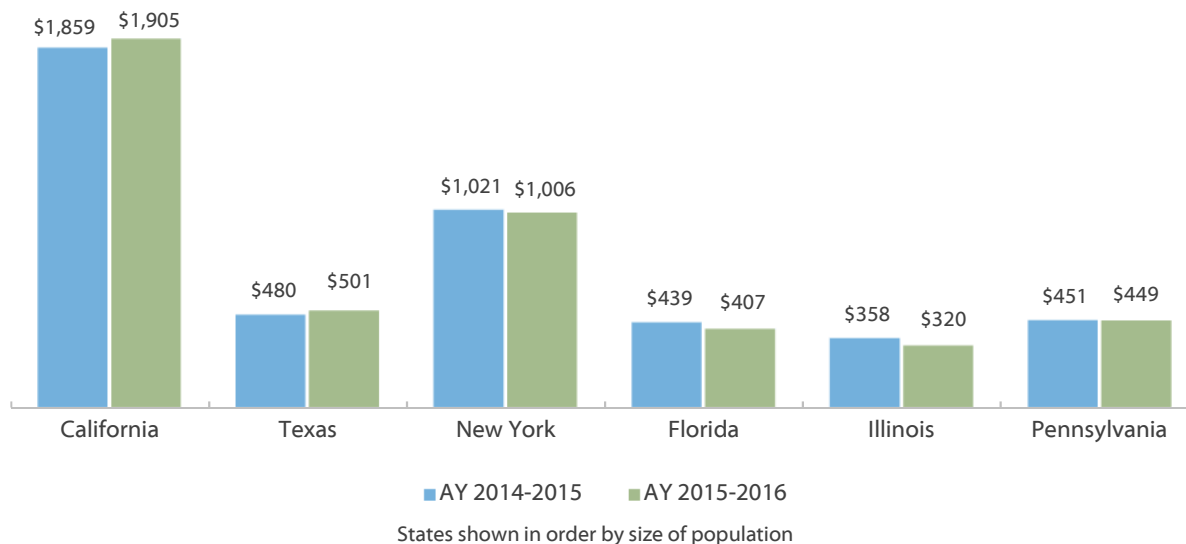


Texas State Grant Aid Increases

Total State Grant Aid (millions of current dollars)



In Award Year (AY) 1996–1997, Texas spent only \$48 million in state grant aid, the lowest among the six most populous states despite having the second largest population of postsecondary students. State grant aid began to increase significantly with the establishment of the Toward EXcellence Access, and Success (TEXAS) Grant Program in 1999; however, Texas still ranks second to last in state grant aid among the most populous states. In AY 2015–2016, Texas spent about \$501 million on grant aid for postsecondary students, just over a quarter of what was spent by California and under half of what was spent by New York.

State grant aid may be based on financial need, academic merit, a combination of need and merit, or other factors, like veteran status. In Texas, all grant aid is either primarily need-based or has a need-based component. This includes aid that is funded not from legislative appropriations but from institutional revenues, such as the Texas Public Educational Grant (TPEG). This type of aid is often viewed as a form of “tuition discounting”, in which higher prices paid by more affluent students allow students with more financial need to pay less. TPEG, Student Deposit Scholarships, and other such tuition set-aside programs are not included in the state grant aid totals shown above.

Although primarily need-based, eligibility for the TEXAS Grant also involves substantial academic components. To receive a TEXAS Grant, a student must have 1) completed either the Recommended High School Program (RHSP; the default curriculum) or Distinguished Achievement Program (DAP) in Texas and enrolled in an undergraduate program in a Texas college or university within 16 months or 2) have earned an associate degree from a public technical, state, or community college in Texas no earlier than May 1, 2001 and enrolled in any public university in Texas no more than 12 months after receiving the associate degree. To remain eligible for the grant, the student must maintain a grade point average (GPA) of at least 2.5 on a 4.0 scale, meet Satisfactory Academic Progress (SAP) requirements, and complete at least 24 credit hours per award year.

As funds are generally inadequate to award full grants to all eligible students, initial year TEXAS Grants are awarded on a priority basis. Eligible students receive priority consideration if they meet a priority filing deadline and at least two of four conditions related to high school academic performance.

Source: TEXAS Grant shortfall: THECB, “Recommendations Relating to the Feasibility Study for Restructuring Texas Student Financial Aid Programs, November 2008” (<http://www.theccb.state.tx.us/reports/PDF/1671.PDF>); All other: National Association of State Student Grant and Aid Programs. 45nd Annual Survey Report on State-Sponsored Student Financial Aid. 2016 (http://www.nassgap.org/survey/state_data_check.asp).

