OVERVIEW

TEXAS Grant

The Texas Legislature established the TEXAS (Towards EXcellence, Access and Success) Grant program in 1999 (Texas Education Code, §56.301) to provide funds to academically prepared high school graduates with financial need to pursue a higher education. Since its inception, the TEXAS Grant program has played a vital role in helping the state achieve the goals of Closing the Gaps by 2015 goals in both participation and success. Due to the significant investments (more than $1.89 billion) in the TEXAS Grant program made by the Texas Legislature, more than 300,000 students have received an award. Despite the 43.5 percent or $186.4 million increase in funding by the 81st Texas Legislature in 2009, the TEXAS Grant program was unable to escape the challenging state budget environment in 2011. TEXAS Grants experienced a 10 percent reduction for the first time in its history.

Texas’ college-age population is growing rapidly and experiencing an influx of students from low-income families with few financial resources, and no history of participation in higher education. If Texas is to meet the workforce demands of the state and remain globally competitive, the state must find ways to more effectively distribute limited TEXAS Grant awards to an increasingly diverse and financially needy student population.

Eligibility Requirements

The TEXAS Grant program attempts to improve participation and success through its requirements of students for initial awards (participation) and eligibility for continuation in the program (success). Specifically, for students to receive an initial award, they must:

✓ Be ranked among the neediest applicants (currently no more than a $4,000 Expected Family Contribution)
✓ Graduate with the Recommended High School Program (RHSP) or higher
✓ Enter public higher education within 16 months of graduation
✓ Have not been convicted of a felony or a crime involving a controlled substance
✓ Register for the Selective Service or be exempt from this requirement

Or

✓ Have earned an associate’s degree from a public technical, state or community college in Texas and enroll in any public university in Texas no more than 12 months after receiving their associate’s degree

To continue receiving a TEXAS Grant beyond the first year in college, students must meet their institution’s academic progress requirements. However to continue receiving a grant beyond the second year of college, a student must:

✓ Have a cumulative GPA of 2.5 on a 4.0 scale
✓ Complete at least 24 semester credit hours per year
✓ Complete at least 75 percent of the semester credit hours they attempt per year

Students enrolled in four-year degree plans may receive awards for no more than five years; students in longer than four-year degree plans may receive awards for six years. Students entering the TEXAS Grant program directly from high school and meet continuing eligibility requirements may receive awards for up to
150 semester credit hours. Students pursuing an associate's degree and meet eligibility requirements may receive a grant for up to 90 semester credit hours.

**Future Changes**

In 2011, the 82nd Texas Legislature passed the TEXAS Grant College Readiness Reform Act which will require institutions to award TEXAS Grants first to new eligible students who meet two of four academic criteria. **Beginning with new students entering higher education in fall 2013**, students may earn priority status for a TEXAS Grant by meeting any two of the following four categories:

- **Advanced Academic Programs**
  - Earn 12 hours of college credit courses (e.g. dual credit, AP); or
  - Graduate under the Distinguished Achievement High School Plan or
  - Graduate under the International Baccalaureate High School Program.

- **Advanced Math**
  - Complete a math course beyond Algebra II

- **Class Standing**
  - Rank in top 1/3 of high school class;
  - Attain a B average GPA (e.g. 3.0 GPA on a 4.0 scale)

- **College Readiness**
  - Achieve college readiness threshold as determined by the Texas Success Initiative (TSI) (e.g. THEA, COMPASS, ASET); or
  - Be TSI exempt (e.g. meet minimum score on SAT/ACT, TAKS).

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**Grant Award**

A TEXAS Grant may be used at any public institution of higher education in Texas. The maximum award amount is equal to the statewide average of a student's tuition and required fees.

Limited funding is distributed to eligible students with financial need. The financial aid office at each college and university determines if a TEXAS Grant will be included in a student’s financial aid package. The chart shows the number of grant recipients by income level for FY 2010. TEXAS Grant recipients in the lowest two income quintiles (less than $45,000 family income) accounted for approximately 80 percent of recipients.

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**TEXAS Grant Recipients by Income FY 2010**

<table>
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<tr>
<th>Income Level</th>
<th>Millions</th>
<th>$ Awarded</th>
<th># Students</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>$60,000 and Above</td>
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</tr>
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</table>

Total Recipients: 68,075
During FY 2010, 68,075 students received a TEXAS Grant. The pie chart on the left shows recipients by ethnicity.

### Funding

The 81st Texas Legislature increased TEXAS Grant funding substantially in 2009 which allowed an award for approximately 70-75 percent of new students. In 2011 however, the program experienced a 10 percent cut. The THECB estimates the decreased funding will allow 33,100 new students or a projected 30 percent, to receive a TEXAS Grant in 2012 and 2013. In order to spread limited TEXAS Grant funding to more students, to maintain the viability of the program, and to strengthen the pipeline, the Commissioner of Higher Education encouraged institutions to award all students a lower maximum award. Under the Texas Education Code, institutions may award a TEXAS Grant in an amount up to the statewide average tuition and fees. Rather than make the largest possible awards, however, the Commissioner encouraged institutions to award smaller TEXAS Grants and make up the difference with other non-loan financial aid. Specifically, the Commissioner asked institutions to set their average award amounts for TEXAS Grants in FY 12 at:

- $5,000 for universities and state colleges;
- $1,325 for community colleges; and
- $2,500 for Texas State Technical Colleges.

The THECB estimates that if all institutions follow this methodology, the state can increase the number of new students receiving a TEXAS Grant in the 2012-2013 biennium from funding 30 percent of new students to about 50 percent of all students eligible for an initial grant.

### Resources:

Financial Aid Information:  
http://www.collegeforalltexans.com

TEXAS Grant Program Information:  
http://collegeforalltexans.com/index.cfm?ObjectID=E81912E0-53C5-8EE1C469C728F15

http://www.thecb.state.tx.us/reports/PDF/2337.PDF?CFID=24596374&CFTOKEN=93747001

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