

CCATT/TACC Federal Legislative Priorities

Texas Community Colleges: No Bigger Return on Investment

Texas community colleges are critical to keeping our state and nation competitive in the ever-evolving global economy. From 2011 to 2016, the Texas economy grew in real terms by 20.7% and its real GDP, at \$1.4 trillion—the highest level recorded to date. Community colleges are major contributors to educating and training our workforce and key to developing a civically engaged society. We enroll roughly 50% of students in public Texas higher education; this would be impossible without federal support.

Federal financial aid plays a critical role in accomplishing our state's strategic higher education plan, *60x30TX* and is critical to achieving the plan's four goals that focus on: 1) postsecondary attainment; 2) college completion; 3) marketable skills; and 4) student debt.

Texas Community Colleges: Our Share of Federal Pell Grants



SOURCE: THECB, 2017-18

Federal aid assures that we continue to lead the nation in job growth and equitable opportunity for a high-return on an affordable, high-quality education and skill development.

Strengthen Federal Pell Grants

Increase the Pell Grant Maximum Award

Between fiscal years (FYs) 2013 and 2017 the Pell Grant program received automatic annual increases to the maximum award level that were tied to inflation, but the overall funding proportion of federal grants in Texas decreased (Table 1). With this authority for automatic increases expiring in 2018, Congress should consider increasing the maximum award in FY 2020 and ensure a fiscally healthy program to accommodate natural growth of eligible students. Ideally, this should occur via a formula that ties the Pell Grant program maximum to inflation and provides mandatory funding (a dedicated funding stream) for annual increases to the maximum award level.

- Pell Grants not only assist low-income students with tuition and fees but can be used to help with other expenses related to the cost of attendance.
- Raising the maximum award level also increases the minimum award level, thereby expanding the pool of students eligible to receive Pell.
- **Potential impact: Increasing the maximum award should diminish the cost of attendance for low-income students, while also reducing student debt.**



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Short-Term Pell Grants

Community colleges offer scores of short-term, workforce-oriented programs that do not qualify for Pell Grants. Currently, a program must be two-thirds of a year in length (or 600 clock hours) to qualify for Pell Grants. Eligibility for shorter-term programs (150 clock hours threshold) should be established, with safeguards to ensure that only the highest-quality programs receive support.

- Short-term training programs offer opportunities for students to quickly increase their skill level and earning potential. Yet the cost of these programs remains a barrier for many low-income students as they are unable to access Pell Grants.
- The Senate's bipartisan JOBS Act (sponsored by Senators Kaine and Portman, 115th Congress, S.206) recognizes the need in this area by establishing Pell Grant eligibility for short-term programs.
- **Potential impact: Enable more Texans to access training programs for jobs in high-need fields.**

Grant Aid: Percentage Point Change of Federal Grants Compared to Other Grant Aid Programs for All Texas Public and Private Postsecondary Institutions (FY 2013-2017)

Table 1

Fiscal Year	Federal Grants	State Grants	Institutional Grants	Private Grants
2013	50%	11%	23%	16%
2014	49%	11%	24%	16%
2015	47%	11%	25%	17%
2016	43.7%	11.7%	27%	17.6%
2017	43%	11%	28%	18%

Table shows a five-year trend in the percent of grant aid funds to all Texas students indicated by the source of funds. State grants include TEXAS grants, TEG, TEOG, and Top Ten Percent Scholarship. Institutional grants include TPEG, HB3015, Set-Asides, Student Deposit Scholarship, and Merit Aid from institutional funds. Private grants include categorical aid, merit aid from private donors, and other grants and scholarships.

Federal grants decreased by 7% over a 5-year period

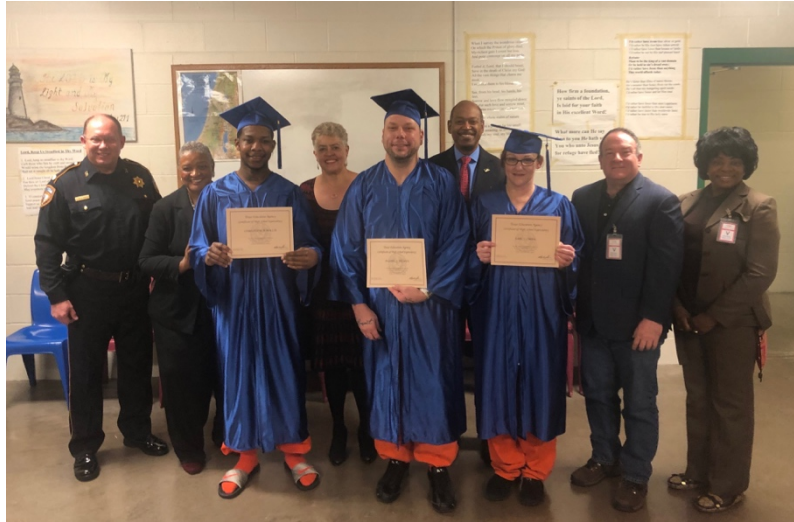
Second Chance Pell Grants

Across the country scores of community and technical colleges partner with correctional institutions to offer postsecondary programs for incarcerated individuals. However, since 1994 incarcerated individuals who would otherwise be eligible to receive Pell Grants to cover tuition, fees, and course materials have been barred from receiving assistance. Currently, the U.S. Department of Education is operating an Experimental Sites Initiative permitting 67 colleges the ability to offer Pell Grants to incarcerated individuals seeking a postsecondary credential. Texas has 8 Second Chance Pell Grant eligible programs.

- Congress should authorize Pell for incarcerated individuals to increase the likelihood of employment after release and reduce long-term recidivism.



- **Potential impact: A positive return on investment by reducing state prison expenditures and increasing employment among formerly incarcerated individuals.**



Houston Community College's "Corrections Education Program" provides participants a pathway that leads to college or gainful employment (students with HCC Trustees).

Photo Credit: Diana Barrero-Burgos

Reauthorize the Higher Education Act of 1965, as Amended

Oppose New Risk Sharing Penalties

Community colleges strongly oppose new risk sharing penalties—these provisions may include student loan repayment rates, default rates, or student persistence measures, with associated financial penalties if desired outcomes are not met.

- Community colleges currently engage in “risk sharing” through the form of state and local financial support. This funding exceeds 50% of all their expenditures and is greater than federal support provided through student aid and other programs.
- Community colleges faithfully administer federal programs but cannot guarantee all outcomes related to them. For example, institutions cannot control who receives student loans and they do not collect on them, so holding them responsible for student loan repayment is not reasonable.
- Risk sharing unfairly penalizes institutions that serve high percentages of academically under-represented students in higher education.
- **Potential Impact: Risk sharing would almost inevitably result in either increased costs or reduced educational services for students.**

Enhance Transparency and Data:

Create a national student unit record data system that can accurately track completion and transfer and well as the earnings of graduates. The system should follow students between institutions and reflect the actual course of community college students, who are often older than traditional students, and enroll part-time.



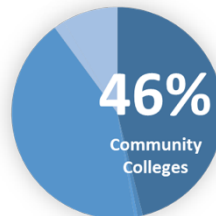
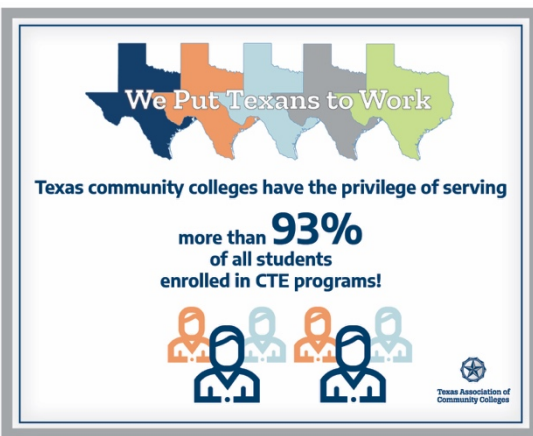
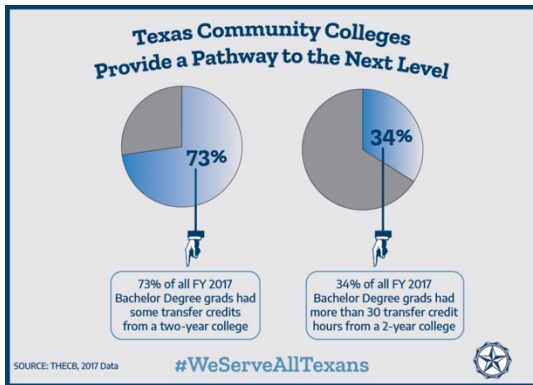
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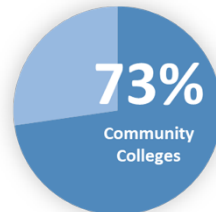
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- A comprehensive unit record data system will produce an accurate accounting of the nation's postsecondary education system and will improve the public's understanding of actual community college success.
- **Potential impact: Enable prospective students to compare the postsecondary education data system to federal wage records and be more aware of higher education programs that provide the greatest economic opportunities.**

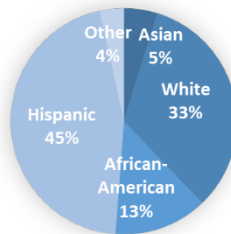
QUICK FACTS:



Texas Higher Education Total Enrollment



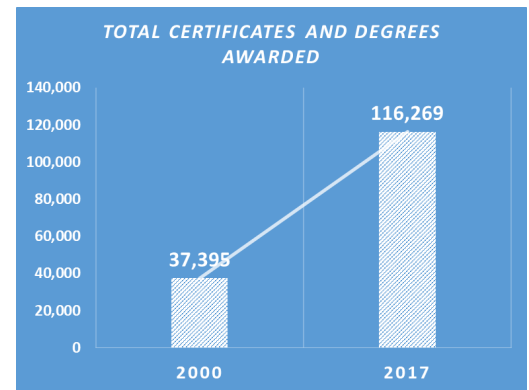
73% of Freshmen & Sophomores in Higher Education



Enrollment reflects the diversity of Texas

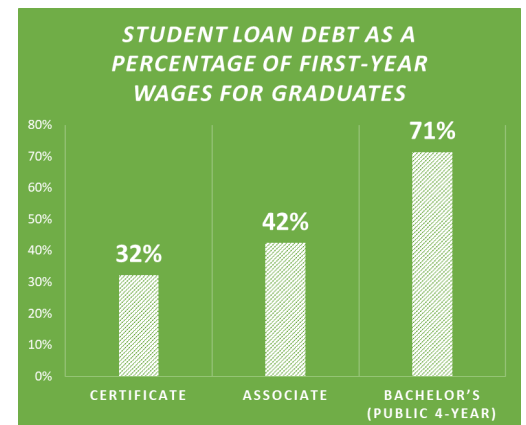
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211% increase in credential production since 2000



TX Community College Grads Finish w/ Less Debt

Graduate	% With Debt	Average Debt
Certificate	27%	\$ 14,248
Associate	34%	\$ 16,780
Bachelor's (Public 4-Year Institutions)	60%	\$ 30,516



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