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ARTICLE

Financial and Related Issues Among Historically Black Colleges and Universities

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There are significant resource challenges at Historically Black Colleges and Universities (HBCUs) and other limited resource institutions. Limited resources may not account for all of the performance gaps observed because of institutional mission differences and other socioeconomic factors. Resource limitations significantly impacts institutional capacity to develop and implement academic success programs. The NCAA has been both sensitive and responsive to these challenges and has recently implemented two notable programs to assist these institutions. Supplemental Support Funding has successfully provided for professional development of academic support staff and program initiatives to enhance student-athlete academic performance. Additional support is also anticipated from the newly implemented Limited Resource Pilot Program. Although the program has no guarantees of future funding, the support amount of the grants is anticipated to be an instrumental change factor.

Historically Black colleges and universities (HBCUs) have traditionally educated a significant number of the nation's Blacks. However they continue to face, substantial challenges while attempting to enhance their academic and research capabilities. Some of these institutions have numerous problems, such as aging infrastructures, limited access to digital and wireless networking technology, absence of state-of-the-art equipment, low salary structures, small endowments, and limited funds for faculty development and new academic programs for their students. Similar problems exist in other institutions; however, they appear to be considerably more serious in HBCUs (Matthews, 2011).

Undeniably, HBCUs contribute immensely to the stock of human capital in the United States. Matthews (2011), for instance, notes:

HBCUs comprise approximately 2.3% of all institutions of higher education, and enroll approximately 11.6% of all black students attending post-secondary institutions. Approximately 33.0% of the undergraduate degrees in science and engineering earned by blacks were awarded at HBCUs. Some of the most

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successful programs designed to attract and retain underrepresented minorities into the sciences and in research careers have been initiated at HBCUs. Data compiled by the National Science Foundation (NSF) reveal that in 2006, HBCUs provided the education for approximately 20.1% of blacks earning bachelor degrees in engineering, 35.3% in the physical sciences, 25.3% in computer sciences, 32.8% in mathematics, 32.3% in the biological sciences, 44.9% in agricultural sciences, 15.4% in social sciences, and 21.1% in psychology.

From their inception, HBCUs have experienced unequal treatment especially in the resource arena. This is particularly apparent in the treatment that public HBCUs face each fiscal year attempting to garner state resources from their legislative coffers compared with other institutions in their states. In fact, Delaware State University administrators have publicly called this a situation of which legislators should be ashamed (Scholand, 2007).

State funding is only part of the disparity problem, as there are other socioeconomic factors that account for large wealth gaps between the alumni of Primarily White Institutions of the south. This factor alone accounts for the disparity in the levels of alumni giving and other support to these institutions. In the recent economic climate, institutional budget cuts are the norm; however, the impacts upon HBCUs have been hampered when compared with those institutions that can rely on support buffering from alumni, endowment, and athletic revenues (Hilltop Staff, 2012; Hollis, 2012).

HBCUs have also seen low graduation rates as a challenge. Many students who attend HBCUs come from low-income families, and a number of them are first generation attendees. These students are at risk for dropping out, not primarily for academic reasons, but because many find themselves financially unable to provide assistance. As an example, Johnnetta Cole, president emerita of Spelman College in Atlanta and Bennett College in Greensboro, N.C. says that adding the endowments of all 103 HBCUs together would amount to approximately \$2 billion. When compared with the approximately \$35 billion in the Harvard endowment, the differences are stark. Although HBCUs constitute only 3% of American higher education institutions, they graduate about 24% of all Black college students (Cole, 2007).

Dr. Dennis Thomas, Commissioner of one of the MEAC (one of two Division I HBCU conferences), has stated, "that deep-seated funding disparities are at the heart of most historically black schools' struggles" (Gaither, 2013). Thomas, points out that media reports that point to the shortfalls attributed to HBCUs, such as low APRs and graduation rates among athletes, and lack of success on the field are taken out of context. This former athlete, coach, and tenured professor refers to these problems as symptoms with the underlying cause as a lack of resources (Gaither, 2013). When the most recent APR results were published, none of the BCS schools were in jeopardy; however, a large number of HBCUs were. Could one assume that their athletes are working harder than HBCU athletes or their athletic departments care more about academics?" Thomas fervently argues that is not the case. These institutions have the resources for improved academic facilities with tutors, support staff, advisors, and everything else to help athletes succeed in the classroom (Gaither, 2013; Stuart 2012; Moltz, 2011; Davis 2010).

Data Trends

The analysis in this paper focuses upon a review of several performance trends observed within 5,828 squads at Division I institutions. There were 738 squads at institutions identified as Low Resource institutions (LRIs), 368 at HBCUs, and 5,090 at other Division I schools. Low Resource institutions were defined as schools having a resource composite which placed them in the bottom 15% of all Division I institutions.

Figure 1 indicates steady growth improvement overall in APR performance; however, the gap that exists between institutions still persists. In 2003–04 APR scores were 927 HBCUs, 937 for LRIs, and 964 for other Division I Institutions. In 2010–11 the scores were 943, 950, and 977, respectively.

Eligibility trends shown in Figure 2 also indicate overall improvement; however, HBCUs and other Low Resource institutions have continued to lag other Division I institutions since 2003–04. During this initial period, Eligibility Rates were 916 for HBCUs, 935 in LRIs, and 970 at Other Division I institutions. By 2010–11, these rates were 930, 948, and 978 respectively.

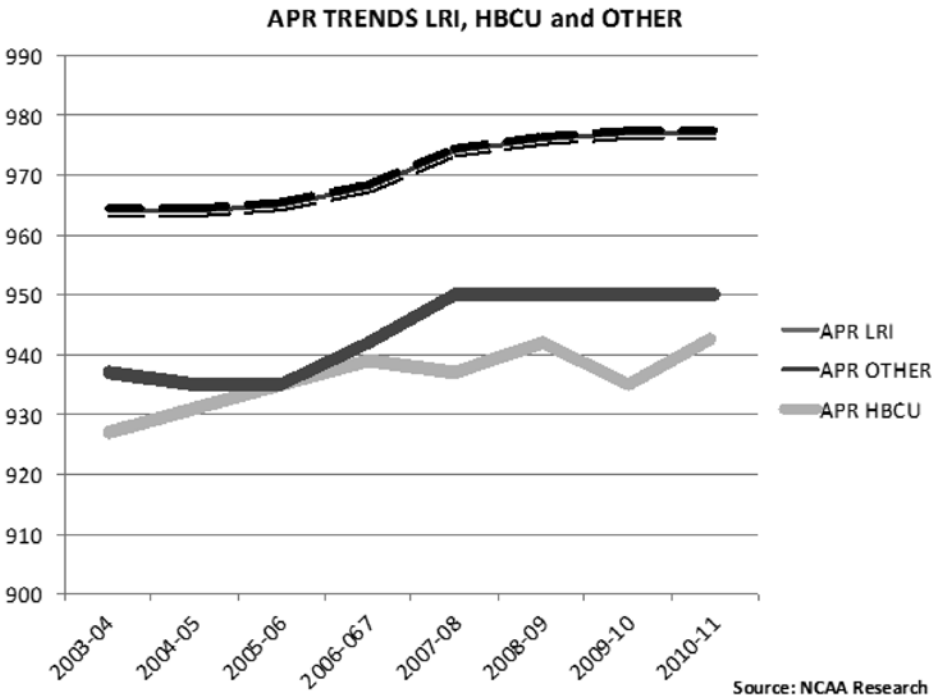


Figure 1 -- APR Trends LRI, HBCU and Other

ELIGIBILITY TRENDS HBCU, LRI and OTHER

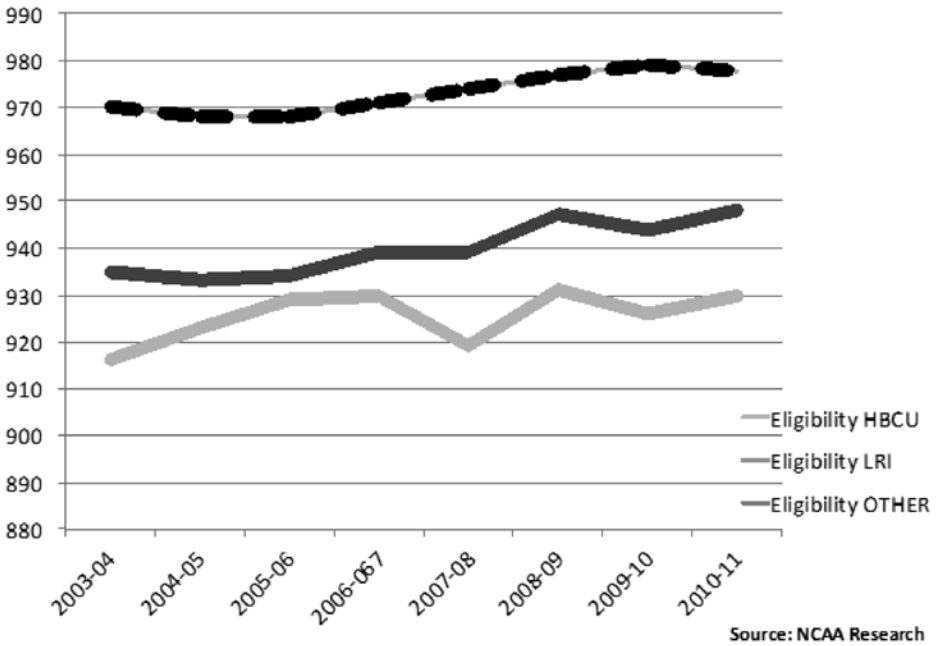


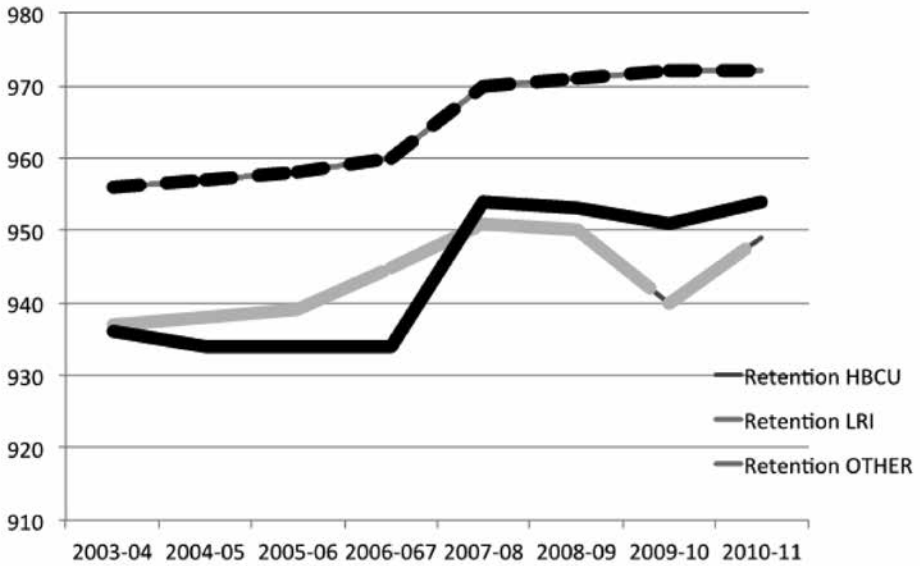
Figure 2 -- Eligibility Trends HBCU, LRI and Other

The next major component of the APR composite is retention as indicated in Figure 3. Similar improvement in Retention Scores was experienced by each institutional category since 2003–04. Unfortunately, the persistent gaps remained. Beginning 2003–04, Retention Scores for HBCUs were 937, LRIs 936, and other Division I institutions 956. By 2010–11, Retention Scores climbed to 949, 954, and 972 in each.

In an effort to ensure fairness, the NCAA provides adjustments for student-athletes who transfer with certain grade point averages and those who leave in good academic standing to pursue professional athletics careers. The term “0-for-2” defines student-athletes who leave school academically ineligible and do not earn either point in the APR calculation (Nunez, 2012). A review of these data indicates that the “0-for-2” trend has gone down appreciably since 2004–05, the first year of APR penalties; however, HBCUs and LRIs in general are well above Other Division I institutions. As viewed in Figure 4, “0-for-2” percentages were 5.5% for LRIs, 6.4% for HBCUs, and 3.4% for other Division I Institutions. In 2010–11, the percentages were 4.1, 5.0, and 2.2%, respectively.

The percentage of Squads less than 900 also indicates significant performance differentials at 26.0% for HBCUs, and 20% in LRIs, compared with 7% at other Division I Squads in 2003–04. The trends for all have decreased through 2010–11

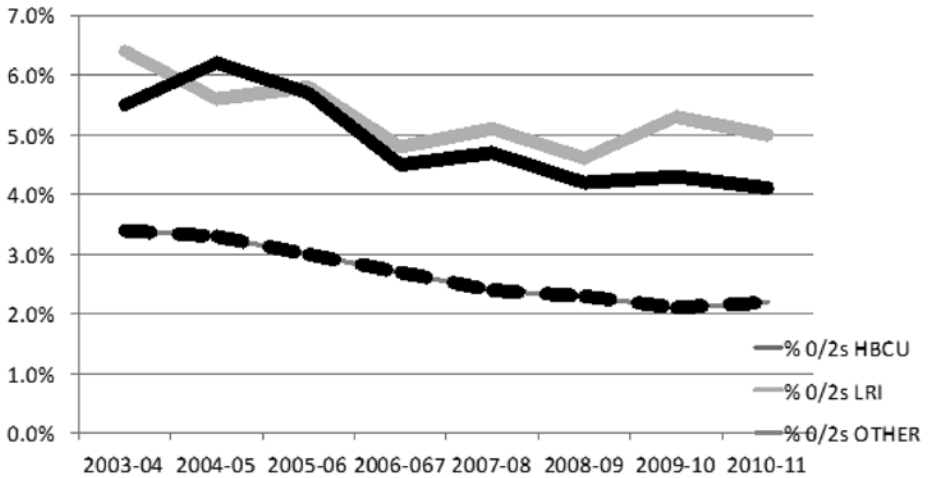
RETENTION TRENDS HBCU, LRI and OTHER



Source: NCAA Research

Figure 3 -- Retention Trends HBCU, LRI and Other

Percentage 0/2s HBCU, LRI and OTHER



Source: NCAA Research

Figure 4 -- Percentage 0/2s HBCU, LRI and Other

although they decreased to 15.0% for HBCUs, 10% for LRIs, and 2% for other Division I Squads (see Figure 5).

After considerable deliberation, the NCAA decided to raise the APR requirements for member institutions to 930 to avoid penalty situations. Figure 6 indicates the relative impact this change would have on the institutional categories we are evaluating. The percentage of Squads less than 930 again indicates significant performance differentials at 43% for HBCUs and 38% in LRIs, compared with 17% at other Division I Squads in 2003–04. The trends for all have decreased through 2010–11, although they decreased to 33% for HBCUs, 25% for LRIs, and only 7% for other Division I Squads.

Graduation Success Rates (GSRs) have been improving for all institutions as shown in Figure 7. We observe again the gap that exists between Limited Resource Institutions and Other Division I institutions.

Of particular note is that Student Athletes at HBCUs have higher Federal Graduation Rates (FGRs) than the general student population as indicated in Figure 8. I recently overheard one president state that “maybe we should ask all of our students to become student athletes.” I think that it does present some interesting opportunities to replicate and incorporate the successes across these campuses to the general student body.

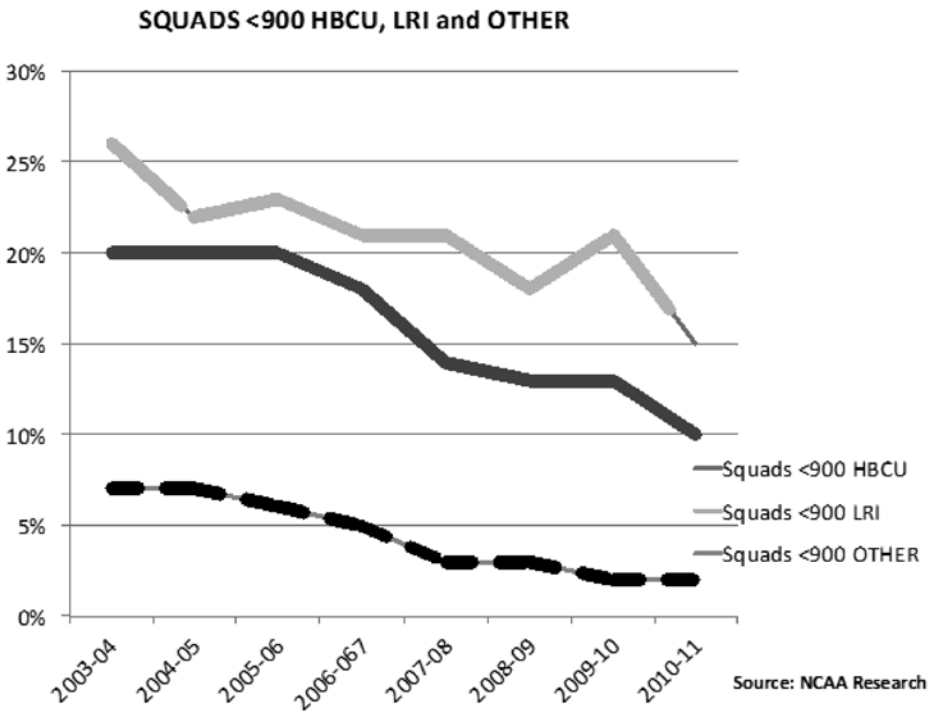


Figure 5 -- Squads <900 HBCU, LRI and Other

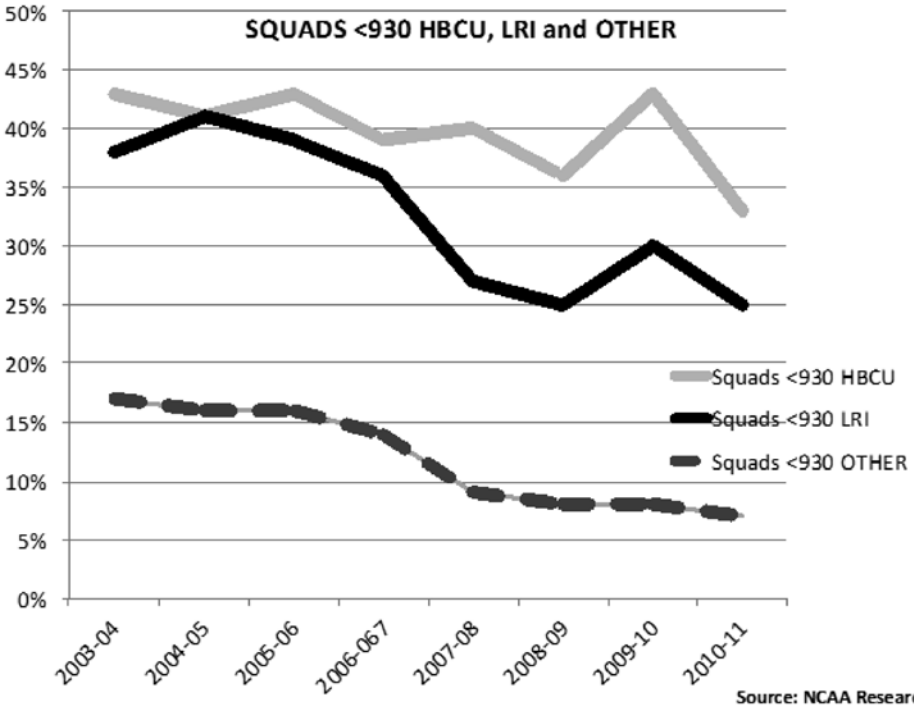


Figure 6 -- Squads <930 HBCU, LRI and Other

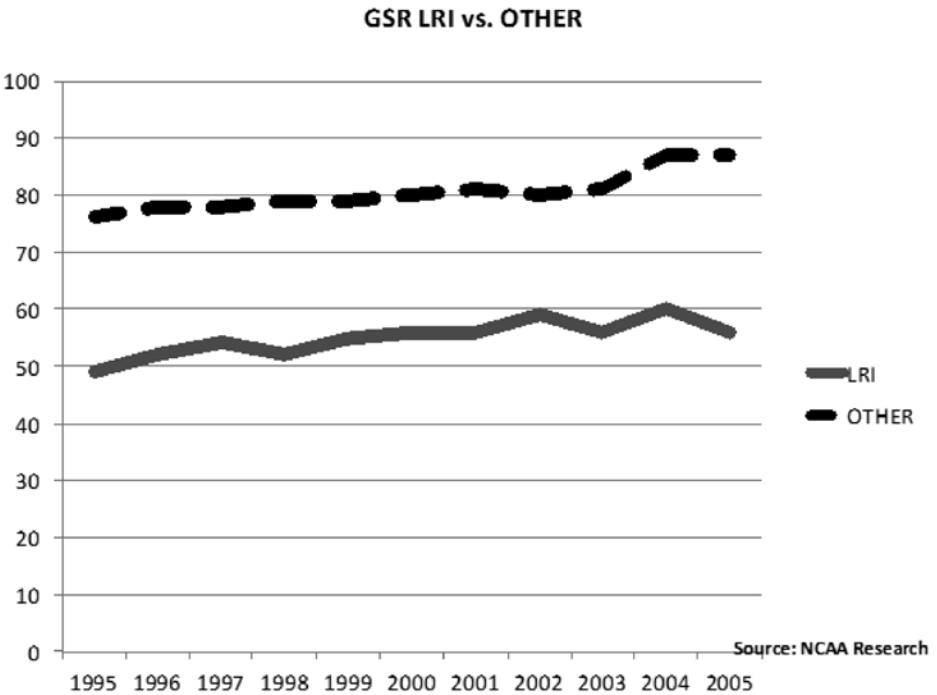


Figure 7 -- GSR LRI vs. Other

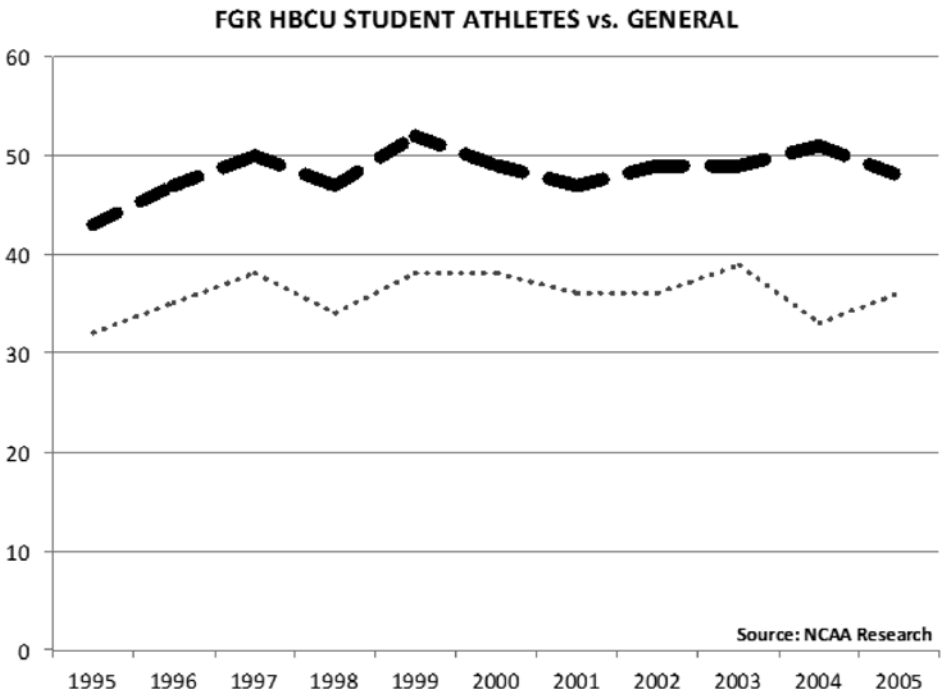


Figure 8 -- FGR HBCU Student Athletes vs. General

Impact of the Gaps

Our observation indicates significant gaps existing between the categories of institutions comprising NCAA member institutions in the resource domain. Institutional mission differences and other factors may also contribute to the disparity. However, a lack of sufficient institutional resources impacts the ability to provide academic and other support services to ensure student athletes' success.

NCAA Situational Responsiveness

The NCAA Committee on Academic Performance has been especially sensitive to the issue of resource constraints and has made several positive recommendations to the general body to partially address this issue to ensure equity and fairness. Two programs were developed to deliver much needed initial support to assist institutions with limited resources.

The NCAA Division I Academic Performance Program Supplemental Support Fund (SSF) was established to support campus-based initiatives designed to foster student-athlete academic success at limited-resource institutions. The program awarded grants for innovative solutions to barriers preventing student-athlete retention and progress-toward-degree completion. Success is measured by

team NCAA Division I Academic Progress Rate (APR) and Graduation Success Rate (GSR) improvement. The program was approved by the NCAA Division I Board of Directors in April 2007 and implemented Fall 2007. The program was approved for an initial three-year period beginning the 2009–10 academic year. Subsequently, this program has been currently extended through the 2014–15 academic year (NCAA SSF, 2012).

Eligible institutions included those in the lowest ten percent of resources of active Division I members, as determined by per capita institutional expenditures, per capita athletics department funding, and per capita Pell Grant aid for the student body. The NCAA has not publicly published the names of the eligible institutions. Table 1 shows the total number of SSF eligible institutions, the number of HBCUs in that total, and the funding expended or available in each academic year of the program (NCAA SSF, 2012).

Funding requests for SSF consists of two allowable types. Funds may be requested to support professional development for an institution's academic support staff that work with student-athletes. The four largest expenditures of the SSF for professional development activities have been to provide assistance for academic support staff to attend Academic Performance Program (APP)/SSF workshops conducted by the NCAA, the NCAA regional rules seminars, the National Association of Academic Advisors for Athletics (N4A) national convention, and the National Academic Advising Association (NACADA) academic reform summer institutes. Funds may also be requested to support program initiatives to enhance student-athlete academic performance (NCAA SSF, 2012).

Table 2 shows that program initiative funding has primarily been provided for three areas. Use of awarded funds was conditioned on funds being used solely for the approved purpose and required each institution to provide an online report

Table 1 SSF Eligible Institutions

Academic Year	Total Number	HBCUs	Funds Expended/Available
2007–08	36	20	\$829,818.94
2008–09	33	18	\$851,889.32
2009–10	33	18	\$815,617.46
2010–11	34	19	\$934,775.83
2011–12	34	19	\$955,000.00

Source: NCAA Supplemental Support Fund

Table 2 SSF Initiatives funded

Type	Number of Initiatives
Staffing (e.g., academic counselors, tutors, learning specialists, etc.)	87 of 135
Academic Support Equipment (such as laptops and furniture, etc.)	51 of 135
Academic Support Facility Renovations and Upgrades	11 of 135

Source: NCAA Supplemental Support Fund

by each January 31 on the demonstrated use of the funds and the direct impact that awarded funds have had on the enhancement of the student-athlete academic experience. The impact of funding to particularly increase academic support staffing was consistently notable. In addition, each institution has been required to report on the implementation of its current NCAA Division I Academic Progress Rate (APR) Improvement Plan, of which the use of awarded SSF dollars is to be a part (NCAA SSF, 2012).

The SSF program has been integrated into other educational outreach efforts led by student-athlete affairs and academic and membership affairs to benefit limited resource institutions. A one-day professional development SSF/APP workshop has been held annually in December except for one year. These workshops have been well received by attending institutional representatives (NCAA SSF, 2012).

Future funding for the SSF program was identified and earmarked from incremental increases in funding from the Academic Enhancement Fund. The SSF program policies were revised to allow eligible institutions to apply to use the fund to provide direct financial aid for student-athletes to participate in summer bridge programs, attend summer school, and for exhausted-eligibility scholarships. Presidents participating in the HBCU Advisory Group voiced support for program continuation and the proposed revisions to the program (NCAA SSF, 2012).

The second program implemented by the NCAA was the newly implemented Limited-Resource Institutions Pilot Program. This program was conceived as a three-year pilot to include five to nine NCAA Division I limited resource institutions. The main goal was to improve Academic Performance Program (APP) results, graduation rates, and overall academic success. Program participants were informed that there would not be a guarantee of future funding.

Expected program outcomes were for each awardee to show NCAA Division I Academic Progress Rate (APR) improvement and develop a sustainable plan to ensure that all teams meet the new 930 APR benchmark. The program is awarded for a one-year program that may be renewed based on the institution meeting established benchmarks and demonstrated success for additional continuation. Up to a third year of funding is possible with awards of up to \$300,000 per institution, annually. Possible uses of funds include: summer bridge programs, summer school, fifth year of aid, staffing, equipment, and facilities. The NCAA staff plans to be actively involved in assisting institutions to achieve success. As part of the program requirements, The following are included as part of the program requirements: campus visits NCAA staff, attendance at SSF workshop, attendance at NCAA Convention, monthly conference calls, midyear update, limited-resource educational opportunities, conferences based on institutional needs, student-athlete involvement, an educational component for staff and coaches, mandatory financial reporting, explicit purposes as outlined in pilot program, quarterly financial statement, programmatic audits, annual financial report, and planning for sustainability.

Conclusion

There are significant resource challenges at HBCUs and other limited resource institutions. Limited resources may not account for all of the performance gaps observed because of institutional mission differences and other socioeconomic

factors. Resource limitations significantly impacts institutional capacity to develop and implement academic success programs.

The NCAA has been both sensitive and responsive to these challenges and has recently implemented two notable programs to assist these institutions. Supplemental Support Funding has successfully provided for professional development of academic support staff and program initiatives to enhance student-athlete academic performance. Additional support is also anticipated from the newly implemented Limited Resource Pilot Program. Although the program has no guarantees of future funding, the support amount of the grants is anticipated to be an instrumental change factor. The mere size of the grants, up to \$300,000 annually for three years, the contributory assistance provided by the NCAA, and the sustainability component should prove powerful forces along the success continuum.

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