



Issue Brief

Enhancing Academic Preparation and College Affordability for Metro Austin Residents

Bottom Line

To help Metro Austin residents prepare themselves for the technology-related jobs that Opportunity Austin is helping to attract, they will need community college, technical training, baccalaureate and post-baccalaureate training. Texas directs at least \$300 million annually to low-income students in grant aid through three main “programs,” but with three different academic eligibility requirements. The Chamber recommends that the Legislature align academic expectations for the Tuition Equalization Grant and Texas Public Education Grant with the TEXAS Grant, phase-in priority funding for students who meet the “college ready” standard, and fund these programs at a level sufficient to meet Metro Austin’s higher education enrollment goals.

Background

Texas has three main college grant aid programs for financially needy students:

- TEXAS Grant, a \$167 million state-funded program that pays full-tuition and fees for students who complete at least the Recommended High School Program;
- Tuition Equalization Grant, a \$96 million state-funded program for private university students, regardless of academic accomplishment;
- Texas Public Education Grant, an up to \$100 million program for public university students, regardless of academic accomplishment, funded by 15% of a university’s designated tuition receipts.

Enrolling and paying for college is difficult without complicated, contradictory state financial aid policy. Research indicates that this confusion especially discourages low-income students from higher education enrollment.ⁱ

Texans who enroll in college with at least the Recommended High School Program are half as likely to need remedial college coursework (33% v. 67%) as those who enter with lesser preparation. If a student completes both the RHSP and meets the “college readiness” as defined by TAKS, SAT, ACT or other assessment performance, the remediation problem would recede still farther.ⁱⁱ

The TEXAS Grant program did not serve 34,606 financially needy, academically eligible students in 2006.ⁱⁱⁱ The shortfall when all three funding sources are combined is not available. Ensuring sufficient funding should increase the college matriculation rate.

ⁱ Advisory Committee on Student Financial Assistance, “The Student Aid Gauntlet: Making Access to College Simple and Certain,” January 23, 2005.

ⁱⁱ A student is considered “college ready,” by state statute, if she either scores a 2200 on the TAKS math and 2200 on the English Language Arts; or scores a 1070 on the SAT; or scores a 20.9 on the ACT; among other assessment performance requirements.

ⁱⁱⁱ Texas Higher Education Coordinating Board, Full funding v. Actual TEXAS Grant, 2006.