



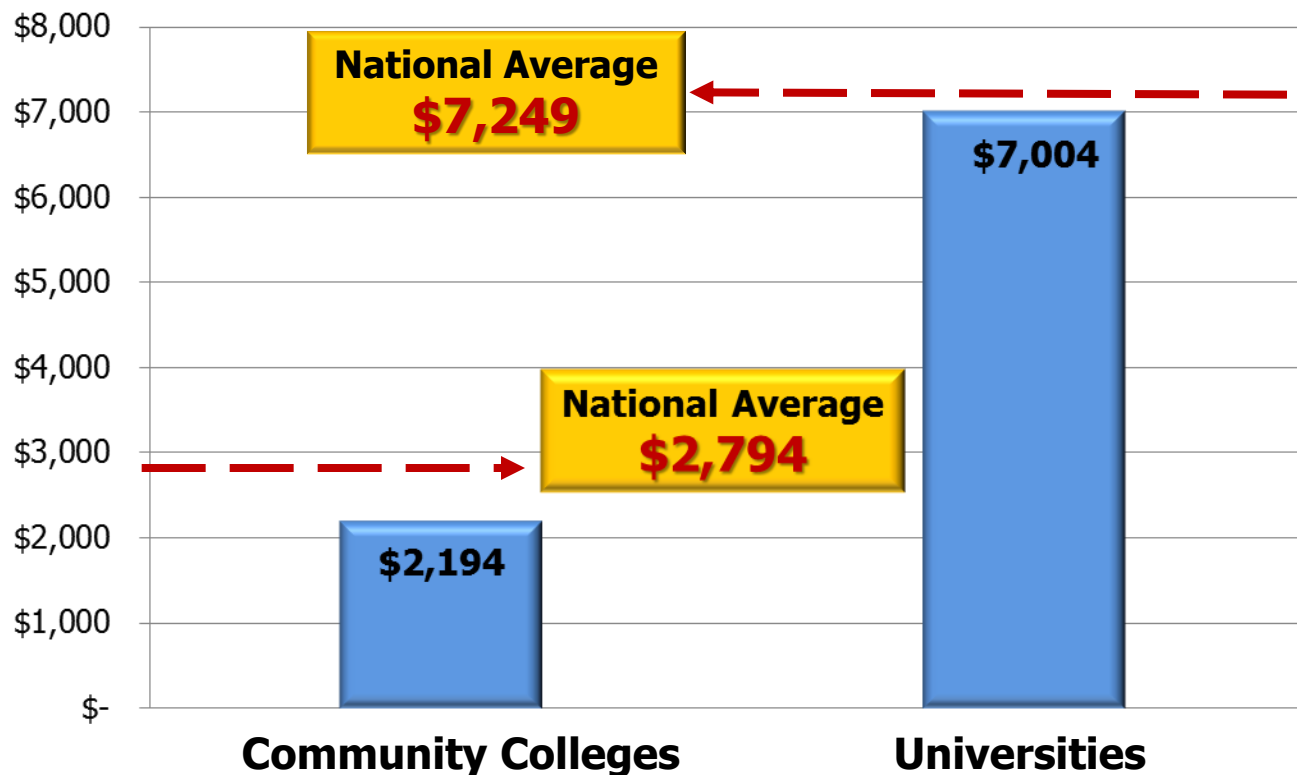
Expanding Access and Improving Success in Texas Higher Education

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Commissioner

Presentation to the
Senate Committee on Higher Education
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Tuition and fees at Texas community colleges are below the national average while universities are at about national average

Average Tuition & Required Fees 2010-2011



Median Household Income 2008-2010

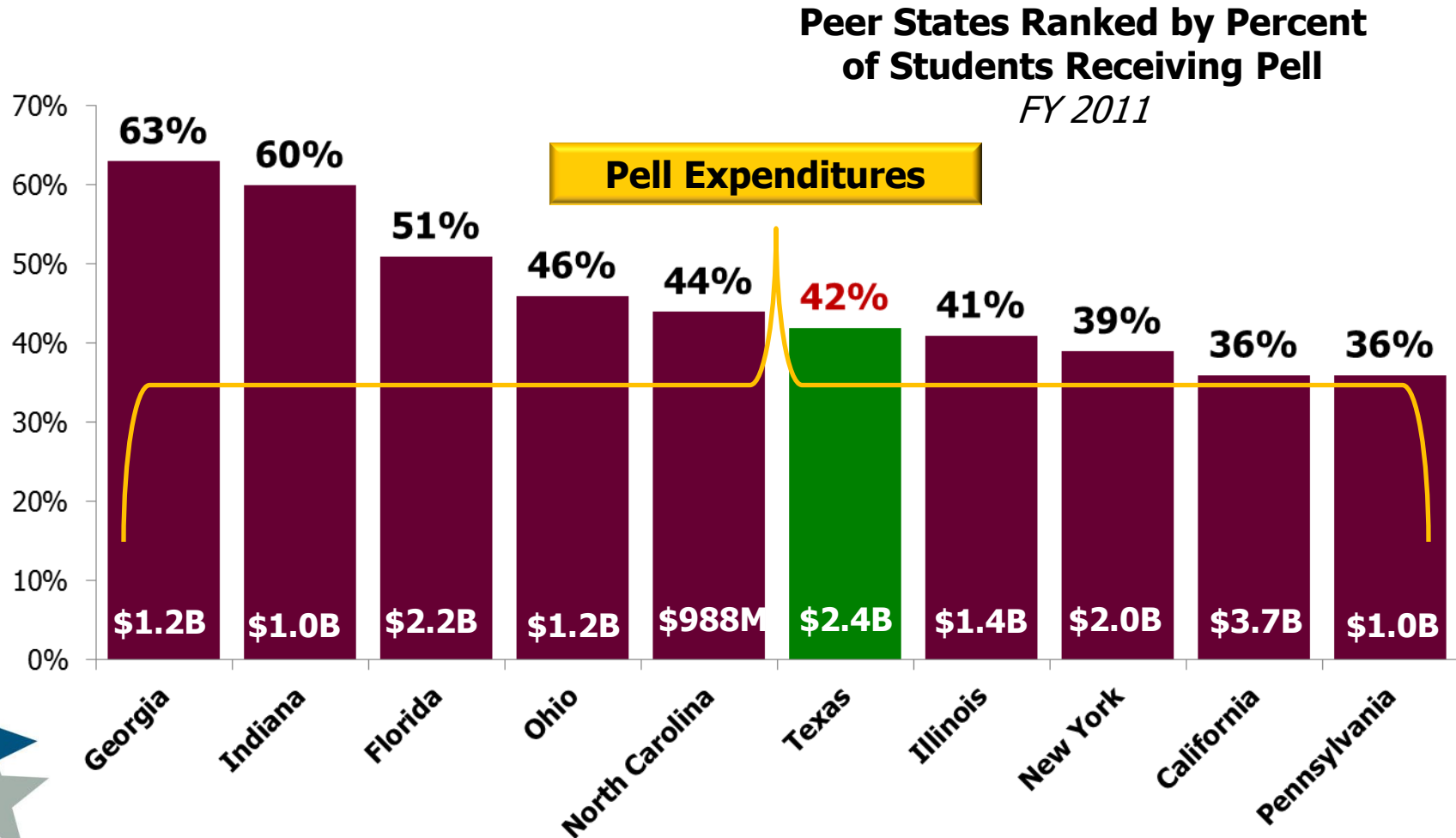
Texas	\$49,585
U.S.	\$51,222

Source: ACS 2008-2010, U.S. Census



Source: National Center for Education Statistics, THECB

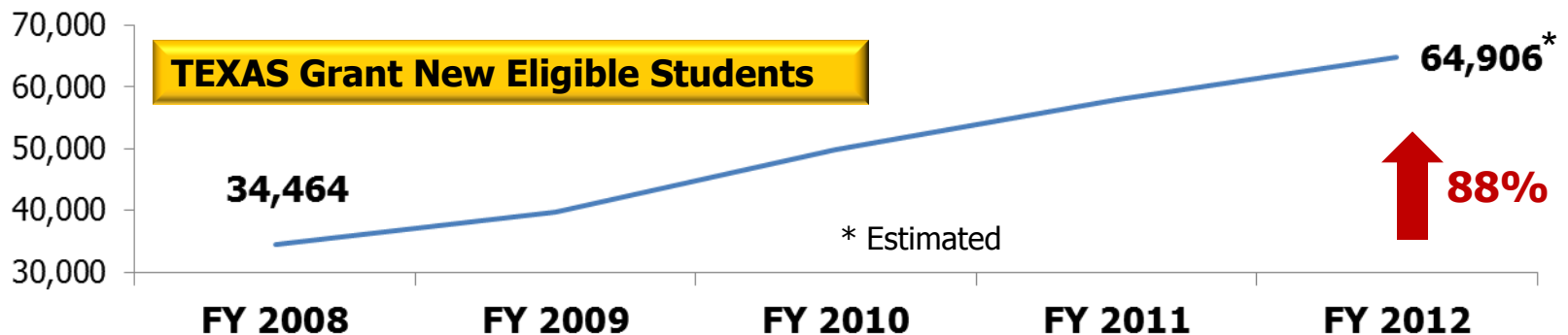
Comparison of Pell Grant students served and expenditures in ten largest states



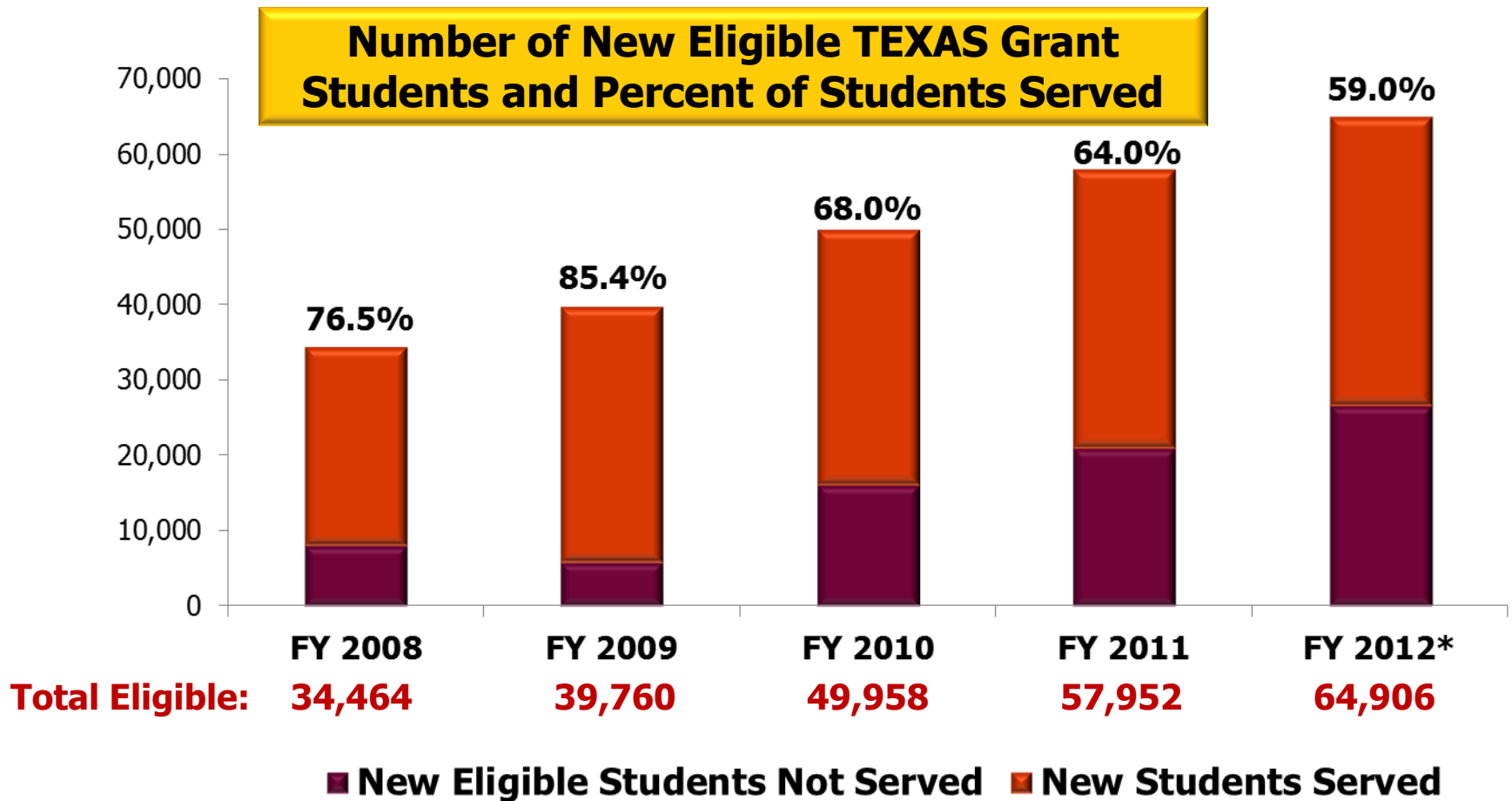
Critical financial aid programs experienced a decrease in funding for the current biennium

Major Financial Aid Programs

Program	2010-2011 Biennial Spending Level	2012-2013 Appropriated Level	% Difference
TEXAS Grant	\$622.0M	\$559.7M	-10.0%
Top 10% Scholarship	\$51.5M	\$39.6M	-23.1%
B-On-Time Loan Program (GR/GR-D)	\$157.1M	\$112.0 M	-28.7%
Texas College Work-Study	\$15.0M	\$15.0M	0.0%
Texas Educational Opportunity Grant	\$24.0M	\$24.0M	0.0%
Texas Equalization Grant	\$211.8M	\$168.8M	-20.3%



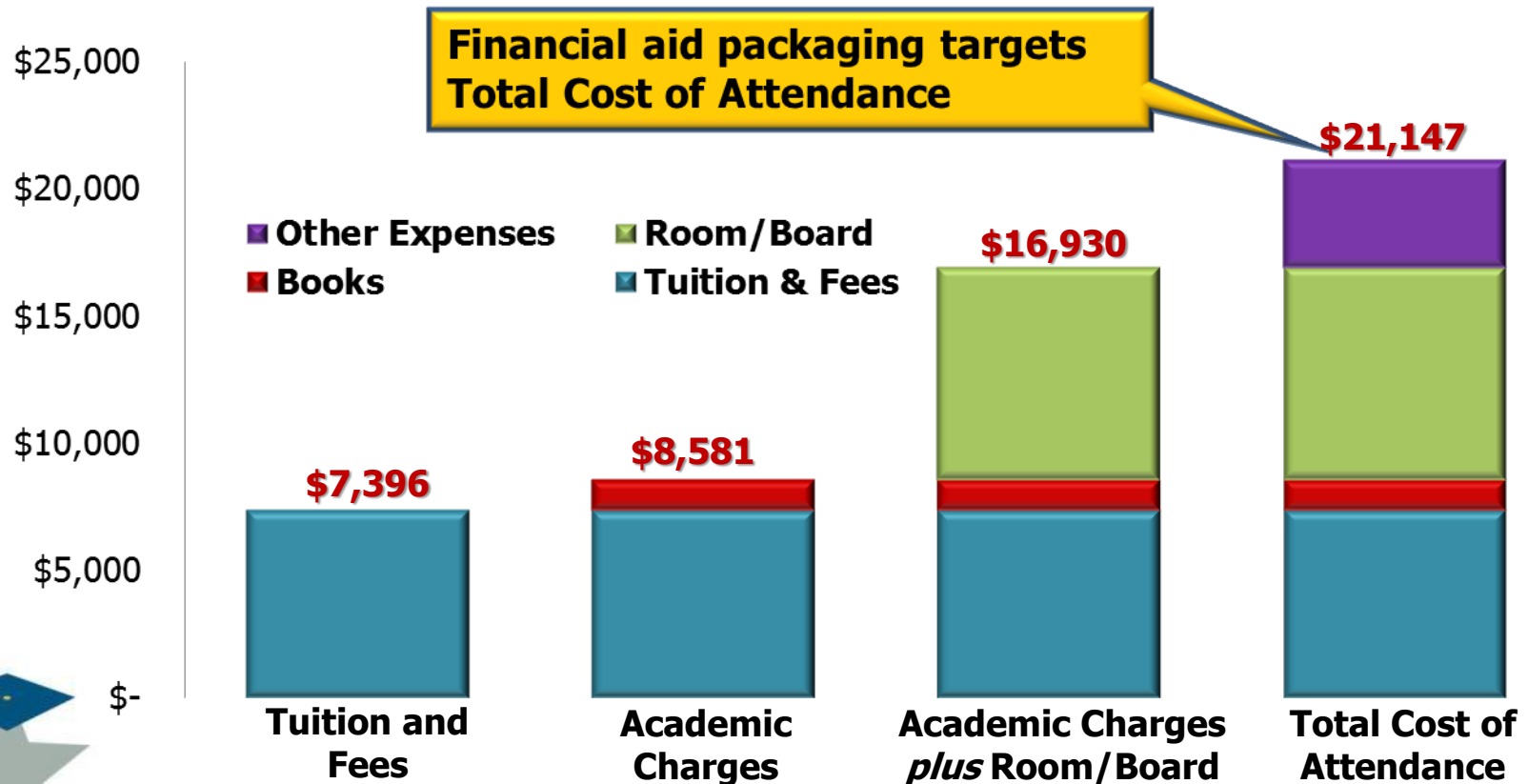
The state must find ways to serve the increasing population of needy students



Financial aid is traditionally packaged up to the average total cost of attendance

Public University Costs

2012-2013



Recommendations for restructuring financial aid

➤ Provide TEXAS Grants to more needy students

- ✓ Give awards that cover tuition, fees and books **for many needy students**, rather than target awards to cover full cost of attendance for fewer needy students
- ✓ Cap TEXAS Grant eligibility to **8 semesters** within 5 years
(Semesters do not have to be consecutive. Semester eligibility extended for programs longer than four years.)
- ✓ Require **full time enrollment** (12 SCH) per federal guidelines
- ✓ Create TEXAS Grant eligibility pathway for all transfer students.
- ✓ Eliminate requirement for institutions to make up difference between TEXAS Grant and cost of attendance via grant aid

➤ Expand access and improve effectiveness of B-On-Time Loan Program funds



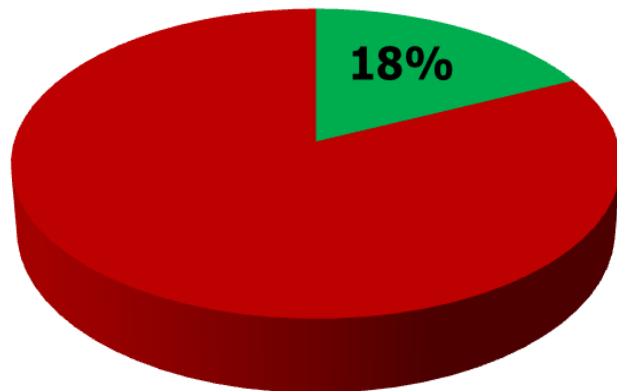
Adopting a new distribution model for TEXAS Grants will guarantee aid to more needy students

Projected new students served with THECB's Legislative Appropriations Request for 2014-2015: \$580.8M

 = % New Eligible Students served with TEXAS Grant

Current Statutory Model

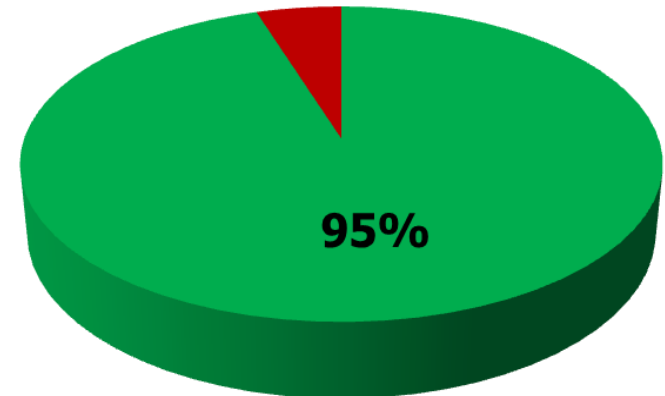
Provide MAX awards to target full Cost of Attendance



Estimated # of New Eligible Students Served in the Biennium: 72,300

Proposed Model

Provide smaller awards targeted at tuition, fees & books



Estimated # of New Eligible Students Served in the Biennium: 133,500

Note: The current statutory model includes both university and community and technical college students. The proposed model only includes university students. The THECB proposal makes TEXAS Grant a university only program but it is critical to note that the funding the two-year institutions receive in TEXAS Grant has been requested through the TEOG strategy in the THECB LAR. Over \$40M was added to TEOG in the baseline request for FY 14/15. Of that, \$36 million is to "make whole" the community college students who would no longer be eligible for TEXAS Grant under our recommendations, and the remainder is for the community college students that would be excluded from B-On-Time per Sunset's recommendation.

Adopting THECB's Exceptional Item Request and proposed model will expand TEXAS Grants to even more students

**2014-2015 TEXAS Grant Exceptional Item Request:
\$106.5M**

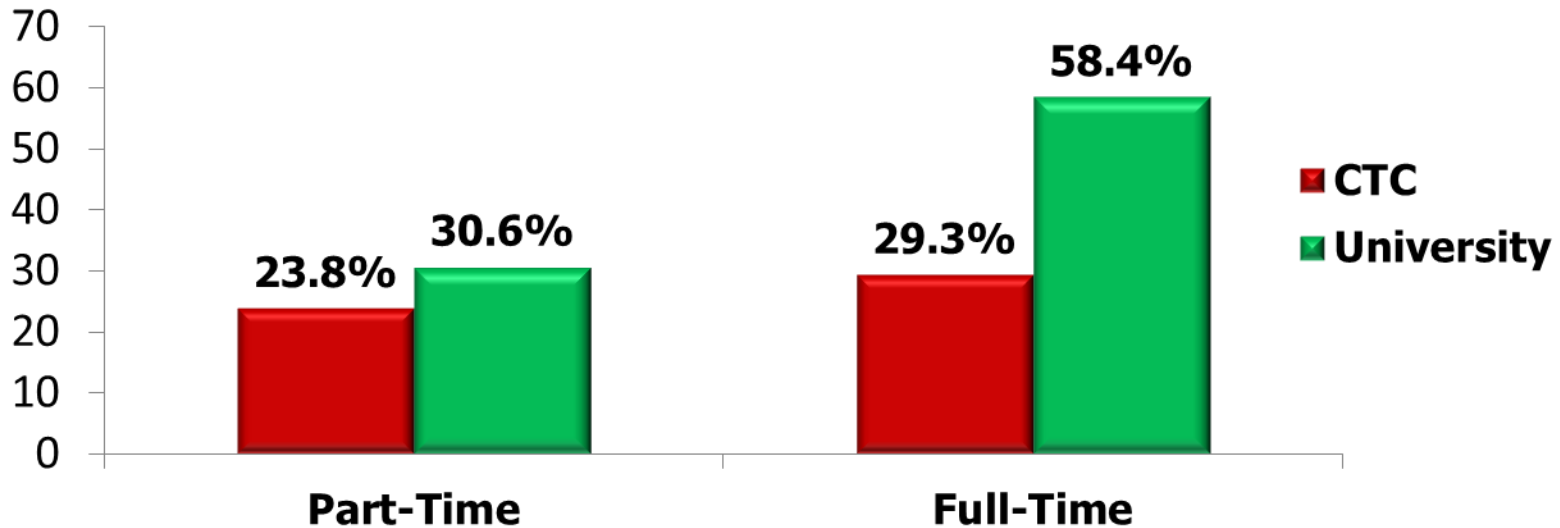
- ✓ Additional funding expands awards to approximately **158,000** university students and transfers with an Estimated Family Contribution **up to \$8,000**
- ✓ Funds 100% of eligible entering first year university students, as well as an estimated **41,000 transfer students**



Statewide University and Community College and Technical College **Six-Year** Completion Rates

Full-Time vs. Part-Time

Fall 2005 Cohort



	Time to Bachelor's	Credits to Bachelor's (120 Hr. Degree)
Universities	5.3 years	147
	Time to Associate's	Credits to Associate's (60 Hr. Degree)
Community and Technical Colleges	4.7 years	98

Momentum Points

Measuring student attainment based on unique role of community and technical colleges

Developmental Education

Completion of development education in math, reading and writing

Gateway Courses

Completion of first college level math and college level English course.

College Credit Attainment

Completion of first 15 college credits; first 30 college credits; and completion of core curriculum.

Credentials Awarded

Completion of an associate degree, certificate, or bachelor's degree (where offered.)

Transfer to a General Academic Institution

Transfer to a general academic institution after having completed 15 hours of coursework.



Outcomes-Based Funding for Universities

Metrics for Measuring Student Success

Critical Workforce Needs (Double Weight)

Degrees awarded in fields identified as critical workforce needs.

Total Undergraduate Degrees

Total Bachelor's Degrees awarded at the institution

Institutional Mission

Bachelor's Degrees awarded per 100 full time student equivalents (FTSE)

Persistence

Points awarded for students who complete their 30th, 60th, or 90th hour at the institution

At-Risk Student

Degrees awarded to students who meet federal criteria for being at high risk of dropping out.

Time-to-Degree

Bachelor's Degrees awarded times the institution's six-year graduation rate

Cost-to-Degree

Bachelor's Degrees awarded adjusted for instructional costs

Texas must begin to focus on closing the education gap not only with other states, but with the other nations.

