

**HIGHER EDUCATION ACT: INSTITUTIONAL
SUPPORT FOR COLLEGES AND UNIVERSITIES
UNDER TITLE III AND TITLE V**

FIELD HEARING

BEFORE THE

SUBCOMMITTEE ON HIGHER EDUCATION,
LIFELONG LEARNING, AND COMPETITIVENESS

COMMITTEE ON

EDUCATION AND LABOR

U.S. HOUSE OF REPRESENTATIVES

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**HIGHER EDUCATION ACT: INSTITUTIONAL
SUPPORT FOR COLLEGES AND UNIVERSITIES
UNDER TITLE III AND TITLE V**

**Monday, June 4, 2007
U.S. House of Representatives
Subcommittee on Higher Education,
Lifelong Learning, and Competitiveness
Committee on Education and Labor
Washington, DC**

The subcommittee met, pursuant to call, at 10:00 a.m., in Multipurpose Hall, Library Sciences Building, Building 9000, Austin Community College, 3401 Webberville Road, Austin, Texas, Hon. Ruben Hinojosa [chairman of the subcommittee] presiding.

Present: Representative Hinojosa.

Also Present: Representative Grijalva.

Staff Present: Ricardo Martinez, Policy Advisor for Subcommittee on Higher Education, Lifelong Learning and Competitiveness; and Ana Ma, Senior Counsel to Representative Grijalva.

Chairman HINOJOSA. A quorum is present. The hearing of the subcommittee will come to order.

Pursuant to committee Rule 12, any member may submit an opening statement in writing, which will be made part of the permanent record. Without objection, all members will have 14 days to submit additional materials or any questions for the hearing record.

Before going into the rules that we are going to use this morning for this Congressional field hearing, I want to exercise point of privilege, that it is a great feeling to come back to Austin, my alma mater, and to be able to see so many friends with whom I came to school with and worked with the 10 years that I served on the Texas State Board of Education.

One in particular is the former Mayor Gustavo Garcia. Gus and I go back to 1972 when both of us were both elected to the local School Board, he in Austin and I in Mercedes. And we attended an orientation program that very first year, and we wanted to know a little bit more about bilingual education, which was a new legislative mandate here in Congress—in Austin. Forgive me for saying “Congress,” but the Texas legislature.

And so we were introduced and were invited to each lunch with a group of leaders from—state leaders, and we found out that we had very similar concerns about public education and interest in

trying to do something about it, to try to make a measurable difference.

And so we became friends as advocates for education for the last more than three decades, and it is a pleasure, Mayor Garcia, to see you visiting us this morning, and to be able to see the continuing interest that you have in education. I can tell you that I have spoken to a lot of leaders from this area, and they speak very highly of you, of your continuing involvement in the community, not only in education but all of the issues important to this area, the economy, and I know that as a CPA you certainly know how that works.

But also, in health care and immigration and all of the issues that are being discussed in Washington, and to hear that you are so well informed makes me feel—continue to feel very proud to say that I am a friend of Mayor Gus Garcia. Please give him a big round of applause. [Applause.]

For those of you who have not testified before this subcommittee, let me explain our lighting system and the five-minute rule. Everyone, including members, is limited to five minutes of presentation or questioning. The green light is illuminated when you begin to speak. When you see the yellow light, it means you have one minute remaining. When you see the red light, it means your time has expired and you need to conclude your testimony.

Please be certain as you testify to turn on and speak into the microphones in front of you, so that all of the statements can be recorded for the permanent record.

We will now hear a few of the questions—not questions necessarily, but statements that are going to be—that will be given and the introductions I will follow—will follow introductions of the witnesses.

Good morning, and welcome to the Subcommittee on Higher Education, Lifelong Learning, and Competitiveness hearing on the Higher Education Act and institutional support for colleges and universities under Title III and Title V.

I would like to thank our hosts at Austin Community College. President Kinslow, and the Austin Community College staff, and Board of Directors, and the community have shown us tremendous hospitality. It is a privilege to hold this important Congressional hearing on your campus.

I would like to also thank my good friend and colleague Congressman Raul Grijalva of Arizona for joining us in Austin today. A member of the full Education and Labor Committee, Congressman Grijalva is a guest member of our subcommittee today. It is a measure of his genuine commitment to access to higher education for low income and minority students that he has traveled to Texas to participate in this public hearing.

Thank you, Congressman Grijalva.

Prepared Statement of Hon. Rubén Hinojosa, Chairman, Subcommittee on Higher Education, Lifelong Learning, and Competitiveness

Good Morning. Welcome to the Subcommittee on Higher Education, Lifelong Learning, and Competitiveness hearing on the Higher Education Act and Institutional Support for Colleges and Universities under Title III and Title V.

I would like to thank our hosts at Austin Community College. President Kinslow and the Austin Community College staff and community have shown us tremendous hospitality. It is a privilege to hold this hearing on your campus.

I would like to also thank my good friend and colleague Congressman Raúl Grijalva of Arizona for joining us in Austin today. A member of the full Education and Labor Committee, Congressman Grijalva is a guest member of our subcommittee today. It is a measure of his commitment to access to higher education for low-income and minority students that he has traveled to Texas to participate in this hearing. Thank you, Congressman Grijalva.

Today's hearing is our fifth subcommittee hearing in preparation for the reauthorization of the Higher Education Act. We have looked at the scale of the challenge to produce the college graduates our economy needs to remain globally competitive. We have considered how well we are preparing our next generation of college students. We have discussed how low and middle-income families finance college and the critical role of student financial aid. We have focused on teacher preparation and the vital role that our institutions of higher education play in equipping our teachers to deliver high quality instruction to all of our students—especially those in high need public schools. Today, we will discuss how the Higher Education Act supports the key institutions that are the gateways of access to higher education for low-income and minority students.

Title III and Title V of the Higher Education Act provide grants for institutional development and capacity building for colleges and universities that serve high populations of low income and minority students with low resources compared to other institutions. These titles include specific programs for Tribally-controlled colleges and universities, Historically Black Colleges and Universities, Native Alaskan and Native Hawaiian-Serving Institutions, and Hispanic-Serving Institutions.

For an annual federal investment of a little over \$500 million, we provide support to over 670 institutions. These are the colleges and universities that award 30 percent of the bachelors' degrees earned by African American students and enroll 47 percent of Hispanic students. They are engines of economic development for their communities.

These institutions are only going to grow in their importance for ensuring that our nation continues to have enough college graduates to fill the jobs in our knowledge-based economy. The 2007 Condition of Education reports that 42 percent of our public school children are racial or ethnic minorities—one in five is Hispanic.

These students face many challenges: 70 percent of black 4th graders, 73 percent of Hispanic 4th graders, and 65 percent of Native American fourth graders are eligible for free and reduced priced lunches. These students are also concentrated in our highest poverty public schools where over 75 percent of the students are from low-income families.

These schools are the focus of the No Child Left Behind Act. They are the feeder schools to our Title III and Title V institutions.

During the reauthorization of the Higher Education Act, we have the opportunity to further strengthen and expand the capacity of the institutions that will be increasingly called upon to prepare our next generation of teachers, scientists, engineers, doctors, lawyers, and other professionals.

For HSIs, we will continue to focus on enacting the provisions of H.R. 451, the Next Generation Hispanic-Serving Institutions Act, to create a graduate program at Hispanic—Serving Institutions. This has been a long-standing priority for me and other members of the Congressional Hispanic Caucus. We also stand in solidarity with our colleagues to support efforts to strengthen all of the developing institutions programs.

I would like to thank you witnesses for joining us today. We are eager to here your recommendations on how we can improve and expand programs for Title III and Title V institutions.

Thank you and I now recognize my good friend and colleague Raúl Grijalva for opening remarks.

Mr. GRIJALVA. You are welcome, sir.

Chairman HINOJOSA. Today's hearing is our fifth subcommittee hearing in preparation for the reauthorization of Higher Education Act, which takes place every six years. Unfortunately, the 108th and the 109th Congress were unable to finish it and get it into public law for many reasons.

But it is the 110th Congress, of which I happen to be the Chairman of Higher Education, that has the opportunity to try to get it done, and, if so, I believe will make some important amendments to the Education Code and make changes that will improve the two big umbrellas of accessibility and affordability of higher education.

We have looked at the scale of the challenge to produce the college graduates our economy needs to remain globally competitive. We have considered how well we are preparing our next generation of college students. We have discussed how low and middle income families finance college and critical role of student financial aid.

We have focused on teacher preparation and the vital role that our institutions of higher education play in equipping our teachers to deliver high quality instruction to all of our students, especially those in high-need public schools.

Today, we will discuss how the Higher Education Act supports the key institutions that are the gateways of access to higher education for low income and minority students. Title III and Title V of the Higher Education Act provide grants for institutional development and capacity building for colleges and universities that serve high populations of low income and minority students with low resources compared to other institutions.

These titles in the Education Code include specific programs for tribally controlled colleges and universities, for historically black colleges and universities, for Native Alaskan and Native Hawaiian-serving institutions, and for Hispanic-serving institutions.

For an annual federal investment of a little over \$500 million, we provide support to approximately 670 institutions. I repeat that. Approximately \$500 million are available, and the President hopes that your college system will be approved and designated as an HSI by the fall of 2007.

These are the colleges and universities that award 30 percent of the bachelor's degrees and associate degrees earned by African-American students and enroll 47 percent of Hispanic students. They are the engines of economic development for their communities.

These institutions are only going to grow in their importance for ensuring that our nation continues to have enough college graduates to fill the jobs of our knowledge-based economy. The 2007 Condition of Education Report said 42 percent of our public school children are racial or ethnic minorities. One in five is Hispanic. These students face many, many challenges.

Seventy percent of black fourth graders, and 73 percent of Hispanic fourth graders, and 65 percent of Native American fourth graders are eligible for free and reduced price lunches. These students are also concentrated in our highest poverty public schools where over 75 percent of the students are from low income families. These schools are the focus of the No Child Left Behind Act. They are the feeder schools to our Title III and Title V institutions.

During the reauthorization of the Higher Education Act, we have the opportunity to further strengthen and expand the capacity of these institutions that will be increasingly called upon to prepare our next generation of teachers, scientists, engineers, doctors, lawyers, and other professionals. For HSIs, we will continue to focus on enacting the provisions of H.R. 451 entitled "The Next Genera-

tion Hispanic-Serving Institutions Act” to create a graduate program at Hispanic-serving institutions.

This has been a long-standing priority for me, and other members of the Congressional Hispanic Caucus. We also stand in solidarity with our Congressional colleagues to support efforts to strengthen all of the developing institutions programs.

I would like to thank you, the witnesses who are seated before us. We thank you for joining us today. We are eager to hear your recommendations on how we can improve and expand programs for Title III and Title V institutions.

Thank you. And I now recognize my good friend and colleague Raul Grijalva for his opening remarks.

Mr. GRIJALVA. Thank you, Mr. Chairman. I appreciate very much the opportunity and the invitation to join with you at this hearing and look forward to the witnesses’ perspectives on these very important Title III/Title V discussions that we are going to have in this reauthorization for higher ed.

Your experience and your perspectives are vital, and we are talking about historical commitments and historical presence. I think that is an important discussion as we move forward, and, as the Chairman said, to add capacity and resources to that effort. We are talking about an emerging college in a native land, in Indian country. That is a new experience but a very vital and necessary experience.

And we are talking about a large, system-wide institution that is at the doorstep of making a commitment in the future to serving with greater capacity the diversity of this community. And so those are good perspectives, and I am looking forward to it.

Let me just say that there is a lot of—people can go back and forth on this issue of what do we do about the future, but the future is tied to how we preparation a generation to come. And in that preparation, I think everybody has gotten to the point where you need to, if not out of an acceptance of fact in science, and out of an acceptance of necessity, is that the face of America is changing.

And with that demographic change comes an additional responsibility to prepare that young, upcoming generation of people, be they poor, be they middle class, be they of color. And the emphasis of these two titles is exactly that—to provide access and to deal with the hard questions of affordability.

I am glad to join with you. I want to reiterate what the Chairman said. We have a great opportunity this year. You know, the Chairman gave me more credit than I deserve about taking the trip from Tucson to here. The Chairman has a really subtle way of saying, “Raul, we are going to be talking about Title III and Title V. I know how much you care about that. We will be having a hearing on this date, and I sure wish you could make it.” Well, after that, what do you say? [Laughter.]

And, no, I sincerely wanted to be here. But it is about increasing capacity, it is about resources, and it is about the future. And this reauthorization under the leadership of our Chairman, which couldn’t come at a better time and a better person in charge because of perspective and the understanding that this is not a cookie cutter anymore, this is about integrating. And I am happy for that.

So I don't have the connections the Chairman has to Austin, and I was telling someone all I know is that sometime in college I lost about four and a half days here. [Laughter.]

So thank you very much. [Laughter.]

Chairman HINOJOSA. Thank you, Congressman Grijalva. I want to say that this is a small world, because I served on the Texas State Board of Education for 10 years, from '74 to '84, and would come once a month for four, maybe five days, and Gustavo, our Mayor, former Mayor, invited me to meet someone whom he said could teach us both a great deal about public education, since we were both were working for that, but also to introduce us to higher education and the needs—Dr. Alfredo De La Santos, who was then Vice Chancellor of Maricopa County Community College, and that, of course, happens to be in Congressman Grijalva's area of Arizona.

And so we became best of friends, Dr. Alfredo and Mayor Gus and myself for all these three decades. And Alfredo took me to visit what Newsweek called the "Best Community College System in the Country—Maricopa County Community College System." And that was when it was only a dream to create a community college down in the Rio Grande Valley where unemployment had been double digit rate for three decades.

And so Alfredo made it possible for a visitation team to come visit in Phoenix, Arizona, and that is where I removed my blinders to see the potential in community colleges and how they could give us a trained workforce that would attract businesses, and thus try to reduce that double digit unemployment rate in South Texas.

And, ladies and gentlemen, I was saying to the witnesses before we started that when you combine a community college and a university, or several of them, with corporate America, it is unbelievable what can be done. And if you have the input of the community to support it, and to tax themselves so that there will be community college money raised through taxes, plus the city and the state and the federal government.

It can do what I have witnessed these 10 years, and that is to see South Texas explode in population to 1-1/4 million people when you combine the four counties, and to see the unemployment rate drop in just eight years to 6 percent.

So what we are doing today is something that is very important to the whole country, and the models that are done in Austin and throughout the country, including South Texas, are those models that are being taken to Mississippi and other regions of the country that need a great deal of help.

It is my pleasure now to introduce the witnesses who will speak today, and I will introduce all of them and then start with the first one to give their presentation. Dr. Stephen W. Kinslow, our host today, is also the President of Austin Community College. He previously served ACC in various administrative posts before being appointed President in 2005.

Prior to ACC, he worked for the Dallas Community College District and also was a public school teacher in Big Spring, Texas. He earned a Ph.D. from the University of Texas in Austin, as well as a master's degree from Southern Methodist University and a bachelor's degree from the University of Texas at Arlington.

The second witness will be Mr. George Scott. He is the Director of Education, Workforce, and Income Security Issues at the General Accounting Office in Washington, D.C. He has over 19 years of public service and is a familiar witness in our subcommittee. His assignments include many issues within the jurisdiction of the Committee on Education and Labor.

The GAO is located in Washington, D.C., and I welcome you to this field hearing to my home State.

The third presenter will be Dr. Larry Earvin. He is President of Huston-Tillotson University here in Austin. He has served as President for seven years, and prior to that he held various faculty and administrative positions at Clark Atlanta University in Georgia. He has a Ph.D. from Emory University, a master's of science from Georgia State University, and he earned a bachelor's degree from Clark College.

Thank you for coming today.

Let me let Mr. Grijalva introduce the final witness.

Mr. GRIJALVA. Thank you very much, Mr. Chairman. It is my pleasure to introduce Ms. Olivia Vanegas-Funcheon, President and CEO of the Tohono O'odham Community College, that nation's first institution of higher learning.

The college was—correct me if I am wrong—1998 was the inception of the college. Our witness has been with the college since 2000, and in 2005 assumed the Presidency and CEO of that college—a great fit for this community college that is emerging and growing as we speak, great background working from some of the major corporations in this country, in the private sector.

A bachelor's degree from Arizona State University, MBA, specialized coursework at Stanford and Harvard, and I think what is really important is an awesome person to have the connection, the cultural, spiritual, linguistic, and community connections that are so vital to the development of this community college on the reservation.

And I am proud to call her a friend, and proud of the achievements that the nation and the college have been going through the last few years. Congratulations.

And with that, Mr. Chairman, I turn it back.

Chairman HINOJOSA. Thank you, Congressman Grijalva.

Now we will go into the testimony, and I ask Dr. Kinslow to please start.

**STATEMENT OF DR. STEPHEN W. KINSLOW, PRESIDENT,
AUSTIN COMMUNITY COLLEGE**

Mr. KINSLOW. Thank you, Chairman Hinojosa, and Congressman Grijalva, and also distinguished guests and friends of Austin Community College.

As President of the Austin Community College District, or ACC, it is my pleasure to speak with you today regarding the critical role that community colleges play in educating the nation's traditionally underserved populations, especially minority, low income, and first generation college students.

ACC has been serving Central Texas since the early 1970s, and much has changed about community colleges and the recognition that they now receive. First, is that community colleges, as the

Chairman mentioned, are perceived and recognized now as the gateway to higher education for over half of all high school graduates and over half of all adults who choose to enter higher education.

We are the primary provider of university transfer students to the nation's four-year colleges and universities. We are the primary trainer and retrainer of the local workforce.

Many people do not also understand that we are accredited by the same agencies that govern the standards for four-year colleges and universities, and we produce a high quality student from our institutions. We embrace an open door policy, which means in essence no one who can benefit from higher education and training is turned away from our doors. Instead, we offer multiple avenues for students to obtain the skill levels necessary to be successful in achieving their goals.

Community colleges, however, are also challenged, partly from the broad mission to serve all, partly from the fact that we have different funding mechanisms than four-year colleges and universities, and especially because of the enormous diversity of students that the open door admissions philosophy brings to our institutions.

At ACC, our students range in age right now from 17 to 70. They bring great diversity in their college readiness skills. And, most importantly, they increasingly come from traditionally underserved populations.

ACC's mission is to meet the needs of the diverse and rapidly changing demographics of our society through provision of general education and core curriculum for transfer-bound students through workforce training in high demand careers such as health care, through access of developmental programs to assist those who are not yet college ready, and to provide adult education for a growing segment of the adult population, and also to foster and sustain extensive community and independent school district outreach programs which help to create a college-going culture and a college-going expectation among our society.

According to the U.S. Census, Texas is a majority minority State, with Hispanics representing the fastest-growing segment of the population. To illustrate that, from 1990 to 2005, the Hispanic population in Texas nearly doubled and is currently at 7.9 million. In Central Texas, those numbers are just as telling. Hispanics make up nearly 60 percent of the regional local school districts in our eight-county service area.

While we are fortunate to have a very diverse student population, we are also keenly aware that the fastest growing demographic groups are those with traditionally lower high school graduation rates and lower participation rates in higher education. If we don't change those two realities and close the gap, simply put, our State is headed for a crisis.

Texas risks not having enough educated, highly skilled workers to meet the needs of business and industry. Providing access to affordable higher education is the solution to those challenges. Increasing access and affordability to higher education will increase the number of college graduates and trained workers in our region and across this country.

That will lead to an expansion of business and industry, which leads to better jobs, which leads to higher wages that people earn, which leads to higher consumer spending, which benefits business and industry in local areas. And, most importantly, it leads to a more equitable distribution to local tax bases and to decreased needs for social services. Education is the power that changes lives and changes communities.

Texas is addressing its challenges through an initiative referred to as “closing the gaps,” the goal being to enroll over 630,000 additional students into higher education by 2015. For ACC as that primary gateway to higher education, that means our institution will grow to over 40,000 students by 2015, and by 2020 we look forward to being larger than UT-Austin. [Laughter.]

To illustrate some our success in closing the gaps, I will share with you that from fall 2001 to fall 2006, our college enrollment increased over 14 percent. And of that large increase in enrollment, 31 percent represented an increase in Hispanic students.

It is most dramatic, however, to focus on the last two fall semesters at our institution where our Hispanic enrollment has grown 17-1/2 percent, and our African-American enrollment has grown 16-1/2 percent.

Chairman HINOJOSA. Mr. President, I am going to yield an extra two minutes for you to try to bring—

Mr. KINSLOW. Thank you.

Chairman HINOJOSA [continuing]. Closure to your statement.

Mr. KINSLOW. Thank you.

Chairman HINOJOSA. But know that the entire statement will be made a part of the record.

Mr. KINSLOW. Thank you. I appreciate that. I will share very briefly a successful program that has helped us achieve those increases in Hispanic and African-American enrollments. It is called the College Connection Program in which we export to now 22 school districts within the eight-county region all of the admissions and financial aid and college and career exploration activities from our campuses to high school campuses.

Students graduate with their high school diploma, cross the stage, get their diploma, and an acceptance letter to ACC, and are electronically already in our system. They can go to their phone or web to enroll immediately. Many of those graduates also exit having already earned early college start dual credit through our institution.

We think that those programs are examples of things that can be ramped up when we achieve our HSI status. We want to take that program and many of our summer youth and bridge programs and dramatically increase, as you were alluding to, the capacity to touch more lives with the assistance of Title V funding.

With that, I wanted to acknowledge one student who is in the audience this morning, Ehrma Apolinar, who is one of our GED students. She arrived a little bit late, because she was taking a test this morning, but she is an example of the changing face of America. Born in Mexico, one of 11 children, at 15 she married and had a child, later dropped out of school to help support her family. Sixteen years later she entered ACC.

She is a recent graduate of our GED program. She is attending college credit classes now with the Texas Association of Chicanos and Higher Education Scholarship and plans to attend a four-year college when she completes her studies here.

There are thousands of examples of student success stories such as Ehrma, not only at ACC but at community colleges across the State of Texas and across the nation. So we appreciate the opportunity to speak to you this morning. We are highly honored to be able to host this Congressional hearing. Thank you very much. [Applause.]

[The prepared statement of Dr. Kinslow follows:]

Prepared Statement of Dr. Stephen B. Kinslow, President/CEO of Austin Community College District

Chairman Hinojosa and distinguished members of the Subcommittee: Good morning.

As president of the Austin Community College District, or ACC, it is my pleasure to speak with you today regarding the critical role community colleges play in educating the nation's traditionally underserved populations, especially minority, low income, and first generation college students.

ACC is on the verge of becoming eligible for Hispanic-Service Institution status and as you will see, the funding provided under Title V is desperately needed.

ACC has been serving Central Texas since 1973. Since then a lot has changed. Community colleges are now the primary gateway to higher education and training for more than 50 percent of all who enter college, whether they are recent high school graduates or adults. Community colleges are also the primary provider of transfer students to four-year colleges and universities.

As the members of this committee are keenly aware the United States is competing in a global market, demand for highly skilled workers is on the rise, and our nation's future economic development is more dependent than ever on community colleges.

While community colleges meet the same accreditation standards as four-year colleges and universities, they are different. There is an "open door" policy. Rather than turn away people who may not have the prerequisites for college level work, the community college offers avenues for students to obtain the necessary skill levels. Community colleges are challenged by a broad mission, different funding mechanisms, and by the enormous diversity of students the "open door" welcomes.

At ACC, our students range in age from 17 to 70, they have a huge variety of academic goals, are at different levels of college readiness, and increasing come from traditionally underserved populations. It is our mission, as a community college, to meet the needs of the diverse and rapidly changing demographics of our society through:

- General education or core curriculum for transfer-bound students
- Workforce training in high-demand careers, such as nursing
- "Access" or "developmental" programs to assist those who are not yet "collegeready."
- Adult Basic Education for adults who need help with writing, reading or math, GED preparation and English-as-a-Second Language.
- Extensive community outreach programs that create a college going culture

According to the U.S. Census, Texas is a majority-minority state, with Hispanics representing the fastest growing segment of the population. From 1990 to 2005, the Hispanic population almost doubled in size, reaching 7.9 million. In Central Texas, the numbers are just as telling, with Hispanics making up nearly 60 percent of the local school district.

While we are fortunate to have a diverse population, we also are keenly aware that the fastest growing demographic groups are also those with lower high school graduation rates and lower participation rates in higher education. Just as the need for an educated workforce is increasing, the number of students enrolling in higher education is falling.

If we don't "close the gap," simply put, we are headed for a crisis.

Texas risks not having enough educated, highly-skilled workers to meet demand, creating a disincentive for existing businesses to expand, pushing new industries away, and leaving residents with fewer dollars in their pocket. The economy will be hit hard.

- The state will lose jobs
- Citizens will earn & spend less money
- There will be fewer contributors to the local tax base
- And, social services costs will continue to increase.

In contrast, by providing access to affordable higher education, community colleges are able to help students find better jobs, earn higher wages, spend more, and contribute more equitably to the local tax base. Increasing the number of college graduates and trained workers helps reduce pressure on social services.

Providing access to affordable higher education is a MUST!

The State of Texas is addressing these challenges through its Closing the Gaps initiative to enroll an additional 630,000 students into higher education by 2015. For the ACC District this means increasing enrollment from 33,000 to nearly 40,000 by 2015.

And, we are pleased to report that the ACC District is successfully meeting these goals, but we also need the help of good government policy to continue to reach more traditionally underserved populations.

- From fall 2001 to fall 2006, ACC's overall enrollment increased 14% with
- A 31% increase in Hispanic students
- From fall 2000 to fall 2006, the number of Hispanic graduates increased 60%
- The ACC District is less than 1% point away from being designated a Hispanic Serving Institution

Serving Institution

The increase in enrollment is partly due to an innovative, proactive program called College Connection. Implemented in 2004, the ACC District program delivered college assessment, admissions, and financial aid services to area high schools, giving seniors individual assistance for transitioning to college. One year after it began, ACC experienced a 37% increase in college attendance among high school graduates, particularly those from traditionally underserved communities. The success of College Connection has garnered national media attention. ACC received the Star Award from the Texas Higher Education Coordinating Board and a national Bellwether Award.

College Connection is now offered in 22 school districts within the ACC District Service Area. Considered a statewide model by the Texas Higher Education Coordinating Board for establishing a college-going culture among Hispanics and other ethnic minorities, more than a dozen community colleges have implemented similar programs across the state and the nation. Maine and Florida have adopted statewide initiatives modeled after ACC College Connection.

Engaging high school students early is also crucial to successfully increasing enrollment among Hispanics. The ACC District's Early College Start program gives high school juniors and seniors the opportunity to earn up to a year's worth of college credit—at little to no cost—before they graduate! For the college's tax paying residents, Early College Start is free; for those outside of the district, the dual credit classes are only \$40 each. And it's working! Nearly half (46%) of Early College Start students enroll at ACC within two years after high school graduation.

The college's outreach extends well beyond high school and into the elementary and middle school years. ACC's Summer Youth Programs provide fun, educational opportunities for children of all ages to improve their math and science skills, explore careers, and see first-hand what a college campus is like.

Noelle Hernandez, a current ACC student, is living proof that early engagement is the key to closing the gap between Hispanics and higher education. She enrolled in ACC's Summer Youth Program in 5th grade and returned several years later as a camp volunteer. Noelle has stated often that had it not been for this opportunity, she might not have ever considered college an option. She is now well on her way to receiving an associate degree in Commercial Music Management and plans to transfer to the University of Texas.

In line with the unique mission of community colleges, the ACC District also provides programs for adults that help them overcome barriers to higher education. Through our Adult Basic Education program, English-as-a-Second Language and GED classes are provided free of cost. These programs are increasingly bridging the gap to higher education for Hispanics. In fall 2006, more than 50% of ACC's GED graduates returned to the college to pursue college credit courses as the result of our Adult Education College Connection Program.

One of our GED students is here with us today. Irma Apolinar was born in Mexico City, one of 11 children who grew up in a hard working family where higher education was not an option. The family moved to the U.S., at the age of 15, Irma got married, had a child, and dropped out of school to help make ends meet. Her baby is now 16, she is a U.S. citizen, and just recently returned to school. Irma came to ACC to get her GED. She graduated, was awarded a Texas Association of Chicanos in Higher Education scholarship and a work-study job in our Student Success Office.

I am happy to report that Irma is well on her way to an associate degree in Business Management and hopes one day to earn a four-year degree. She's already talking about getting her children enrolled in Early College Start and her sister is now attending ACC, working on an associate degree in Accounting.

We now have more than 8,000 Hispanic students and growing. Irma is one of many first generation college success stories at ACC.

But Irma tells us, and this is true of many of our students, her future success depends on the availability of financial aid. If the money is there, she WILL continue her education, and she will better be able to help her children attend college. Title V is vital to keeping these students in school and creating a college going culture one family at a time.

We are fortunate to have quality faculty and staff who make all of these student outreach and recruitment programs successful. And just as fortunate to have community partnerships that help the ACC District exceed our Closing the Gaps goals.

One such partnership is Capital IDEA, lifting working families out of poverty by sponsoring educational case management services that lead to lifelong financial independence. Capital IDEA funds qualified students' tuition, books, childcare, and works with them to secure employment with good salaries, benefits, and opportunity for career growth.

Just as crucial as minority recruitment is, however, so is retention. With an increase in Hispanics and "first generation" college students there exists a need for resources to keep students engaged. ACC's El Centro, or the Latino/Latin American Studies Center, offers Hispanic students mentoring and an opportunity to become involved in the local Latino community.

Similarly, ACC's Center for Public Policy and Political Studies was established to enable and empower ACC students to gain knowledge and experience of, and to actively participate in varied political and policy processes that govern our state and nation. The first of its kind at a community college, the Center is committed to education, civic engagement, informed decision-making, critical analysis, and understanding cultures.

As ACC meets the benchmark enrollment criteria for HSI, we work to expand existing programs and implement new initiatives under Title V. In our quest to increase enrollment among traditionally underserved students, the ACC District faces many challenges:

- Expanding college access
- Keeping college affordable
- Providing additional financial aid (scholarships, grants, work-study)
- Expanding outreach programs such as ACC's College Connection, Early College Start, and Summer Youth Program to prepare secondary students for higher education
- Expanding Student Support & Success services to assist students in reaching their goals
 - Increasing opportunities for lifelong learning and workforce training
 - Offering additional "access" programs to get students "college-ready" such as an intensive remediation course to improve student performance on the required assessments
 - Developing a new University Transfer Center that offers counseling, workshops, tours, and establishes alliances with faculty members at receiving four-year institutions by discipline, to strengthen continued student success
 - Strengthening institutional capacity to further enhance libraries to include expanded cultural studies sections
 - Expanding faculty development programs that focus on teaching diverse communities and diverse learners

All of the college's seven campuses are near capacity, and ACC is expected to enroll an additional 20,000 students by 2025, where will we put them?

The ACC District Facilities Master Plan calls for the expansion and renovation of several existing facilities and the construction of new campuses in areas where the demographics suggest an expansion of higher education services are needed. But expansions such as these take millions of dollars.

Unlike four-year institutions, community colleges do not have their facilities paid for by state government. Although we do receive an ever declining proportion of state appropriations, most of our revenue comes from local tax dollars and student tuition. Although the college continues to pursue annexation of areas to increase its taxing district, the burden on students needs to remain low for us to meet our Closing the Gaps goals.

Another challenge involves funding the employment of additional faculty and staff. Quality faculty from diverse backgrounds are needed for the success of His-

panic and other first generation college students. Skilled staff is also crucial to support recruitment efforts such as College Connection

We are grateful to you for implementing Title V funding for Hispanic Serving Institutions. Higher education depends on this funding and frankly cannot achieve the goals expected of us without assistance from Congress.

Community colleges are the primary provider of transfer students to four-year colleges and universities, we are the primary trainer of those seeking high-demand careers, and we are primary source of “access” programs, lending a helping hand to students who are not yet college ready. Community colleges are the engines that drive economic development.

If we are to meet our objectives we must work together. What’s at stake if we don’t?

- America’s reputation for educational excellence
- Quality of life
- Competitive strength in the economy
- Our nation’s ability to confront the challenges of the future

We encourage you to place a priority on Title V funding as our demographics here in Texas and across the nation continue to change. Never have Hispanic Serving Institutions been so important to America’s economic well-being than they are today. While most Hispanic Serving Institutions are succeeding in the recruitment, retention and graduation of Hispanics, we must do more to break down the barriers to higher education. Time is running out.

We have a goal—to reverse a potentially devastating trend by increasing college attendance and graduation among Hispanics.

Please help us achieve this goal—everyone’s future depends on it!

Chairman HINOJOSA. Would the young lady, Ehrma, please stand and be recognized? [Applause.]

Ehrma, congratulations. I could identify with you, because I also come from a family of 11, seven boys and four girls. And I read your aspirations, and I think we will add one more—to some day be a Congresswoman representing this area. [Applause.]

Mr. Scott, would you please start?

STATEMENT OF GEORGE SCOTT, DIRECTOR OF EDUCATION, WORKFORCE, AND INCOME SECURITY ISSUES, U.S. GENERAL ACCOUNTING OFFICE

Mr. SCOTT. Certainly. Mr. Chairman, I am pleased to be here today to discuss the federal programs to support low income and minority-serving institutions. Beginning in 1965, Congress created several programs under the Higher Education Act, HEA, to strengthen and support developing post-secondary institutions. Congress subsequently expanded HEA to include programs that support institutions that provide low income and minority students with access to higher education.

These programs are generally referred to as Title III and Title V of HEA. The amount of federal funds available for these programs has nearly doubled from about \$230 million in fiscal year 1999 to about \$448 million fiscal year 2007. Given the recent expansion of these programs, and that HEA is slated for reauthorization this year, this hearing presents a timely opportunity to explore these grant programs.

My testimony today will focus on how institutions use their Title III and Title V grants, what objectives and strategies the Department of Education has developed for these grant programs, and to what extent education monitors and provides assistance to institutions.

In summary, we found that grantees most commonly reported using Title III and Title V grant funds to strengthen academic

quality, improve support for students, and improve institutional management. These institutions also reported a wide range of benefits from receiving grant funds. However, our review of grant files found that institutions experienced challenges such as staffing problems, which sometimes resulted in implementation delays.

For example, one grantee reported delays in implementing its management information system, due to the turnover of experienced staff. In addition, an education official told us that common problems include delays in construction of facilities and hiring of staff. As a result of these implementation challenges, some grantees need additional time to complete grant activities.

Although education has established outcome-based objectives and performance measures, it needs to take additional steps to align some of these strategies and objectives and develop additional performance measures. When we previously reported on education strategic planning efforts, its measures were focused on program outputs rather than outcomes, which did not assess program impacts.

While education has made progress in developing more outcome-based measures, we found insufficient links between the strategies for improving institution's administrative and fiscal stability, with its objectives to increase student outcomes. To address challenges in measuring progress in these areas, education is conducting a study of the financial health of low income and minority-serving institutions supported by Title III and Title V programs.

Education has made changes to improve its monitoring and assistance in response to our prior recommendations. However, additional study is needed to determine the effectiveness of these efforts. For example, education uses risk indicators designed to better target grantees that may require site visits, but a more extensive review is required to determine the quality of these visits. While education has implemented an electronic monitoring system, it currently lacks the ability to systematically track grantee performance as the system was designed to do.

Education has also expanded its staff training specific to monitoring assistance by offering courses such as an overview of grant monitoring. However, more information is needed to assess how well courses meet staff needs, because education's new training and recordkeeping system does not contain information from prior systems.

Finally, while education provides technical assistance through various methods, its ability to target assistance remains limited, because its feedback mechanisms may not encourage open communication with grantees.

In conclusion, we previously recommended that education take steps to ensure that monitoring and technical assistance efforts are targeted to at-risk grantees. Education agreed with our recommendation, and has taken actions to improve its monitoring and assistance. While education has made progress in addressing these issues, it is clear that sustained management attention is needed to ensure that the agency is committed to continuous improvement in this area, and that it can ultimately determine to what extent these grant programs demonstrate appropriate and measurable results.

Mr. Chairman, this concludes my prepared statement. I would be happy to answer any questions you may have at this time.

Thank you.

[The prepared statement of Mr. Scott follows:]

Prepared Statement of George A. Scott, Director, Education, Workforce and Income Security Issues, U.S. Government Accountability Office

Low-income and minority serving institutions

Education Has Taken Steps to Improve Monitoring and Assistance, but Further Progress is Needed

In their performance reports, the six grantees we reviewed most commonly reported using Title III and Title V grant funds to strengthen academic quality; improve support for students and student success; and improve institutional management and reported a wide range of benefits. For example, Sinte Gleska, a tribal college in South Dakota, used part of its Title III grant to fund the school's distance learning department, to provide students access to academic and research resources otherwise not available in its rural isolated location. Our review of grant files found that institutions experienced challenges, such as staffing problems, which sometimes resulted in implementation delays. For example, one grantee reported delays in implementing its management information system due to the turn over of experienced staff. As a result of these implementation challenges, grantees sometimes need additional time to complete planned activities.

Although Education has established outcome based objectives and performance measures, it needs to take steps to align some strategies and objectives, and develop additional performance measures. Education has established an overall strategy to improve the academic, administrative, and fiscal stability of grantees, along with objectives and performance measures focused on student outcomes, such as graduation rates. In 2004, we reported that Education's strategic planning efforts were focused on program outputs that did not assess programmatic impacts, such as the percentage of goals that grantees met or exceeded, rather than outcomes. While Education has made progress in developing outcome based measures, we found insufficient links between its strategies for improving administrative and fiscal stability with its student outcome objective. To address challenges in measuring institutional progress in areas such as administrative and fiscal stability, Education is conducting a study of the financial health of low income and minority serving institutions supported by Title III and Title V.

Education has made changes to better target monitoring and assistance in response to recommendations GAO made in 2004, however, additional study is needed to determine the effectiveness of these efforts. For example, Education uses risk indicators designed to better target grantees that may require site visits. While Education implemented an electronic monitoring system, it lacks the ability to systematically track grantee performance as designed. While Education provides technical assistance through various methods, its ability to target assistance remains limited in that its feedback mechanisms may not encourage open communication. Specifically, Education relies on grantee performance reports that are tied to funding decisions to solicit feedback.

Mr. Chairman and Members of the Subcommittee: I am pleased to be here today to discuss the federal government's programs to support low-income and minority serving institutions (MSIs). We previously reported on the Department of Education's efforts to monitor and assist these institutions.¹ Beginning in 1965, Congress created several programs under the Higher Education Act (HEA) to strengthen and support developing postsecondary institutions. In subsequent reauthorizations, Congress expanded the HEA to include programs that support institutions that provide low-income and minority students with access to higher education.²

¹ GAO, Low-Income and Minority Serving Institutions: Department of Education Could Improve Its Monitoring and Assistance, GAO-04-961 (Washington, D.C. : Sept. 21, 2004).

² These programs include Title III, Part A Strengthening Institutions; Title III Part A American Indian Tribally Controlled Colleges and Universities; Title III, Part A Alaska Native and Native Hawaiian Serving Institutions; Title III, Part B Strengthening Historically Black Colleges and Universities; Title V, Part A Developing Hispanic Serving Institutions. Throughout the report when we refer to Title III and Title V programs or grants, we are referring to these specific programs. Our review did not include Title III, Part B Historically Black Professional or Graduate Institutions; Part D HBCU Capital Financing; or Part E Minority Science and Engineering Improvement Program.

These programs are generally referred to as Titles III and V of the HEA. The amount of federal funds available for these programs has nearly doubled from about \$230 million in fiscal year 1999 to about \$448 million in fiscal year 2007. Given the recent expansion of these programs and that HEA is slated for reauthorization this year, this hearing presents a timely opportunity to explore these grant programs. My testimony today focuses on (1) how institutions used their Title III and Title V grants and the benefits they received from using these grant funds, (2) what objectives and strategies the Department of Education (Education) has developed for Title III and Title V programs, and (3) to what extent Education monitors and provides assistance to Title III and Title V institutions.

In summary, we found that grantees most commonly reported using Title III and Title V grant funds to strengthen academic quality; improve support for students and student success; and improve institutional management and reported a wide range of benefits. For example, Sinte Gleska, a tribal college in South Dakota, used part of its Title III grant to fund the school's distance learning department, and to provide students access to academic and research resources otherwise not available at its rural isolated location.

However, our review of grant files found that institutions experienced challenges, such as staffing problems, which sometimes resulted in implementation delays. For example, one grantee reported delays in implementing its management information system due to the turnover of experienced staff. In addition, Education officials told us that common problems include delays in construction of facilities and hiring of staff. As a result of these implementation challenges, grantees sometimes need additional time to complete planned activities.

Although Education has established outcome based objectives and performance measures, it needs to take additional steps to align some of its strategies and objectives, and develop additional performance measures. Education has established an overall strategy to improve the academic, administrative, and fiscal stability of HBCUs, HSIs, and Tribal Colleges, along with objectives and performance measures focused on maintaining or increasing student outcomes, such as graduation rates. When we reported on Education's strategic planning efforts in our 2004 report, its measures were focused on program outputs rather than outcomes, which did not assess programmatic impacts. While Education has made progress in developing more outcome based measures, we found insufficient links between its strategies for improving administrative and fiscal stability with its objectives to increase student outcomes. To address challenges in measuring institutional progress in areas such as administrative and fiscal stability, Education is conducting a study of the financial health of low income and minority serving institutions supported by Title III and Title V programs.

Education has made changes to better target monitoring and assistance in response to recommendations we made in our 2004 report, however, additional study is needed to determine the effectiveness of these efforts. For example, Education uses risk indicators designed to better target at risk grantees that may require site visits, but a more extensive review is required to determine the quality of these visits. While Education implemented an electronic monitoring system, it lacks the ability to systematically track grantee performance as designed. Education has expanded its training specific to monitoring and assistance by offering courses such as an overview of grant monitoring. However, more information is needed to assess how well courses meet staff needs because Education's new training recordkeeping system does not contain information from prior systems. While Education provides technical assistance through various methods, its ability to target assistance remains limited in that its feedback mechanisms may not encourage open communication.

To determine how institutions used Title III and Title V funds and the resulting benefits, we reviewed Education's 2006 Annual Performance Reports for six grantee institutions of Title III and Title V grant programs to determine uses and benefits of grant funds, and challenges associated with project implementation. Education selected these institutions based on our request for examples of schools with typical grant experience. The results from our review cannot be generalized to all grantees, and we did not independently verify the accuracy of the information that grantees reported. To determine the objectives, strategies, and performance measures Education has developed for Title III and Title V programs, we talked with Education officials and reviewed program and planning documents. To determine how Education monitors and provides assistance to the Title III and Title V grantees, we interviewed Education officials and reviewed documents, including program policies and guidance. We also reviewed applicable laws and regulations, and analyzed data regarding the characteristics of fiscal year 2006 grantee institutions as reported in the Integrated Postsecondary Education Data System (IPEDS). To assess the com-

pleteness of the IPEDS data, we reviewed the National Center for Education Statistics' documentation on how the data were collected and performed electronic tests to identify missing or out-of-range values. On the basis of these reviews and tests, we found the data sufficiently reliable for our purposes. Our work was performed in May 2007 in accordance with generally accepted government auditing standards.

Background

Postsecondary institutions that serve large proportions of economically disadvantaged and minority students are eligible to receive grants from Education through Title III and Title V of the Higher Education Act, as amended, to improve academic and program quality, expand educational opportunities, address institutional management issues, enhance institutional stability, and improve student services and outcomes. Institutions eligible for funding under Titles III and V include Historically Black Colleges and Universities (HBCUs), Tribal Colleges, Hispanic Serving Institutions (HSIs), Alaska Native and Native Hawaiian Institutions, and other undergraduate institutions of higher education that serve low-income students. While these institutions differ in terms of the racial and ethnic makeup of their students, they serve a disproportionate number of financially needy students and have limited financial resources, such as endowment funds, with which to serve them. (See app. I for characteristics of Title III and Title V institutions and their students.) Title III and Title V statutory provisions generally outline broad program goals for strengthening participating institutions, but provide grantees with flexibility in deciding which approaches will best meet their needs. An institution can use the grants to focus on one or more activities that will help it achieve the goals articulated in its comprehensive development plan—a plan that each applicant must submit with its grant application outlining its strategy for achieving growth and self-sufficiency. The statutory and regulatory eligibility criteria for all of the programs, with the exception of the HBCU program, contain requirements that institutions applying for grants serve a significant number of economically disadvantaged students. See table 1 for additional information about eligibility requirements.

Table 1: Characteristics and Eligibility Criteria of Title III and Title V Grant Programs

Grant program	Type of grant ^a	Duration ^b	Wait-out period ^c	Eligibility criteria
Title III, Part A Strengthening Institutions	Competitive	Up to 5 years	2 years	An institution of higher education which (1) has an enrollment of needy students—at least 50 percent of students receive need-based federal financial assistance or its percentage of students receiving Pell Grants exceeds that of comparable institutions; (2) has average educational and general expenditures that are low compared with those of other institutions that offer similar instruction; (3) is accredited or making reasonable progress toward accreditation; and (4) is legally authorized by the state in which it is located to be a junior college or award bachelor's degrees.
Title III, Part A Tribal Colleges	Competitive	Up to 5 years	2 years	Must meet the same eligibility criteria as required for the Strengthening Institutions program. Additionally, must meet the statutory definition of "tribally controlled college or university."
Title III, Part A Alaska Native and Native Hawaiian	Competitive	Up to 5 years	2 years	Must meet the same eligibility criteria as required for the Strengthening Institutions program. Additionally, must have an undergraduate enrollment that is at least 20 percent Alaska Native or at least 10 percent Native Hawaiian, as applicable.
Title III, Part B Historically Black Colleges and Universities	Formulaic/ noncompetitive	Up to 5 years	None	Any college or university that was established prior to 1964, and whose principal mission was, and is, the education of African Americans, that is accredited or is making reasonable progress toward accreditation.
Title V, Part A Hispanic Serving Institutions	Competitive	Up to 5 years	2 years	Must meet the same eligibility criteria as required for the Strengthening Institutions program. Additionally, must have an undergraduate enrollment of full-time equivalent students that is at least 25 percent Hispanic, of which no less than 50 percent are low-income individuals. Institutions receiving grant funds through Title V may not simultaneously receive funds through Title III, Parts A or B.

Source: The Higher Education Act of 1965, as amended and the Department of Education.

^aInstitutions that participate in the HBCU program receive grants based on a formula that considers, in part, the amount of funds appropriated, the number of Pell Grant recipients, the number of graduates, and the number of students that enroll in graduate school in degree programs in which African Americans are underrepresented within 5 years after earning an undergraduate degree. Institutions that participate in all other programs receive grants based on a ranking of applications from a competitive peer review evaluation, and may apply for individual development or cooperative development grants. Institutions that receive cooperative grants partner and share resources with another postsecondary institution—which may or may not be eligible for Title III or Title V funding—to achieve common goals without costly duplication of effort.

^bFor some programs, institutions may apply for 1-year planning, 1-year construction, and 1-year renovation grants.

^cThe minimum number of years institutions receiving an individual development grant must wait before they are eligible to receive another grant under the same program.

Historically, one of the primary missions of Title III has been to support Historically Black Colleges and Universities, which play a significant role in providing postsecondary opportunities for African American, low-income, and educationally disadvantaged students. These institutions receive funding, in part, to remedy past discriminatory action of the states and the federal government against black colleges and universities. For a number of years, all institutions that serve financially needy students—both minority serving and nonminority serving—competed for funding under the Strengthening Institutions Program, also under Title III. However, in 1998, the Higher Education Act was amended to create new grant programs specifically designated to provide financial support for Tribal Colleges, Alaska Native and Native Hawaiian Institutions, and Hispanic Serving Institutions.³ These programs have provided additional opportunities for Minority Serving Institutions to compete for federal grant funding. In 1999, the first year of funding for the expanded programs, 55 Hispanic Serving, Tribal, Alaska Native, and Native Hawaiian Institutions were awarded grants, and as of fiscal year 2006, 197 such institutions had new or continuation grants. (See table 2).

Table 2: Title III and Title V Funding by Program, Fiscal Years 1999 and 2006

Type of grant	Funding (in millions of dollars)		Number of institutions funded	
	1999	2006	1999	2006
Title III, part A Strengthening Institutions	\$60	\$80	180	223
Title III, part A Tribal Colleges	3	24	8	27
Title III, part A Alaska Native/Native Hawaiian	3	12	8	19
Title III, part B Historically Black Colleges and Universities	136	238	98	97
Title V, part A Hispanic Serving Institutions	28	95	39	151a
Total	\$229	\$448	319	517

Source: Department of Education.

^aIn 2006, 151 Hispanic Serving Institutions received 172 grants. Twenty-one of the institutions received two grants—an individual development grant and a cooperative development grant.

The grant programs are designed to increase the self-sufficiency and strengthen the capacity of eligible institutions. Congress has identified many areas in which institutions may use funds for improving their academic programs. Authorized uses include, but are not limited to, construction, maintenance, renovation or improvement of educational facilities; purchase or rental of certain kinds of equipment or services; support of faculty development; and purchase of library books, periodicals, and other educational materials.

Grantees Reported a Range of Uses and Benefits for Title III and Title V Grants but Cited Some Implementation Challenges

In their grant performance reports, the six grantees we recently reviewed most commonly reported using Title III and Title V grant funds to strengthen academic quality; improve support for students and student success; and improve institutional management and reported a range of benefits. To a lesser extent, grantees also reported using grant funds to improve their fiscal stability. However, our review of grant files found that institutions experienced challenges, such as staffing problems, which sometimes resulted in implementation delays.

- **Efforts to Improve Academic Quality**—Four of the six grantees we reviewed reported focusing at least one of their grant activities on improving academic quality. The goal of these efforts was to enhance faculty effectiveness in the classroom and to improve the learning environment for students. For example, Ilisagvik College,

³ Education has proposed discontinuing funding for Title III, part A Alaska Native/Native Hawaiian Institutions in its fiscal year 2008 budget proposal. According to Education, the types of activities supported by this program may be carried out under the Title III Strengthening Institutions program. Institutions whose projects would be discontinued would be eligible to seek funds under the Strengthening Institutions program.

an Alaska Native Serving Institution, used part of its Title III, part A Alaska Native and Native Hawaiian grant to provide instruction and student support services to prepare students for college-level math and English courses. According to the institution, many of its students come to college unprepared for math and English, and grant funds have helped the school to increase completion rates in these courses by 14 percentage points.

- **Efforts to Improve Support for Students and Student Success**—Four of the six grantees we reviewed reported focusing at least one of their grant activities on improving support for students and student success. This area includes, among other things, tutoring, counseling, and student service programs designed to improve academic success. Sinte Gleska, a tribal college in South Dakota, used part of its Title III grant to fund the school's distance learning department. Sinte Gleska reported that Title III has helped the school develop and extend its programs, particularly in the area of course delivery through technology. In addition, the school is able to offer its students access to academic and research resources otherwise not available in its rural isolated location.

- **Efforts to Improve Institutional Management**—Four of the six grantees we reviewed reported focusing at least one of their grant activities on improving institutional management. Examples in this area include improving the technological infrastructure, constructing and renovating facilities, and establishing or enhancing management systems, among others. For example, Chaminade University, a Native Hawaiian Serving Institution, used part of its Title III grant to enhance the school's academic and administrative information system. According to Chaminade University, the new system allows students to access class lists and register on-line, and readily access their student financial accounts. Additionally, the Title III grant has helped provide students with the tools to explore course options and develop financial responsibility.

- **Efforts to Improve Fiscal Stability at Grantee Institutions**—Two of the six institutions we reviewed reported focusing at least one of their grant activities on improving its fiscal stability. Examples include activities such as establishing or enhancing a development office, establishing or improving an endowment fund, and increasing research dollars. Development officers at Concordia College, a historically black college in Alabama, reported using its Title III grant to raise the visibility of the college with potential donors.

While grantees reported a range of uses and benefits, four of the six grantees also reported challenges in implementing their projects. For example, one grantee reported delays in implementing its management information system due to the turnover of experienced staff. Another grantee reported project delays because needed software was not delivered as scheduled. In addition, Education officials told us that common problems for grantees include delays in constructing facilities and hiring. As a result of these implementation challenges, grantees sometimes need additional time to complete planned activities. For example, 45 percent of the 49 grantees in the Title V, developing Hispanic Serving Institutions program that ended their 5-year grant period in September 2006 had an available balance greater than \$1,000, ranging from less than 1 percent (about \$2,500) to 16 percent (about \$513,000) of the total grant. According to Education regulations, grantees generally have the option of extending the grant for 1 year after the 5-year grant cycle has ended to obligate remaining funds.

Education Has Developed New Objectives, Strategies, and Performance Measures that Focus on Program Outcomes, but Challenges Remain

Education has established a series of new objectives, strategies, and performance measures that are focused on key student outcomes for Title III and Title V programs. As part of Education's overall goal for higher education within its 2007-2012 Strategic Plan, Education established a supporting strategy to improve the academic, administrative, and fiscal stability of HBCUs, HSIs, and Tribal Colleges. Education has also established objectives in its annual program performance plans to maintain or increase student enrollment, persistence,⁴ and graduation rates at all Title III and Title V institutions, and has developed corresponding performance measures. When we reported on Education's strategic planning efforts in our 2004 report, it measured its progress in achieving objectives by measuring outputs, such as the percentage of institutional goals that grantees had related to academic quality that were met or exceeded. However, these measures did not assess the programmatic impact of its efforts. Education's new objectives and performance meas-

⁴The percentage of full-time undergraduate students who were in their first year of postsecondary enrollment in the previous year and are enrolled in the current year at the same institution.

ures are designed to be more outcome focused. In addition, the targets for these new performance measures were established based on an assessment of Title III and Title V institutions' prior performance compared to performance at all institutions that participate in federal student financial assistance programs. Education officials told us that they made these changes, in part, to address concerns identified by the Office of Management and Budget that Education did not have specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program.

Education needs to take additional steps to align some of its strategies and objectives, and develop additional performance measures. GAO has previously reported that performance plans may be improved if strategies are linked to specific performance goals and the plans describe how the strategies will contribute to the achievement of those goals.⁵ We found insufficient links between strategies and objectives in Education's strategic plans and annual program performance plans. Specifically, Education needs to better link its strategies for improving administrative and fiscal stability with its objectives to increase or maintain enrollment, persistence, and graduation rates because it is unclear how these strategies impact Education's chosen outcome measures.

In fact, GAO and other federal agencies have previously found Education faces challenges in measuring institutional progress in areas such as administrative and fiscal stability. To address part of this problem, Education is conducting a study of the financial health of low-income and minority serving institutions supported by Title III and Title V funds to determine, among other things, the major factors influencing financial health and whether the data Education collects on institutions can be used to measure fiscal stability. Education officials expect the study to be completed in 2008.

Education Has Made Some Changes Designed to Better Target Monitoring and Assistance, but Its Efforts Remain Limited

Education made changes designed to better target monitoring and assistance in response to recommendations we made in our 2004 report; however, additional work is needed to ensure the effectiveness of these efforts. Specifically, we recommended that the Secretary of Education take steps to ensure that monitoring and technical assistance plans are carried out and targeted to at-risk grantees and the needs of grantees guide the technical assistance offered. Education needed to take several actions to implement this recommendation, including completing its electronic monitoring tools and training programs to ensure that department staff are adequately prepared to monitor and assist grantees and using appropriately collected feedback from grantees to target assistance.

Education has taken steps to better target at-risk grantees, but more information is needed to determine its effectiveness. In assessing risk, department staff are to use a variety of sources, including expenditure of grant funds, review of performance reports, and federally required audit reports. However, according to a 2007 report issued by Education's Office of Inspector General, program staff did not ensure grantees complied with federal audit reporting requirements. As a result, Education lacks assurance that grantees are appropriately managing federal funds, which increases the potential risk for waste, fraud, and abuse.⁶ In addition to reviewing grantee fiscal, performance, and compliance information, program staff are also required to consider a number of factors affecting the ability of grantees to manage their grants in the areas of project management and implementation, funds management, communication, and performance measurement. Education reports that identifying appropriate risk factors have been a continuous process and that these factors are still being refined. On the basis of results of the risk assessments, program staff are to follow up with grantees to determine whether they are in need of further monitoring and assistance. Follow-up can take many forms, ranging from telephone calls and e-mails to on-site compliance visits and technical assistance if issues cannot not be readily addressed. In targeting grantees at risk, Education officials told us that the department has recently changed its focus to improve the quality of monitoring while making the best use of limited resources. For example, Education officials said that risk criteria are being used to target those grantees most in need of sites visits rather than requiring staff to conduct a minimum number each year. Based on information Education provided, program staff conducted site

⁵ GAO, Agency Performance Plans: Examples of Practices That Can Improve Usefulness to Decisionmakers. GAO/GGD/AIMD-99-69 (Feb. 26, 1999.) Washington, D.C.

⁶ Office of Inspector General, Department of Education, Audit of the Discretionary Grant Award Process in the Office of Postsecondary Education (OPE), CAN: ED-OIG/A19G0001 (Apr 16, 2007).

visits at 28 of the 517 institutions receiving Title III and Title V funding in fiscal year 2006, but a more extensive review is required to determine the nature and quality of them.

Education's ability to effectively target monitoring and assistance to grantees may be hampered because of limitations in its electronic monitoring system, which are currently being addressed. Education implemented this system in December 2004 and all program staff were required to use the system as part of their daily monitoring activities. The system was designed to access funding information from existing systems, such as its automated payment system, as well as to access information from a departmental database that contains institutional performance reports. According to Education, further refinements to its electronic monitoring system to systematically track and monitor grantees. For example, the current system does not allow users to identify the risk by institution. Education also plans to automate and integrate the risk-based plan with their electronic monitoring system. Education anticipates the completion of system enhancements by the end of 2007. Because efforts are ongoing, Education has limited ability to systematically track grantee performance and fiscal information.

Regarding training, Education reports that it has expanded course offerings to program staff specific to monitoring and assistance. Education officials told us that the department has only a few mandated courses, but noted that a number of training courses are offered, such as grants monitoring overview and budget review and analysis, to help program staff acquire needed skills for monitoring and assistance. However, because Education recently moved to a new training recordkeeping system that does not include information from prior systems, we were unable to determine the extent to which program staff participated in these offerings. We reported in 2004 that staff were unaware of the guidelines for monitoring grantees and more information is needed to determine the extent to which new courses are meeting the needs of program staff.

While Education provides technical assistance through program conferences, workshops, and routine interaction between program officers and grantees, Education's ability to target assistance remains limited, in that its feedback mechanisms may not encourage open communication. Education officials told us that they primarily rely on grantee feedback transmitted in annual performance reports and communication between program officers and grantees. As we reported in 2004, Education stated that it was considering ways to collect feedback separate from its reporting process for all its grant programs but no such mechanisms have been developed.

Prior Recommendations and Agency Response

We previously recommended that the Secretary of Education take steps to ensure that monitoring and technical assistance plans are carried out and targeted to at-risk grantees and the needs of grantees guide the technical assistance offered. These steps should include completing its automated monitoring tools and training programs to ensure that department staff are adequately prepared to monitor and assist grantees and using appropriately collected feedback from grantees to target assistance.

Education agreed with our recommendation, and has taken actions to target its monitoring and technical assistance to at-risk grantees. However, additional study is needed to determine the effectiveness of these efforts.

Mr. Chairman, this completes my prepared statement. I would be happy to respond to any questions you or other Members of the Subcommittee may have at this time.

APPENDIX I: CHARACTERISTICS OF FISCAL YEAR 2006 TITLE III AND TITLE V GRANTEEES

	Title III, Part A Strengthening Institutions	Title III, Part A Tribal Colleges	Title III, Part A Alaska Native/Native Hawaiian Institutions	Title III, Part B Historically Black Colleges and Universities	Title V, Part A Hispanic Serving Institutions
Average undergraduate enrollment	5,606	539	2,644	2,885	10,152
Gender					
Male	42	34	41	39	41
Female	58	66	59	61	59
Race/Ethnicity					
American Indian/Alaska Native	2	83	6	<1	1
Asian/Pacific Islander	6	2	47	1	9
Black	14	<1	2	81	10
Hispanic	8	1	3	3	43
White	65	13	36	13	28
Nonresident alien	2	<1	3	1	3
Unknown	5	1	4	2	6
Control					
Private, not-for-profit	22	36	14	47	20
Public	78	64	86	53	79
Type					
< 4-year	67	57	50	13	55
4-year	33	43	50	87	45
Average percentage of students with federal grant¹	45	67	27	67	51
Open admissions policy²					
Yes	70	93	64	39	62
No	29	7	29	60	36
Not applicable	<1		7	2	1
On campus housing					
Yes	47	29	57	87	34
No	53	71	43	12	66
Not applicable				2	

Source: GAO analysis of data from the Department of Education, Integrated Postsecondary Education Data System.

¹Federal grants include Pell Grants and other federal grants awarded to individual students.

²This is an admission policy whereby the institution will accept any student who applies.

Notes: (1) Percentages do not always sum to 100 because responses labeled "not applicable" "not reported" or left intentionally blank have been excluded.

(2) Data for average percentage of students with federal grant aid is from fiscal year 2004.

Chairman HINOJOSA. Thank you, Mr. Scott. We will ask questions after all the presenters have completed their presentation.
Dr. Earvin?

STATEMENT OF DR. LARRY EARVIN, PRESIDENT, HUSTON-TILLOTSON UNIVERSITY

Mr. EARVIN. Good morning, Chairman Hinojosa, and Representative Grijalva. Let me first welcome you back to the capital of the great State of Texas. We are really pleased this morning to have an opportunity to discuss with you our views on several key issues as you draft a bill to reauthorize the Higher Education Act of 1965, as amended.

The oral testimony I present this morning will largely focus, as you requested, on the importance of Title IIIB of the Act for historically black colleges and universities, and to the higher education aspirations of African-American youth and their parents.

I also want to highlight the recommendations for improving Part B, strengthening historically black colleges and universities pro-

gram, including Section 323, for all of the 97 eligible undergraduate HBCUs, as well as Section 326 of historically black graduate institutions that currently provides funding for 18 HBCU institutions and doctoral programs.

Given the limitations of time this morning, I have prepared a comprehensive written statement which I will submit for the record.

Executive Order 213-256 identifies 105 historically black colleges and universities. While 97 HBCUs are currently eligible to participate in the Part B program and meet the statutory definition in Section 322.2 of the Act, these institutions were founded prior to the enactment of the Civil Rights Act of 1964, and whose principal mission then, and is now, the education of black Americans.

While some private and public HBCUs were founded as early as 1837, many public colleges and universities were founded in the south in the late 1800s and early 1900s, to prevent newly-freed slaves from being educated in white colleges and universities.

Congress' enactment of the Black College Act, as part of the Higher Education Act amendments of 1986, not only established a unique funding mechanism for allocating resources among a class of eligible institutions, but outlined a series of authorized activities focused on institution's capacity-building and to strengthen the capacity of HBCUs to increase the number of students earning degrees.

The universe of HBCUs enrolls more than 13 percent of all African-American students in higher education—almost 300,000—yet comprises only 3 percent of the nation's 4,197 institutions of higher education. America's 105 HBCUs have a long and distinguished history of producing high quality graduates. Many of them have achieved extraordinary success in medicine, law, education, the arts, sciences, and professional athletes.

With that background, let me highlight three points and recommendations for the subcommittee. First, the Title III, Part B, strengthening HBCUs programs, is critical to the future of these institutions and should be reauthorized and improved by incorporating several technical amendments that are agreed upon by the entire HBCU community. These amendments are provided in my full draft to you.

Second, the Section 326 of the historically black graduate institutions programs has always limited institutional and programmatic participation to those, first, professional degree programs, such as law, medicine, and dentistry, and to doctoral programs in the physical and natural sciences. I strongly support the inclusion of language in Section 326E(2) that further clarifies this focus for the HBGI program and limits the master's degree funding program to terminal masters only.

The inclusion of master's degrees without this restriction would dramatically expand institutional participation in the program. The recent appropriations history for Section 326 by Congress does not support such expansion, including a large number of master's degree programs with 13 with threatened funding for the current 18 institutional participants, one of which is Texas Southern in our own State, and funding for Section 323 that benefits most HBCUs.

Smaller institutions like Huston-Tillotson University, Jarvis Christian College, Wiley College, and Texas College here in Texas, do not want to see funding for the HBGI program become a competitor in the Congressional appropriations process.

Third, the HBCU community strongly supports the creation of a new funding stream for the predominantly black institutions in Title III, Part A. We have worked closely with Congressman Danny K. Davis and with Senator Barack Obama of Illinois to design a carefully crafted and constitutionally permissible means of funding these institutions. An authorization of \$25 million is requested for this program.

Thank you again for—

Chairman HINOJOSA. Dr. Earvin, I am going to yield an additional two minutes for you to complete your presentation. And be assured that the entire presentation that you provided us will be made part of the record.

Mr. EARVIN. Thank you. Thank you again for inviting me to testify, and I welcome any questions that you, Mr. Chairman, may have. And I will provide a written copy of this revision for your records.

[The prepared statement of Dr. Earvin follows:]

Prepared Statement of Dr. Larry Earvin, President, Huston-Tillotson University

Chairman Miller, Ranking Member McKeon and Members of the Committee, thank you for affording me the opportunity to appear before you today on behalf of Huston-Tillotson University over which I am privileged to preside and UNCF of which Huston-Tillotson is a member along with thirty five (35) private Historically Black Colleges and Universities (HBCUs). I am delighted also to appear before you today as a director of the National Association for Equal Opportunity in Higher Education (NAFEO), the nation's only membership association of all of the two-year, four-year, public and private HBCUs and Predominantly Black Institutions (PBIs), some one hundred twenty (120) institutions, representing almost 800,000 students, nearly 53,000 faculty and more than 5 million alumni. NAFEO's more than 120 member institutions are located in twenty-five states, the District of Columbia and the Virgin Islands.

I am especially grateful to Ruben Hinojosa and Kenny Marchant, House Education Committee members from the great State of Texas, and to Congressman Bobby Scott who is in large measure responsible for my appearing before you today. I also extend my appreciation to attorney Lezli Baskerville, President and CEO of NAFEO, for the assistance she provided in shaping this testimony. I hope that while you are here in Austin, just a short distance from the campus of Huston-Tillotson University, you will come tour our magnificent campus, experience the challenging, yet warm and welcoming environment, and see firsthand what we are doing with private and public dollars; and what we are able to continue doing thanks in large measure to federal Title III dollars.

Your presence here today on the Monday following your Memorial Day recess is a testament to the level of importance you place on getting a better understanding of how Titles III and V work as you continue congressional efforts to reauthorize the

Higher Education Act. I am eager to share with you my experiences, those of Huston-Tillotson and those of others in the HBCU phalanx under Title IIIB, Strengthening the Historically Black Colleges and Universities. Title IIIB is of signal importance to the survival and progress of the nation's 105 historically black colleges and universities.

Before I share with you the abundant successes under and opportunities for improvement of Title III, I share with you a brief overview of Huston-Tillotson University. Huston-Tillotson University is a historically black university located in Austin, Texas. It is affiliated with The United Methodist Church and the United Church of Christ. It gained university status in 2005.

The mission of the University is to provide its increasingly diverse student body with an exemplary education that is grounded in the liberal arts and sciences, bal-

anced with professional development, and directed to public service and leadership. The University prepares students with the integrity and civility to thrive in a diverse society, fosters spiritual development, preserves and promotes interest in the accomplishments and experiences of the University's historic constituents and evolving population, and creates and sustains supportive relationships which advance the Huston-Tillotson University community.

Huston-Tillotson University awards undergraduates, four year degrees in business, education, the humanities, natural sciences, social sciences, science and technology. A multi-cultural, multi-ethnic, and multi-faith institution, the University welcomes students of all ages, races, and religions.

In 1966 the 23-acre campus contained an administration building, science building, two residence halls, student union-dining hall, gymnasium-auditorium, music hall, lounge, and two other halls. The Downs-Jones Library houses more than 86,000 volumes, subscribes to more than 350 periodicals, and is a member of TexShare, a library resource-sharing program which enables students, faculty, and staff to borrow books from other member libraries. By the early 1970s new buildings included a classroom-administration building, a chapel, an addition of three wings to the women's dormitory, and an addition of two wings to the men's dormitory. In 2004, the first phase of renovation work was completed on the Old Administration Building and it reopened after standing unoccupied for 35 years.

I became the fifth president of the University in 2000.

To provide you with a sense of "how Title III works," I think it important that you have an understanding of how Title III evolved, why it was important in 1986, why it remains important today more than two decades after it was initially included in the Higher Education Act.

Title IIIB of the Higher Education Act of 1965 was first enacted by Congress as part of the Higher Education Act Amendments of 1986 (P.L. 99-498) as the Historically Black College and University Act, Title IIIB. It was the official legislative way of recognizing this nation's sorry history of invidious discrimination against the progeny of slaves in higher education; of the lingering impact of years of non-support; and to this day, unequal support by states, funders, corporations and others for the nation's original and premiere mission-based equal educational opportunity higher education institutions that we call HBCUs.

Title IIIB currently provides funding for 97 historically black college and university (HBCU) undergraduate programs that meet the definition in section 322(2) of the Act, as well as for 18 Historically Black Graduate Institutions (HBGIs) specifically named in section 326. These 18 institutions provide graduate and professional education in the physical and natural sciences, medicine, veterinary medicine, dentistry, law, pharmacy and related fields in which African Americans are underrepresented. A three-pronged formula determines the amount of each institution's award under section 323 (undergraduate), while five factors are used to determine the allocation of funds to the historically black graduate programs under section 326.

The "Strengthening Historically Black Colleges and Universities" program has been, and continues to be, the principle source of institutional assistance for the HBCUs. Since its inception, the Title IIIB program has been very successful in supporting strategic planning initiatives, academic program enhancements, administrative and fiscal management, student services, physical plant improvements, and general institutional development. Since Congress first funded the Title IIIB program in FY 1987, the HBCUs have received more than \$3 billion in grant awards through FY 2006.

The Title IIIB dollars are transforming HBCUs to meet the challenges of a new century with cutting cutting-edge projects in agriculture, science, technology, and international education. Title IIIB dollars are also enabling HBCUs to provide vital education, health care, human needs, economic and community development, and recreation services for the communities in which they are located. I provide you ten (10) representative examples of how Title III is working. The examples include 2and 4-year institutions, urban and rural, undergraduate and graduate program beneficiaries. I am attaching to this testimony comments from Alabama State University, Alcorn State University, Bowie State University, Cheyney University of Pennsylvania, Fort Valley State University, Hampton University, JF Drake State Technical College, Kentucky State University, Morehouse School of Medicine, and Norfolk State University. Please take time to review the submissions.

What you will find is that the Title IIIB programs are enabling HBCUs—missionbased, equal educational opportunity institutions—to continue promoting access and success, and educating more diverse students which has long been the province of the nation's historically black colleges and universities. As one author

noted, “HBCUs remain the patron saints of universal access.” HBCUs are, in fact, the “patron saints of universal access AND opportunity.”

By patron saints of “access and opportunity” I emphasize that HBCUs are not just opening their doors to opportunity to a broad and diverse group of students, many of whom have been traditionally underserved, but also offering students a college opportunity that is appropriate for their aspirations, preparation, and abilities. They are giving traditionally underserved students—the growing majority in America—an opportunity for a successful postsecondary experience.

HBCUs are having many favorable results. They are generally offering a good return on the investment. According to data from The College Board’s Trends in College Pricing 2006, and the 2005 NAFEO Enrollment Survey of HBCUs, private HBCUs on average cost \$10,000 per year less than their white counterparts, when tuition, fees, room and board are factored in. Public HBCUs on average cost \$1,000 less than their white counterparts. Using Title IIIB programs, over the course of the past 29 years, HBCUs have made remarkable strides. Consider these facts:

- HBCUs represent only three percent (3%) of all colleges and universities, yet they enroll sixteen percent (16%) of all African Americans in 4-year degree granting institutions;
- They graduate thirty percent (30%) of African Americans receiving 4-year degrees, and forty percent (40%) of African Americans receiving 4-year degrees in STEM areas;
- Twenty-four percent (24%) of all PhDs earned each year by African Americans are conferred by twenty four (24) HBCUs;
- Eighteen (18) of the top twenty-three (23) producers of African Americans who go on to receive science related PhDs are HBCUs;
- Four (4) of the top ten (10) producers of successful African American medical school applicants are HBCUs. These HBCUs produce twenty percent (20%) more African American applicants than the other six (6) institutions combined;
- Eight (8) of the top ten (10) producers of African American engineers are HBCUs.

It is expected that Title III programs will be more sorely needed than ever so that HBCUs can continue to evolve to meet the changing characteristics of today’s students, today’s civic, social, political, ecumenical and labor force needs. As you are aware, in the forty years since the Higher Education Act was passed, the more than twenty years since Title IIIB was enacted, the nation has become more colored, more culturally diverse, more global, more technological, and more virtual. The cost of higher education has escalated to keep pace with the growing scientific, security, and technological demands of the day: demands for information now, information on-the-go, and to expand the reach of the information we have and information we need beyond the borders of campuses, counties, states, regions, and nations. Title III programs are enabling HBCUs to keep pace.

It is projected that an even greater burden will be placed on HBCUs in the coming years as the national demographics change. It is projected that by the year 2050, one-half of the United States will be “minorities”. Because HBCUs educate a disproportionate number of racial and ethnic minorities, it can be expected that a greater proportion of those seeking a higher education in and around 2050 will choose to attend an HBCU. Add to the demographics the financial stagnation that is projected for American workers well into the next century, and the retrenchment in student grant-aid programs, and it becomes clear that the demands on HBCUs will be even greater than they are today. Well into the next century, HBCUs will not only be required to “remain at the creative forefront of American education, offering tools and skills necessary to prepare students for today’s competitive and technological society,”¹ but they will also be required to increase the role that they play as providers of social services.

Title III programs are needed for one additional reason according to a 2004 report by Thomas G Mortenson, the Senior Scholar at The Pell Institute for the Study of Opportunity in Higher Education. Title IIIB programs are needed so that HBCUs can keep educating diverse students at a time when the nation’s flagship institutions are not doing a good job. The Mortenson Report found that at this time when state public higher education institutions should be doing more to enroll and graduate traditionally underrepresented populations, because of their growing numbers in the population, most of our flagship universities are doing a grossly inadequate job of enrolling African Americans, Hispanics, and American Indians.

¹From the address of President Bill Clinton on the occasion of the commencement of HBCUs Week, 1996.

Despite some recent progress, among the universities that Dr. Mortenson found to be least engaged in enrolling underrepresented minorities present in higher education in their states and most segregated are: the University of Georgia, University of Mississippi at Oxford, Louisiana State University, Baton Rouge, University of Tennessee, Knoxville, University of Delaware, University of Texas, Austin, University of Arkansas, Fayetteville. These are all states with HBCUs. The Mortenson report goes further to conclude as follows:

As these state flagship universities disengage from the demographic changes occurring in their states, they diminish their justification for further state financial support for their operations. As flagships increasingly focus on the affluent shrinking majority populations in their states, then state political leaders should reallocate state higher education investment resources toward those institutions and programs that are serving these growing populations on which the state futures depend.

To maximize social welfare and diminish the many divisions that fracture our nation, federal resources devoted to broadening higher education should also be reallocated. Institutions that are disengaged from serving the rowing demographic groups on which country's future depends should be suspended from further Title IV student financial aid program eligibility. Institutions that are disengaged should be placed on probation and challenged to engage or face suspension. And those institutions that are reaching out to these growing demographic groups should be strongly supported for the important work they are doing.

Moreover, many of these same state flagship universities that are turning away from addressing demographic opportunities have accumulated significant endowments (profits) that remain tax free: UT system (\$8.7B), Univ of VA (\$1.8B), Ohio State U (\$1.2B) UNC CH (\$1.1B) Penn State U (\$.900M), University of Illinois (\$900M), University of Delaware (\$900M)

These public universities have accumulated huge profits but most appear unable or unwilling to enroll their state shares of underrepresented minority populations. They do not lack resources-they lack will.

The Mortenson Report has public policy implications worthy of our consideration. As we seek to invest more equitably and efficiently in higher education, to prod higher education access and success, and to focus on outcomes-based education, consideration should be given to investing proportionately more in those institutions, like HBCUs, HSLs, and AIHEC institutions that continue to enroll and graduate disproportionate numbers of traditionally underserved students. This approach would foster at least three important higher education goals: (1) promoting access to post-secondary education; (2) containing college costs and prices; and (3) fostering standards and accountability.

To enable Title IIIB to continue strengthening the nation's premiere equal educational opportunity institutions and expanding educational excellence, access and equity, the entire HBCU community is united behind the following amendments to Title IIIB:

- Revise section 324(d) of the Act to limit the award of Title IIIB funds to HBCUs that meet the requirements of section 322(2) and satisfy every element of the formula in section 326(f)(3).
- Increase the authorization of appropriations in fiscal year 2007 to \$260 million for section 323 and to \$75 million for section 326 and "such sums" in the succeeding four fiscal years.
- Retain the current law HBGI allocation formula for distributing funds to all eligible historically black graduate and professional schools and "qualified graduate programs", with a "hold harmless" provision to prevent the reduction in any HBGI's prior year award;
- Add any newly eligible professional schools or "qualified graduate programs."

Qualifying programs include:

Albany State University: Nursing Alcorn State University: Agronomy, Animal Science, Biology, Computer Information Science, Rural Nursing.

Bowie State University: Computer Science, Family Nurse Practitioner, Management Information Systems Grambling State University: Nurse Practitioner Langston University: Physical Therapy University of the District of Columbia School of Law.

- Revise section 327(b) of the Act to clarify congressional intent that eligible institutions have ten years to obligate Title IIIB grant funds;
- Revise section 322(4) of the Act to clarify that the authority to determine areas in which Blacks are underrepresented resides solely with the Secretary of Education, in consultation with the Commissioner of the National Center for Education Statistics and the Commissioner of the Bureau of Labor Statistics;

- Authorize new activities including the creation or improvement of facilities for Internet or other distance learning; the acquisition of real property adjacent to the campus needed to construct instructional facilities; general faculty support; etc.
- Include a new technical assistance authorization for institutions to use up to two percent of their Part B funds for technical assistance purposes related to grant activities approved by the Secretary of Education.

In addition to the above recommendations, the HBCU community and the evolving community of predominantly black institutions stand united behind an amendment to the Higher Education Act to include a new Title III, Part A that would authorize a minimum grant of \$250,000 to 2-or 4-year institutions of higher education defined as Predominantly Black Institutions (PBIs). This proposed amendment is an effort to expand educational access to the growing segments of the American workforce. The proposed PBI amendment is aligned with and proposes federal support for PBIs comparable to that which is currently provided to Hispanic-Serving Institutions under Title V Part A, Section 501 of the HEA where funds are authorized to provide grants and related assistance to Hispanic-serving institutions to enable such institutions to improve and expand their capacity to serve Hispanic students. It is also aligned with and would offer support for PBIs comparable to that which is provided under Title III, Section 303, where funds for Indian Tribal Colleges and Universities are authorized to enable such institutions to improve and expand their capacity to serve Indian students.

The PBI amendment would greatly enhance the nation's ability to make higher education available to all who are prepared and desirous of attending college. In so doing, it would expand the nation's ability to prepare more Americans to meet the demands of the labor force for more highly trained, technological workers, and for a more diverse labor force.

PBIs are located in service areas of high distress, high need, and traditionally low-performing PK-12 systems. They are potent educational, economic, social, and political resources for their service areas. They are feeders of diverse students into four-year institutions (in the case of two-year institutions), graduate and professional schools, and into the labor force.

It is in the nation's interest to help ensure that all students who are prepared and desirous of attaining a higher education are afforded an opportunity to do so; and that higher education institutions that are educating disproportionate percentages of low-income, first generation, traditionally underserved students are strengthened.

Despite efforts to close the higher education attainment gap between white students and racial and ethnic minorities, the gap remains manifest. More affordable and more accessible, PBIs help to close the gap between black students and white students enrolling in and graduating from college.

Relative to other institutions of higher education, PBIs are under-funded.

PBIs are different than Historically Black Colleges and Universities (HBCUs) in mission, history and, in some instances, resource challenges. Similar to HBCUs, they are meeting vital higher education needs for traditionally underrepresented students, a disproportionate number of whom are black. Indeed, PBIs are meeting the needs of more than 200,000 students each year. PBIs would be added to HEA without jeopardizing the HBCU program and in a manner that would withstand "strict scrutiny."

The proposed definition of a "PBI" is an institution with:

- 1000 full time students or FTE;
- At least 50% of students are Pell Grant-eligible;
- At least 50% of students are first generation college students;
- At least 40% of enrolled students are Black American;
- At least 25% of graduates enroll in an advanced degree program; and
- At least 25% of students complete degree requirements in a specified time period

The proposed use of race as just one factor among several others suggests that the proposed new category of institutions would meet constitutional muster. In *Grutter v. Bollinger*, a majority of the Supreme Court Justices upheld the use of race as one of many factors that may be considered in fashioning diversity initiatives in higher education. The PBI provision would allow for the consideration of race as one of several factors in determining an institution's eligibility for inclusion in the proposed Title IIIA of the Higher Education Act. Race would not be the only factor; and the proposed definition would be consistent with the legislative scheme for the inclusion of HSIs and Tribal Colleges and Universities. I am including as an appendix to this testimony, a one-page briefing paper on this important amendment to Title III.

The purpose of the Endowment Challenge Grant program is to help traditionally under-funded institutions to grow their endowments, which are essential to their

survival and enhancement. For these institutions to grow their endowments is increasingly important during this economic downturn. Congress ceased providing direct funding for the program in fiscal year 1995. Many NAFEO member institutions, especially small private and public colleges, which serve large numbers of lower income students, tend to be enrollment driven and have fewer wealthy alumni than their historically white counterparts from which to secure large gifts. The percentage of alumni from these institutions who give to their alma maters is significantly smaller than the percentage of alumni at their competitor institutions. Federal matching grants present an attractive magnet to lure private sector involvement—namely corporate and foundation contributions. Each Endowment Challenge Grant must be matched on a dollar-for-dollar basis.

The Challenge Grant Act Amendments of 1983 authorized matching federal grants for small private and public colleges and universities that qualified for Title III of the Higher Education Act. Subsequent amendments to the law have allowed Historically Black Colleges and Universities (HBCUs), community and junior colleges, Hispanic-Serving Institutions (HSIs), Tribal Colleges and Universities (TCUs), and other minority-serving institutions to participate in the program.

The united HBCU community recommends establishing a two-tiered match system: a 1:1 or 2:1 dollar match, with a five-year wait out period for institutions in the 2:1 program. Allowing a 2:1 match would allow institutions to pursue more aggressive endowment building campaigns on their campuses.

Congress established the Historically Black College and University (HBCU) Capital Financing program to provide HBCUs with resources for the repair, renovation, or in exceptional circumstances, the construction or acquisition of instructional, laboratory, residential campus facilities; instructional equipment, research instrumentation, or fixtures related to such facilities, and of any real property underlying such facilities. Very few projects have been approved since 1992. As of May, 2007, only 12 financing projects, totaling an estimated \$180 million, had been approved since the program's inception.

The Department of Education's preferred method of financing HBCU Capital projects is to provide loans tied to a Department of Treasury-based benchmark. This practice has resulted in increased costs to the institution, including paperwork burdens and processing delays. To strengthen this sorely needed program, the HBCU community recommends:

- Expanding the purposes for which financing may be used to include the acquisition of property adjacent to the campus;
- Increasing the authorization of appropriations for the HBCU Capital Financing program to \$308,000;
- Eliminating financing tied solely to the Treasury-bill rate;
- Reducing the paperwork burden for institutions and the time between an institution's submission of its application to the time for approval for financing; and
- Eliminating the current requirement for cross collateralization of capital.

The purpose of the Minority Science and Engineering Improvement Program (MSEIP) is to increase minority representation in science and technology by improving science and engineering programs at minority institutions. Institutions of higher education may use MSEIP funds for projects ranging from faculty development and improvement, curriculum development and research capabilities.

The HBCU united community supports an increase in the authorization of appropriations to \$20 million and the creation of a new authority that encourages consortia that include the Department of Energy's regional laboratories, other federal agencies with science, mathematics, engineering and technology missions or mandates, and private sector companies or foundations related to health and scientific research.

The final amendment we propose to Title III is for the establishment of a new section that would create an HBCU Research, Education and Technical Assistance Center with Endowed Chairs at the accredited HBCU law centers. The Center would gather, maintain & disseminate quantifiable, research-based data to sustain HBCUs, close the achievement, performance, and retention gaps, and improve educational outcomes. The endowed chairs would work with HBCUs in their region to gather and present data necessary under the Program Assessment Rating Tool (PART) to demonstrate to the satisfaction of the Department of Education, state legislatures and other legislative, regulatory, administrative, and judicial bodies, the outcomes from the Title III investments in HBCUs. The Center and HBCU accredited law schools would also gather and maintain data sufficient to support strategic investments in HBCUs, and pilot test and identify best practices in a number of critical areas including student retention at HBCUs, best practices for closing the stark male, female enrollment gap on HBCU campuses and the like.

The above recommendations will go a long ways toward strengthening HBCUs and PBIs, their students, faculty, staff and facilities. To the extent to which we as a nation strengthen HBCUs and PBIs, we will strengthen a growing segment of the American workforce, strengthen our families and communities, and make America strong.

Please give these recommendations your favorable consideration.

Chairman HINOJOSA. Thank you.
Dr. Vanegas.

**STATEMENT OF OLIVIA VANEGAS-FUNCHEON, PRESIDENT
AND CEO, TOHONO O'ODHAM COMMUNITY COLLEGE**

Ms. VANEGAS-FUNCHEON. Buenas dias.

Chairman HINOJOSA. Buenas dias.

Ms. VANEGAS-FUNCHEON. Good morning, Mr. Chairman, and Congressman Grijalva. On behalf of the Donatem Community College, I thank you for the opportunity to submit testimony today.

I am here to testify on Title IIIA, Section 316, which provides grants and related assistance to the Indian tribal college and universities to enable such institutions to improve and expand their capacity to serve Indian students.

It has been the dream of our nation, our Tohono O'odham Nation, to build this college, and we are now one of the 35 tribally-controlled colleges. We are located in Salas, Arizona, in the middle of the Saharan Desert, 60 miles southwest of the city of Tucson. Since the start of the college, we have been building the infrastructure. We have collaborated with the community and been responsive to the educational needs of our students who have not had the opportunity to go to college because they live in remote villages.

By 2005—we were chartered in 1998, and by 2005 we became a land grant institution and fully accredited by the Higher Learning Commission. So it is like flying a plane while we are building it.

As one of the previous presidents has said, the vision of the college is twofold—to become the center of higher education on the Tohono O'odham Nation, and also to have the Tohono O'odham Nation students to participate—become participants of the local, state, national, and global communities.

The Nation lies on 75 miles of the Mexican-U.S. border. It is geographically the largest—the second largest reservation in Arizona. Eleven thousand of the 27,000 members of the Nation live on the reservation. The rest live in nearby Tucson, Phoenix, and other cities. Our Nation members—many of them live at poverty level. They earn \$6,000 less than other Arizona tribes, and also less than half of the U.S. average.

The unemployment rate of the working people is 23 percent. And of the discouraged workforce, it is 67 percent. So there is a gap. At the lower—the bottom fifth percent of the population, where many of our Tohono O'odham—the population of Arizona, the bottom fifth, that income is one of the lowest in the nation, and it continues to decrease, whereas the top fifth of the Arizona households, the income has increased by 31 percent. So the poverty in the Tohono O'odham—for the Tohono O'odham Nation is great.

Literacy and education levels are, again, one of the poorest in the nation. When we look at the graduation rate of our students, as far as diplomas, again, more than 50 percent—less than 50 percent of

our students are graduating from high school, and so that begins the start of many of our issues with education. We also have health problems. Diabetes is at the highest rates. We have alcohol and drug abuse problems, and so these are all the challenges and a really brief summary. All of the detail is in my written testimony.

The education and institution challenges are faced by the Tohono O'odham Community College. Ninety-five percent of our students are American Indian, and most of them are Tohono O'odham students.

Now, to get to Title III. Title III has helped the college address many of the challenges mentioned above. The Tohono O'odham Community College used Title III over the first year to support the retention of students at Tohono O'odham Community College. The goals of the project are to increase student enrollment sufficient to ensure long-term financial viability of the institution.

The second goal is to realize the vision and mission of the college by connecting the unique academic needs of the science and math curricula to the Tohono O'odham Hymda, which is our way of life. The third goal is to provide basic skills targeting the academic remediation needs of the students. And the fourth is to develop a sponsor project program that enhances TLCC's planning and development ability to implement, evaluate, and ultimately institutionalize academic and support programs and services and resources.

Chairman HINOJOSA. Dr. Vanegas, I am going to yield an additional two minutes for you to complete your presentation, and also I assure you that your entire presentation will be made part of the record.

Ms. VANEGAS-FUNCHEON. Okay. Thank you. Title III grant has contributed to enhancement and integration of the science and math courseworks to the people's way of life. The funding has provided a state-of-the-art laboratory. We have hired instructors in GED math and science. We have created a study center for tutoring our students, and, of course, the sponsor project that helps us gain more grants.

My recommendations are to first expand the authority of the tribal college Title III program to oppose the establishment of new Title III programs for non-tribal institutions; and to continue the working relationship with a funding agency; and, third, to—one of the biggest challenges is transportation needs, to make that an allowable cost as far as the grants.

I urge you for these considerations of these—I urge the consideration of these recommendations, and I thank you for the opportunity to address you today.

Thank you.

[The prepared statement of Ms. Vanegas-Funcheon follows:]

Prepared Statement of Olivia Vanegas-Funcheon, President, Tohono O'odham Community College

Mr. Chairman and members of the Subcommittee, on behalf of the Tohono O'odham Community College (TOCC), one of the newest developing tribal college, thank you for the opportunity to submit testimony to the to the U.S. House Education and Labor Subcommittee on Higher Education, Lifelong Learning, and Competitiveness regarding the Higher Education Act: Institutional Support for Colleges and Universities Under Title III.

Introduction

The purpose of the legislation that established Title III-A, Sec. 316 is to “provide grants and related assistance to Indian Tribal Colleges and Universities to enable such institutions to improve and expand their capacity to serve Indian students.”

To fulfill the dreams of generations of the Tohono O’odham Nation members, the Tohono O’odham Nation Legislative Council established Tohono O’odham Community College (TOCC)—one of the 35 tribally controlled colleges and universities in the United States—in January 1998, as the official institution of higher education of the Tohono O’odham Nation. The college is located in Sells, Arizona, the administrative center of the Tohono O’odham Nation, approximately sixty-miles southwest of the nearest off-reservation population center, the city of Tucson.

Since the inception, the College achieved outstanding successes in the development of its infrastructure, recruitment of highly qualified and committed faculty and staff, involvement and collaboration with the community, and responsiveness to meeting the educational needs and desires of its students and of the Tohono O’odham Nation. By 2005, TOCC was designated a land grant institution and achieved full accreditation from the Higher Learning Commission.

The vision for TOCC is to become the Tohono O’odham Nation’s center for higher education. Assuming this role, the mission is two-fold. The vision is to enhance the Tohono O’odham Nation’s participation in the local, state, national, and global communities.

The Tohono O’odham Nation, lying along 75 miles of the Mexico-US border, is geographically the second largest reservation in Arizona—the size of Connecticut—and today home to some 11,000 of the Tohono O’odham Nation’s 27,000 citizens. A large number of Tohono O’odham members reside in Tucson, Phoenix, other nearby towns and cities, and still farther distant. The Tohono O’odham Nation politically and geographically consists of eleven units, known as districts.

Tohono O’odham Nation’s 24,000 membership living in Arizona has a median household income of \$6,000 less per year than other Arizona tribes and less than half the U.S. average. Official unemployment rate is 23% of the total workforce. Because of the reservation’s lack of jobs, the Tohono O’odham Nation’s statistics show a discouraged unemployed rate of 67% of the workforce.

According to economist Marshall Vest, the income gap in Arizona is growing faster than in any other state. About 900,000 Arizonans now live below the poverty level, almost twice the number recorded in 1990. The average income of the bottom fifth of the population, where many Tohono O’odham Nation household income exist, is one of the nation’s lowest, \$7,273 per year or lower in 1998. Adjusted for inflation, this Arizona population has had income fall 15% in the decade from 1990-2000. During the same period, the top fifth of Arizona households saw income increase by 31 percent.

The 2000 Census estimated 13 percent of American families are living in poverty. Yet in Arizona, 17% of the population—the 7th highest percentage nationally—live in poverty. Despite the overall poor standing of Arizona, over three and a half times as many Tohono O’odham families (24%) live below the poverty line. While the increasing income gap between rich and poor means fewer Arizona families are occupying middle-class status, it also means that the economic status of the vast majority of Tohono O’odham is further sinking vis-a-vis the rest of the population.

Major determinants of economic status are literacy and education levels. Associate degree graduates earn 30.6 percent more (\$7000) per year than high school graduates. Bachelor degree graduates earn 60.3 percent (\$13,300) more than high school graduates. Tohono O’odham’s educational performance is among the poorest in the nation. Although overall 65% of American Indians have a high school diploma or have completed a GED, only 48% of the Tohono O’odham Nation’s population has done so. Furthermore, only 4.6% of Tohono O’odham’s population has an earned baccalaureate degree. In an average year, approximately 100 students graduate from K-12 public, Catholic, and BIA schools on and off the reservation.

Tohono O’odham health problems in general are serious. The Tohono O’odham have the country’s highest Type II Diabetes rate. Especially acute is the rate of Diabetic mothers. The U.S. has 25 diabetic mothers per 1,000 live births. On the Tohono O’odham Nation, the rate is 79 per 1,000 births. Teenage pregnancy rates are 118 per 1000 persons, or 12% of all women ages 15-19. At 9.1% of the total population, the Tohono O’odham Nation’s mortality rate for post-neo-natal fatalities is the highest in the U.S. Neo-natal care is also a major problem. Three times as many Tohono O’odham mothers are likely to drink during pregnancy than in the U.S. population as a whole. Alcohol and drug abuse combined with crime associated with such abuse, and factors such as early mortality from vehicle accidents, are other serious problems that negatively impact family life.

The acute economic and health problems confronting the Tohono O'odham translate into inordinate educational and institutional challenges faced by TOCC in carrying out its mission to enhance the quality of life of the Tohono O'odham Nation.

The student body at TOCC continues to grow in number. For academic year 2005-2006, the unduplicated head count and FTS (full-time student equivalency) per semester were as follows: Fall 2005—286 students (151 FTSE), Spring 2006—215 students (149 FTSE); and Sumer 2006—150 students (60 FTSE). For Spring of 2006, gender distribution was 133 females and 82 males. Ninety-five percent of the student body are American Indian or Alaskan Native, and the vast majority are members of the Tohono O'odham Nation.

Title III

Title III helps the college address many of the challenges mentioned above. The Tohono O'odham Community College used Title III over the first year to support the retention of the students at TOCC. The goals of the project are to

- (1) Increase student enrollment sufficient to ensure the long-term financial viability of the institution.
- (2) Realize the Vision and Mission of the College by connecting the unique academic needs of the science and math curricula to the Tohono O'odham Himdag (Way of Life).
- (3) Provide basic skills programs targeting the academic remediation needs of students.
- (4) Develop a sponsored projects program that enhances TOCC planning and development ability to implement, evaluate, and ultimately institutionalize academic and support programs, services, and resources.

The Title III grant has contributed to the enhancement and integration of the science and math coursework into the Himdag. The funding has provided a state of the art science laboratory for research opportunities and programs, hired math, science and GED instructors, established a study center to provide tutoring and mentoring for students enrolled in developmental coursework, increased student enrollment in science and GED classes, established a sponsored projects office to maintain good standing with granting agencies and increase funding opportunities to support TOCC academic programs, student services, and operations.

The grant has facilitated in bringing additional resources to TOCC. TOCC submitted a proposal and was awarded, "Everything in the Desert Connects" to the U.S. Department of Defense (DoD), under the Instrumentation Program for Tribal Colleges and Universities. TOCC will use these funds to purchase GIS/GPS, and remote sensing equipment, accompanying necessary software for the purposes of enhancing, educational experiences not only for TOCC students but also for numerous tribal programs, while also impacting local farming and ranching endeavors.

Now that the Title III laboratory is operational, the college had 12 students enrolled in an environmental biology course—a first—in the summer semester. This increased enrollment for the environmental biology course supports the conclusion that if the college built laboratory facilities enrollment would increase. Student opinion indicated that there is a need for the college to upgrade its mathematical and science program with GIS/GPS equipment, calculators, and software. The new lab facility is equipped with a wireless network with which the new GIS/GPS lab would connect. As a result of Title III grant, TOCC is able to offer a new state of the art science laboratory that will invite similar grant programs, such as the Department of Defense—Instrumentation Program for Tribal Colleges and Universities, for continued contribution of additional resources to TOCC. Prior to the new laboratory, TOCC had no formal hands-on laboratory facilities such as the Biology/Chemistry laboratory.

The educational attainment for Tohono O'odham Nation students is reported in the two school districts located on the reservation with high school graduation rates of 39.7% and 55.0% for 2002-03. Nevertheless, TOCC has served 3,490 students and graduated 195 students with two-year associate degrees, certificates, and GEDs since the year of 2000.

TOHONO O'ODHAM COMMUNITY COLLEGE AWARDS BY TERM

Degree code	2001	2002	2003	2004	2005	2006	2007	Total
AA	3	.....	5	6	3	2	4	23
AAS	2	.....	6	2	1	3	17	31
ABUS .....	.....	.....	.....	1	.....	.....	2	3
AGS	3	1	3	.....	1	1	.....	9
CERT	8	14	4	2	7	7	12	54

TOHONO O'ODHAM COMMUNITY COLLEGE AWARDS BY TERM—Continued

Degree code	2001	2002	2003	2004	2005	2006	2007	Total
GED	12	10	6	13	11	12	11	75
All awards	28	25	24	24	23	25	46	195

TOCC's success is measured by the improvements the college has made to students' lives. We know that culturally appropriate higher education for our people works when we began to see the economic benefits that will strengthen individuals, families, and community with greater workforce skills, opportunities for leadership, financial stability, employment opportunities close to home, and knowledge to take care of the land. We know that culturally appropriate higher education for our people works when we began to see the social benefits that will impact families and communities with the ability to reduce the social problems, preserve the culture, language, and traditions, further educational opportunities, use better technology, and improve Community programs

Recommendations

More than two dozen federally chartered tribal colleges and universities are associated with educating Native Americans at the postsecondary level. They get the vast majority of their support from the federal government, receiving a total of nearly \$100 million in operating funds each year through the Labor Department's Bureau of Indian Affairs, and a significantly smaller amount for programs and facilities through the Education Department's Strengthening Tribally Controlled Colleges and Universities program. As one of the newest member of the American Indian Higher Education Consortium (AIHEC), we recommend the following:

- Expand and increase authority for the Tribal Colleges and Universities' Title III Part A program. Attached is AIHEC's Summary of Proposed Amendments to the Higher Education Act (110th Congress).
- Oppose establishing a new HEA Title III Program for Native American Serving, Non-tribal institutions.
- Continue funding to build a strong working relationship with the funding agency and to provide the necessary training/knowledge on Title III programs for tribal colleges and universities.
- Consider allowable costs for transportation needs for students living in isolated and rural locations and for instructors who travel to those distant locations to conduct classes.

On behalf of the Tohono O'odham Community College, one of the newest members of the American Indian Higher Education Consortium (AIHEC), I urge you to consider the recommendations put forward to you today and I thank you for the opportunity to address you.

[Additional material submitted by Ms. Vanegas-Funcheon follow:]

**Prepared Statement of the American Indian Higher Education Consortium
(AIHEC)**

The nation's Tribal Colleges and Universities (TCUs), which comprise the American Indian Higher Education Consortium (AIHEC), recommend that the language included in S.1614, as reported, from the Health, Education, Labor, and Pensions Committee in the last Congress (109th Congress) that addresses the TCU Title III grant program be included in the 110th Congress' reauthorization of the Higher Education Act. The following is an explanation of the changes sought.

Title III: Institutional aid

Expand and increase authority for the Tribal Colleges and Universities' Title III Part A program: Currently, Sec. 316 of Part A specifically supports Tribal Colleges and Universities through two separate competitive grants programs: 1) a development grants program that awards 5-year grants, and 2) a single-year award program designed specifically to address the critical construction and infrastructure needs at tribal colleges. Changes to the current programs that would be of great benefit to the TCUs include:

- Formula Driven Program: Tribal Colleges and Universities would clearly benefit from a formula approach to their Title III development grants program, provided the formula reflects the needs of these unique institutions and the intent of the Title III—Strengthening Institutions program. Additionally, the TCUs are very interested

in retaining a portion of annually appropriated TCU Title III program funding to continue the competitively awarded construction grants program. Sec. 303 of S. 1614, as reported, includes language that would accomplish this goal.

- **Justifications:** Tribal Colleges and Universities operate on shoestring budgets and many rely on a patchwork of competitive grants for the financial resources to simply keep their doors open. TCUs are the youngest and least developed institutions of higher education in the nation. As such, they are the most in need of these funds yet, they must struggle to submit competitive applications under the arduous requirements and volume of Title III Part A grants. While, many higher education institutions can and do spend thousands of dollars on grant application preparation and submission. This is simply not an option for TCUs. Another key factor is the limited size of the pool of eligible applicants for the TCU program. Although new TCUs are emerging, the pool is expected to remain below 45 institutions for the foreseeable future. Creating a formula funded program would result in a win-win situation. Current applications submitted for Title III Part A competitive grants must have each of the required areas individually judged by application reviewers, by converting this program to formula funding, considerable administrative time and cost savings could be realized by the Federal government.

While formula funding of the basic development grants has long been sought by the TCUs, retaining the competitive construction grants program that has been available to the TCUs through appropriations language since fiscal year 2001 is also a priority.

- **Authorization of Appropriations:** We are requesting a \$35 million authorization for fiscal year 2008 and "such sums" for each succeeding fiscal year. We are looking to increase funding to a level adequate to continue to support those institutions currently eligible to apply for funding under the TCU program as well as to accommodate emerging TCUs. These new TCUs will further expand access to quality higher education opportunities for American Indian people.



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PRESS RELEASE
FOR IMMEDIATE RELEASE

August 23, 2005

Contact: Amy Siquieros, Assistant to the President (520) 383-0015
 Dr. Doug St. Clair, VP of Institutional Development and Research (520) 383-0051

***Tohono O'odham Community College To Build Science Program
 With New Title III Grant***

Sells, AZ -- Tohono O'odham Community College (TOCC), located in Sells, Arizona, on the Tohono O'odham Nation, has been awarded a Title III grant of \$1.7 million from the U.S. Department of Education. Offered under the authority of the Higher Education Act of 1965, Title III funding is designated for strengthening institutions of higher learning, in this case Tribally Controlled Colleges and Universities. TOCC's initiative, which will be funded with the \$1.7 million distributed over five years, is called *Everything in the Desert Connects*. One of the major goals of this new initiative is to develop science programs that are laboratory based but that also incorporate the Tohono O'odham *Himdag* or culture. While it is already offering agriculture, astronomy, and math courses, TOCC will be able to add biology, chemistry, agronomy, and ranching under the auspices of the new grant.

Ms. Olivia Vanegas-Funcheon, President of Tohono O'odham Community College said, "*We are extremely grateful for this funding, which will allow us to attract and retain students who are talented in math and the sciences. After the grant is over, we will of course continue offering the laboratory sciences.*" Ms. Vanegas-Funcheon went on to explain that because of the Title III grant, TOCC will soon offer the AGEC-S, the Arizona General Education Curriculum in Sciences that is a prerequisite for degrees in science and mathematics at state universities and community colleges in Arizona.

Dr. Douglas M. St. Clair, Vice President of Institutional Research and Development at TOCC, mentioned that the main goal of *Everything in the Desert Connects* is to retain students so that TOCC's enrollment grows. The Title III grant provides for a retention coordinator, for peer counselors (student interns), and for several new instructors. TOCC's enrollment was 265 students (or 137 full-time student equivalency) last spring.

The Tohono O'odham Nation chartered and established the College in 1998 to increase access to higher education for its members and to promote economic self-sufficiency. To date, the Tohono O'odham Nation has appropriated \$21 million for the start-up and operational funding for the College, with \$6 million of this total committed to the first phase of construction of a permanent campus. TOCC currently offers classes at more than a dozen sites across the Tohono O'odham Nation and in Tucson. To learn more, please visit the College's website at www.tocc.cc.az.us.

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TOCC Grants—Awards/Contracts & Sub-Contracts*

Funding Source Purpose	Funding Amount	Funding Period
1. AIHEC—CDC Distance Education	\$105,000.00	One Year (2004)
2. Subgrant UAAISP – USDA Community Nutrition – TOCC/TOCA Small Research Grant	\$42,000.00	09/01/04 – 12/31/05
3. U.S. Department Of Education Title III Development	\$1,878,916.00	Performance Period 10/01/2005 – 09/30/2010
4. Teaching for O'odham – BIA	\$700,000.00 Amendment 09/29/06 \$186,451.00	Performance Period 10/01/02 – 09/30/06
5. USDA Extension	\$80,000.00 \$510,000.00	2005 – 2006 2006 - 2011
6. USDA Education	\$67,636.00 \$84,363.00	07/2005 – 2006 2006 - 2007
7. USDA Endowment	\$41,384.00	04/09/07 – 07/10/07
8. NSF-TCUP_Planning	\$50,000.00	05/01/04 – 04/30/05 (with one year extension)
9. SAFE—Service Learning	\$15,000.00 Matching \$15,000.00	10/01/05 – 09/30/06
10. DoD US Army Research_TCUP-GIS/GPS Laboratory	\$152,660.00	11/01/06 – 10/31/07
11. Sub-Grantee - Community College National Center for Community Engagement-ASSETS	\$10,000.00 Matching \$20,000.00	Project Period 09/01/06 – 06/30/09
12. USDA Tohono Land Connections	\$41,384.00	Summer 2007
13. Fulbright Program	\$31,250.00	One Year 2006 - 2007
14. AIHEC-NASA Enrichment	\$50,000.00	Summer 2006
15. UA-CPHP Subcontract Certificate in Public Health Preparedness	\$25,000.00	06/01/06 - 10/31/06
16. U.S. Department of Education – Office of Indian Education Pre-Service grant award	\$1,162,192.00	08/03/06 -08/03/10
17. U.S. Department of Education – Office of Indian Education Admin/Pre-Service grant award	\$1,150,726.00	08/04/06 -08/03/10
18. U. S. Department of Education – Office of Indian Education Special Education grant award	\$1,167,296.00	08/04/06 – 08/03/10
19. U. S. Department of Education – Office of Indian Education Pre-Service grant award	\$1,073,730.00	Performance Period 10/1/03 – 09/30/06
20. AIHEC – Office of Minority Health – Health Fair	\$15,000.00	2005 – 2006

* Does not include MOU 301 & BIA 638

Chairman HINOJOSA. Thank you. I want to add to your presentation, Ms. Vanegas, that Congressman Grijalva, together with Congressman Dale Kilby, have championed, both working together with me, the higher education opportunities for all tribally controlled colleges and universities in the entire United States.

And we welcome representatives from those colleges and universities to come more often to Washington, so that we can continue this dialogue that we are having today, so that we can try to increase the federal investment in those colleges and universities.

And, Dr. Earvin, I must say that the Congressman who sits on the Education Committee with me and works closely with me, Dale—not Dale, but Danny Davis, is a strong champion for those

HBCU colleges and universities and has raised the level of awareness of members of Congress to the growing predominantly black student colleges and universities who also are asking for our assistance, and that we are going to give that strong consideration as we move forward in this reauthorization of higher education.

I am going to begin with the first questions. And, Dr. Kinslow, your recruitment programs entitled College Connections appear to be the reason for such tremendous student growth in your district. Would you please give us some brief highlights of the program? And include, please, why this college system, which has 60 percent Hispanic students in this area, has not been able to get the designation of HSI, so that you could participate in federal investment as other HSIs throughout the country?

Mr. KINSLOW. Okay. Thank you. I will take the latter part of your question first, which is why we have not attained HSI status up to now. Our district started in a very unusual manner. We were born from the AISD school system, and without a local tax base, and so for the first many years of our college's history we operated in abandoned high school facilities and low-cost rental properties that we were able to achieve. So we had, up until 1985, no local revenue stream through local taxes to help us cope with growth.

And because of that, we were behind the curve in terms of facilities to be able to meet the capacity before us for growth, and so we have only, really through the last 15 years, had a very ambitious building program. We now have seven comprehensive campuses that we own.

But instructional capacity remain a big issue in our district, and so for us we have the challenge of serving, again, a very large geographic area about the size of New Jersey. And out of 30 independent school districts that comprised that territory, only four are actually in-district tax-paying members for the community college.

So our capacity issues are linked very strongly to our need to expand the actual size of our taxing district and—

Chairman HINOJOSA. Do you have any bonds that are possibly under consideration for additional funding for buildings?

Mr. KINSLOW. Yes. In fact, we just opened a new campus this past fall, the South Austin Campus, which has a very large population of Hispanic and African-American students, opened that campus with 2,300 students. We also just opened a new building, which more than doubles the instructional capacity at our Cypress Creek campus.

We are also very excited, you may have heard on the news today, that the Round Rock independent school district has announced its pursuit of annexation into our district. So we have had a broader master plan focus on facilities and capacity planning aligned with our State's closing the gaps enrollment target.

Chairman HINOJOSA. Since your seven campuses are nearing capacity, as you are saying, and you project a need for additional faculty and staff as well as funding for infrastructure, how important will Title III funds be in helping the district's future growth?

Mr. KINSLOW. It is very important. We have to take advantage of all of the opportunities to better align the planning, aligned with the growth projections, not only in Austin, but throughout this region. And because we will always be an institution that has some

limitations in terms of our taxing capacity, we operate on a much leaner budget than is typical of urban community college districts.

So we view Title III and Title V as tremendous opportunities for us. You asked about the College Connection Program. That is largely responsible for our enrollment growth, but we have also done other things as a district. We have looked, again, at how can our district plan for the expansion of facilities, as you are pointing out, over a period of time. And our board has adopted a long-term master plan that strategically—

Chairman HINOJOSA. Thank you. We will come back to you later on.

Mr. KINSLOW. Thank you.

Chairman HINOJOSA. Mr. Scott, most of the targeted institutions always request additional funds for infrastructure, yet you reported that to a lesser extent grantees reporting using grant funds to improve their fiscal stability. Should the institutions place a higher priority on fiscal stability instead of recruiting students and helping them with what Congressman Grijalva said was so important in his State, and that is the accessibility and affordability for those students?

Mr. SCOTT. Mr. Chairman, as you know, the Title III and Title V provide institutions with a broad range of flexibility, so I think it will be a policy decision as to whether you will continue to provide that range of flexibilities. I think given the limited federal resources that are available for Title III and Title V programs, though, it is important that grantee institutions continue to demonstrate results, and that they are effectively and efficiently using the funds that they received.

I think as we point out, it is appropriate that they continue to make and demonstrate progress in the areas of improving institutional management and improvement fiscal stability. And those are two areas that the Department of Education is currently studying.

Chairman HINOJOSA. One of the times you appeared before Congress in Washington, you reported that in 2004 GAO recommended that the Department of Education report better monitoring and assistance to institutions. Why haven't they implemented those recommendations more fully?

Mr. SCOTT. Well, the Department has made some progress, as we say in our statement today, in these areas. I guess as I said in my oral statement, though, it is important that they continue to demonstrate a commitment to continual improvement in this area. It has been three years since that prior GAO report, and, as we have recently spoke with them, it is very clear that while they have made some progress they continue to need to take steps to fully implement the recommendations that we previously made.

Chairman HINOJOSA. I am going to yield myself another two minutes, because I wanted to ask Dr. Earvin a question. Your national institutions earned lower costs in both public and public sector. However, we are now faced with rising college costs throughout the country. Does your institution have a counseling program focused on reducing the debt burden of college students?

Mr. EARVIN. Yes, we do. That is one of the key components of our financial aid program, both at the outset of the students' matriculation throughout his or her studies, and then again at each time a

loan may be acquired to continue the process. We also have exit counseling to make sure that students are apprised of the information and are fully knowledgeable of what their options are.

Further, we work closely with students through our financial aid office and our counseling office to make sure that the student has explored all those options that are available for support for his or her education that would not include the borrowing of funds.

Chairman HINOJOSA. When was the last time that you all brought a financial literacy education program specialist to your campus to help students and parents?

Mr. EARVIN. Last semester.

Chairman HINOJOSA. Excellent. Well, that is definitely one that is growing. And I happen to be Co-Chairman of the Financial Literacy Education Caucus, and we have grown to over 70 members in Congress with that. But what is important is the Jumpstart Program, which is a coalition of banks and government-secured entities like Sallie Mae, Fannie Mae, Freddie Mac, as well as the Federal Reserve and the U.S. Treasury are all part of the coalition.

And they are promoting those in eight languages, so that we are sure to also address student—I mean, the parents, and that they can better understand that the students can indeed borrow money and pay it back after they got their associate degree or their bachelor's degree.

I am going to yield to my fellow colleague here, Congressman Grijalva, for his questions.

Mr. GRIJALVA. Thank you very much, Mr. Chairman.

And before I start the questions, as a commentary, Dr. Earvin, you couldn't have a better advocate than Danny Davis on that committee and in Congress. He explained to me early on in the process—I happened to sit next to him, so I have to get explained to a lot. [Laughter.]

The issue of predominantly black colleges, and we shouldn't get—and it why it was—not to get into a situation, your funding issue in 323 being the point. That you shouldn't get in the situation of robbing Peter to pay Paul, and I thought that was—and he continues to advocate that, and you couldn't have a better person—

Mr. EARVIN. Thank you.

Mr. GRIJALVA [continuing]. Working that side.

Dr. Kinslow, let me just—we are working at the same time, and I think it is a good time to be working on this reauthorization while we are working on the reauthorization of No Child Left Behind. There is a connection, so I don't think we speak about it often enough, but there is a very strong one.

And one of the things that I was impressed, and you can expand just a little bit, ACC's summer youth programs that are—one of the areas that I am kind of focusing in on No Child Left Behind is the middle schools. I think it has kind of been a forgotten land out there in this whole process. But your outreach efforts, the awareness, this is what college can be about. Could you just expand a little bit both—not so much what programmatically you are doing, but what the reception has been from families, staff, and kids?

Mr. KINSLOW. It has been very positive. We have taken the approach that our college wants to be a leader in the P16 reform efforts, and so we think a lot of the success of the bridge programs

is rooted in sustained quality partnerships with all of the independent school districts in the region.

What we did this summer was to bring together within our institution a broader group of people to focus on all of the different initiatives that we already had in place and said, "How can we ramp that economy of scale up to impact more people and reach more?" And so we brought together groups like our traditional outreach ambassadors with our early college start and college connection folks, with our cashiers, our accounts payable people, anybody that can touch a student in any way and said, "How can we take all of these programs and weave a stronger tapestry?"

We looked specifically at elementary and middle schools with high proportions of minority students and high proportions of economically disadvantaged families. What we are doing this summer is more of those programs than we have done in the past, larger numbers, but we have also added components, for instance, for parents, where we are trying to also reach that population and provide services to them that help them understand things they can do at home to encourage their kids to think of themselves as college worthy, college able.

And we are also looking at ways that we are going to expand the outreach also to those parents. That is another population group that is typically underemployed as well, and so the response has been very good throughout the area. And, again, it is taking it out to the community rather than waiting for them to come to our doors.

Mr. GRIJALVA. If you wouldn't mind down the road soon to submit to the committee a program outline, I think that would be very important.

Mr. KINSLOW. Love to do that.

Mr. GRIJALVA. In Arizona, unfortunately, we have a State law that cuts out opportunity for young people that have successfully finished high school, done well, didn't get in trouble, but because of some choices their parents made in terms of coming to this country, they are caught in this limbo. And so they have no access, because they have no financial assistance, and we just talked about affordability being key to this whole process of getting kids—getting young—not just kids, community college is about all ages.

So you have this group, in terms of recruitment, in terms of enrollment, how does that affect you if you have the same situation that we have? In Arizona, 11,000 students will not be eligible? So I don't know what the figures could be here.

Mr. KINSLOW. That is a factor that affects use at times. In Texas, children of adults who have come to this country—

Mr. GRIJALVA. Undocumented?

Mr. KINSLOW [continuing]. Undocumented workers are able to qualify for the in-state tuition rate. That is still extremely expensive. One of the things that we found, too, in going out with our outreach efforts is that many times families, as you are describing, are reluctant to provide or take advantage—

Mr. GRIJALVA. Oh, absolutely.

Mr. KINSLOW [continuing]. Of the financial aid counseling, the scholarship counseling, because they are afraid that that will lead to a problem related to their residency and their ability to stay

here. And so it is something that we try to reassure people that we are going to follow the laws, but that we are going to—that there are options for students. We are also trying in our region to expand private giving to assist students.

Mr. GRIJALVA. Mr. Hinojosa is going to gavel me in a second, but—

[Laughter.]

Yes, I appreciate that, and that is why I think while this immigration debate rages, divisive, ugly, rages across this country, many of us, including the—

Chairman HINOJOSA. Mr. Grijalva, if I may interrupt you, I will yield another two or three minutes to you, provided—

Mr. GRIJALVA. One minute.

Chairman HINOJOSA [continuing]. Provided that you allow me the point of personal privilege of introducing some VIPs who are here in our audience. And I will start first with all of the college students that walked in a few minutes ago. Would you please stand and be recognized? [Applause.]

I am delighted to see you here in the audience and to hear this Congressional hearing. And I also want to take the opportunity of introducing—acknowledging the presence of Austin Mayor Will Wynn, who has also been with us, as well as the College ACC Board Member Veronica Rivera, and also would like to say that the Commissioner of Higher Education Coordinating Board—Ray, would you please stand up and let us applaud all of you for being here today. [Applause.]

After the questioning, I am going to invite the Commissioner of Texas Higher Education Coordinating Board to make statement, because he represents all of the colleges and universities in our great State of Texas, and I think that it will be a wonderful opportunity for us to add to the record his statement, because he is certainly the general with the most stars on his shoulder in higher education. And we thank you for coming to this hearing.

Mr. Grijalva, you may continue.

Mr. GRIJALVA. One minute, and I think that is why the urgency, despite all that is going on in immigration and the debate that is raging right now, and will continue to rage for the foreseeable future. That is why we—nothing is accomplished this year in terms of education, because the Dream Act can be enacted, so that we can extend that opportunity to a whole bunch of young people that deserve it and earned it. But because of an involuntary choice on their part, they are trapped.

Mr. KINSLOW. Exactly.

Mr. GRIJALVA. I yield back.

Mr. KINSLOW. Thank you.

Chairman HINOJOSA. My first question to Ms. Olivia Vanegas, your target population, as you indicated in your presentation, is low income, and Arizona is experiencing around 900,000 people living below poverty level. This question may not be necessary, but tell us, how does your institution keep college costs at a minimum in order to provide much needed opportunities for higher ed?

Ms. VANEGAS-FUNCHEON. Well, our tuition is very low for one thing, and our students—repeat the question again. I am sorry.

Chairman HINOJOSA. How do you keep college costs at a minimum in order to provide an opportunity to higher education to those you represent?

Ms. VANEGAS-FUNCHEON. Yes. It is a challenge, definitely, but we do—for instance, the biggest challenge is hiring people. The salaries are hard—the competition is high, and so it is a challenge. But we do manage the money very well. We also don't provide all of the—we do not have all of the facilities that, you know, a college should have, but we definitely do—we wear many hats, each of our faculty and staff.

So we get full use of them, and so as far as keeping the cost down we definitely, you know, do do that. And as far as all of the physical, such as transportation vehicles, and all of that, we are still in need of the—

Chairman HINOJOSA. We will try to help you in this reauthorization act. I want to proceed and ask you a question, because last week while we were in session I was visited by the National Administrator of NASA, and he was talking about the acute shortage that we have of engineers and mathematicians and scientists. And he was asking if we could increase our financial investment in trying to recruit minority students, including Native Americans.

So I am very supportive of the new stem emphasis for enhancing student careers, because there is a larger pot of money available to do that. How has your Title III project allowed you to do this in your cultural context?

Ms. VANEGAS-FUNCHEON. Well, definitely, it is available. The lab—we have as science lab available there at home, close to our students. They don't have to travel to Tucson or some other college to get that exposure to science and math. But we also do do a lot of outreach at the lower levels.

We have bridge programs during the summer for our lower grade levels, and fifth grade, and we also are working with the University of Arizona, where we have faculty from—or students that are interns coming to learn how to teach in the college environment. But, again, we are working towards enriching that stem program.

So we have had some very good faculty members. They are committed to the students, and they work with the community in the community. And one example is we just received equipment for GIS, which is very much the study of the land. We have a vast amount of land, and so that—most of our teaching needs to be relevant to the environment that we are in, so—

Chairman HINOJOSA. Well, if I may interrupt you—

Ms. VANEGAS-FUNCHEON. Yes.

Chairman HINOJOSA [continuing]. You earlier talked about the great need to provide the transportation costs for your students. Have you considered investing more in distance education?

Ms. VANEGAS-FUNCHEON. Yes. And that is another plan that we have. We definitely want to create a media center. One of the—we have two sites that we are building the campus on—on the west side, which is most of the remote areas, we want to build a media center and also with that an entrepreneur—combination of entrepreneur and media center, so that all of the surrounding villages have access to not only the technology but definitely all of the learning environment.

And then, also, with that to build the economic base in the area, because the community has for many years been very supportive of building the economic corridor right in that stretch. But the basis of stem will lead to many careers. Right now, many of—like our nursing home is understaffed. We need nurses. Our GIS, many of the Planning Department for the Nation, many of them are older, and they will soon retire, so we need to replace them.

So, yes, the facilities will definitely increase the—or with the remoteness of the satellite campus, and the technology, the distance learning, we can reach many of our students that are out there.

Chairman HINOJOSA. Thank you. We want to work with you and see how we can help you achieve those goals, and to help students access higher education.

I am going to have to move on, because time is running out on us. I want to also take advantage of this opportunity to recognize and acknowledge the presence of two other Board members who are present, Alan Kaplan, Board Member of ACC, and Dr. James Hill, Huston-Tillotson University Board Member. Would you please stand and be recognized? [Applause.]

Thank you.

Congressman Grijalva, you may proceed.

Mr. GRIJALVA. Thank you. Thank you, Mr. Chairman.

Dr. Earvin, let me—I think in your testimony you speak to the lack of federal investment in the capital financing projects at historically black colleges and universities with regard to those institutions. In your particular institution, what capital financing have you received since, say, '92?

Mr. EARVIN. We have not participated in that program. One of the main reasons why we have not is because the requirements for our participation are so onerous that we found not in our best interest to pursue them. Further, the provisions of the program that share the responsibility for institutions that may not be able to maintain their financial responsibilities is shared among all of the institutions. And given that, we have opted not to do that, not to participate.

Mr. GRIJALVA. Yes. I asked the question because I think in the foreseeable future that the goal of competitiveness is going to require the kinds of facilities that bring institutions to that level. We saw it today on the tour, you know, just on the health side here, that you have to have the best and the up to date. And so I asked that question because I think that is critical in the future, and there might be something we can do regarding that.

Mr. EARVIN. I think if we could relax or modify some of the rules under which that program operates there would be greater participation and that we could still have the same level of accountability. We are looking—at my own institution at ways of expanding our physical plant and have looked at a number of means of financing that, and the Capital Finance Program was not one that ended on the favorable list. So I think that is the things that we recommend in way of amendments that would assist us.

Mr. GRIJALVA. Thank you. And this is kind of a general question for both Ms. Funcheon and Dr. Kinslow, and it has to do with—we are having a hearing in No Child Left Behind about high schools and the staggering statistic that something like 53 percent

of the dropouts in this nation are concentrated in 15 percent of our high schools. I never heard that before, but we do have and continue to have, especially in our affected communities, a significant dropout rate.

And so let us talk about retrieval a little bit, GED, and how that interrelates with the community. And your experience—and in Indian country, that dropout rate is staggering, as you well know. And so both your perspectives on that probably would be it for me.

Mr. KINSLOW. Okay. Thank you. In all of our planning, we have tried to look at the issues that are before us regionally in Texas as not solvable exclusively from a concentration on independent school district reform, which is where most of the research right now appears to be focused, but also saying that we have to be highly focused on looking at the adult population as well, the ones that either dropped out or stopped out, or for whatever reason need to be enticed into higher education.

One thing that we have done with our school is, one, we provide funding for adult education about the level of just state and federal grants. So our institution provides about \$1.1 million of our local monies to assist us in being able to expand adult ed/GED—

Mr. GRIJALVA. Okay.

Mr. KINSLOW [continuing]. Kind of outreach. The other is that we took our very successful college connection program that has been paying off high yields of increased high school graduates coming to us, and modified that program and said, “Let us look at our own populations of GED students and adult ed students.” So we have a modified version of that program.

Out of our last group of graduating GED students, 56 percent of them are now today enrolled in college credit courses as a result of that outreach. So we think that sometimes it is, again, back to that issue of aligning all of the things that we are doing within our own institutions to a higher purpose of saying we can reach more.

Mr. GRIJALVA. If you wouldn't mind.

Ms. VANEGAS-FUNCHEON. I would sum it up with we have a very large scope of work. We work at the very start, the younger students. GED, we have increased the number of GED instructors, so that they can travel out to the villages. We also offer pre-college courses. There is a lot of adults that never had the opportunity to either graduate from high school, and they have had to relearn how to go to school again.

So we have a lot of—we have a—we are doing an experimental pilot program where—it is Prep 101, and it is just to prepare the students, the older students and the younger students, so that they can take college courses. And then, we offer our two-year college courses.

And then, beyond that, we have three big grants to also increase the number of Native American teachers, and that has been done in collaboration with the University of Arizona, a total of—the latest three is 51—for 51 teachers or administrators. And we have had two other grants before that one for 20, and one for 12, so we have been graduating teachers.

It is important—one of the things that—in the high schools is we have to have quality teachers. What we are missing is science teachers, technology teachers. There are teachers out there trying

to do that work that is not their field. So we definitely need teachers.

So the college has a very broad scope of work. That is why I said we wear many hats in trying to—

Mr. GRIJALVA. Thank you.

Ms. VANEGAS-FUNCHEON [continuing]. Accomplish all of that.

Mr. GRIJALVA. Thank you. And I think the broad scope for community college is it is—you know, for me, they are the most accessible and nearest to a community that can react the quickest to—as changes happen in a community. And community colleges have a tremendous responsibility, and part of it is to deal with the dysfunction in the pipeline, whether it is dropout, remediation, adult basic education, but it is probably one of the few institutions that can—or the only one that can provide that.

Appreciate it very much, and I yield back, Mr. Chairman.

Chairman HINOJOSA. I am very pleased that the issue of college student loans has surfaced here in the last two months in Washington, and that many of those who provide monies for student college loans have come together last week and agreed to follow the recommendations of Congress and the gentleman from New York—Cuomo—in accepting the Code of Ethics that has been recommended, and that we can be able to restore the integrity of that program, which is so important that has grown to over \$85 million, one that is so necessary to the minority community in order to help our students go to college.

And I am going to continue to work closely with Chairman of the whole committee, George Miller, to be sure that we get all this done as we look forward to concluding the Higher Education Act reauthorization, hopefully in October.

And with that, I am going to ask unanimous consent to put into the record two statements that have been presented here by people in the audience. One is the statement by Sue McMillin, President and CEO of the Texas Guaranteed Student Loan Corporation, and I also ask that the second document, which was presented by the Texas Association of Student Financial Aid Administrators, the statement by Kathy Bassham, President of the Texas Association of Student Financial Aid Administrators.

[The prepared statement of Sue McMillin follows:]

**Prepared Statement of Sue McMillin, President and CEO, Texas
Guaranteed Student Loan Corporation (TG)**

Mr. Chairman and Members of the Subcommittee- Welcome to Texas and to the heart of our great state—Austin.

Thank you allowing me to enter this statement into the record today. My statement focuses on a report TG completed for, and at the request of, the recently completed 80th Texas Legislature concerning financial barriers to postsecondary education.

While this hearing concerns Title III—Institutional Aid and Title V—Developing Institutions of the Higher Education Act, the provision of adequate student financial aid is a crucial, if not, the most important, factor in ensuring academically prepared and informed students from economically disadvantaged backgrounds are able to attend, persist, and graduate from college.

Therefore, the findings and recommendations included in Ready, willing and unable: How financial barriers obstruct bachelor-degree attainment in Texas, while applicable to the general topic of financial access to postsecondary education, also are relevant to the topic of today's hearing. This report was used widely as a resource during the recently completed state legislative session and was cited on the floor

of the U.S. House of Representatives during the consideration of HR 5—the College Student Loan Relief Act.

The United States is losing high-paying jobs to countries that produce a more reliable supply of college graduates in math and science. Texas faces its own economic slowdown if it is unable to graduate more students with bachelor's degrees. The state has been addressing many of the obstacles students face in earning a four-year degree. Outreach efforts and public relations campaigns have encouraged students to consider going to college, while changes in curriculum have produced a much larger pool of college-ready high school graduates. TEXAS Grants have made college more affordable, but due to projected funding shortfalls, the program's reach is limited and net prices remain high, undermining many of these well-intentioned college promotion efforts.

Ready, willing, and unable looks at the barriers preventing college qualified Texas students from completing college and the extent to which this failure is due to financial barriers.

Major findings

An estimated 47,000 bachelor's degrees may be lost annually in Texas due to financial barriers. This represents the number of college-qualified, low-, moderate-, and middle-income students among 2004 Texas high school graduates who could have earned a bachelor's degree if they were able to go to college at the same rates as their higher-income classmates.

The Texas enrollment rate for economically disadvantaged college-prepared high school graduates was 20 percent less than their equally qualified but financially secure peers.

Other key findings

Academic preparedness

Texas high schools are graduating both more students and more college-qualified students than ever before.

Between 1996 and 2004, the percentage of students who graduated from high school increased 10 percentage points to 85 percent.

The percentage of high school graduates who completed the Recommended or Distinguished high school curriculum increased even more dramatically from 39 percent of graduates in 2000 to 68 percent of graduates in 2004.

Price of education

Although total expenses at public four-year Texas schools are slightly less than the national average, the median family income in Texas is a full 10 percent lower than the national median.

During the 2003-2004 academic year, students at Texas four-year public schools faced a median net price of \$12,345, and two-year school enrollees encountered a median net price of \$7,114. At four-year private colleges, students were confronted with a median net price of \$18,182. Net price, which is the total cost of attendance minus grant and scholarship aid, must be paid through savings, income, or loans. The median family income in Texas was \$49,769 in 2005.

Financial aid

Only nine percent of Texas undergraduates received any state grant aid in AY 2003-2004 and loans to students represent two-thirds of all student aid in Texas.

The average Federal Pell Grant award in Texas has grown only moderately from \$2,035 in AY 2000-2001 to \$2,501 in AY 2004-2005.

Texas students rely on student loans at a rate more than 15% higher than the national average.

Ninety-six percent of these loans were made under the Federal Family Education Loan Program (FFELP) with a Median Borrower Indebtedness (MBI) of \$8,893 in FY 2005.

Other risk factors

Financial obstacles exacerbate the negative effects of other risk factors on degree attainment. Seventy-five percent of Texas undergraduates have at least one of seven risk factors identified by the U.S. Department of Education.

The average of Texas undergraduates who have at least one risk factor is five percentage points higher than the national average. Some factors include delaying college enrollment, attending part time, and working full time while enrolled.

Seventy-five percent of Texas undergraduates work while in school and 35 percent work full time. After six years, 52 percent of undergraduates who work full time will likely leave college without a degree.

Higher education can produce well-educated, highly skilled citizens who can make Texas a safer, more financially secure place to live. To accomplish this goal, college must be made accessible to capable, well-prepared students regardless of the level of their parents' income.

TG's Support of Title III and Hispanic-Serving Institutions

Beyond our resources in research, TG has actively supported the work of Title III and Title V institutions. Our work spans pre-college outreach, default prevention and debt management, and student retention. Specifically, TG created a Hispanic Higher Education Initiative and supports Texas Historically Black Colleges and Universities Default Management Consortium.

As a part of these activities, TG has established new partnerships with two national Latino-based organizations with the goal of working collaboratively to increase postsecondary education access and success among Hispanics. These organizations include Excelencia in Education and the American Association of Hispanics in Higher Education (AAHHE).

Moreover, TG provides need-based financial aid through the Charley Wootan Grant Program and the TG Public Benefit Grant Program to help students from low-and moderate incomes afford postsecondary education.

TG has established three areas of focus for efforts related to the Hispanic Higher Education Initiative: educational partnerships, competitive grants, and need-based aid.

Educational alliances

Two new educational organizations will add to the strength of TG's existing partnerships in serving the needs of Latino students and families:

Excelencia in Education, received a TG grant to conduct a comprehensive institutional assessment and best-practices plan based on the work of six Texas-based HSIs: The University of Texas—Pan American, South Texas College, The University of Texas at Brownsville, Texas Southmost College, The University of Texas at El Paso, and El Paso Community College.

The partnership will involve teams of senior-level administrators at each of the HSIs. TG will work with the organization throughout the assessment process and will make available the findings and recommendations that result. The project already has seen success as reflected by the level of collaboration among campus leaders and their desire to invite two additional border HSIs, Texas A&M International University and Laredo Community College, to become full participants of this project.

AAHHE received a TG grant to conduct the first-of-its-kind Hispanic Student Retention Institute, produce several scholarly and best-practices research papers on Hispanics in higher education, and provide fellowships for graduate students to participate in AAHHE efforts and discussions.

Competitive grants and need-based aid

TG's Public Benefit Grant Program—our philanthropic program—has awarded \$5 million over two fiscal years to 55 institutions and community-based organizations. In FY 2007 alone, nearly \$2 million was awarded to HSIs and other organizations that intend to provide outreach, student retention, and grant aid primarily to Hispanics.

Our public benefit program was established as a part of TG's mission to enhance postsecondary education access, persistence, and retention as a part of our state legislative mandate. The program is offered on a case-neutral basis, with awards being made through a merit-based process and is never operated in a manner to obtain or encourage FFELP business for TG.

In addition, last year TG award approximately \$210,000 in Charley Wootan Grants to an estimated 21 Hispanic-serving Institutions for the current academic year.

With respect to HBCUs, TG has focused its support of Texas' eight HBCUs in the areas of student loan delinquency and default prevention. TG has provide grant funding, as authorized under section 422(h) of the Higher Education Act, to seven HBCUs to support their engagement of Independent Third Party Consultants in default prevention. These HBCUs created the Texas HBCU Default Management Consortium, which works with TG to provide members with training efforts and venues for sharing best practices.

In 2001, the consortium produced a report titled *Breaking New Ground*, which describes a model encompassing effective management partnerships and default aversion strategies/best practices to lower default rates and maintain academic persistence and retention of student borrowers. This is an ongoing enterprise which continues to this day.

Conclusion

TG continues to use its success as the Texas FFELP designated guarantor and administrator to support other initiatives and programs designed to increase the participation of historically underrepresented populations in postsecondary education. We strongly believe that this is a part of our mission.

As such I strongly urge the Subcommittee, as you proceed to develop your recommendations for the reauthorization of the HEA, to recognize the important contributions of the FFELP, and the guarantors, lenders, and schools that it includes, to supporting programs that benefit students, families, and, ultimately, society.

I also urge the Subcommittee to do all it can to revitalize the need-based Title IV programs along the lines recommended by the Federal Advisory Committee on Student Financial Assistance in its 2006 report *Mortgaging Our Future: How Financial Barriers To College Undercut America's Global Competitiveness*.

Again, thank you Mr. Chairman for the opportunity to submit this statement to you today. I, and my staff, will be pleased to provide the subcommittee with additional information on these and other relevant issues affecting student access to, and successful completion from, postsecondary education as the reauthorization of the HEA continues.

[The prepared statement of Kathy Bassham follows:]

Prepared Statement of Kathy Bassham, President, Texas Association of Student Financial Aid Administrators (TASF AA)

Mr. Chairman and Members of the Subcommittee—Welcome to Texas.

My name is Kathy Bassham. I am Director of Student Financial Aid at Weatherford College in Weatherford, Texas. I am also the current President of the Texas Association of Student Financial Aid Administrators (TASF AA). TASF AA is a voluntary organization composed of student financial aid professionals from virtually all of Texas' postsecondary educational institutions.

All of Texas Title III and Title V institutions are represented in TASF AA and TASF AA recognizes the crucial role these institutions play in insuring postsecondary educational opportunities are available to those populations that have been historically underrepresented in our colleges and universities.

We commend you, Mr. Chairman for successfully advocating the implementation of Title V into the Higher Education Act and building upon it throughout your tenure in the congress up to your authorship and introduction of HR 451 and sponsorship of S 565—The Next Generation Hispanic-Serving Institutions Act. We support this legislation and invite you to use TASF AA as a resource to insure passage of this legislation.

As a student financial aid association, TASF AA believes passionately that the provision of adequate student financial aid is a crucial, if not, the most important, factor in ensuring academically prepared and informed students from economically disadvantaged backgrounds are able to attend, persist, and graduate from college.

This is especially true in Texas, in which the demographics tell us that before the middle of the century, the state's population will be primarily Hispanic and without adequate student financial aid, many of these children will not obtain a college education and the social and economic well-being of the State will suffer as a result.

The Texas Legislature commissioned a report in 2005 to be submitted to the 80th Texas Legislature in 2007 on the topic of the demand for student financial aid in Texas.

The findings and recommendations included in *Ready, Willing & Unable*, published by the Texas Guaranteed Student Loan Corporation, are relevant to the topic of today's hearing, and, go to the whole thrust of the direction of the reauthorization of the Higher Education Act, e.g., enhancing college affordability, the provision of information, simplification of the application and delivery system, etc.

The report looks at the barriers preventing college qualified Texas students from completing college and the extent to which this failure is due to financial barriers.

The report finds that 47,000 bachelor's degrees may be lost annually in Texas due to financial barriers; Texas' enrollment rate for economically disadvantaged college-prepared high school graduates was 20 percent less than their equally qualified but financially secure peers; Texas high schools are graduating both more students and more college-qualified students than ever before; although total expenses at public four-year Texas schools are slightly less than the national average, the median family income in Texas is a full 10 percent lower than the national median; only nine percent of Texas undergraduates received any state grant aid in AY 2003-2004 and loans to students represent two-thirds of all student aid in Texas; financial obstacles

exacerbate the negative effects of other risk factors on degree attainment; seventy-five percent of Texas undergraduates have at least one of seven risk factors identified by the U.S. Department of Education: while much has been done by state and federal policymakers to improve high school academic preparedness and outreach and awareness efforts, much still needs to be done to adequately fund need-based student financial aid.

Mr. Chairman, as your Subcommittee continues to receive input and develop reauthorization legislation, TASFA urges you to consider the impact of the current Title IV student financial aid programs in providing access to postsecondary education. Texas, unfortunately, is far more reliant on these programs than most other states, and more so than the other 10 most populous states. We recognize that we have much to do at the state level if we are to get serious about CLOSING THE GAPS.

However, the reality is that more than 85% of the direct student financial aid awarded annually to Texas postsecondary education students comes from the federal programs, and two-thirds of this assistance comes from the Federal Family Education Loan Program (FFELP). Anything that upsets the flow of federal student aid funds through these programs potentially harms access to the populations most in need of assistance at all institutions, but in particular, Title III and Title V schools.

TASFAA supports all of efforts, in particular HR 890—The Student Loan Sunshine Act—to improve transparency in the student loan process and urges the congress and Department of Education to adopt clear policies that protect both student loan borrowers and institutions. The use of “preferred lender lists” in Texas has been a very valuable student loan default prevention tool—protecting the borrower, institution, and taxpayer—and the practice needs to be continued, but regulated.

Finally, TASFAA urges the Subcommittee to do all it can to revitalize the need-based Title IV programs along the lines recommended by the Federal Advisory Committee on Student Financial Assistance in its 2006 report *Mortgaging Our Future: How Financial Barriers To College Undercut America’s Global Competitiveness*.

Again, thank you Mr. Chairman for the opportunity to offer TASFAA’s input. The Association is at your disposal as a resource.

Chairman HINOJOSA. Hearing no objections, it will be done.

I want to thank the witnesses for your presentation and invite you to join the audience as I bring the last presenter. And we want to give you a big round of applause. Thank you. [Applause.]

Commissioner Ray Paredes, we invite you to come before the members of Congress, and give us the opportunity to have you give a statement as to how Congress can include the concerns that you have in this reauthorization of Higher Education Act reauthorization, so that we can include it into the record here in this great capital city of Austin.

**STATEMENT OF DR. RAY PAREDES, COMMISSIONER, TEXAS
HIGHER EDUCATION COORDINATING BOARD**

Dr. PAREDES. Well, sir, thank you very much for the opportunity to speak before you this morning. As you know, we have a crisis in this country in terms of the funding for public higher education. The support for public higher education as a percentage of the overall budgets of both community colleges and four-year universities has continued to decline.

Thirty years ago, for example, it was very typical that a four-year public university would see approximately 75, 80 percent of its budget—even more—come from state sources. Now we see that increasingly for many public universities the amount of state support has declined to about 20 percent or even less of operating budgets.

There has been—the response of universities has been to both try to seek larger levels of support from the Federal Government, from private donors, but most significantly from the students themselves. And what we have seen dramatically in this country is an increase in the cost of going to higher education.

The cost of higher education has increased in this country more steeply than any other sector of the economy except for health care, and we find that higher education is becoming less accessible to the poorest students and is becoming a very significant financial burden for middle class students and their families.

I would point out that here in Texas, to give you an indication of our situation, historically Texas has been a low-cost, low-support State. We kept our tuitions low, and because tuitions were low we offered very little in terms of State financial aid. Now we see that Texas is approaching the national average in the overall cost of higher education, but our State resources for support of students, either in terms of grants or in terms of loans, have not increased commensurately.

So Texas is one of the states that has the heaviest reliance on federal support for our students. Approximately 80 percent of student financial aid for college students in Texas comes from federal sources, which is much higher than the national average. So we are particularly concerned about what happens in Washington, both in terms of supporting students directly and whatever resources the Federal Government can provide our institutions to keep their doors open and to maintain high quality educational opportunities.

I applaud your particular interest in community colleges and what is going on in community colleges. Here in Texas, we project that somewhere between 70 and 80 percent of low income, first generation students who go on to higher education will begin their higher educational experiences in community colleges. And so we need to make sure that we do whatever we can, that community colleges have adequate resources, have adequate physical facilities, and have adequate means of financial aid for their students.

The College Connection Program, which you have identified this morning, as being critical I think is evidence that we have a huge number of students from low income, first generation backgrounds who would be very interested in going to college if two things were occur. First of all, if they had information about academic readiness, academic preparation, and if they had information about the availability of financial aid.

And the reason that the College Connection Program has been so successful, and why we are trying to emulate it all over the State, is precisely because it does those two things. It gives students information about academic readiness, and gives them information about financial aid.

The other issue that you have called attention to, particularly you, Congressman Grijalva, is the issue of P16 integration. We need to do everything we can at the state and the federal level to recognize that we have one academic pipeline. And what happens in one part of the pipeline affects what happens in every other part of the pipeline.

In higher education, we cannot do our job effectively if the K through 12 sector doesn't send us well prepared students. On the other hand, the K through 12 sector can't do its job well if we don't send them good teachers, well prepared teachers. We have to work much more closely together to make sure that we have full academic opportunity for all our students.

Chairman HINOJOSA. You may continue. We are going to turn off the clock, because this is a grand opportunity for us to get into the record those things that you are talking about, such as pre-kinder through 16, which would take us through four years of higher education. And I honestly believe that Congress must continue to increase the amount of the Pell Grant, which is—hasn't been changed in four years, and is now at \$4,300, with the authorization level of about \$5,500.

So we still have a space there that we could increase, provided that we had the political will and the willingness in Congress, to increase that because the college presidents at community colleges and universities speak as—speak to us in Washington as one of the highest priorities to be able to impact that affordability.

So please continue.

Dr. PAREDES. Well, yes, sir. In relation to the Pell Grants, as you know, 30 years ago a Pell Grant in many states in this country paid almost 90 percent of the cost of tuition and books for students, and now the average is under 40 percent. And that gap has been replaced with loans and substantial sacrifices on the parts of families. Students take longer to graduate because they work more, they take fewer courses as a way of responding to the decline in federal support. It is something that has reached the crisis stage.

We now have a large number of students all over the country, certainly in Texas, whose career decisions are to a large degree influenced by the debt load that they have when they graduate from a college or a university. Now that the debt load is typically close to \$20,000, we are finding that more and more college graduates are reluctant to go into highly critical professions like teaching, because they feel that they won't earn enough income to pay off their student loans.

We find that particularly students of color, low income students, delay or suspend their plans to go to graduate school, once again in critical fields like engineering, becoming physicians, and so forth, because they don't want to incur great debt loads, and they feel strongly that they need to go to work and start paying off their student loans.

So these are issues that we are grateful that you are paying attention to in Washington at a very high level.

Chairman HINOJOSA. Commissioner, I think that the states must not be let off the hook. I think that you made it quite clear that 20, 30 years ago, the monies being provided by the state legislatures throughout the country was a big part of the money that was used to run our colleges and universities.

But they have completely shifted both public education and college higher education to property taxpayers and to the Federal Government. And I have no problem with the latter part; the Federal Government needs to increase the 7 or 8 percent that we contribute to local education agency budgets to at least 15 percent. If I had it my way, I certainly would support that.

On colleges and universities, it seems that it just can't be student loans and Pell Grants and other ways of financing higher ed. So we need to think how we can involve those who need the trained workforce. If we are going to be enjoying the prosperity that we enjoy in this country, as we have seen the last 20 years, we have

got to have more students going on to college. And the business community, it seems to me, is not investing as they should in higher education.

We talked earlier in the beginning of this hearing, the strength of bringing these engines of economic development, and that is community colleges, universities, and the business community working together, how they can be such a strong force to provide fountains of employment, which is one of the important issues in our country.

We need to have the—everybody sending that message to the state legislators and to the federal legislators, like myself, so that we can increase that kind of investment if we are going to have a trained workforce.

I now yield to my colleague from Arizona.

Mr. GRIJALVA. Thank you, Mr. Chairman.

Commissioner, just some observations and a request. I won't burden you with asking for that, because it is—it is not a complicated question, but I think it needs attention.

One of the incentives is loan forgiveness as part of the reauthorization, and it has been kind of categorical and loose in the process. If there is any thought of you and your colleagues as to how you structure that loan forgiveness so it is effective, so it is reaching the people that it is supposed to reach, so it is generating that talent to go into underserved schools, Native nations, etcetera, I would appreciate any reaction to that.

Dr. PAREDES. Well, thank you for the opportunity to address this issue. Here in Texas, the Coordinating Board prefers loan repayment programs. We find that they are more efficient. We find that they also enable us to monitor the actual activity of the students who may have been involved in loan forgiveness or a loan repayment program.

For example, let us say a student who goes into one of the stem fields, becomes an engineer, a loan repayment program, we can get reports annually or every six months from employers to ensure that they are practicing in the professions for which they received the loans.

So we think that loan forgiveness, and particularly loan repayment programs, are wonderful ways to create incentives for students to go into high need and critical areas. We have loan repayment programs here in Texas that have worked well in that regard, and certainly there are some at the federal level that have also been successful.

Mr. GRIJALVA. Any information, any recommendations as we go through this process on how to structure that would be very much appreciated by myself. And I am sure the—

Dr. PAREDES. I would be happy to send you, within the next day or two, information about our loan repayment programs, and some of the recommendations we made to the Texas legislature in the session that just ended about how to expand loan forgiveness and loan repayment programs.

Mr. GRIJALVA. Back home the response to the lack of investment on the part of our State legislature in Arizona has been rising tuition.

Dr. PAREDES. Yes.

Mr. GRIJALVA. And you compound that with you are paying more and borrowing more, and it is a vicious cycle that, you know, I—we hired someone in our office and this poor guy is starting to work, but he owes \$65,000 before he gets done with his master's degree. Kind of find it ironic.

But I want to thank you for your comments. Appreciate it very much.

And then, just as a little commentary, and I am full of commentaries, you know, I find it really ironic, Commissioner, that we are making this concerted effort nationally to try to structure our whole visa program so that we are sure we are bringing in professional talent, that we have the engineers, the scientists, the technologists, the health providers, etcetera, in those specialty fields. And so that becomes a recruitment tool to bring people to this country.

Good, bad, or indifferent, I also think that we wouldn't be finding ourselves with that shortage if we had made the kind of investments that you speak of in the people that we all serve.

But anyway, besides that, I yield back, Mr. Chairman.

Chairman HINOJOSA. Thank you, Congressman.

Before I bring this to closure, I want to say that if you provide us the information that is being used here in Texas, as you offered, I will see to it that it be added to the record of this hearing.

Mr. GRIJALVA. Good. Thank you.

Chairman HINOJOSA. And we look forward to receiving that.

Dr. PAREDES. I would be delighted to do so. I will send it to you both.

Chairman HINOJOSA. Once again, I would like to thank the witnesses and the members of the subcommittee for a very informative session.

As previously ordered, members will have 14 days to submit additional materials for the hearing record held here in Austin, Texas. Any members who wish to submit followup questions in writing to the witnesses should coordinate with Majority staff within the requisite time.

Without objection, this hearing is adjourned.

[Whereupon, at 11:44 a.m., the subcommittee was adjourned.]

