

# Keeping College Within Reach

**How Texas Can Move More Low-Income and Adult Students through College**

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## Executive Summary

In the past decade and a half, Texas has made a major effort to improve the state's college access and completion outcomes through the *Closing the Gaps by 2015* plan. However, the state is not improving fast enough, and too few Texans, especially working adults and low-income Texans, have access to post-secondary education.

Obtaining a post-secondary education has never been more important for students seeking well-paying jobs. Businesses are relying more and more on workers with some form of postsecondary credential or skills training, and consequently a growing number of jobs that can raise Texans out of poverty or support a family require postsecondary education. By 2020, 62 percent of jobs in Texas will require some form of postsecondary education.<sup>1</sup> However, two-thirds of prime working-age adults in Texas lack an associate's degree or higher, leaving the state far behind other competitive large states in terms of educational attainment.

The rising cost of college, coupled with lower state support and inadequate need-based grant aid, leaves many low-income and adult students, those over the age of 24, to depend on working during school, attending part-time, and taking on debt to pay for college. Even with the perceived affordability of community colleges, Texas students at two-year institutions still have high unmet need after accounting for all grant aid, loans, and personal resources available to pay for college.<sup>2</sup>

Texas stands at a crossroads as the 84<sup>th</sup> Legislative Session progresses and education stakeholders draft the next long-range plan for higher education. Key decisions about increasing state investments in higher education, including expanding need-based aid and work-study opportunities, enhancing student support services, and reducing student loan dependence and defaults will better equip students to succeed and complete college. Furthermore, the state has the opportunity to set a clear strategy for increasing the educational attainment of adult and low-income students in the state by setting goals and tracking student performance in the next master plan for higher education. Unfortunately, Texas lacks that clear strategy for how to move more low-income and adult learners into and through postsecondary education. Without additional student supports and strategies to promote college completion, barriers will persist for working adults aspiring to get a degree or college credential.

This policy brief analyzes where Texas stands on college completion across our public community colleges and universities for low-income and adult Texans, and makes the following recommendations to promote access and increase completion in Texas.

- The Texas Legislature, Texas Higher Education Coordinating Board (THECB), and institutions of higher education should develop and design the state's next master plan for higher education to ensure the state sets goals and tracks the performance of low-income and adult students, including setting and reporting on specific strategies to reduce student loan debt across Texas' public community colleges and universities.
- The Texas Legislature should increase investments in need-based grant aid for low-income students.
- The Texas Legislature, in collaboration with THECB, institutions of higher education, and the business community, should take steps to reimagine and expand investments in the state's Texas College Work-Study program to enhance the college experience and reduce the financial burden on Texas students.

- Texas colleges should enhance student support services that connect students with critical services such as low-cost child care, public benefits enrollment, and other academic supports and programs that put students on a career pathway to good jobs.<sup>3</sup>
- The Texas Legislature, THECB, institutions of higher education, and other education stakeholders should expand the state Student Loan Default Prevention and Financial Aid Literacy Program to educate all student borrowers on managing debt and improving their financial aid awareness.

## Introduction

Low-income working adults in Texas face significant barriers to moving into higher skilled jobs that pay a family-supporting wage. Of the nearly 1.2 million low-income working families—those with annual incomes lower than twice the federal poverty line, or \$48,500 for a family of four—58 percent are headed by parents with no postsecondary education.<sup>4</sup> Overall, two-thirds of Texans ages 25-54 lack an associate’s degree or higher, leaving Texas at a competitive disadvantage compared to other large states with higher educational attainment.<sup>5</sup>

Unfortunately, Texas lacks a coordinated strategy to improve the college completion rates for adults and low-income college students. Texas’ current long-range higher education plan—*Closing the Gaps by 2015*—has surpassed its college participation and completion milestones set out in the 15-year plan, with the exception of goals for Hispanic student participation. However, the plan does not address specific strategies or goals for low-income and adult students. Although the plan provides strategies that have supported all college students, including adults and low-income students, it falls short of tracking their success and targeting student supports to address the financial and non-academic barriers to completion.

*Closing the Gaps* included state financial aid as a strategy to close college enrollment gaps, but not all students with financial need receive state grant aid, and too many students rely heavily on student loans to cover college costs. As a part of the plan, the Texas Higher Education Coordinating Board (THECB) promoted student supports for at-risk students, but funding has been limited and is not uniform across Texas’ colleges and universities.

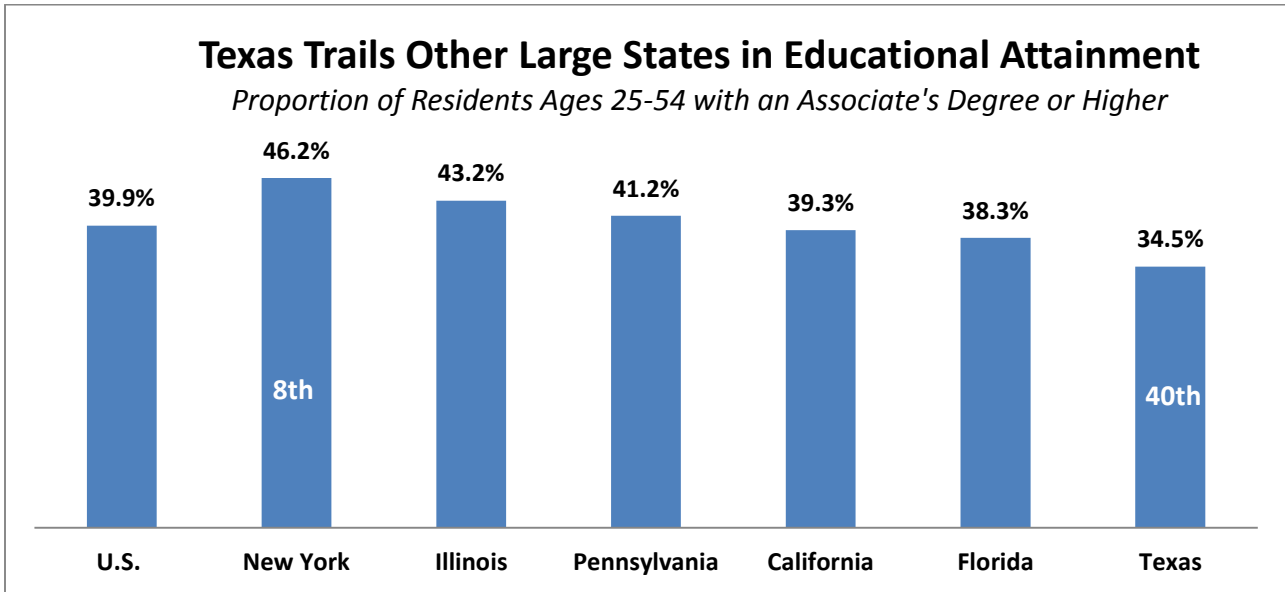
To move the state in the right direction, Texas education policymakers and stakeholders should develop new goals and metrics to make college completion for adult Texans and low-income students a priority in the next long-range plan for higher education. Furthermore, education stakeholders should collaborate to increase educational opportunities for Texas’ working adults, while reducing the overall financial burden that often hinders success in college.

## Low Educational Attainment Reduces Economic Mobility for Low-Income and Adult Texans

A high school diploma is no longer enough to prepare students for well-paying jobs. Businesses are relying more and more on workers with some form of postsecondary credential or skills training to perform the duties of current jobs. And a growing number of jobs that can raise Texans out of poverty or support a family require postsecondary education. By 2020, 62 percent of jobs in Texas will require some form of postsecondary education.<sup>6</sup>

A college degree or other postsecondary credential is not only the main pathway out of poverty and into the middle class, but it also provides benefits to students and the broader community through higher lifetime earnings, lower unemployment, and a skilled workforce prepared for jobs in high-demand industries.

In Texas, only 34 percent of adults ages 25 to 54 obtain an associate’s degree or higher compared to almost 40 percent nationally.<sup>7</sup> That difference in educational attainment matters, and it is especially significant in a state as large as Texas. For example, to match New York’s attainment rate of 46 percent, Texas would need to help more than 1.2 million adults obtain an associate’s degree or higher in addition to those already moving through the higher education system.<sup>8</sup>

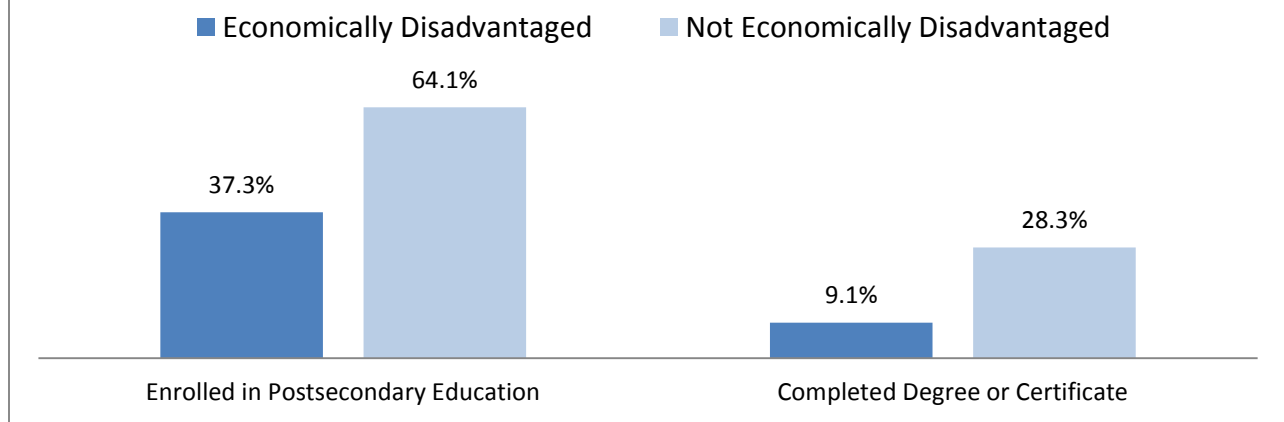


Source: CPPP Analysis, Working Poor Families Project, Population Reference Bureau, analysis of 2012 American Community Survey

Low educational attainment not only translates into fewer job prospects and lower wages for Texas families, it also leaves the state at a competitive disadvantage with so few workers prepared for higher skilled work.

Unfortunately, the college completion rate of students who have gone through the state’s public school system is also low. Overall, fewer than one in five (19.4 percent) Texas 8<sup>th</sup> graders completes a college degree or certificate after 11 years.<sup>9</sup> College outcomes are even worse for Texas’ low-income 8<sup>th</sup> graders. Although 37 percent of economically disadvantaged 8<sup>th</sup> graders—those eligible for free or reduced-price meals—enroll in college, fewer than one in ten completes a degree or certificate, making them three times less likely to complete college compared to non-economically disadvantaged students.<sup>10</sup>

## Major Gaps in College Access and Completion for Texas' Low-Income 8th Graders



Source: CPPP Analysis, Texas Higher Education Coordinating Board, Texas Education Agency, 2001 Cohort of Texas 8th Graders tracked for 11 years.

The relatively poor educational outcomes of low-income and working adult Texans indicate that the state has not closed all the gaps in the higher educational system. Without a sustained effort to promote college completion for low-income and adult students, the state will not only fail millions of Texans in providing access to well-paying jobs, but Texas will also fall behind in providing the skilled labor force required for competitive economic growth in the future.

## Adult Students Struggle to Complete College While Balancing Work, School, and Family Obligations

Today, college students are not just recent high school graduates. A growing number are older, non-traditional age students who juggle work and family obligations in addition to their academic studies. Since 2000, enrollment for both older adults and those attending part-time has grown. More than 277,000, or 32 percent of enrolled credit students in the fall of 2013, were age 25 or older.<sup>11</sup> Also in the Fall 2013 semester, three out of four (73 percent) community college students were enrolled part-time.<sup>12</sup>

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*Increased enrollment of non-traditional age students is a promising sign... [but] the troubling low completion rates for part-time students and community college students overall indicate that enrollment is not enough to ensure success year after year.*

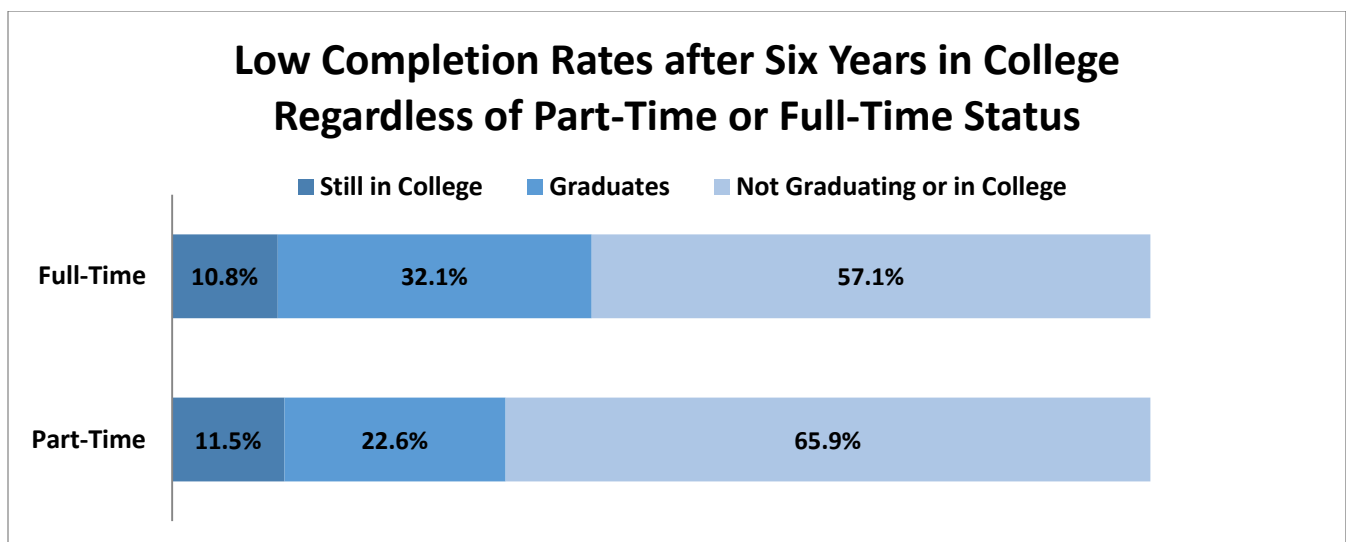
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Increased enrollment of non-traditional age students at Texas' community colleges is a promising sign, but the state does not report outcomes for adult students. With additional data on adult student outcomes, the state can better identify how community colleges can improve completion rates for their diverse student bodies. The troubling low completion rates for part-time students and community college students overall indicate that enrollment is not enough to ensure their success year after year. This is especially true for adult students and more disadvantaged students who must work during school and attend at reduced hours just to cover their living expenses, which may include child care for their dependents.

## Completion Rates are Low for Working and Part-Time Students

Community colleges provide valuable educational opportunities for adult students, but completion rates are too low, leaving many Texans without the college credentials needed to get ahead. Of the more than 53,000 entering community college freshmen at Texas community colleges in 2007, only 17,000, or one-third, completed their degree or certificate within six years.<sup>13</sup> Although this is an improvement—only a quarter of community college freshmen in the 1994 cohort graduated within six years—these rates are far too low to meet workforce demands and promote greater economic mobility in the state.<sup>14</sup> By comparison, the graduation rate at four-year public institutions is nearly 60 percent after six years.<sup>15</sup> But the proportion of public university students graduating “on-time” remains low with only a 31 percent four-year graduation rate.<sup>16</sup>

While graduation rates are low for all students, they are especially low for part-time undergraduate students at community colleges. Only 23 percent complete college within six years compared to 32 percent for their peers attending full-time.<sup>17</sup>



Source: THECB, *First-Time Degree-Seeking Undergraduates, Fall 2007 Cohort*.

Students often attend part-time to balance work and family responsibilities. Some students must work to cover the cost of attending college. Although work is essential for low-income students to meet their financial obligations, low-pay hourly positions with inflexible work schedules contribute to the difficulties low-income students face when trying to balance work and school obligations.<sup>18</sup>

Students who are financially independent of their parents are three times more likely to work full-time while enrolled, compared to dependent students.<sup>19</sup> Low-income adult students work longer hours compared to younger students, and adult community college students (aged 22-30) report that working long hours while attending school is the number one reason for not finishing school.<sup>20</sup> Students who are parents of young children must also attend part-time to be able to balance working and caring for their children. The high cost of child care further reduces the ability of student parents to work less and study more.

For all these reasons, community college students are more likely to work while enrolled compared to students in other education settings.<sup>21</sup> Nationally, one in four (26 percent) students at two-year public institutions and 31 percent of students at two-year for-profit colleges worked 40 hours or more during the 2011-12 school year, compared with 15 percent of students at public and private four-year institutions.<sup>22</sup>

## Work-Study Opportunities Help Balance Time and Finances While in College

Although too much work can hinder success, evidence suggests that part-time employment related to a student's academic field of study can increase persistence and completion.<sup>23</sup> Furthermore, state data indicate that among all financial aid programs, work-study investments have a greater return on investment. Work-study recipients at four-year public institutions had a six-year graduation rate of 63.6 percent compared to 56.6 percent of students with other types of financial aid, but no work-study. For community college students, the six-year graduation rate for work-study recipients was low at 18.3 percent, but still higher than the 12.4 percent graduation rate for non-work-study aid recipients.<sup>24</sup>

Providing both work-study and part-time attendance opportunities for adult students are important components for students to balance the time and financial commitment needed to complete a degree. But as data indicate, Texas students need more flexibility and additional supports to promote persistence and completion.

The Texas Legislature, institutions of higher education, and businesses should work towards revamping the Texas College Work-Study program to reach more students and offer more off-campus and part-time internship and apprenticeship opportunities in a student's field of study. Texas should also create a college work-study internship program that provides meaningful, skill-building job assignments while supporting students most likely to work while in school.

## Strong Support Systems Can be Created for Adult and Low-Income Students

To address Texas' low completion rates, education policymakers and institutions of higher education should enhance student support services that connect students with critical services such as low-cost child care, public benefits enrollment, and other supports that put students on a career pathway to good jobs.<sup>25</sup> The *Closing the Gaps by 2015* plan emphasized the need for comprehensive student supports, especially for increasing success outcomes for Hispanic and African American students. However, the plan did not go far enough to recommend additional state funding for enhanced supports statewide.

Although student support services can improve student outcomes, Texas lacks a targeted funding source and state strategy for providing non-academic supports to students with financial need and adults struggling to balance school, work, and family. Thus far, state and federal funding and philanthropic efforts have allowed institutions to offer various academic supports such as tutoring, learning communities and other services, with little focus on the non-academic supports that address financial and life barriers.

Promising practices are emerging at Texas' community colleges and through several national initiatives that are targeting non-academic barriers to college completion. *Achieving the Dream*—a movement to reform community colleges and promote student success—has launched the Working Families Success Network initiative at 16 community colleges in four states. The project emphasizes integrated services for students through three core areas, including services to promote education and employment advancement, income and work supports, and financial services and asset building.<sup>26</sup>

Amarillo College, a member and leader college in *Achieving the Dream*, has developed a "No Excuses Poverty Intervention" to address student needs on campus. The initiative connects students with resources including a food pantry, a student support coordinator, assistance with benefits enrollment, and mentoring for under-resourced students.<sup>27</sup>



Benefits Access for College Completion, an initiative of the Center for Postsecondary and Economic Success at the Center for Law and Social Policy, is another approach to student supports that integrates public benefits application assistance with financial aid counseling and other services.<sup>28</sup> The initiative has encouraged greater collaboration among community colleges and local organizations and has increased awareness of student issues among faculty and staff on community college campuses.

These approaches provide a framework for alleviating many of the social and financial barriers adult students face.

## Declining Levels of State Support for College Contribute to a Heavier Financial Burden for Texas' Low-Income College Students

Improving educational attainment in Texas will strengthen the state's ability to meet the demand for higher skilled workers. However, the state has not done enough to keep costs low for low-income and working adults who are more sensitive to rising costs.

Despite the rising costs of operating public universities and colleges, per-student higher education funding from the state remained flat from 1990 to 2010 after adjusting for inflation. Institutions responded by raising tuition to cover the difference, thereby shifting a larger share to students and families.<sup>29</sup>

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Making matters worse, Texas has not maintained funding for higher education since cuts made in 2011. Aside from a funding increase of 5.4 percent or \$350 per student between fiscal 2013 and 2014, overall funding is below pre-recession levels. Between fiscal 2008 and 2013, state spending per student dropped 22.5 percent, while tuition and fees at public four-year institutions increased by 17.6 percent, or \$1,274.<sup>30</sup> Tuition and fees at public community colleges rose 31 percent (\$219 per semester) between the Fall 2008 and Fall 2013 semesters.<sup>31</sup>

Although Texas is often touted by policy makers as having very affordable colleges, tuition costs rose much more sharply in Texas over the past two decades compared to the rest of the country. Between 1990 and 2010, tuition and fees at public four-year institutions in Texas increased by 286 percent compared to 113 percent nationally, while costs at two-year public institutions rose 89 percent compared to 71 percent nationally.<sup>32</sup>

## Financial Aid Policy Changes Leave Low-Income Students with Less Need-Based Aid

Low- and middle-income Texas students use a combination of sources to pay for college, including scholarships, need-based grant aid and other institutional aid that does not need to be repaid, student loans, the expected family contribution (EFC), and other personal resources such as savings. Students and families complete the Free Application for Federal Student Aid (FAFSA) to determine their EFC and their eligibility for federal financial aid, including need-based Pell grants and federal student loans.

Texas students are largely dependent on the federal government for financial aid, with 85 percent coming from federal sources compared to only 6 percent from the state.<sup>33</sup> More than half a million (514,000) low-income students at Texas' public two- and four-year institutions receive a Pell grant award.<sup>34</sup> While a strong support for

Texas college students, the Federal Pell grant covers less than one-fifth of the cost of attendance at Texas' four-year public institutions, making state investments in need-based grants essential to supporting college access for low-income students.<sup>35</sup>

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To cover rising college costs, the Texas Legislature has continued to invest in the TEXAS Grant program and the Texas Educational Opportunity Grant for community college students—the state's main need-based grants for low-income students.<sup>36</sup> But funding for Texas' financial aid programs has fluctuated over the years, leaving students uncertain about whether they can afford to enroll in college. In the 2012-13 two-year budget, Texas reduced

financial aid investments by 15 percent overall (10 percent in TEXAS Grants), cutting aid for thousands of students. Although the Legislature restored a portion of the funding for state financial aid in the 2014-15 budget, students are receiving lower awards than in years past. Institutions, at the recommendation of the Texas Higher Education Coordinating Board, have been reducing grant awards to make it possible to provide more students with at least some aid. Statutory amounts for fiscal 2015 set the TEXAS grant award at \$8,000 per academic year; however, institutions are targeting the maximum award at \$5,000 at four-year public institutions.<sup>37</sup> Community colleges are targeting awards at \$1,325 annually instead of the \$2,700 statutory amount.

Other changes have included adding new eligibility standards to prioritize TEXAS Grant awards for students meeting certain merit criteria.<sup>38</sup> These changes may leave some low-income students who would have previously received an award without grant aid, and therefore more dependent on student loans to pay for school. Further analysis of the college-going habits of low-income students who do not meet the new merit criteria would enable policymakers to determine whether the new standards have improved graduation rates in Texas without compromising college access for students with financial need.

A positive change in 2001 was passage of the Texas Dream Act, which made Texas the first state to extend in-state tuition to Texas resident non-citizen students. Enacted with full bi-partisan support and championed by then Governor Rick Perry, the Texas Dream Act ensures that all Texas students pay in-state tuition, regardless of immigration status. In 2013, 24,770 non-citizen resident students, or 1.9 percent of all students, benefited from in-state tuition due to the Act.<sup>39</sup>

### **Inadequate Need-Based Aid Results in High Loan Debt and Unmet Need for Low-Income Students**

To make up the difference between college costs and total available need-based aid, students at all institution types rely on loans, working during school, attending part-time, and other cost-saving measures to cover tuition, fees, and other expenses.

Student loans account for 60 percent of financial aid in Texas, while grants—aid that does not need to be repaid—makes up 40 percent of student aid.<sup>40</sup> Overall, almost six out of every ten class of 2013 graduates from Texas' four-year public and private institutions left with debt averaging more than \$25,200.<sup>41</sup>

Even after accounting for all sources of student aid, including grants, loans, and the family's expected contribution, Texas college students face high unmet need.

Despite the perceived affordability of community colleges, students at two-year institutions on average face an unmet need exceeding \$7,000, higher than the estimated unmet need of \$5,639 for students at public four-year institutions.<sup>42</sup> Unmet need varies considerably from student to student and by institution type, depending on the student's circumstances and the availability of affordable transportation and housing. But low-income students still face higher unmet need compared to their higher-income counterparts. Nationally, low-income students had an unmet need of \$6,480 compared to \$4,985 for higher-income students.<sup>43</sup> In Texas, unmet need for low-income students exceeded \$8,000 at both two- and four-year public institutions.<sup>44</sup>

### Heavy Loan Debt Hampers Economic Opportunity for Texas College Students

Student loans make college attendance possible for many students who would otherwise be unable to pay for college. However, too much reliance on loans can contribute to lower persistence during school and financial strains after college, especially for students who do not complete their degree. Adult students, especially those with children, graduate with higher debt than do traditional students and those without children. A year after graduating, student parents averaged \$28,350 in undergraduate debt compared to \$25,169 for non-parents.<sup>45</sup>

In Texas and nationally, paying off student loans is a growing challenge. Texas is ranked 9<sup>th</sup> for the highest proportion of student borrowers in default three years after entering repayment.<sup>46</sup> Of the almost 273,300 student borrowers in Texas entering repayment in fiscal 2011, over 43,600 or 15.9 percent defaulted on their loans within three years. Nationally the default rate for students who graduated in 2011 is 13.7 percent.<sup>47</sup>

Student loan defaults have major consequences for borrowers including ruined credit, collection costs and employers withholding student debt payments from paychecks. A loan default can mean a borrower will not be able to qualify for a home mortgage or other major credit in the future. Poor credit can also damage a borrower's work opportunities, as more employers check a job applicant's credit history.<sup>48</sup>

Economic hardships are not limited to students who default on their loan. Even students with high debt loads who manage to pay off their debt are less likely to qualify for a home mortgage or other large purchase due to their high debt-to-income ratio.<sup>49</sup>

Texas has already taken steps to address the high student debt and default rates in the state. Enacted in the 2013 Regular Session, Senate Bill 680 created a pilot program to reduce student loan default rates and improve the financial aid literacy of college students.<sup>50</sup> (See details below.) The Texas Higher Education Coordinating Board and TG, a nonprofit corporation that promotes educational access and success, have collaborated to design and implement the program.

While the pilot is a move in the right direction, SB 680 was not accompanied by state funding to launch the program. THECB, TG, and participating institutions are using existing resources to provide services. The program currently serves 12 institutions out of the estimated 142 institutions with default rate trends that meet the threshold for participation in the pilot.

### **Student Loan Default Prevention and Financial Aid Literacy Pilot Program**

Senate Bill 680 (2013) created the Student Loan Default Prevention and Financial Aid Literacy pilot program, expiring in 2020, to reduce loan default rates in Texas and ensure student borrowers are more informed consumers with regard to all aspects of financial aid.\* The pilot must include four types of institutions: two- and four-year public institutions, private institutions, and career-schools.

To participate, institutions must have either a student default rate that exceeds 20 percent for an entire class of students three years after graduating, or an above-average growth in their default rate.

#### ***Current strategies\*\****

- Each participating institution has either developed, or is developing, a default prevention plan;
- Financial aid and loan counseling;
- Integrated messaging among institutional departments directly serving and counseling students;
- Targeted e-mails to students with financial education and college-going messages; and
- Financial coaching

\* 83rd Regular Session, Senate Bill 680, Web. <http://bit.ly/1IIsfuT>, Enrolled Version.

\*\*THECB and TG have identified various strategies to implement as a part of the pilot program to reduce student loan default. As the pilot is in the initial stages of development, some strategies have not yet been fully implemented.

## Recommendations

Texas has made progress in college access and completion, but the state is still far behind in educational attainment, especially for low-income and adult Texans. To meet the demand for higher skilled workers, Texas needs a sustained effort and a strategic plan to promote college completion for low-income and adult Texans. The state can continue moving in the right direction by ensuring college students have the supports they need to break down financial barriers to success and to balance their obligations as students, parents, and workers. Furthermore, a renewed commitment to increase state investments in higher education, including through need-based financial aid and work-study programs will make access a reality for more low-income students.

### Establish New State Goals and Track Performance for Texas' Adult and Low-Income College Students in the Next Master Plan for Higher Education

The next master plan for higher education should include new metrics and goal setting for specific categories of students, including performance and goals by race/ethnicity, adult students, low-income students, and community college students. Texas can move forward on college completion by ensuring that all students, including those with fewer resources of their own, are provided the tools and support to complete their degree and move into well-paying jobs. Education stakeholders should also elevate the importance of reducing student debt in the next master plan for education. Otherwise, with students more dependent on loans, lower college completion rates in Texas will persist.

The next master plan must be inclusive in promoting success for all students, including disadvantaged students who must work while in school and attend part-time to achieve their academic and career goals. The Texas plan should track the following student outcomes and set clear goals to increase college achievement for the following groups of students:

- **Low-income Students:** Report and set goals for target enrollment and completion for Pell-eligible students;
- **Non-traditional Students:** Report and set goals for target enrollment and completion of non-traditional students ages 24 and older;
- **Returning College Students:** Report and set goals to track the performance of students returning to college after having a gap in their education;
- **Part-time Students:** Report and set goals for part-time degree-seeking students;
- **Underprepared Students:** Report and set goals for college completion for underprepared students needing developmental education;
- **Bridges to Postsecondary Education for Adult Basic Education and Literacy Students:** Track and report the number of adult education students and General Educational Development (GED) completers transitioning into and completing postsecondary education;
- **FAFSA Completion:** Set and report on goals for FAFSA completion; and
- **Student Debt:** Set and report on specific strategies to reduce student loan debt across Texas' public community colleges and universities.

## Continue to support and increase investments in state need-based grant programs

The Texas Legislature should continue to restore and expand the state's need-based grants to ensure continued access to postsecondary education for Texas' low-income students who are recent high school graduates or older adults. The TEXAS Grant and Texas Educational Opportunity Grant (TEOG) for community college students have increased access and success for thousands of low-income Texans. Need-based grants reduce student loan dependence, in turn reducing debt upon graduation and further promoting economic opportunity in the state.

- **Fund the Higher Education Coordinating Board's budget proposal for state need-based financial aid, including all exceptional items aimed at serving more low-income students.**  
The Coordinating Board proposed \$924 million to fund the TEXAS Grant and TEOG programs in 2016-17, an increase of 23 percent (\$175 million) compared to 2014-15 levels.
- **Preserve part-time eligibility for need-based grants, especially for the Texas Educational Opportunity Grant for community college students.**

## Reimagine and reinvest in the Texas College Work-Study Program

The Texas Legislature, institutions of higher education, and businesses should work towards revamping the Texas College Work-Study program to reach more students and offer more off-campus and part-time internship and apprentice opportunities in a student's field of study. Texas should create a college work-study internship program that provides meaningful, skill-building job assignments while supporting students most likely to work while in school.

- **The Texas Legislature should commission a study to identify work-study partnerships between institutions of higher education and businesses that are effective in moving students through to degree completion and into well-paying jobs.**  
Many work-study, internship, and apprenticeship partnerships are already succeeding on Texas' community college campuses. The Texas Legislature should commission a study to identify projects that provide the most promising model(s) for a state-supported work-study program in various regions of the state to meet the needs of students, businesses, and colleges.
- **The Texas Legislature should fund the Texas Higher Education Coordinating Board's budget proposal for the College Work-Study program for the 2016-17 biennium.**  
In its Legislative Appropriations Request, the Coordinating Board is requesting \$24.1 million for the state work-study program, an increase of 28 percent over the 2014-15 biennium.<sup>51</sup> The \$5.3 million increase would serve an additional 1,577 students annually.

## Enhance Student Supports for Adult and Low-Income Students

Texas colleges and universities, in collaboration with local social service organizations, should enhance student support services on campus. Support services should connect students with low-cost child care, public benefits screening and application assistance, financial aid, academic counseling, tutoring, and other services to address the financial and academic needs of students.

- **The Texas Legislature should fund student support services that connect students with critical services such as low-cost child care, public benefits enrollment, and other academic supports and programs.**  
Texas colleges are demonstrating promising practices in providing student support services. Additional state support would sustain and enhance student services at community colleges.

## Promote expansion of the state Student Loan Default Prevention and Financial Aid Literacy Pilot Program

The launch of the Student Loan Default Prevention and Financial Aid Literacy pilot program has already positioned Texas as a national leader in reducing student loan defaults and promoting greater financial stability among Texas' low- and middle-income college students. To further enhance the reach and scope of the pilot program, the Legislature should fund and establish a permanent program statewide to support default prevention efforts.

- **The Texas Legislature should fund a permanent Loan Default Prevention and Financial Aid Literacy program serving all eligible institutions.**  
Funding should include financing for Coordinating Board staff to oversee the program and provide support to institutions of higher education and financial aid offices responsible for delivering these enhanced services to students. Funds should also cover the costs of staff positions at institutions of higher education, including financial aid offices, and expand the program to reach more of the estimated 142 institutions meeting eligibility requirements for services through the pilot.
- **Financial literacy programs should ensure that student participation is diverse and inclusive of non-traditional college students.**  
Financial literacy programs should be tailored to address the realities of today's college students, including adult students who may lack awareness of financial aid programs, managing debt, and accessing need-based aid and other forms of aid that do not need to be repaid.



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- <sup>2</sup> Texas Higher Education Coordinating Board (THECB), *Report on Student Financial Aid in Higher Education for Fiscal Year 2013*, page 17. Web. [www.thecb.state.tx.us/reports/PDF/3578.PDF](http://www.thecb.state.tx.us/reports/PDF/3578.PDF).
- <sup>3</sup> Katherine Saunders, *New Study on Postsecondary Outcomes for Returning Adults*, Center for Law and Social Policy, Center for Postsecondary and Economic Success, Web. [www.clasp.org/issues/postsecondary/in-focus/new-study-on-postsecondary-outcomes-for-returning-adult-students](http://www.clasp.org/issues/postsecondary/in-focus/new-study-on-postsecondary-outcomes-for-returning-adult-students).
- <sup>4</sup> Working Poor Families Project (WFPF), Population Reference Bureau (PRB), analysis of the 2012 American Community Survey educational attainment data by state.
- <sup>5</sup> WFPF, PRB.
- <sup>6</sup> Anthony P. Carnevale, Nicole Smith and Jeff Strohl, Georgetown University, Georgetown Public Policy Institute, Center on Education and the Workforce, *Recovery: Job Growth and Education Requirements by 2020*, Web: <https://georgetown.app.box.com/s/kg8r28e48gsaw8ypplxp>.
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- <sup>8</sup> Center for Public Policy Priorities analysis, WFPF, PRB. Note: Texas would need a total of 4,301,044 adults ages 25-54 with an associate's degree or higher to match New York's rate of 46.2 percent. Texas is short of matching this rate by a total of 1,262,936 adults.
- <sup>9</sup> Texas Higher Education Coordinating Board (THECB), Texas Education Agency (TEA), 2001-12. Web. [www.texastribune.org/education/public-education/8th-grade-cohorts/state/texas/](http://www.texastribune.org/education/public-education/8th-grade-cohorts/state/texas/) and Texas Regional Opportunity Index, [www.texasregionallopportunityindex.org/report](http://www.texasregionallopportunityindex.org/report).
- <sup>10</sup> THECB, TEA.
- <sup>11</sup> CPPP analysis, Texas Higher Education Coordinating Board (THECB), Higher Education Accountability System, Community College Participation, FY2013. Fall 2013 Credit Students at Texas Public Community Colleges. Note: The Texas Higher Education Accountability system tracks participation by age, however, performance data is not available for this same subset of students.
- <sup>12</sup> CPPP analysis, THECB. Fall 2013 Credit Students at Texas Public Community Colleges.
- <sup>13</sup> Texas Higher Education Coordinating Board (THECB), Higher Education Accountability System, Community College Performance, FY2013.
- <sup>14</sup> THECB, Higher Education Accountability System, Community College Performance, FY2013.
- <sup>15</sup> THECB, Higher Education Accountability System, Universities Performance, FY2013.
- <sup>16</sup> THECB, Higher Education Accountability System, Universities Performance, FY2013.
- <sup>17</sup> Texas Higher Education Coordinating Board (THECB), First-Time Degree-Seeking Undergraduates, Fall 2007 Cohort, Six-year graduation and persistence rates full-time/part-time.
- <sup>18</sup> Barbara Gault, Lindsey Reichlin, and Stephanie Román, *College Affordability for Low-Income Adults: Improving Returns on Investments for Families and Society*, Institute for Women's Policy Research. Web. [www.iwpr.org/publications/pubs/college-affordability-for-low-income-adults-improving-returns-on-investment-for-families-and-society/](http://www.iwpr.org/publications/pubs/college-affordability-for-low-income-adults-improving-returns-on-investment-for-families-and-society/).
- <sup>19</sup> Barbara Gault, et al., *College Affordability for Low-Income Adults*.
- <sup>20</sup> Johnson, Jean and Rochkind, Jon "With Their Whole Lives Ahead of Them," A Public Agenda Report for the Bill & Melinda Gates Foundation; Barbara Gault, et al, *College Affordability for Low-Income Adults*; and, Dave Alstadt, *Earn to Learn: How States can Reimagine and Reinvest in Work Study to Help Low-Income Adults Pay for College, Enhance their Academic Studies, and Prepare for Post-College Careers*, Spring 2014, Working Poor Families Project.
- <sup>21</sup> Barbara Gault, et al., *College Affordability for Low-Income Adults*.
- <sup>22</sup> Barbara Gault, et al., *College Affordability for Low-Income Adults*.
- <sup>23</sup> Dave Alstadt, *Earn to Learn: How States can Reimagine and Reinvest in Work Study to Help Low-Income Adults Pay for College, Enhance their Academic Studies, and Prepare for Post-College Careers*, Spring 2014, Working Poor Families Project.
- <sup>24</sup> THECB, *Report on Student Financial Aid in Higher Education for Fiscal Year 2013*, Appendix N. page 145.
- <sup>25</sup> Katherine Saunders, *New Study on Postsecondary Outcomes for Returning Adults*, CLASP, Center for Postsecondary and Economic Success, Web. [www.clasp.org/issues/postsecondary/in-focus/new-study-on-postsecondary-outcomes-for-returning-adult-students](http://www.clasp.org/issues/postsecondary/in-focus/new-study-on-postsecondary-outcomes-for-returning-adult-students).
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- <sup>31</sup> Texas Association of Community Colleges, *Tuition and Fees Survey Results*, [www.tacc.org/pages/data-and-info/community-college-funding/tuition-and-fee-survey-results](http://www.tacc.org/pages/data-and-info/community-college-funding/tuition-and-fee-survey-results).
- <sup>32</sup> John Quintero, *The Great Cost Shift*.
- <sup>33</sup> TG, State of Student Aid, January 2015, Web. [www.tgslc.org/pdf/SOSA.pdf](http://www.tgslc.org/pdf/SOSA.pdf).
- <sup>34</sup> <sup>34</sup> Texas Higher Education Coordinating Board (THECB), *Texas Higher Education Almanac*. Note: Percentages calculated using the two- and public four-year enrollment numbers for FY 2013. 37.5 percent (269,940) of public two-year students receive a Pell grant, and 41.9 percent (245,024) of public four-year students receive a Pell grant.
- <sup>35</sup> TG, State of Student Aid, January 2015, Web. [www.tgslc.org/pdf/SOSA.pdf](http://www.tgslc.org/pdf/SOSA.pdf).
- <sup>36</sup> Before 2014, the TEXAS grant program served students at both two- and four-year public institutions. In 2013, the 83<sup>rd</sup> Texas Legislature restructured the state's financial aid programs to serve distinct institutions. The TEXAS Grant program now serves students at public institutions. The Legislature moved the portion of public community college funds from the TEXAS Grant to the Texas Educational Opportunity Grant—the state's need-based grant program for community colleges. The Texas Equalization Grant serves low-income students at Texas' private non-profit universities.
- <sup>37</sup> Texas Higher Education Coordinating Board (THECB), *Texas Grant Program Overview*.
- <sup>38</sup> Texas Higher Education Coordinating Board (THECB), *Overview of Texas Grants*, Web. [www.theccb.state.tx.us/index.cfm?objectid=B85D3B08-B5F1-9841-89ADACB49B73EAA0](http://www.theccb.state.tx.us/index.cfm?objectid=B85D3B08-B5F1-9841-89ADACB49B73EAA0) Note: Students must demonstrate at least two of four criteria to be prioritized for an award: complete a rigorous high school curriculum, graduate in the top third of high school class (or B average), complete an advanced math course (Algebra II), or demonstrate college readiness through the Texas Success Initiative standards or minimum score on the SAT or ACT.
- <sup>39</sup> Overview: Eligibility for in-state tuition and state financial aid programs. Texas Higher Education Coordinating Board. October, 2015.
- <sup>40</sup> TG, State of Student Aid, January 2015, Web. [www.tgslc.org/pdf/SOSA.pdf](http://www.tgslc.org/pdf/SOSA.pdf).
- <sup>41</sup> The Institute for College Access and Success, Project on Student Debt, Student Debt and the Class of 2013, November 2014, Web. [pro-jectonstudentdebt.org/files/pub/classof2013.pdf](http://pro-jectonstudentdebt.org/files/pub/classof2013.pdf).
- <sup>42</sup> THECB, *Report on Student Financial Aid in Higher Education for Fiscal Year 2013*, page 17.
- <sup>43</sup> Barbara Gault, et al., *College Affordability for Low-Income Adults*.
- <sup>44</sup> TG, State of Student Aid, January 2015, Web. [www.tgslc.org/pdf/SOSA.pdf](http://www.tgslc.org/pdf/SOSA.pdf).
- <sup>45</sup> Barbara Gault, et al., *College Affordability for Low-Income Adults*, page 7.
- <sup>46</sup> U.S. Department of Education, FY 2011 3-Year Official Cohort Default Rates by State/Territory National. July 26, 2014, Web: [www2.ed.gov/offices/OSFAP/defaultmanagement/staterates.pdf](http://www2.ed.gov/offices/OSFAP/defaultmanagement/staterates.pdf)
- <sup>47</sup> U.S. Department of Education, "Three-year Official Cohort Default Rates for Schools," Web: [www2.ed.gov/offices/OSFAP/defaultmanagement/cdr.html](http://www2.ed.gov/offices/OSFAP/defaultmanagement/cdr.html)
- <sup>48</sup> TG, *Financial Aid at a Crossroads: Managing the Student Debt Crisis in Texas*, Web. [www.tgslc.org/pdf/Student-Loan-Debt-Crisis-Report.pdf](http://www.tgslc.org/pdf/Student-Loan-Debt-Crisis-Report.pdf).
- <sup>49</sup> TG, *Financial Aid at a Crossroads: Managing the Student Debt Crisis in Texas*.
- <sup>50</sup> Senate Bill 680, Web. [www.capitol.state.tx.us/BillLookup/Text.aspx?LegSess=83R&Bill=SB680](http://www.capitol.state.tx.us/BillLookup/Text.aspx?LegSess=83R&Bill=SB680), Enrolled Version.
- <sup>51</sup> Texas Higher Education Coordinating Board, Legislative Appropriations Request for Fiscal Year 2016 and 2017, July 28, 2014, Web. [www.theccb.state.tx.us/index.cfm?objectId=27630844-A7EE-FC47-8369764EE3C10813&flushcache=1&showDraft=1](http://www.theccb.state.tx.us/index.cfm?objectId=27630844-A7EE-FC47-8369764EE3C10813&flushcache=1&showDraft=1).

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