



## HBCU Infrastructure Needs

### Introduction

Historically Black Colleges and Universities (“HBCUs”) have always been agents of equity, access, and excellence in education, predominantly, but not exclusively for students of color. While representing roughly 3 percent of all non-profit, four-year colleges and universities, HBCUs produce upwards of 17 percent of all bachelor’s degrees awarded to African Americans.<sup>1</sup> Additionally, HBCUs enroll a disproportionately high percentage of first generation and low-income students – nearly 60 percent – and outperform their peers in supporting and graduating these students.<sup>2</sup> In fact, HBCUs graduate approximately 27 percent of African Americans with bachelor’s degrees in STEM disciplines, as well as a significant portion of African Americans with doctorates in science and engineering.<sup>3</sup> Significantly, on an annual basis, HBCUs contribute nearly \$15 billion to their communities, produce 134,000 jobs, and create \$46.8 billion in alumni career earnings that can be directly attributed to their degrees.<sup>4</sup>

The incredible success of HBCUs has been achieved despite over a century of consistent underfunding by federal and state governments alike<sup>5,6</sup> and a dearth of support from corporate America and philanthropic organizations; a trend that has only recently started to change. Far too often, HBCUs are forced to navigate the effects of this underfunding while simultaneously lacking unfettered access to the alternate sources of capital that other institutions of higher education<sup>7</sup>

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1 Fact Sheet: Spurring African-American STEM Degree Completion, U.S. Department of Education(2016), at<https://www.ed.gov/news/press-releases/fact-sheet-spurring-african-american-stem-degree-completion>

2 Historically Black Colleges and Universities (HBCUs): What They Are, Who They Serve, and the Related Federal Grant Program, Postsecondary National Policy Institute (2019) at [https://pnpi.org/wp-content/uploads/2019/06/PNPI\\_HistoricallyBlackCollegesAndUniversities.pdf](https://pnpi.org/wp-content/uploads/2019/06/PNPI_HistoricallyBlackCollegesAndUniversities.pdf)

3 Fact Sheet: Spurring African-American STEM Degree Completion, U.S. Department of Education (2016). <https://www.ed.gov/news/press-releases/fact-sheet-spurring-african-american-stem-degree-completion>

4 Humphreys, Jeffrey. 2017. HBCUs Make America Strong: The Positive Economic Impact of Historically Black Colleges and Universities. UNCF Frederick D. Patterson Research Institute report.

5 Tennessee owed millions by the state. Inside Higher ed. 2021. <https://www.insidehighered.com/quicktakes/2021/04/08/tennessee-state-owed-millions-state>

6 Federal judge approves \$577 million settlement for Maryland historically Black colleges. Baltimore Sun. (May, 12 2021). <https://www.baltimoresun.com/politics/bs-md-pol-hbcu-settlement-20210512-7ye3sn34rvgnddt5kk5zg5kjm-story.html>

7 Casey Dougal, Pengjie Gao, William J. Mayew, Christopher A. Parsons, What’s in a (school) name? Racial discrimination in higher education bond markets, Journal of Financial Economics, Volume 134, Issue 3 (2019) (study detailing the historic discrimination against HBCUs relative to non-HBCU in higher education bond financing for capital projects) at <https://www8.gsb.columbia.edu/faculty-research/sites/faculty-research/files/MAYEW%20DGM%2010222015%20NBER.pdf>

(“IHEs”) use to fund various institutional needs, including the acquisition and development of campus infrastructure.<sup>8</sup>

### Unique Infrastructure Needs

In June 2018, the Government Accountability Office (“GAO”) issued a report detailing the infrastructure needs of HBCUs based on a survey of all 101 accredited HBCUs, as well as additional research undertaken by GAO (“Report”).<sup>9</sup> Almost all of the HBCUs that responded to GAO’s survey reported that 46% of their building space needed to be repaired or replaced.<sup>10</sup> Furthermore, of the 35 public HBCUs that GAO surveyed - the institutions that TMCF principally supports - 22% of the same reported that nearly three-quarters of their building space needed repair or replacement.<sup>11</sup> The GAO identified three principal sources of capital project needs: (i) a backlog of deferred maintenance; (ii) efforts to modernize campus to be more competitive; and (iii) a continuing need to meet historical building requirements.<sup>12</sup>

### Deferred Maintenance

Deferred maintenance is a particularly problematic issue for HBCUs. Deferred maintenance is, in essence, the postponement of necessary maintenance and repairs of institutional infrastructure in the institution’s normal budget cycle due to a lack of requisite funding. Of the public HBCUs that GAO surveyed in the Report, they reported, on average, \$67 million in deferred maintenance backlogs.<sup>13</sup> Recently, TMCF surveyed these same institutions regarding their infrastructure needs and our survey found an average of \$81 million in deferred maintenance expenses, demonstrating that, on average, deferred maintenance expenses at public HBCUs has increased nearly 23% since GAO issued the Report merely 3 years ago.

### Campus Modernization

A historic lack of funding at the state and federal level has also made it more challenging for HBCUs to be able to compete in the higher education marketplace. Indeed, the Report specifically cited commentary from HBCU administrators who emphasized the need for modern facilities in order for their institutions to be competitive.<sup>14</sup> Whether academic buildings, residence halls or laboratories for research and development (“R&D”) work, the historic lack of resources available to HBCUs has resulted in our institutions having to teach and house their students in aged and inadequate facilities, and do so, in some instances, without the benefit of modern instructional technology, including access to necessary tools like broadband. TMCF’s survey of our institutions revealed an average need of \$120 million in new infrastructure on HBCU campuses. Furthermore, it is notable that of the \$42 billion

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8 Committee on Education and Labor, U.S. House of Representatives, Investing in Economic Mobility: The Important Role of HBCUs, TCUs, and MSIs in Closing Racial and Wealth Gaps in Higher Education, Committee Report (2019) at [https://edlabor.house.gov/imo/media/doc/Ed\\_and\\_Labor\\_HBCU\\_TCU\\_and\\_MSI\\_Report\\_FINAL.pdf](https://edlabor.house.gov/imo/media/doc/Ed_and_Labor_HBCU_TCU_and_MSI_Report_FINAL.pdf)

9 Historically Black Colleges and Universities, Action Needed to Improve Participation in Education’s HBCU Capital Financing Program, United States Government Accountability Office (June 2018). <https://www.gao.gov/assets/gao-18-455.pdf>

10 Id. at 11.

11 Id.

12 Id. at 13.

13 Id. at 14.

14 Id.

in R&D that the federal government spent at IHEs in FY 2018,<sup>15</sup> only \$400 million or less than 1% was spent at HBCUs,<sup>16</sup> which is surely attributable, at least in part, to the lack of requisite research infrastructure on HBCU campuses. In TCMF's survey, our institutions cited an average need of \$86 million in funding for R&D infrastructure alone.

### Historic Buildings

In addition, for the reasons noted above, many HBCUs still rely on historic buildings, some built in the 19th or early 20th centuries as office, meeting and instructional space. In fact, a majority of HBCUs reported that such historic buildings comprise more than 10% of their building space.<sup>17</sup> Furthermore, the maintenance needs of these facilities often have to take precedence over other facilities because of their historic significance.<sup>18</sup> Because HBCUs rely upon these historic buildings for regular institutional use, they do not have the luxury of repositioning their limited capital funding to other areas of need.

### IGNITE HBCU Excellence Act

In recognition of the historic challenges that HBCUs have faced in meeting their institutional infrastructure needs, in May, Rep. Alma Adams (D-NC), Rep. French Hill (R-AR), Sen. Chris Coons (D-DE) and Sen. Tim Scott (R-SC) introduced the Institutional Grants for New Infrastructure, Technology, and Education ("IGNITE") HBCU Excellence Act. As written, IGNITE recognizes both the material contributions that HBCUs make and the significant needs that HBCUs have in the most important way possible - by providing HBCUs with the requisite support and investment in campus infrastructure necessary to deepen their transformational work and aid institutional sustainability and competitiveness. In pertinent part, IGNITE provides support for HBCUs to:

- Encourage additional public and private investments in their institutions;
- Renovate, repair, modernize, or construct new campus facilities, including instructional, research, and residential spaces;
- Preserve buildings with historic significance;
- Ensure the resilience, safety, and sustainability of campus facilities;
- Provide access to campus-wide, reliable high-speed broadband to support digital learning and long-term technological capacity;
- Improving campus facilities to support community-based partnerships that provide students and community members with academic, health, and social services; and
- Procure equipment and technology to facilitate high-quality research and instruction.

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<sup>15</sup> Higher Education R&D Funding from All Sources Increased for the Third Straight Year in 2018, National Science Foundation (November 13, 2019) (Table 1) at <https://www.nsf.gov/statistics/2020/nst20302/>

<sup>16</sup> Higher education R&D expenditures at historically black colleges and universities, ranked by all R&D expenditures, by source of funds: FY 2018, National Science Foundation (Table 31) at <https://ncesdata.nsf.gov/herd/2018/html/herd18-dt-tab031.html>

<sup>17</sup> Historically Black Colleges and Universities, Action Needed to Improve Participation in Education's HBCU Capital Financing Program, United States Government Accountability Office (June 2018) at 16.

<sup>18</sup> *Id.*

## Conclusion

The Report and the other sources cited in this Fact Sheet illustrate not only the material infrastructure needs that all HBCUs have, but also the importance of incorporating the components of IGNITE into the Budget Reconciliation legislation that is currently being drafted by Congress. Ultimately, IGNITE is fundamental to ensuring that HBCUs get the requisite funding they need to address decades of deferred maintenance expenses, acquire and develop vital new infrastructure and are positioned for sustainability and growth in the remainder of this century.