Institutional Capacity

Institutions enrolling Latino students are critical to Excelencia in Education’s mission of accelerating Latino student success, including Hispanic-Serving Institutions (HSIs). HSIs disproportionately educate the majority of Latino students across the nation—while only 17% of higher education institutions are HSIs, they enroll 67% of all Latino undergraduates. Institutions, including HSIs, serving students with the highest need are often some of the most under-resourced. The health pandemic has made clearer the inequities that exist for Latino students and the institutions that enroll them. Now, policy should focus on addressing these inequities by strengthening the capacity of these institutions to improve Latino students’ access and completion in higher education.

What can be done to support institutions’ capacity building efforts?

1. **Prioritize and significantly increase financial support to institutions serving high numbers of students with financial need and count every student instead of using full-time equivalent.**

   The Title III and V programs of the Higher Education Act, the Strengthening Institutions programs, were created with the intent to support institutions with a high enrollment of needy students and low-core expenses to build their institutional capacity to better serve their students. However, as more low-income students enter higher education, we must equitably invest in the institutions that are enrolling them. In addition to funding distributed to institutions in response to Covid-19, funding for Title III and V programs must increase as institutions build their capacity to serve students in a pandemic and post-pandemic world.

   Funding for these institutions has not kept up with growth. In the last decade, the number of HSIs has increased 84%, from 293 to 539 HSIs, while funding for the Title V: Developing Hispanic-Institutions (Title V) program has only grown 6%, from $117 million to $123 million. Annually, 80% of the funding goes to awarding continuing grants, limiting funding opportunities for the dozens of institutions that become HSIs every year. Congress must ensure funding for Title III and V keeps up with the growth in eligible institutions.

   Moreover, as the COVID-19 pandemic continues, institutions that serve a large number of Latino, first-generation, and low-income students are disproportionally affected and will need more equitable financial support to make up for lost revenue and state funding. As additional funding is appropriated to institutions, how students are counted is a critical component of equitable funding. Excelencia’s analysis found that using full-time equivalent (FTE) as the primary measure for federal funding related to the pandemic (CARES Act) only captures 66% of students enrolled at HSIs, compared to 78% of students at non-HSIs. Therefore, students’ financial need was undercounted and inadequately funded. If we are to meet the needs of Latino students and the institutions that enroll them, measures for enrollment that consider every student are key.

2. **Provide guaranteed funding to all Hispanic-Serving Institutions who meet the eligibility requirements for Title V grants.**

   Every year, the number of HSIs grows and outpaces the amount of funding available. Since Title V is a competitive program (eligible HSIs are not guaranteed funding), receiving funds from this program also grows more competitive every year. To more equitably support Latino student success, via the institutions that educate them, all HSIs should receive guaranteed funding. Congress could set up a new grant that provides funding to all HSIs that are designated eligible for funding.

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1. Hispanic-Serving Institutions (HSIs) are defined in Title V of the Higher Education Act, as accredited and degree-granting public or private nonprofit institutions of higher education with 25 percent or more total undergraduate Hispanic full-time equivalent enrollment.
Title V, regardless if they have applied for a competitive Title V grant. For example, 10% of funding appropriated to Title V could be set aside to provide a grant to every Title V eligible HSI. Based on FY2019, about $12.9 million would be set aside for non-competitive grants.

HSIs would be more equitably supported through guaranteed funding for two reasons: 1) HSIs already have to apply to be designated eligible for Title V, and it’s inequitable to repeatedly ask them to apply for funding, and 2) a guaranteed amount for institutions meeting Title V eligibility can go a long way in helping those institutions build their capacity to improve the quality of education they offer.

3. **Refocus and limit the allowable activities for Title III and V grants to better align with Latino student success and in an online environment.**

The Title V: Developing HSIs program is intended to expand and enhance capacity, quality, and student achievement and has 16 allowable activities for grant support. Given this diversity of allowable activities, it is not easy to summarize the impact of the federal investment at scale or answer questions about the actual investments by grantees and the link of these funds to meeting the purpose of the grant program. *Excelencia*’s analysis of Title V grants showed that most institutions that receive support for capacity building choose to invest in the activities that support student success, including support services and faculty/curriculum development. However, there are ten allowable activities that improve educational opportunities but are not aligned to student success, including that of current students. By better aligning institutional capacity building to directly tie to student success, we can and should expect more from those institutions enrolling high numbers of Latino students.

As institutions transition into long-term online learning, institutions must be prepared to meet their students’ needs. Federal statute allows the Secretary of Education to prioritize Title III and V grant activities to meet Latino students’ current needs. Institutions were already transforming their curriculum to better support Latino student success, but new challenges arise in online learning. Moreover, the effects of the pandemic have especially hit Latino communities. Latinos had the highest unemployment rate at the peak of the shutdowns, have faced reductions in incomes, and are disproportionally contracting COVID-19. To ignore these realities is a disservice to the social, emotional, and mental health needs of Latino students. The Secretary can set a priority around these activities, leaving institutions better equipped to support Latino student retention and persistence during and after the pandemic.

4. **Improve information about federal investment in Hispanic-Serving Institutions by increasing transparency around grant outcomes.**

The HSI designation is predicated on enrolling Latino students, and Title V grants are not required to be targeted to directly support Latino students. Trendsetting institutions are working beyond enrollment and supporting Latino students on their path to graduation.

*Excelencia*’s analysis of Title V grants revealed a broad link between the increase in HSIs and Latino student access and completion in higher education. However, questions about the impact of Title V investment remain: Has the investment increased HSIs’ capacity and educational quality for the students they enroll? Has the federal investment in HSIs improved Latino students’ educational achievement? By requiring more robust performance reports and more data, disaggregated by race/ethnicity from institutions, we could have a better sense of the federal investment and ensure funding is aligned with the goal of improving higher education for Latino students.