

BILL ANALYSIS

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AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Over the past 60 years, a series of shifts in both the national and Texas economies have progressively increased the educational requirements for much of the workforce; U.S. Bureau of Labor Statistics projections indicate that by 2008 more than 30 percent of the nation's jobs will require a postsecondary education.

This trend has serious implications for Texas, given its current demographics; while its prosperity will depend heavily on a greater number of highly educated young adults entering tomorrow's workforce, a growing segment of the state's college-age population is coming from families with little or no history of participation in higher education and therefore little or no expectation of future college enrollment.

Texas must close this gap or face a bleak future of declining economic and social well-being, and national studies indicate that providing financial aid is one of the best methods of encouraging enrollment and success in higher education, especially among underrepresented populations without the means to otherwise participate.

Unfortunately, two factors inhibit the potential for state financial aid programs to maximize this participation: students and their families find the process of applying for financial aid complex and intimidating, while state funding for financial aid programs is limited.

The undue complexity facing financial aid applicants begins with the initial step in the process, filling out the four-page Free Application for Federal Student Aid (FAFSA) that students and families must complete before being considered for most federal, state, or institutional student aid programs.

Indicative of the burden imposed on applicants is the fact that completing this form is sometimes comparable to filing one's income taxes, and, in fact, applicants must provide or be able to document much of the same information in both cases.

Recent proposals in Congress, most notably H.R. 4283--the College Access and Opportunity Act of 2004--have attempted to simplify the financial aid application process for needy students and families; H.R. 4283, for example, would have made it easier for the neediest students to benefit from federal student aid programs by simplifying and expanding eligibility for use of the "simplified needs test" to determine how much aid a family qualifies to receive.

H.R. 4283 also would have helped distribute financial aid information to low-income families by requiring that special efforts be made through federal sources to notify students and parents who qualify for free lunch, food stamps, or other similar assistance programs of their potential eligibility for a maximum college Pell Grant.

Another provision that could have benefited Texas institutions was a requirement for a new formula to distribute federal campus-based funds among colleges and universities; the current allocation of federal work-study funds, educational opportunity grants, and loans is based largely on when a campus began its program participation and the state in which it is located without considering institutional missions or state population growth.

Five states, including Texas, are expected to accommodate approximately two-thirds of the nation's projected increase in the college-age population between 2000 and 2015; yet in 2003,

Texas received only \$145.6 million, or 7.7 percent, of the \$1.9 billion distributed through these programs, highlighting the need for revision of the current formulas.

While H.R. 4283 and other related proposals ultimately did not pass, it is nevertheless incumbent upon the Texas congressional delegation to support similar legislation that would simplify the overly complicated FAFSA, require a more equitable formula for distributing federal funds for student financial aid programs benefiting institutions of higher education, and remedy the disproportion between relative shares of burden and benefits.

RESOLVED

That the 79th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to enact legislation that would simplify the Free Application for Federal Student Aid, help distribute financial aid information to low-income families, and require the use of a new formula for equitably distributing federal campus-based funds among institutions so that each institution's share of the benefits is commensurate with its share of the burden.

That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all the members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.