



OVERVIEW

TEXAS Grant

The Texas Legislature established the **TEXAS (Towards EXcellence, Access and Success) Grant** in 1999 (Texas Education Code, §56.301) to provide funds to academically prepared high school graduates with financial need assistance to pursue a higher education. Since its inception, the Legislature has made significant investments (more than \$1.4 billion) in the TEXAS Grant program which has helped more than 275,000 students. However, despite the 43.5 percent or \$186.4 million increase in funding by the 81st Texas Legislature in 2009, the program does not meet demand and would need to be funded at a significant higher level in order to serve the increasingly poor Texas student population. If Texas is to meet the participation and success goals of *Closing the Gaps by 2015*, the state must find ways to distribute limited TEXAS Grant funding more effectively and efficiently to encourage financially needy students to enroll in higher education and complete their programs.

Eligibility Requirements

The TEXAS Grant has played a vital role in achieving *Closing the Gap* goals in both participation and success. The program attempts to achieve these two goals 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:

- ✓ Have financial need (cost of attendance less family contribution greater than zero)
- ✓ Graduate with the Recommended High School Program (RHSP) or higher
- ✓ Enter public higher education within 16 months of graduation
- ✓ Be ranked among the neediest applicants (currently no more than a \$4,000 Expected Family Contribution)
- ✓ 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.

Grant Award

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

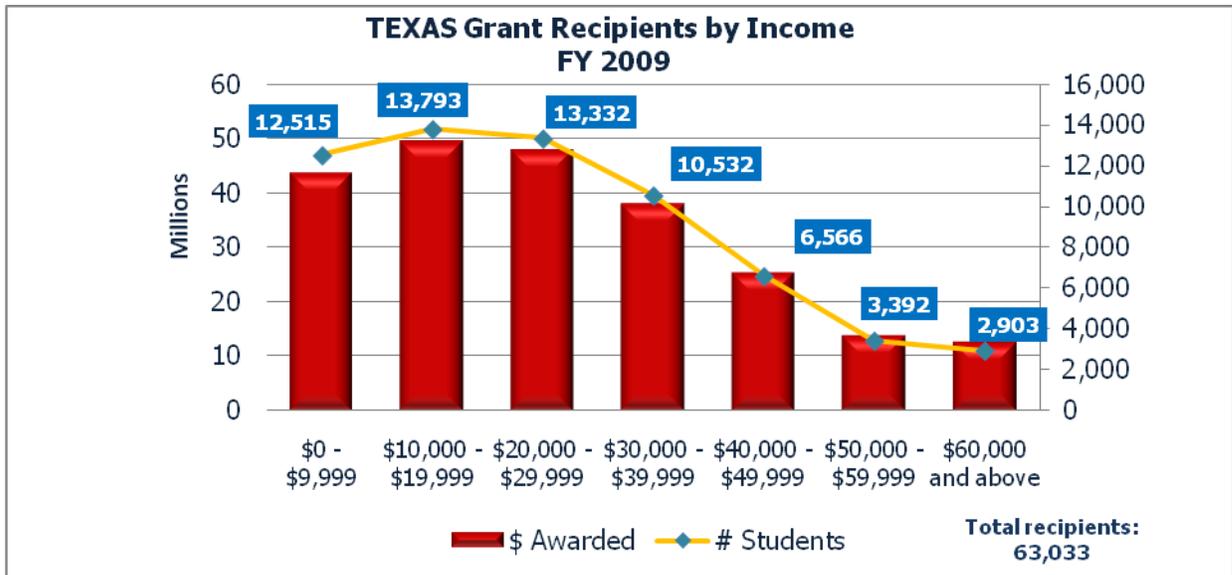
**TEXAS Grant
Maximum Award Amounts 2010-2011**

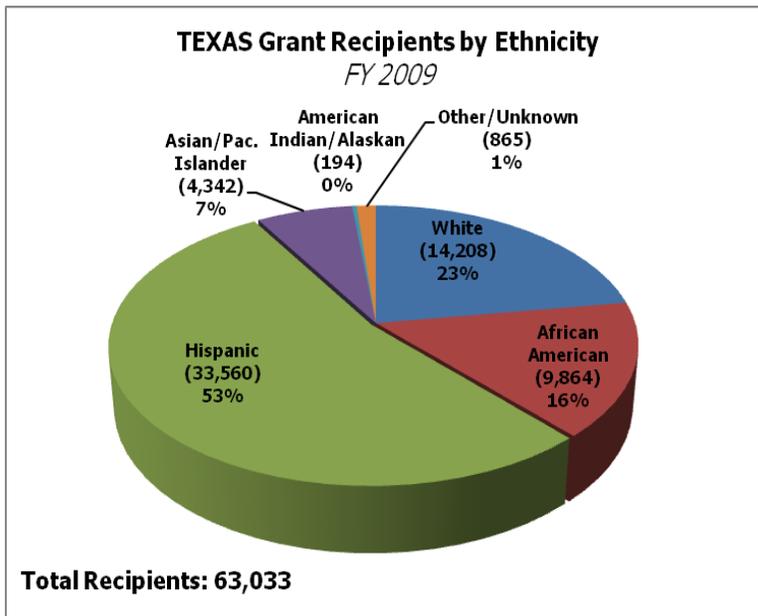
Universities & state colleges: **\$6,780 per year**

Community colleges: **\$1,780 per year**

Public technical colleges: **\$3,150 per year**

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 below shows the number of grant recipients by income level for FY 2009. TEXAS Grant recipients in the lowest two income quintiles (less than \$45,000 family income) accounted for 80 percent of recipients.





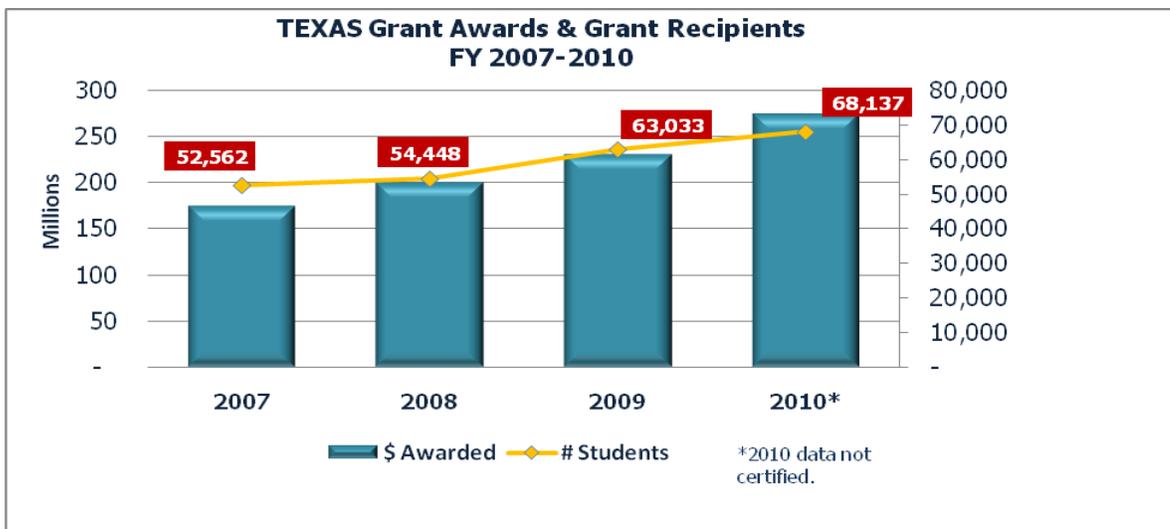
During FY 2009, 63,033 students received a TEXAS Grant. The pie chart on the left shows recipients by ethnicity.

Funding Levels

Significant funding increases through the first four years of the program and relatively low participation in the Recommended High School Program (RHSP) assured all eligible students initial and renewal awards. That has changed over time. Whereas less than 50 percent of students with need graduated with the RHSP in 2000, almost 80 percent of students met this requirement by 2004 and more than 90 percent today. Due to a significant

budget shortfall during the 78th Texas Legislature in 2003, appropriations for TEXAS Grant stagnated, while the number of eligible students increased dramatically.

In addition, the 78th Texas Legislature authorized the deregulation of tuition charged by colleges and universities which resulted in dramatic increases in average tuition and fee charges, and thus TEXAS Grant award amounts increased from 2004 through 2008. The rate of increase slowed in 2008 as colleges and universities achieved operational sustainability with available funds. Year-to-year tuition and fee increases are expected to grow at or slightly above inflation, but are not expected to match the high growth rates experienced immediately following deregulation.



The 81st Texas Legislature in 2009, invested heavily in the TEXAS Grant program. The Coordinating Board estimates awarding grants to an additional 16,600 students in 2010-2011 due to the 43.5 percent or \$186.4 million increase in appropriations. This includes funding an estimated 9,800 renewal students from the last biennium and 6,800 new students.

Resources:

- Financial Aid Information: <http://www.collegeforalltexans.com>
- TEXAS Grant Program Information:
<http://collegeforalltexans.com/index.cfm?ObjectID=E81912E0-DF96-53C5-8EE1C469C7298F15>
- *Report on Student Financial Aid in Texas Higher Education for Fiscal Year 2009*, July 2010
(http://www.thecb.state.tx.us/FinancialAidReport_FY09)

For more information:

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