperative grants are awarded for projects that assist groups of public and private nonprofit accredited IHEs to work together to conduct a science improvement project.<sup>191</sup> Specifically authorized uses for cooperative grants include, but are not limited to

- assisting institutions in sharing facilities and personnel;
- disseminating information about established programs in science and engineering;
- supporting cooperative efforts to strengthen the institution’s science and engineering programs; and
- carrying out a combination of the above listed activities.<sup>192</sup>

ED regulations limit cooperative grant eligibility to groups of nonprofit accredited colleges and universities. The primary fiscal agent of each group must be an eligible minority-serving institution, as defined in Section 365.<sup>193</sup>

### ***Design Project Grants***

Design project grants are awarded for projects that “assist minority institutions that do not have their own appropriate resources or personnel to plan and develop long-range science improvement programs.”<sup>194</sup> Specifically authorized uses for design project grants include, but are not limited to, developing planning, management, and evaluation systems or developing plans for initiating scientific research and for improving an institution’s capacity for scientific research. Funds for design project grants may be used to pay the salaries of faculty involved in a project; however, not more than 50% of the funds can be used during any academic year for such purposes.<sup>195</sup>

ED regulations do not limit eligibility for design project grants beyond statute; therefore, unless otherwise determined by ED, design project grants are available to all MSEIP-eligible entities listed under HEA Section 361.

### ***Special Project Grants***

There are two types of special project grants. The first is available only to minority-serving institutions. Grants must support activities that either improve the quality of training in science and engineering or enhance research capabilities at minority-serving institutions.

The second type of special project grant is available to any MSEIP-eligible entity. These grants must either provide a needed service to a group of minority-serving institutions or provide training for project directors, scientists, and engineers from minority-serving institutions.<sup>196</sup>

Authorized uses for either type of special project grant include, but are not limited to

- advanced science seminars;

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<sup>191</sup> HEA §365(7).

<sup>192</sup> HEA §353(b)(2).

<sup>193</sup> Not all members of the group must be eligible minority institutions. 34 C.F.R. §637.15(c).

<sup>194</sup> HEA §365(8).

<sup>195</sup> HEA §353(b)(3).

<sup>196</sup> HEA §365(9).

- science faculty workshops and conferences;
- faculty training to develop science research or education skills;
- science education research;
- programs for visiting scientists;
- preparation of films or audio-visual materials in science;
- development of learning experiences in science beyond those normally available to minority institutions;
- development of pre-college enrichment activities in sciences; or
- other activities that address barriers to the entry of minorities into science.<sup>197</sup>

### **Program Administration**

Like many of the HEA Title III-A and III-B grant programs, all types of MSEIP grants are competitively awarded. MSEIP funding is provided through annual discretionary appropriations.

Unlike many other HEA Title III grant programs, the MSEIP award process consists of a single step. To apply, applicants must submit a proposed project plan for the relevant MSEIP grant.<sup>198</sup> Applications are selected based on the score of a review panel, and the applications with the highest score are selected for funding.

In awarding grants, ED is required to give priority to applicants who have not previously received funding under MSEIP and to previous grantees with a proven record of success. ED can also give priority to applicants that contribute to achieving balance across geographic regions, academic disciplines, and project types among all projects that are funded.<sup>199</sup>

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<sup>197</sup> HEA §353(b)(4).

<sup>198</sup> Although MSEIP has a one-step application process, IHEs applying for funds must provide documentation of minority enrollment as part of their application package.

<sup>199</sup> HEA §352(b).



## Appendix A. List of Acronyms

The following is a list of acronyms that have been used throughout this report.

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<b>AANAPISI</b>	Asian American and Native American Pacific Islander-Serving Institution
<b>ANNH</b>	Alaska Native and Native Hawaiian-Serving Institution
<b>HBCU</b>	Historically Black Colleges and Universities
<b>HBGI</b>	Historically Black Graduate Institution
<b>HSI</b>	Hispanic-Serving Institution
<b>MSEIP</b>	Minority Science and Engineering Improvement Program
<b>NASNTI</b>	Native American-Serving, Nontribal Institution
<b>PBI</b>	Predominantly Black Institution
<b>PPOHA</b>	Promoting Postbaccalaureate Opportunities for Hispanic Americans
<b>SIP</b>	Strengthening Institutions Program
<b>STEM</b>	Science, Technology, Engineering, and Mathematics
<b>TCCU</b>	American Indian Tribally Controlled Colleges and Universities

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## Appendix B. Appropriations for Selected HEA-Authorized MSI Programs

Table B-1 of this appendix lists the authorizations and discretionary and mandatory appropriations for selected HEA-authorized MSI programs, from FY2013 to FY2017.

**Table B-1. Discretionary and Mandatory Appropriations for Selected HEA-Authorized MSI Programs, FY2013 to FY2017**

(dollars in thousands)

Program	Auth. Section	Disc./Mand. a (D/M)	Fiscal Year				
			2013	2014	2015	2016	2017
SIP	§399	D <sup>b</sup>	76,406	79,139	80,462	86,534	86,534
	—	M	—	—	—	—	—
Strengthening TCCUs	§399	D <sup>b</sup>	24,368	25,239	25,662	27,599	27,599
	§371	M <sup>c</sup>	28,470	27,840	27,810	27,960	27,930
Strengthening ANNHs	§399	D <sup>b</sup>	12,186	12,622	12,833	13,802	13,802
	§371	M <sup>c</sup>	14,235	13,920	13,905	13,980	13,965
Strengthening PBlS	§399	D <sup>b</sup>	8,778	9,092	9,244	9,942	9,942
	§371	M <sup>c</sup>	14,235	13,920	13,905	13,980	13,965
Strengthening NASNTIs	§399	D <sup>b</sup>	2,956	3,062	3,113	3,348	3,348
	§371	M <sup>c</sup>	4,745	4,640	4,635	4,660	4,655
Strengthening AANAPISIs	§399	D <sup>b</sup>	2,956	3,062	3,113	3,348	3,348
	§371	M <sup>c</sup>	4,745	4,640	4,635	4,660	4,655
Strengthening HBCUs	§399	D <sup>b</sup>	216,056	223,783	227,524	244,694	244,694
	§371	M	80,665	78,880	78,795	79,220	79,135
Strengthening HBGI	§399	D <sup>b</sup>	55,874	57,872	58,840	63,281	63,281
	—	M	—	—	—	—	—
MSEIP	§399	D <sup>b</sup>	8,971	8,971	8,971	9,648	9,648
	—	M	—	—	—	—	—
Developing HSIs	§528	D <sup>b</sup>	95,179	98,583	100,231	107,795	107,795
	—	M	—	—	—	—	—
HSI STEM and Articulation	—	D	—	—	—	—	—
	§371	M <sup>c</sup>	94,900	92,800	92,700	93,200	93,100
PPOHAs	§528	D <sup>b</sup>	8,540	8,845	8,992	9,671	9,671
	§898	M	10,914	10,672	0 <sup>d</sup>	0	0

Program	Auth. Section	Disc./Mand. a (D/M)	Fiscal Year				
			2013	2014	2015	2016	2017
Masters Degrees at HBCUs <sup>e</sup>	§725	D <sup>b</sup>	0	0	0	0	7,500
	§897	M	10,914	10,672	0 <sup>d</sup>	0	0
Masters Degrees at PBIs <sup>e</sup>	§725	D <sup>b</sup>	[combined with §725 above]	[combined with §725 above]	[combined with §725 above]	[combined with §725 above]	0
	§897	M	[combined with §897 above]	[combined with §897 above]	[combined with §897 above]	[combined with §897 above]	[combined with §897 above]

**Source:** Compiled by CRS from U.S. Department of Education, Budget Tables for various years, <http://www2.ed.gov/about/overview/budget/tables.html?src=ct>.

- a. “D” indicates discretionary funding; “M” indicates mandatory funding. All amounts presented reflect the final amount appropriated, including any spending reduction authorized by the Budget Control Act of 2011 (BCA; P.L. 112-25), commonly referred to as “sequestration.”
- b. Authorization for appropriations expired at the end of FY2014. Section 422 of the General Education Provisions Act extended authorization of appropriations through FY2015.
- c. Authorized through FY2019.
- d. Authorization of mandatory appropriations for these programs, and an appropriation of mandatory funds, were provided through FY2014 (HEOA; P.L. 110-315). Mandatory funds have not been provided for these programs since the end of FY2014.
- e. Although Masters Degrees at HBCUs and Masters Degrees at PBIs are administered by ED as separate programs, prior to FY2017, they were grouped together within the Department of Education’s budget for budgetary purposes; and therefore, no separate appropriations for the individual programs are listed for FY2013-FY2016. However, for the first time in FY2017, Congress provided discretionary appropriations for the Masters Degrees at HBCUs program, but not the Masters Degrees at PBIs program.

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