

MAKING COMMUNITY COLLEGE AFFORDABLE FOR ALL TEXAS STUDENTS

Texas community college students are struggling financially. The cost of higher education is increasing, yet state financial aid is not keeping pace. Community colleges can be a smarter, more affordable option than four-year universities for some Texans, but they are not supported as such. Only about 10% of first-year community college students from households with \$0 Expected Family Contribution (EFC) received TEOG funds, compared to 32% at public four-year colleges receiving TEXAS grants. [1] **Misperceptions about the true cost of attending community college make the affordability gap and unmet financial needs worse, leading to lower completion rates.**

Only **7%**

of community college students at the lowest income level receive TEOG.[2]



Financial aid in Texas is not meeting students' basic needs.[3]

- 16% faced homelessness,
- 42% faced food insecurity,
- 55% faced housing insecurity

The Student Advisory Council (SAC) has identified three policy recommendations to address the affordability gap for Texas community college students:

1. Equalizing need-based financial aid support for qualified low-income students at two-year and four-year colleges by increasing state investment in Texas Educational Opportunity Grants (TEOG). In 2021, 43% of all Texas postsecondary students and 68% of all freshman and sophomores were enrolled in public 2-year colleges.[4] Despite the fact that community college students' unmet financial need is comparable to that of students in public four-year institutions, the TEXAS Grant is funded at ten times the amount of the TEOG for students attending public 2-year colleges.[5] **Increasing TEOG funding to serve the same percentage of eligible students as the TEXAS Grant program (from 28% to 68%) would cost an additional \$127M.[6]**

1 & 2 Baum, S. and Blagg, K. (May 2021). A review of state grant aid in Texas. Urban Institute: Washington DC.

3 <https://reportcenter.highered.texas.gov/meeting/advisory-committee-supporting-documents/txcccfc-presentation-sara-goldrick-rab-dec-13-2021>

4 https://tacc.org/sites/default/files/2022-06/ccatt_plenary_er_edits_-_read-only.pdf

5 Fletcher, C., Cornett, A., and Webster, J. (March 2021) State of student aid and higher education in Texas. Trellis Company.

6 <https://reportcenter.highered.texas.gov/meeting/board-supporting-documents/board-0722-viii-j-lar-administrators-statement-board-finalpdf/>



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The Student Advisory Council (SAC) policy recommendations to address the affordability gap for Texas community college students continued:

2. Addressing gaps in need-based aid for students transferring to public four-year institutions, especially adult learners. Community colleges present a convenient and affordable pathway to a bachelor's degree in Texas, but significant barriers have led to poor transfer rates, especially for students from low-income backgrounds and students of color.[7] Because TEXAS Grant eligibility requires an associate's degree in the prior calendar year or a previous TEOG award, the majority of vertical transfer students – including adult returning students – are ineligible for critical need-based aid to complete their postsecondary pathway and pursue a high-wage career. **Increasing TEOG funding will not only improve affordability for eligible two-year students, it will also increase access to the TEXAS Grant for many of these same students should they pursue a bachelor's degree at a public four-year institution.**

3. Expanding paid work-based learning and student affordability by increasing state investment in the Texas College Work-Study (TCWS) program. Students and employers both benefit when students gain real and relevant work experience that aligns with their course schedule and career goals. The Texas College Work-Study program already incentivizes partnerships between colleges and employers and requires private employers to cover at least 50% of an employed student's wages. Increasing state funding to expand these opportunities, especially in high-demand fields, is critical for students and employers to compete in a rapidly changing economy.

Ultimately, community college affordability benefits everyone in Texas. Student debt bailouts are not a magic bullet if we fail to address the underlying affordability crisis. Adequate state investment in need-based financial aid is a **proven strategy** to ensure low-income students can access and complete degrees and credentials that lead to family-sustaining careers. Such an investment in Texas students is an investment in the Texas workforce and our economy as 68% of jobs require some level of postsecondary education.[8] **Let's create a Talent Strong Texas!**

7 THECB, (2021). <http://www.txhigheredaccountability.org/AcctPublic/>
8 Job Growth and Education Requirements Through 2020, Georgetown University

