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Testimony in Support of HB 1040: The Texas Promise Grant Program

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CPPP is an independent public policy organization that uses data and analysis to advocate for solutions that would allow Texans from all backgrounds to reach their full potential. CPPP envisions a Texas that is healthy, well educated, and financially secure.

CPPP Supports HB 1040

A critical step towards this vision is improving college affordability and student debt in Texas and that is why CPPP supports HB 1040 which would establish the Texas Promise Grant Program to cover the costs of tuition and fees for eligible community college students.

Texas is in the midst of a college affordability and student debt crisis. In 2017, 55 percent of four-year students graduated with debt, and the average amount of debt for these graduates was \$26,824. Further, half of the students who graduated from public institutions in Texas in 2015 had [student loan debt](#) at or above 60 percent of their first year wages.

HB 1040's Texas Promise Grant program, which would help close the financial gaps for many Texans trying to afford college, could significantly improve our progress toward the 60x30TX goals.

Texas Needs to Catch Up

If HB 1040 or similar measures are implemented, Texas would be catching up with a growing national trend of free community college, or college promise, models for qualified students.

To address the college affordability crisis and encourage student enrollment, college promise programs are already underway in New York, Arkansas, Tennessee, Kentucky, Oklahoma, Louisiana, and Mississippi.

Existing data shows that, when implemented well, college promise models produce positive results. For example, the first Tennessee Promise class was shown to have higher graduation rates and after the program's enactment there was a 25% increase in student enrollment at community colleges in the state, suggesting a link between effective college promise models and increased postsecondary pursuit.

Evaluating Program Elements

While College Promise models could be a great instrument for improving college affordability, leaders must implement them carefully to ensure equity and success. CPPP supports measures like HB 1040 that would improve college affordability for Texans but an area for improvement is that the program is, as written, effectively last-dollar in nature, meaning it only kicks in if there's any remaining tuition and fees to be covered after all other scholarships and grants are applied.

When we consider that the primary costs of college are incurred beyond tuition and fees in areas such as housing, books, transportation, and food, we see that many students, especially those from the lowest income backgrounds could have the challenge of affording college largely unaddressed. While any assistance for college affordability is great, if Texas wants to maximize outcomes, legislators should implement equitable College Promise models that go beyond tuition costs alone.

That is why CPPP especially supports the \$1000 minimum included in HB 1040 that would allow students to use dollars in excess of tuition and fees for the aforementioned critical expenses like books and housing.

Additionally, we applaud Representative Meza for not restricting the program to people who graduated high school one or two years before applying because even those Texans who decided to go work, for any number of reasons, before seeking to enter college, should get the opportunity to benefit from these programs if eligible.

The state has an important role to play to ensure college affordability, and it's critical that we invest in higher education access now to ensure prosperity for all Texans in the future.