

Department of Education
HOWARD UNIVERSITY
Fiscal Year 2016 Budget Request

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HOWARD UNIVERSITY

For partial support of Howard University, \$221,821,000, of which not less than \$3,405,000 shall be for a matching endowment grant pursuant to the Howard University Endowment Act and shall remain available until expended.¹ (*Department of Education Appropriations Act, 2015.*)

NOTE

Each language provision that is followed by a footnote reference is explained in the Analysis of Language Provisions and Changes document, which follows the appropriation language.

Analysis of Language Provisions and Changes

| Language Provision | Explanation |
|--|--|
| ¹ ... of which not less than \$3,405,000 shall be for a matching endowment grant pursuant to the Howard University Endowment Act and shall remain available until expended. | This language establishes a minimum funding level for the endowment program. Endowment funds would remain available for obligation until expended. |

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Appropriation, Adjustments and Transfers

(dollars in thousands)

| Appropriation/Adjustments/Transfers | 2014 | 2015 | 2016 |
|-------------------------------------|-----------|-----------|-----------|
| <hr/> | | | |
| Discretionary: | | | |
| Appropriation | \$221,821 | \$221,821 | \$221,821 |

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Authorizing Legislation (dollars in thousands)

| Activity | 2015 Authorized | 2015 Estimate | 2016 Authorized | 2016 Request |
|--|--------------------|------------------------|--------------------|------------------------|
| General support (20 U.S.C. 121 et seq.) | Indefinite | \$194,496 ¹ | Indefinite | \$194,496 ³ |
| Endowment program (P.L. 98-480) | ² | ³ | ² | |
| Howard University Hospital (20 U.S.C. 128) | <u>Indefinite</u> | <u>27,325</u> | <u>Indefinite</u> | <u>27,325</u> |
| Total definite authorization | 0 | | 0 | |
| Total appropriation | | 221,821 | | 221,821 |

¹ The University has discretion to allocate funds for activities authorized under the general statute for Howard University.

² Title II of P.L. 98-480, the Howard University Endowment Act, authorized \$2,000 thousand in fiscal year 1985 to establish an endowment program. Subsequent year appropriations language has authorized minimum funding levels for the endowment program under the terms and conditions of the Act.

³ For fiscal year 2015, the University must allocate at least \$3,405 thousand for the endowment program. For fiscal year 2016, the Administration requests that not less than \$3,405 thousand be allocated to the endowment program.

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Appropriations History (dollars in thousands)

| Year | Budget Estimate to Congress | House Allowance | Senate Allowance | Appropriation |
|------|-----------------------------------|----------------------|----------------------|----------------------|
| 2007 | 237,392 | N/A ¹ | N/A ¹ | 233,866 |
| 2008 | 233,866 | 237,392 | 237,392 | 233,245 |
| 2009 | 233,245 | 236,709 ² | 233,244 ² | 234,977 |
| 2010 | 234,977 | 234,977 | 234,977 ³ | 234,977 |
| 2011 | 234,977 | 234,977 ⁴ | 234,977 ³ | 234,507 ⁵ |
| 2012 | 234,507 | 234,507 ⁶ | 234,507 ⁶ | 234,064 |
| 2013 | 234,064 | 234,064 ⁷ | 234,064 ⁷ | 221,821 |
| 2014 | 234,064 | N/A ⁸ | 234,064 ³ | 221,821 |
| 2015 | 221,821 | N/A ⁸ | 221,821 ⁹ | 221,821 |
| 2016 | 221,821 | | | |

¹ This account operated under a full-year continuing resolution (P.L. 110-5). House and Senate allowances are shown as N/A (Not Available) because neither body passed a separate appropriations bill.

² The levels for the House and Senate allowances reflect action on the regular annual 2009 appropriations bill, which proceeded in the 110th Congress only through the House Subcommittee and the Senate Committee.

³ The level for the Senate allowance reflects Committee action only.

⁴ The level for the House allowance reflects the House-passed full-year continuing resolution.

⁵ The level for appropriation reflects the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).

⁶ The level for the House allowance reflects an introduced bill and the level for the Senate allowance reflects Senate Committee action only.

⁷ The levels for the House and Senate allowances reflect action on the regular annual 2013 appropriations bill, which proceeded in the 112th Congress only through the House Subcommittee and the Senate Committee.

⁸ The House allowance is shown as N/A because there was no Subcommittee action.

⁹ The level for the Senate allowance reflects Senate Subcommittee action only.

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(20 U.S.C. 121, et seq.)

(dollars in thousands)

FY 2016 Authorization: Indefinite

| | <u>2015</u> | <u>2016</u> | <u>Change</u> |
|----------------------------|------------------------|------------------------|---------------|
| General Support | \$194,496 ¹ | \$194,496 ¹ | 0 |
| Howard University Hospital | <u>27,325</u> | <u>27,325</u> | <u>0</u> |
| Total | 221,821 | 221,821 | 0 |

¹ The University has discretion to allocate funds for activities authorized under the general statute for Howard University. However, the 2015 appropriation required the University to allocate at least \$3,405 thousand for the endowment program. The Department proposes the same language for 2016.

PROGRAM DESCRIPTION

Howard University was established in 1867 as a federally chartered, private, nonprofit educational institution. As a comprehensive, research-oriented, predominantly African-American university, its mission is to provide a high-quality educational experience at reasonable cost. The annual appropriation for Howard University provides partial support for construction, development, improvement, endowment, and maintenance of the University and Howard University Hospital. Howard University has discretion in allocating funds for its academic, research, and endowment programs, and for construction activities.

Academic Programs—Howard University currently has 10,815 students, of whom 7,331 are undergraduate students, 1,932 are graduate students, and 1,552 are enrolled in professional degree programs. The University offers 27 bachelor, 18 masters, 2 doctoral, and 6 professional degrees, as well as 11 professional certifications and 4 dual degrees, in approximately 120 fields of study. There are 13 academic schools and colleges including: Arts and Sciences; Business; Communications; Dentistry; Divinity; Education; Engineering, Architecture and Computer Sciences; Graduate School; Law; Medicine; Pharmacy; Nursing and Allied Health Sciences; and Social Work.

To support these academic programs, the University provides a wide range of administrative, library, computer, and technology resources. As part of Howard University's mission to provide disadvantaged students with a quality education at a reasonable cost, Howard's tuition, which is \$22,737 for an entering undergraduate student in academic year 2014-2015, is well below that of nearby private schools. In comparison, the tuition for an entering undergraduate student at George Washington University is \$45,735 and at Georgetown University is \$42,360.

Research Programs—The University's research programs provide support for doctoral and post-doctoral research in scientific disciplines, pilot studies by interdisciplinary faculty teams,

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and the purchase of laboratory equipment. In addition, they provide new faculty with start-up research funding and offer bridge support for externally funded research programs.

Endowment Program—Howard University's endowment program is designed to assist the University in increasing its financial strength and independence by stimulating private contributions. To receive Federal endowment funds, the University must provide a one-for-one match through non-Federal contributions to the endowment. Through low-risk investments, the endowment fund continues to grow by generating income that may be used to pay University expenses. However, Howard University may withdraw no more than 50 percent of the yearly income, except in the case of a financial emergency or another unusual occurrence.

Construction—Howard University has discretion in allocating funds for capital construction and renovation of University buildings to maintain and improve the University's ability to provide high-quality postsecondary education and research opportunities. The major construction projects currently underway include the Interdisciplinary Science and Engineering Center, which will include new facilities for biomedicine, computational sciences, and engineering.

Howard University's Allocation of Resources for 2014 (dollars in thousands)

| Program | Funding Source | | | Total Expenditures |
|-------------------------|------------------------------------|------------------|----------------|------------------------|
| | Federal Appropriation ¹ | Tuition and Fees | Other Revenues | |
| Academic Instruction | \$77,443 | \$103,381 | \$27,377 | \$211,441 ² |
| Divinity School | 0 | 1,669 | 0 | 2,813 ² |
| Research | 0 | 0 | 40,068 | 40,068 |
| Chapel | 0 | 1,651 | 0 | 1,651 |
| Public Service | 8,585 | 0 | | 8,585 |
| Academic Support | 38,625 | 0 | | 38,625 |
| Student Services | 26,872 | 0 | | 26,872 |
| Institutional Support | 79,042 | 41,858 | 18,919 | 139,819 |
| Patient Care | 0 | 0 | 312,286 | 297,194 ² |
| Auxiliary Enterprises | 0 | 0 | 74,826 | 74,826 |
| Depreciation Expense | 3,927 | 0 | 0 | 3,927 ³ |
| Debt Service - Interest | 2,152 | 0 | 0 | 2,152 ³ |

¹ In addition to the funds shown above, Congress appropriated \$3.4 million in fiscal year 2014 for the Howard University Endowment program, which the University matched.

² Resources in excess of total expenditures constitute an operating surplus, while total expenditures in excess of resources constitute an operating deficit.

³ Howard assigns costs associated with depreciation expenses and interest on debt service to each program based on a square footage calculation. In general, these costs are paid for using non-Federal appropriation funds. The Federal appropriation only supports depreciation expenses and interest on debt service when a program's other funding sources are insufficient to cover the costs.

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Howard University Hospital—Howard University Hospital was established in 1862 as Freedmen's Hospital and was incorporated into Howard University by Congress in 1962. Today, Howard University Hospital serves as a major acute and ambulatory care center for the inner city of Washington, DC, receiving over 10,800 admissions and 59,000 emergency room visits annually. Hospital operations are financed through a combination of Federal funds, hospitalization insurance and Medicare payments, and contractual agreements for patient care services with the Washington, DC, government, and other local jurisdictions. The Hospital is also a major teaching and training facility for nurses, paramedics, and physicians, providing training for approximately 460 medical school students and 358 dentistry students annually. The price of Howard's 2014-2015 medical school tuition and fees is \$47,100 for first-year students. In comparison, the George Washington University School of Medicine charges \$54,183 and the Georgetown University School of Medicine charges \$51,689. The cost of the School of Medicine at Howard University is in line with local public schools; for example, the tuition and fees for the University of Virginia School of Medicine are \$47,118 for Virginia residents and \$57,726 for non-residents.

Funding levels for the past 5 fiscal years were:

| | (dollars in thousands) |
|------------|------------------------|
| 2011 | \$234,507 |
| 2012 | 234,064 |
| 2013 | 221,821 |
| 2014 | 221,821 |
| 2015 | 221,821 |

FY 2016 BUDGET REQUEST

The Administration requests \$221.8 million for Howard University in fiscal year (FY) 2016, the same as the 2015 level. Federal funds, which provided approximately 38 percent of Howard University's operating costs in fiscal year 2014, are needed for the University to maintain its current level of educational services and for the Hospital to continue offering healthcare services. This request supports the Administration's goals to increase institutional quality and student completion rates. As a congressionally chartered Historically Black College or University serving students from throughout the Nation, Howard University plays an important role in providing disadvantaged individuals, particularly African Americans, with access to a high-quality postsecondary education.

Of the amount requested, \$194.5 million would be allocated under General Support to the University. General Support includes Howard University's academic programs, research programs, endowment program, and construction. The Department's request also includes \$27.3 million for the Howard University Hospital. Federal support for the Hospital enables it to provide medical, dental, and other health-related education; research; training; and service opportunities for students. From the appropriation, at least \$3.4 million would be earmarked to continue building Howard University's endowment. The University would be required to increase the endowment by at least an equal amount. The Department believes that earmarking a minimum dollar level to be allocated for the endowment will continue to encourage the University to increase its financial strength and independence from Federal support.

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PROGRAM OUTPUT MEASURES (dollars in thousands)

| <u>Measures</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|--|--------------|--------------|--------------|
| Student population by enrollment: | | | |
| Number of full-time undergraduate students | 6,324 | 6,267 | 6,310 |
| Number of full-time graduate students | <u>2,741</u> | <u>2,860</u> | <u>2,900</u> |
| Total number of full-time students | 9,065 | 9,127 | 9,210 |
| Total number of undergraduate students | 7,331 | 7,271 | 7,335 |
| Total number of graduate students | <u>3,484</u> | <u>3,592</u> | <u>3,640</u> |
| Total number of students | 10,815 | 10,863 | 10,975 |
| Student population by race: | | | |
| Number of Black U.S. undergraduate students | 6,666 | 6,611 | 6,670 |
| Number of other U.S. undergraduate students | 412 | 409 | 410 |
| Number of foreign undergraduate students | 253 | 251 | 255 |
| Number of Black U.S. graduate students | 2,621 | 2,702 | 2,735 |
| Number of other U.S. graduate students | 555 | 572 | 580 |
| Number of foreign graduate students | 308 | 318 | 325 |
| Student population by family income: | | | |
| Number of undergraduates with family income of less than \$40,000 | 2,609 | 2,470 | 2,500 |
| Number of graduate students with family income of less than \$40,000 | 1,164 | 926 | 924 |
| Undergraduate student financial aid: | | | |
| Number of U.S. students receiving Federal aid | 5,947 | 6,178 | 6,419 |
| Average amount of aid | \$17,451 | \$17,475 | \$17,475 |
| Number of U.S. students receiving non-Fed'l aid | 5,364 | 5,573 | 5,789 |
| Average amount of aid | \$15,847 | \$17,706 | \$18,149 |
| Number of foreign students receiving non-Fed'l aid | 164 | 135 | 138 |
| Average amount of aid | \$21,688 | \$24,154 | \$24,758 |
| Graduate student financial aid: | | | |
| Number of U.S. students receiving Federal aid | 2,516 | 2,538 | 2,559 |
| Average amount of aid | \$43,449 | \$47,483 | \$48,670 |
| Number of U.S. students receiving non-Fed'l aid | 1,708 | 1,769 | 1,832 |
| Average amount of aid | \$16,164 | \$16,253 | \$16,275 |
| Number of foreign students receiving non-Fed'l aid | 169 | 175 | 181 |
| Average amount of aid | \$22,237 | \$22,207 | \$22,186 |

NOTE: All data have been provided by Howard University. The data reflect activity during the University's academic year, which runs from July 1 to June 30.

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PROGRAM OUTPUT MEASURES (dollars in thousands)

| <u>Measures</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|--|----------------|----------------|----------------|
| Degrees awarded by type and race: | | | |
| Baccalaureates awarded to Black U.S. students | 1,069 | 1,100 | 1,115 |
| Baccalaureates awarded to other U.S. students | 46 | 40 | 40 |
| Baccalaureates awarded to foreign students | <u>25</u> | <u>45</u> | <u>45</u> |
| Total number of Baccalaureates awarded | 1,140 | 1,185 | 1,200 |
| Degrees awarded by type and race: | | | |
| Ph.D.s awarded to Black U.S. students | 76 | 80 | 80 |
| Ph.D.s awarded to other U.S. students | 16 | 10 | 10 |
| Ph.D.s awarded to foreign students | <u>13</u> | <u>12</u> | <u>12</u> |
| Total number of Ph.D.s awarded | 105 | 102 | 102 |
| Faculty and staff: | | | |
| Number of paid faculty | 1,200 | 1,200 | 1,189 |
| Number of faculty serving without compensation | <u>120</u> | <u>120</u> | <u>120</u> |
| Total number of faculty | 1,320 | 1,320 | 1,309 |
| Total number of staff | 1,850 | 1,850 | 1,775 |
| Median faculty salaries by academic status: | | | |
| Professor | \$107,800 | \$107,800 | \$107,539 |
| Associate Professor | \$81,300 | \$81,300 | \$84,246 |
| Assistant Professor | \$70,500 | \$70,500 | \$82,718 |
| Instructor | \$56,000 | \$56,000 | \$58,991 |
| Construction: | | | |
| Total construction expenditures | \$72,418 | \$50,000 | \$50,000 |
| Endowment program: | | | |
| Federal appropriation ¹ | \$3,405 | \$3,405 | \$3,405 |
| Match funds raised by University | <u>\$3,405</u> | <u>\$3,405</u> | <u>\$3,405</u> |
| Total new contributions | \$6,810 | \$6,810 | \$6,810 |
| Market value of total University endowment | \$586,104 | \$610,000 | \$655,000 |
| Endowment investment income | \$13,143 | \$15,000 | \$15,720 |
| Investment income as percent of endowment | 2.2% | 2.5% | 2.4% |

NOTE: All data have been provided by Howard University. The data reflect activity during the University's academic year, which runs from July 1 to June 30.

¹ Federal funding for the Howard endowment program is drawn from the appropriation for Howard University General Support and Howard University Hospital.

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PROGRAM OUTPUT MEASURES (dollars in thousands)

| <u>Measures</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|---|----------------|----------------|----------------|
| Howard University General Support: | | | |
| Federal appropriation | \$194,496 | \$194,496 | \$194,496 |
| Other Federal funding | <u>50,000</u> | <u>51,000</u> | <u>51,000</u> |
| Total Federal funding | 244,496 | 245,496 | 245,496 |
| Restricted non-Federal revenue | \$17,034 | \$18,000 | \$18,500 |
| Revenue from tuition and fees | 257,956 | 281,000 | 283,000 |
| Other non-Federal revenue | <u>128,496</u> | <u>130,000</u> | <u>132,000</u> |
| Total non-Federal revenue | 403,486 | 429,000 | 433,500 |
| Total University revenue | \$647,982 | \$674,496 | \$678,996 |
| Total University expenditures | \$636,398 | \$638,271 | \$660,000 |
| Federal funding as percentage of total revenue | 37.7% | 36.4% | 36.2% |
| Tuition and fees as percentage of total revenue | 39.8% | 41.7% | 41.7% |
| Howard University Hospital: | | | |
| Federal appropriation | \$27,325 | \$27,325 | \$27,325 |
| Other Federal funding | <u>56,899</u> | <u>60,000</u> | <u>60,000</u> |
| Total Federal funding | 84,224 | 87,325 | 87,325 |
| Unrestricted non-Federal revenue (DC gov't) | \$67,507 | \$72,000 | \$74,000 |
| Revenue from patient services | 29,469 | 31,000 | 32,000 |
| Other non-Federal revenue | <u>62,747</u> | <u>71,900</u> | <u>71,900</u> |
| Total non-Federal revenue | 159,723 | 174,900 | 177,900 |
| Total Hospital revenue | \$243,947 | \$262,225 | \$265,225 |
| Total Hospital expenditures | \$297,372 | \$288,690 | \$290,000 |
| Federal appropriation as percent of total revenue | 11.2% | 10.4% | 10.3% |

NOTE: All data have been provided by Howard University. The data reflect activity during the University's academic year, which runs from July 1 to June 30.

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PROGRAM PERFORMANCE INFORMATION

Performance Measures

This section presents program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data; and an assessment of the progress made toward achieving program results. Achievement of program results is based on the cumulative effect of the resources provided in previous years and those requested in fiscal year 2016 and future years, as well as the resources and efforts invested by those served by this program.

Goal: To assist Howard University with financial resources needed to carry out its educational mission.

Objective: *Maintain or increase the undergraduate graduation rate.*

Measure: The percentage of first-time, full-time, degree-seeking, undergraduate students who graduate within 6 years of enrollment.

| Year | Target | Actual |
|------|--------|--------|
| 2011 | 70% | 62.6% |
| 2012 | 70 | 63.2 |
| 2013 | 70 | 60.4 |
| 2014 | 70 | 59.5 |
| 2015 | 70 | |
| 2016 | 70 | |

Additional Information: This measure explicitly defines the graduation rate as completion of a 4-year degree within 6 years of enrollment at the University. The measure uses data taken from the Integrated Postsecondary Education Data System (IPEDS) database maintained by the National Center for Education Statistics (NCES) rather than directly from the University.

The long-term goal is to increase Howard University's graduation rate. According to the IPEDS data, in 1998, the graduation rate for Howard University was only 41 percent, but by 2003, it had significantly increased to 69 percent. Since then, Howard's graduation rate has steadily declined. Howard has not meet its graduation target since 2007. The Department plans to work with Howard in fiscal year 2015 to improve performance and review targets for possible adjustment.

Objective: *Maintain or increase the retention of full-time undergraduate students.*

Measure: The percentage of first-time, full-time, degree-seeking, undergraduate students who were in their first year of postsecondary enrollment in the previous year and are enrolled in the current year.

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| Year | Target | Actual |
|------|--------|--------|
| 2011 | 86% | 81% |
| 2012 | 87 | 80 |
| 2013 | 88 | 83 |
| 2014 | 89 | 80 |
| 2015 | 90 | |
| 2016 | 90 | |

Additional Information: The long-term goal for the persistence is to increase the percentage of first-time, full-time students who return for their second year of undergraduate education. Data from IPEDS, available beginning in 2003, showed that Howard University's persistence rate held steady at 90 percent from 2003 to 2006, before dropping to 85 percent in 2007, and then further through 2014. Targets have been adjusted to gradually bring performance back up to the 90 percent level by 2015. The Department plans to work with Howard in fiscal year 2015 to improve performance and review targets for possible adjustment.

Objective: *Increase student enrollment over the long term.*

Measure: The number of full-time, degree-seeking, undergraduate and graduate students enrolled at Howard University.

| Year | Target | Actual |
|------|--------|--------|
| 2011 | 12,000 | 9,445 |
| 2012 | 12,000 | 8,941 |
| 2013 | 12,000 | 8,818 |
| 2014 | 12,000 | 9,065 |
| 2015 | 12,000 | |
| 2016 | TBD | |

Additional Information: This measure utilizes data taken from NCES' IPEDS database to track the enrollment of full-time students at Howard University. Enrollment at Howard increased steadily each year from 2003 to 2006, before dropping in 2007 and 2008. In 2009 and 2010, enrollment increased slightly over the prior year before dropping again in 2011. In 2012, enrollment declined by over 500 students, one of the largest changes in recent years, before increasing slightly in 2014. The target for this measure is based on Howard's internal target of 12,000 students. The Department will discuss with Howard its plans to increase enrollment and may consider adjusting targets for 2016 and beyond.

Efficiency Measures

The efficiency measure tracks the cost of a successful outcome, where success is defined as graduation and Federal cost is defined as the program appropriation. This measure ties in with the program's performance indicators.

Measure: Federal cost of degrees and certificates awarded by Howard University.

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| Year | Target | Actual |
|------|----------|----------|
| 2011 | \$88,000 | \$89,191 |
| 2012 | 88,000 | 85,455 |
| 2013 | 88,000 | 90,337 |
| 2014 | 88,000 | 95,108 |
| 2015 | 88,000 | |
| 2016 | 88,000 | |

Additional Information: The efficiency measure is calculated by dividing the total funds appropriated for Howard University in the Department of Education appropriations act (exclusive of hospital funding) by the number of students successfully completing degree or certificate programs. This measure allows the Department to track program performance in terms of cost to the Federal Government and the efficiency of Federal funds in achieving successful outcomes. The Federal cost per degree or certificate awarded has increased since 2012, returning to the 2010 level.

A similar efficiency measure has been established for the higher education programs authorized under Titles III and V of the Higher Education Act, as well as for Gallaudet University and the National Technical Institute for the Deaf. This metric may enable the Department to assess relative program performance across institutions with similar types of missions.

Other Performance Information

During fiscal years 2010 and 2011, Howard transitioned to a new financial and executive leadership team, which has made improvements to university operations through organizational restructuring and the institution of a new financial reporting system. Under the organizational structure, Howard implemented strategies to improve communication between Federal grant program management and financial accountability. Howard also established an office of Risk and Controls, which has as its primary responsibility addressing matters related to the A-133 audit report. In addition, Howard has made some internal adjustments that have contributed to positive financial outcomes:

- Howard's accounting books are closed monthly; previously, their books were closed once a year.
- Howard provides quarterly reports to its lenders.
- When donations are received, Howard sends letters to donors to inform them of how their donated funds will be used.
- Howard has implemented a new automated effort reporting system.

The new financial team at Howard made gains with regard to addressing the findings in Howard's A-133 audit report. The most recent audit reports contain far fewer and less serious findings than reports prior to 2010. The importance of the University continuing to address these issues, including the Department's increased attention to risk management, was reiterated to Howard. In light of significant leadership changes at Howard University since the fall of 2013, including the departure of President Ribeau, the Department has been in regular communication with University officials to ensure that these personnel changes do not disrupt

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the improvements made in the A-133 audit reports and will continue to work closely with Howard University staff to ensure responsible management and full compliance in regards to the Federal appropriation.

Despite some progress in control processes, Howard's credit was downgraded to Baa3 with a negative outlook by Moody's Investors Service in July 2014, while Standard & Poor's downgraded Howard's debt to BBB+ in March 2014. The downgrade was credited to concerns about the Hospital's financial state and the lack of consistent institutional leadership. The latter issue may be addressed by the appointments in the summer of 2014 of a new permanent president, Dr. Wayne Frederick, and a new Chairman of the Board of Trustees, Stacey Mobley, Esq. The Department plans to work with Howard University leadership to stabilize the University's financial condition in fiscal year 2015.

In past visits, the Department has impressed upon Howard the importance of withdrawing and matching Federal endowment funds. In recent years, Howard has made improvements in this area, matching all Federal funds appropriated for endowment purposes in the fiscal year in which they were appropriated. Endowment funds appropriated in fiscal year 2014 have been matched by the University.