Land Grants Today

Although land grant colleges and universities comprise a small percentage of all postsecondary institutions in the United States – approximately six percent – they have helped to expand access to higher education in each state. The majority of land grant institutions (66 percent) are funded through the 1862 Morrill Act, followed by the 1994 tribal land grants (23 percent) and the 1890 HBCU land grants (17 percent). Many states have more than one type of land grant institution, such as Oklahoma – home to an 1862, 1890 HBCU, and 1994 tribal land grant (see Figure 1). In fiscal year 2017, $549 million was authorized for the country’s land grant institutions via the four land grant acts, which represents a three percent decline from the $566 million appropriated in 2014. A subsequent brief in this series will explore employment and salary differences across all land grant institutions. Over the past two decades faculty employment rates have fluctuated as part-time positions have increased. Moreover, national and in-state salary gaps exist among the different land grant types.

Land Grant Institutions: An Overview

July 12, 2012, marked the sesquicentennial anniversary of the 1862 Morrill Act. For over 150 years, land grant colleges and universities have represented the United States’ historical commitment to the democratization of higher education by providing federal support for the establishment or extension of state-sponsored postsecondary institutions. Funded through three separate legislative acts, land grant institutions provide students with affordable access to career-oriented higher education in the areas of agriculture, science and engineering, military science, and the liberal arts. The 99 public and three private land grant institutions1 in operation today serve students in every state, the District of Columbia, and the five inhabited U.S. territories, and include 21 historically black colleges and universities (HBCUs) and 25 tribal colleges.

This brief, the first of a series on land grant colleges and universities, examines the history of land grant institutions and the major legislation that supports their establishment and funding. Federal appropriations for land grant institutions have been authorized through over two dozen pieces of legislation; this research brief highlights the main sources of funding supporting the 1862, 1890 HBCU, and 1994 tribal land grant colleges and universities. Future research briefs will explore faculty composition and salaries, the distribution of non-instructional staff and their salaries, and student enrollment. Specifically, each brief will highlight discrepancies between HBCU and non-HBCU land grant institutions.

Figure 1 Land Grant Colleges and Universities (map next page) marks the name and location of the land grant colleges and universities operating in each state today. The legend indicates the institution type and the year in which funds were appropriated to establish or expand each land grant.

1 There is no requirement that land grants be public institutions. Cornell University and the Massachusetts Institute of Technology were given land grant status under the 1862 Act, and Tuskegee University has been included in this brief as an 1890 land grant despite having not been officially authorized as such because it received 25,000 acres of land and has a mission consistent with land grant institutions.

Development of the Land Grant System: 1862–1887

The first of the land grant acts – the Morrill Act of 1862 – was signed into law by President Lincoln during the height of the Civil War and provided each state with 30,000 acres of public land for every senator and representative in the state. States could either sell this land to fund the creation of a new public college or university, or use this land to physically expand an existing institution. U.S. Congressman Justin Morrill had originally introduced the bill in 1857, but it was vetoed by President James Buchanan in 1859. The United States rapidly grew during the first half of the nineteenth century. To keep pace, the bill’s enactment reflected national interests to expand research in agriculture and mechanical arts through post-secondary institutions. The Morrill Act not only provided educational opportunities to a growing population, but was also a major step in federal intervention into public education.2 Although the 1862 Morrill Act provided indirect financial support, the passage of the Hatch Act of 1887 provided federal appropriations to land grant institutions for the establishment and support of agriculture experiment stations to advance research in the areas of farming, ranching, and food production. To this day, these funds are determined by a set formula based on the number of small farmers in each state. As a result, the funding varies annually. The Hatch Act also requires that states must match a major portion of the federal funds.

Race and the Land Grant System: 1890 HBCU Land Grants

Largely, white males from the middle and industrial classes were given financial support instead of land. Eligible states were granted $15,000 the first year and an additional $1,000 each subsequent year, with the annual amount capped at $25,000.1

Expansion of the Land Grant System: 1914-1977

Additional federal funding was allocated to the 1862 land grants through the Smith-Leaf Act of 1914, which mandated the dissemination of the research conducted by the agriculture experiment stations through a Cooperative Extension Service at each land grant institution. Using a formula similar to the Hatch Act, the Smith-Leaf Act also requires states to provide matching funds. The 1862 Morrill Act was also expanded in 1967 and again in 1972 to extend land grant status to the District of Columbia, American Samoa, Guam, Micronesia, Northern Marianas, and the Virgin Islands. These jurisdictions and territories received federal funds, but did not receive land, and they are eligible to receive research and extension funds under the Hatch and Smith-Leaf Acts. The 1890 HBCU land grants are not eligible for Hatch and Smith-Leaf Act funds, but instead first received federal appropriations through the now defunct Bankhead Jones Act of 1935 and now receive funds through the Evans-Allen Act of 1977; the Evans-Allen Act provides 1890 HBCU land grants with a minimum of 15 percent of Hatch Act funds to support agriculture research.2

Likewise, the National Agricultural Research, Extension, and Teaching Policy Act (NARETPA) of 1977 provides for 1890 HBCU land grant colleges with federal funds to support agriculture extension programs.3 Unlike other legislation, NARETPA disburse these funds directly to the institutions instead of to the states.

Figure 1: Land-Grant Colleges and Universities

Evolution of the Land Grant System: 1994 Tribal Land Grants

The 1994 tribal land grants system was again expanded to include 29 existing, accredited tribal colleges under the Elementary and Secondary Education Reauthorization Act of 1994. This Act authorized a $23 million endowment from which the colleges receive annual interest payments, as well as a $1.7 million agriculture and natural resources grant program, $5 million to the Cooperative Extension Service in states that have both 1862 land grant colleges and 1994 tribal land grants to facilitate collaboration, and $50,000 per tribal college for agriculture and natural resources postsecondary programs.4

1 Morrill Act of 1862, sec. 1.
4 Ibid.
HBCUs May Not Survive Without Sufficient Federal and State Funding

One needs to look no further than Missouri’s Lincoln University to see the impact of inequitable funding practices on the nation’s HBCUs. Lincoln has, since 2000, been shifting funds in its own budget to cover part of the non-federal match so that it can receive federal land grant funds. From 2000 to 2017, the federal appropriation awarded to Lincoln was $103.3 million, which would require a match of $191 million to receive. The state only appropriated $10.6 million—11 percent of the amount needed. The university has made up $42.9 million of the gap by moving money in its own budget, but the waiver formula has led to a loss of $113.3 million in federal funds in this time period.

Lincoln has now reached the point where it can no longer afford to keep making up for what the state government is unwilling to do—provide the funding necessary for HBCUs to receive all of the federal land grant funds they are allocated. In contrast, the necessary state matching funds for the non-HBCU University of Missouri are part of its core budget, shielding it from annual concern about whether it will be able to reach a full match.

Lincoln is not the only HBCU in this position—in some states, HBCUs have turned to the court system to compel state governments to eliminate the inequities between HBCU and non-HBCU land-grant institutions. For example, a federal court recently upheld a ruling that the state of Maryland’s higher education policies were in violation of the 14th Amendment because they deprive its HBCUs (one of which—University of Maryland Eastern Shore—is an 1890 land grant institution) of the same high quality academic programs as its non-HBCUs.8

There is a preponderance of evidence to support the notion that while a number of HBCUs struggle financially, their challenges are not entirely of their own making. Specifically, 1890 land grant universities were created via legislation that was not intended to provide equitable resources to educate their students. Further, some states are reluctant to remedy the disparities they continue to perpetuate, in spite of court rulings that have substantiated their discriminatory funding practices. Insignificant strides must be made to change existing policies or create legislation that will both provide equitable resources for HBCUs in the future, and remedy the long-term effects of the current discriminatory funding system. As the example of Lincoln University shows, some HBCUs cannot survive without immediate action.

A Looming Crisis for HBCUs?

While there are 21 historically black colleges and universities (HBCUs), 25 tribal colleges, and 53 non-HBCU and non-tribal institutions under the ‘land grant university’ banner, these sets of schools were launched under different federal funding systems and requirements. This brief explores the differences between HBCUs and those universities that are neither HBCUs nor tribal colleges (referred to here as ‘non-HBCUs’).9

Formed in 1862, the non-HBCU land grant institutions were originally granted land by the federal government; institutions could sell the land to raise funds to endow the institution, or use it to expand their current infrastructure/campus. In contrast, when HBCU funding started in 1890, these institutions were provided cash for their establishment instead of land, although they were granted the same legal, land grant status as the non-HBCU land grant colleges. Resulting from their land grant status, both HBCU and non-HBCU land grant universities include in their mission a commitment to offering educational programs in practical fields such as agriculture, science, and engineering.10

Non-Federal funds are those made available by the state either through direct appropriation or under any authority (other than authority to charge tuition and fees) provided by the state to an eligible institution to raise revenue, such as gift acceptance authority.4

1. Tribal colleges are not included in this analysis as they receive the vast majority of their funding from the federal government.
2. Two HBCUs—University of the District of Columbia and University of the Virgin Islands—receive support under the Morrill Act of 1862. All remaining HBCUs were established under the 1890 Morrill Act.
3. Matching funds include only cash contributions, no in-kind contributions.
4. If waivers are not filed, the institution may have to forfeit the federal funding portion as well.

TABLE 1. Comparison of Land Grant University Federal Funding Acts

<table>
<thead>
<tr>
<th>Act</th>
<th>Intent</th>
<th>Funding</th>
<th>Match</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hatch Act</td>
<td>Provides federal appropriations for the establishment and support of agriculture experiment stations to advance research in the areas of farming, ranching, and food production.</td>
<td>Determined by a set formula based on the number of small farmers in each state, varies annually.</td>
<td>Requires states to provide dollar-for-dollar matching funds.</td>
</tr>
<tr>
<td>Smith-Lever Act</td>
<td>Mandates the dissemination of research conducted by the agriculture experiment stations through a cooperative extension service.</td>
<td>Similar to the Hatch Act.</td>
<td>Requires states to provide dollar-for-dollar matching funds.</td>
</tr>
<tr>
<td>NEA PEGA</td>
<td>Provides 1990 HBCU land grants to support agriculture research.</td>
<td>Funds are required to be at least 15 percent of the Hatch Act appropriation.</td>
<td>Requires one-to-one matching from non-federal sources. Wivers may be granted if non-federal funds cannot be procured.</td>
</tr>
<tr>
<td>1890 HBCU Land Grants</td>
<td>Provides 1890 HBCU land grants to support agriculture research.</td>
<td>mandatory basis.</td>
<td></td>
</tr>
</tbody>
</table>


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**HBCUs Rely More Heavily on Federal and State Funding, Particularly Land Grant Sources**

Financing of the 1862 non-HBCU land grants and 1890 HBCU land grants differs significantly, as shown in Figure 1. Although both sectors are similarly dependent on tuition and fees revenue (23 and 21 percent total revenues, respectively), the revenue streams from other sources differ. About 60 percent of the 1890 HBCU’s revenue streams are from federal and state sources, split almost evenly between appropriations and grants/contracts — these are the revenue streams where the land grant funds occur. In comparison, these two sources comprise only one-third of the 1862 non-HBCU land grant’s revenues, again, split evenly between appropriations and grants/contracts.

Another third of 1862 land grants’ revenues and almost 20 percent of HBCUs’ funding from other sources, which include:  
- **Auxiliary enterprises,** such as residence halls, college unions, and student health services (Note: This comprises 60 percent of “other” for 1890 HBCUs, but only 30 percent of 1862 land grants.)  
- **Hospitals** (Note: Hospital revenue is the largest component of “other revenue” for 1862 land grants at 31 percent.)  
- **Educational activities** such as university presses, publica- tions, and testing services  
- **Independent operations** such as federally-funded research centers that are independent of the primary mission of the institutions (Note: This is a small source, about 1 percent in both sectors.)  
- **Endowment income**  
- **Other sources**  

Private gifts, grants, contracts and contributions comprise a relatively large share of 1862 non-HBCU land grants’ total revenue (9 percent) but are not a significant revenue source at the 1890 HBCUs. Not only do HBCUs rely more on federal and state money overall, they also receive a greater proportion of their funding from land grant appropriations than non-HBCUs. Land grant funds represent 2 percent of the 1862 non-HBCU institutions’ total revenues but 10 percent of funding for HBCUs.

**Declining Federal Appropriations Have Hit HBCUs Particularly Hard**

In fiscal year 2017, $549 million was authorized for the country’s land grant institutions via the four land grant acts, which represents a three percent decline from the $566 million appropriated in 2014. How this decline broke down among the four acts is displayed in Figure 2.

Figure 2 examines the change in appropriations by showing percent declines. The 1862 non-HBCU land grants’ funding streams — the Hatch and Smith-Lever Acts — experienced small declines in funding, three and two percent, respectively. The 1890 HBCU land grants’ Evans-Allen Act declined similarly, by two percent. However, NARETPA allocations for HBCUs declined by an alarming 11 percent over the three years. Overall, federal land grant appropriations for non-HBCUs went down by 2.6 percent, while for HBCUs the decline was more than double at 5.8 percent.

**Some HBCUs Struggle to Raise Non-Federal Matching Funds**

It is important to note that, as mentioned above, each of the four acts requires the state to match all formula-based funding received from federal funds on a dollar-to-dollar basis. For non-HBCUs, the state must provide a full match. In contrast, HBCUs are able to request a waiver for non-federal dollars that cannot be raised for the required match; if the request for waiver is accepted, the institution receives the full federal amount plus the non-waived portion of the non-federal amount. However, waivers are not always granted, and the institution is required to come up with at least 50 percent of the match, or the institution loses a portion of the federal allocation.

In 2017, about $50 million was earmarked for appropriations from federal funds under the Evans-Allen Act, and as such, HBCUs needed $50 million to be matched by non-federal sources. However, none of the 18 1890 HBCUs filed waivers in 2017, indicating that they were unable to secure a full matching fund. Nine of these institutions were able to raise between 52 and 87 percent of their required non-federal match. Combined, they lost nearly $10 million in funds due to the matching fund shortage. Kentucky State University lost the largest percent of its land grant appropriation at 52 percent, while Prairie View A&M University in Texas lost the most money at $195 million.

Six of the 19 institutions also applied for a waiver in 2016, showing that for some HBCUs, falling short on matching funds is not a rare occurrence. Similarly, a study by Association of Public Land-Grant Universities found that between 2010 and 2012, 61 percent of the 18 HBCUs studied had not received a full match, resulting in a total loss of $57 million to these institutions. In contrast, during this period states either met or exceeded the matching fund requirements for their non-HBCU land grant universities.

**TABLES AND FIGURES**

**Figure 1. Distribution of Revenue Sources, 2013-14**

<table>
<thead>
<tr>
<th>1862 Non-HBCU Land Grants</th>
<th>1890 HBCU Land Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition &amp; Fees</td>
<td>23%</td>
</tr>
<tr>
<td>Federal &amp; State Appropriations</td>
<td>17%</td>
</tr>
<tr>
<td>Federal &amp; State Grants/Contracts</td>
<td>17%</td>
</tr>
<tr>
<td>Private Gifts/Grants/Contracts/Contributions</td>
<td>9%</td>
</tr>
<tr>
<td>Local Grants/Contracts &amp; Appropriations</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>33%</td>
</tr>
</tbody>
</table>

**Figure 2. Change in Federal Land Grant Appropriations for Non-HBCUs and HBCUs, 2014 to 2017**

(Amounts in millions using constant 2017 dollars)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smith-Lever</td>
<td>$295</td>
<td>$288</td>
</tr>
<tr>
<td>Hatch</td>
<td>$177</td>
<td>$172</td>
</tr>
<tr>
<td>Evans-Allen</td>
<td>$61</td>
<td>$50</td>
</tr>
<tr>
<td>NARETPA</td>
<td>$43</td>
<td>$39</td>
</tr>
</tbody>
</table>

**Figure 3. Percent Change in Land Grant Appropriations for Non-HBCUs and HBCUs, 2014 to 2017**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smith-Lever</td>
<td>-2%</td>
<td></td>
</tr>
<tr>
<td>Hatch</td>
<td>-3%</td>
<td></td>
</tr>
<tr>
<td>Evans-Allen</td>
<td>-2%</td>
<td></td>
</tr>
<tr>
<td>NARETPA</td>
<td>-11%</td>
<td></td>
</tr>
</tbody>
</table>

*Not included in Figure 2 are the required non-federal match amounts, the Hatch Act Multistate Formula Program allocations, as these are joint grants, or the Smith-Lever Special Needs allocations, which are for a small set of institutions.

5 Land grant institutions operating in U.S. territories are required to secure only 50 cents on the dollar from non-federal sources.


7 Ibid.