

COLLEGE AFFORDABILITY:

**INSIGHTS AND SOLUTIONS
FROM TEXAS STUDENTS AND
POSTSECONDARY LEADERS**



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Launched in 2004 in the nation's capital, *Excelencia* in Education leads a national network of results-oriented educators and policymakers to tap the talents of the Latino community and address the U.S. economy's needs for a highly educated workforce and engaged civic leaders. With this network, *Excelencia* accelerates Latino student success in higher education by promoting Latino student achievement, informing educational policies with a Latino lens, and advancing evidence-based practices. For more information, visit: EdExcelencia.org.

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Foreword

Time and again we hear that the cost of going to college and the challenges of making college affordable limit the opportunities students and communities have for upward mobility. This is true for students of all backgrounds, including Latinos.

Excelencia in Education accelerates Latino student success in higher education by promoting Latino student achievement, conducting analysis to inform educational policies, and advancing institutional practices while collaborating with those committed and ready to meet our mission. We do this not to the exclusion of other students or groups, but are committed to addressing issues in higher education that seem intractable with a different lens, a Latino lens, in hopes that we can use the strengths and opportunities of intentionally serving the young and fast growing Latino population as a way to transform higher education to better serve all students.

The purpose of this brief is to inform institutional, state, and national policy with practices and strategies to more intentionally support the cost of a quality education for Latino, and all, students grounded in the efforts and impact from trendsetting institutions. To do so, we examined both the cost of attendance and how Latinos, and other students, in Texas are paying for college with institutional, student, and leadership perspectives in Texas Seal of *Excelencia* certified institutions.

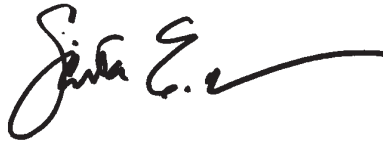
Listening and learning from students and administrators at institutions resulted in four areas of focus with challenges and solutions that can inform the field:

1. Paying for College
2. Navigating Support Systems
3. Addressing Basic Needs
4. Applying for Financial Aid

We hope this brief creates the space and opportunity to engage in discussions about our students, those serving them well, and what we can do to ensure they have an equal opportunity to a quality education that prepares them to be informed and engaged leaders and competitive contributors in our shared economy and country.



Deborah A. Santiago
CEO



Sarita E. Brown
President

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Executive Summary

More Latino students are attending college than ever before, bringing urgency to remove financial barriers that stand in the way of their academic goals and the promise of the American Dream. As the fastest-growing group within the national and postsecondary population, Latinos are vital to our nation's prosperity and progress. Seal of *Excelencia* certified institutions are leading the way—intentionally serving Latino students through leadership, data, and practice that supports both academic success and financial access. Developed by *Excelencia* in Education, the Seal of *Excelencia* is a national certification for institutions that go beyond enrollment committed to transforming to intentionally serve Latino, and all, students.

These institutions demonstrate a shared commitment to affordability, effective use of federal and state funding, and strong return on investment for graduates. Their efforts exemplify how targeted support and intentional leadership can deliver quality, affordable education for Latino, and all, students.

This brief highlights Texas-based affordability strategies, drawing from a study of nine Seal-certified four-year institutions. It includes insights from students, presidents, and administrators, alongside a review of recent state financial aid policies, to show the real-world impact of affordability efforts and the solutions taking shape.

Key Findings and Recommendations

Interviews with two groups: 1) students and 2) administrators/institutional leaders at the nine Seal-certified institutions revealed key insights into college affordability. *Excelencia* identified four major areas shaping the student affordability experience:

1) Paying for College

Students are pragmatic in how they pay for college, prioritizing financial stability and seeking debt-free solutions. They often choose scholarships, grants, and work-study over taking out loans. While administrators view loans as necessary financial tools that can support persistence and completion, students remain strongly loan-averse due to concerns about long-term debt. In Texas, state-mandated tuition freezes require public institutions to hold tuition steady, which is intended to promote affordability but also places pressure on institutional resources and limits pricing flexibility.

Recommendations

Students recommend that:

- Institutions **provide more affordable options**, such as income-based scholarships and flexible payment plans, supported by clearer communication and targeted outreach.

Presidents and administrators recommend that:

- State and federal policymakers **cover tuition** for students from families earning under \$100,000 and expand promise programs;

- Federal policy **expand Pell Grant** support and adjust lifetime limits to better serve post-traditional students;
- State and federal governments **increase funding predictability** and support student success initiatives, such as the College Cost Recovery Act; and
- Policymakers realign financial aid policies to **curb tuition inflation** and to coordinate funding more effectively in order to better support Hispanic-Serving Institutions (HSIs).

2) Navigating Support Systems

Student engagement across departments plays a transformative role in their understanding of financial aid. While both students and administrators agree on the importance of financial aid, students report that the most useful information comes not from centralized financial aid offices or campus-wide outreach, but from academic departments where relationships feel more personal and trustworthy.

Recommendations

Students recommend that:

- Institutions strengthen support for first-year students by **enhancing advising structures** and continuing guidance through mentorship and financial literacy programs beyond the first year.

Presidents and administrators recommend that:

- State and federal policymakers **require financial education as a criteria for graduation** and promote the value of diverse postsecondary degrees, helping students make informed choices about their educational paths.

3) Addressing Basic Needs

Basic needs—such as housing, food, and transportation—are essential to student success but remain major challenges for students to afford. Students often navigate these barriers independently, frequently sacrificing one need to afford another. These non-tuition costs represent significant obstacles that are not always acknowledged or addressed by institutions. Texas's higher education strategic plan, *Building a Talent Strong Texas*, underscores the importance of affordability by aiming for students to graduate with little or no debt relative to their expected earnings—implicitly acknowledging the need to address costs beyond tuition.

Recommendations

Students recommend that:

- Institutions offer **more affordable options** for housing, dining, and parking; and
- **Increase staffing** in key departments like financial aid to better support students in meeting these basic needs.

Presidents and administrators recommend that:

- State and federal policymakers take action to **control the cost and availability of off-campus housing**; and
- Invest in **improving transportation** systems.

4) Applying for Financial Aid

The recent simplification of the Free Application for Federal Student Aid (FAFSA) introduced significant challenges. Students, families, and institutional practitioners faced major delays and confusion, creating uncertainty in college planning. Texas continues to lead nationally in efforts to institutionalize financial aid completion through its policy mandating FAFSA submission as a condition for high school graduation. While the federal FAFSA Simplification Act was intended to make the process of applying for aid more user-friendly, its rollout revealed implementation gaps that undercut its original intent. These complications reflect broader challenges in balancing rising costs with equitable access to aid.

Recommendations

Both students and administrators underscore the need for improved implementation and clearer communication from federal and state agencies. They stress that **timely, accessible, and equitable aid processes** are essential for maintaining affordability and student trust in higher education.

State and federal policy play a significant role in shaping college affordability in Texas. Building a sustainable, student-centered system requires that state and federal policies complement institutional efforts. Intentionally serving Latino, and all, students at scale depends on identifying effective practices and aligning public investment to meet evolving student needs.



Introduction

Latino¹ students in Texas make pragmatic choices to pay for college despite a complicated financial aid system, and the institutions intentionally serving Latino students are making strides to ensure college is affordable and attainable for all students. Representing a post-traditional student profile,² many Latino students are more likely to attend part-time, work while enrolled, and/or transfer institutions to make college more affordable. At a time when economic and social mobility are central to discussions about the nation's future, ensuring college affordability must remain a top priority for decision makers.

In March 2025, *Excelencia* in Education released **How Latinos Pay for College**—a seminal analysis on the participation of Latinos in financial aid nationally, and the intentional efforts of select trendsetting institutions. *Excelencia*'s first analysis on this topic was published in 2005, underscoring a long-standing commitment to understanding and improving how cost and aid affect Latino student access and success. Further, *Excelencia* includes financial aid as one of our four national policy priorities and as a core area for institutional self-assessment in earning the Seal of *Excelencia*.³

To build on *Excelencia*'s national research on affordability, *Excelencia* engaged with multiple stakeholders to examine college affordability in Texas—a state with one of the largest Latino student populations in the country. This brief analyzes how students and institutional leaders in Texas navigate the cost of college, highlights effective strategies, elevates institutional practices that intentionally serve Latino students, and informs policies that support access to an affordable education. This research strengthens our collective understanding of affordability and reinforces the role of higher education in driving the state's and the nation's economic vitality.

1 For the purposes of this brief, the terms Latino and Hispanic are used interchangeably to describe students whose origins are Mexican, Puerto Rican, Cuban, Central or South American, or other Hispanic/Latino, regardless of race.

2 *Excelencia* in Education uses the term post-traditional students to signify the majority of students in college today in an asset-based way—students that are first-generation college-goers, that work while enrolled, mix their enrollment, and more.

3 The Seal of *Excelencia* is a national certification, valid for three years, for institutions that use leadership, data, and practice to demonstrate they are going beyond enrollment to intentionally serve Latino, and all, students.

Context & Background

The context for this brief is grounded in data on institutions of higher education, state and federal financial aid policy, the strategies and practices of Seal-certified institutions, and the experience of Latino students in Texas. Latinos are the largest student group in Texas and represent a growing share of post-traditional students. Their increasing presence in higher education presents opportunities for social mobility and long-term economic growth. Seal-certified institutions demonstrate—through leadership, data, and practice—a deep commitment to transforming so that their campuses are places where Latino, and all, students thrive.

Financial Aid in Texas

The following profile of financial aid in Texas provides context for understanding and improving public policies related to accessing and affording postsecondary education in the state.

- **Latinos represented a larger portion of students enrolled at public, four-year institutions.** In Fall 2022, Latinos were enrolled at a higher rate at public, four-year public institutions in Texas (40%) than White (33%), other⁴ (13%), African American (12%), and international (2%) students.
- **Students borrowed at lower rates than the national average.** In Fiscal Year 2022, 31% of students at public four-year institutions took out loans, compared to 38% nationally.⁵
- **Funding for higher education increased over time, but remained less than the U.S. average.** Funding for higher education per FTE (full-time equivalent) student in Texas has increased since 2013 (from \$7,951 to \$9,380) but remains lower than the national average (\$11,040).⁶
- **Unmet need was highest at private institutions.** Students attending private institutions in Texas faced the largest amount of unmet need.⁷ The amount of unmet need at private institutions was, on average, nearly \$10,000 more than at public institutions.
- **Tuition/fees and state support comprised the largest percentages of institutional revenue.** In Fiscal Year 2022, the largest sources of revenue per FTE student at Texas four-year institutions were tuition/fees (30%) and state revenue (30%) compared to federal (25%) and institutional (18%).⁸

While there are nearly 150 institutions of higher education in Texas⁹, a small number of them have demonstrated intentional efforts and positive outcomes for Latino, and all, students.

⁴ Note: The variable “other” refers to all other races not individually listed.

⁵ *Excelencia in Education* analysis of U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Student Financial Aid component.

⁶ *Excelencia in Education* analysis of State Higher Education Executive Officers Association, State Higher Education Finance (2000-2023), data available as of March 2025.

⁷ Unmet need is defined by the Texas Higher Education Coordinating Board as the total amount required for students to pay the average cost of attendance after subtracting gift aid, work-study, need-based loans, and EFC.

⁸ *Excelencia in Education* analysis of the Texas Higher Education Coordinating Board Almanac Data, Fiscal Year 2022.

⁹ Texas Higher Education Data (2025). Institutions. Texas Higher Education Coordinating Board.

Participating Trendsetting Institutions

Of the nine institutions *Excelencia* worked with, all were Hispanic-Serving Institutions (HSIs) and Seal of *Excelencia* certified. With Latino students representing a growing share of the nation's college population, the ability of these institutions to support their students' educational and financial needs is crucial for the state and the country's economy and workforce. These institutions enroll, graduate, and propel a large portion of Texas' Latino workforce, making both their financial stability and the affordability of education for their students key priorities.



Excelencia in Education developed the Seal of *Excelencia*—a national certification for institutions going beyond enrollment to intentionally serve Latino students—in 2018 after more than 20 years of listening and learning from institutional leaders committed to Latino student success. This certification was also a commitment by *Excelencia* leadership to raise the standards and expectations of institutions that were cataloged as Hispanic-Serving Institutions¹⁰ because of demography and geography rather than intentionality or impact in serving Latino, and all, students. The Seal of *Excelencia* framework requires five years of data and evidence-based practices in six key areas, including 1) financial support—alongside 2) enrollment, 3) retention, 4) transfer, 5) faculty/staff representation, and 6) completion.

As of May 2025, there are 45 Seal of *Excelencia* certified colleges and universities.¹¹ These institutions represent less than 1% of institutions in the country, yet they enroll 16% and graduate 18% of Latinos nationwide. Among Seal-certified institutions, undergraduates are more likely to receive Pell Grants and less likely to receive federal student loans than their peers nationally. About 43% of students at Seal-certified institutions receive Pell Grants (compared to 35% nationally) and 25% receive federal student loans (compared to 30% nationally).

Consider the following key findings on the nine profiled institutions:

These institutions' Latino enrollment exceeds national averages.

- In Fall 2022, Latinos comprised 20% of all undergraduates in the U.S., while in Texas, this figure was 41%.¹²
- Five of the nine profiled institutions had Latino enrollment rates exceeding the state average of 41%.¹³

Latino students at these institutions rely heavily on the Pell grant.

- In Fall 2019, 49% of Latino students nationwide¹⁴ and 51% of Latino students in Texas¹⁵ received Pell Grants.
- Most profiled institutions are close to or exceed both the national and statewide average of Pell Grant recipients who are Latino.¹⁶
- All nine of the Texas Seal-certified institutions¹⁷ award students a higher-than-average Pell Grant than the national and Texas state averages.¹⁸

Students' out-of-pocket costs vary widely across institutions.

- On-campus, in-state students face estimated out-of-pocket costs between \$15,000 and \$34,000 on average.¹⁹
- In-state students living with family off campus may still need to cover between \$4,000 and \$20,000 in expenses on average.²⁰

Institutions receive most funding from the federal government.

- Institutions receive some combination of federal, state, and/or private grants to support their students financially.²¹ Most grant funding for the nine institutions comes from the federal government, followed by the state government, and then private sources.

These institutions offer higher-than-average earnings.

- Seven of the nine institutions have median recent alumni salaries that exceed their respective city's median salary.²²
- Four institutions have students who graduate and earn higher salaries than Texas's statewide median salary.

10 The classification of Hispanic-Serving Institutions (HSIs) was formally recognized in federal legislation for capacity-building support to improve the access and quality of education for Latino and other low-income students. HSIs are defined as accredited, degree-granting public or private nonprofit institutions of higher education with 25% or more total undergraduate Hispanic full-time equivalent (FTE) student enrollment.

11 Each year in the fall, *Excelencia in Education* announces a new cohort of Seal certified institutions publicly: www.EdExcelencia.org/seal-excelencia.

12 *Excelencia in Education* analysis of U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Fall Enrollment component, Spring 2023 (provisional data). (This table was prepared January 2024.)

13 *Excelencia in Education*. (2024). Hispanic-Serving Institutions (HSIs): 2022-23. Washington, D.C.: *Excelencia in Education*.

14 *Excelencia in Education* analysis of U.S. Department of Education, National Center for Education Statistics, 2019-20 National Postsecondary Student Aid Study (NPSAS:20).

15 *Excelencia in Education* analysis of U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study-Administrative Collection: 2020 Undergraduate Students (NPSAS-AC).

16 *Excelencia in Education* analysis of Seal of *Excelencia* application data.

17 U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Student Financial Aid component data (2021-22). Retrieved April 16, 2024, from <https://nces.ed.gov/ipeds/>

18 *Excelencia in Education* analysis of U.S. Department of Education, Federal Pell Grant Program End-of-year Report, 2021-22.

19 *Excelencia in Education* analysis of U.S. Department of Education, National Center for Education Statistics (NCES), College Navigator, 2021-22 Tuition, Fees, and Estimated Student Expenses AND U.S. Department of Education (2022). National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), 2022 Finance Survey. Retrieved April 16, 2024, from <https://nces.ed.gov/ipeds/>.

20 Ibid.

21 U.S. Department of Education (2022). National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), 2022 Finance Survey. Retrieved April 26, 2024, from <https://nces.ed.gov/ipeds/>

22 *Excelencia in Education* analysis of U.S. Department of Education. (2024). College Scorecard. Retrieved June 17, 2024, from <https://collegescorecard.ed.gov/> AND U.S. Census Bureau, 2022 American Community Survey 1-Year Estimates. Retrieved June 17, 2024, from [https://data.census.gov/table?t=Earnings%20\(Individuals\)&g=040XX00US48_160XX00US4804000,4805000,4819972,4822660,4824000,4864472,4865000,4865600](https://data.census.gov/table?t=Earnings%20(Individuals)&g=040XX00US48_160XX00US4804000,4805000,4819972,4822660,4824000,4864472,4865000,4865600)

Latino Student Profile

Latinos are the youngest and fastest growing population in the U.S. They represent 1 in 4 students in K-12 education and 1 in 5 students in postsecondary education.²³ By 2030, Latinos' enrollment in postsecondary education is projected to increase by 31%.²⁴ Latinos are not a monolith. They come from over 20 countries of origin, and some have been here for generations while others have recently immigrated. Amongst Latino students, nearly half (49%) are of Mexican descent, 12% are of Puerto Rican descent, 10% have mixed Hispanic origin, 3% are of Cuban descent, and 27% are of other Hispanic descent.²⁵

Latino students also fit a post-traditional student profile:²⁶ Latino students are more likely to be first-generation college goers²⁷ (the first in their family to attend college), enroll less than full-time, work while enrolled in college, and live off-campus. They also demonstrate high financial need.

TRADITIONAL STUDENT PROFILE	POST-TRADITIONAL STUDENT PROFILE
College-ready	May need academic prep or remediation
Enroll in a college or university full-time	Enroll at a community college and/or part-time
Enroll the fall after high school graduation	Delay initial college enrollment while entering the workforce
Live on-campus	Live off-campus with their parents or with their own dependants
Complete a bachelor degree in four years	Take more than four years to complete a degree
Parents have college degree	First in family to enroll in college
White, non-Hispanic	Latino, African American, Asian/Pacific Islander
Do not work while enrolled	Work 30 hours or more a week
Make college choices based on financial aid, academic programs offered, & institutional prestige	Make college choices based on cost of attendance, location, & accessibility

23 *Excelencia in Education*. (2023). *Latino College Completion: United States 2023*. Excelencia in Education. Washington: D.C.

24 *Excelencia in Education* analysis of U.S. Department of Education, National Center for Education Statistics (NCES), Digest of Education Statistics, [2022], Table 306.30. Fall enrollment of U.S. residents in degree-granting postsecondary institutions, by race/ethnicity: Selected years, 1976 through 2031.

25 U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 2020 Undergraduate Students (NPSAS:UG).

26 *Excelencia in Education* uses the term post-traditional students to signify the majority of students in college today in an asset-based way—students that are first-generation college-goers, that work while enrolled, mix their enrollment, and more.

27 First-generation college students are students with one or both parents or guardians whose highest education level is a high school diploma or equivalent.



Profile of Texas Students Interviewed

In the Fall of 2024, *Excelencia* interviewed 40 students across six Seal-certified four-year institutions in Texas. The majority were Latino (85%), with the remaining identifying as Asian, Black, or Indigenous/Native American (15%). Most were first-generation college students²⁸ (68%), upperclassmen (58%), and women (55%). Interviewees ranged in age from 18 to 50, with a median age of 20.

The majority were in-state students (88%), and nearly half commuted to campus (48%). Most were not transfer students (83%) and did not have dependents (88%). However, 65% worked while enrolled, and 70% relied on federal, state, and/or institutional grants to fund their education. This profile of interviewed students aligns with the post-traditional student profile.²⁹

The student narratives summarized in the following section are meant to be indicative, not representative, of students' experiences in Texas. During the group interviews, students shared how they navigated their college options, paid for college, and what support services their institution provided.

²⁸ First-generation college students are students with one or both parents or guardians whose highest education level is a high school diploma or equivalent.

²⁹ *Excelencia* in Education uses the term post-traditional students to signify the majority of students in college today in an asset-based way—students that are first-generation college-goers, that work while enrolled, mix their enrollment, and more.

Findings on College Affordability from Student, Administrator, and President Voices

Through conversations with students, administrators, and presidents, *Excelencia* identified themes to categorize the varying perspectives represented. The themes include: 1) Defining Affordability, 2) Navigating Support Systems, 3) Paying for College, 4) Addressing Basic Needs, and 5) Free Application for Federal Student Aid (FAFSA) Simplification. What follows is a summary analysis of student, administrator, and president perspectives and relevant state and federal policies.

Defining Affordability

Affordability remains a central concern for students, higher education administrators, and state policymakers in Texas, though each group defines it differently:

- **Students** tend to define affordability in terms of minimizing out-of-pocket costs and avoiding debt altogether.
- **Administrators** define it as ensuring students have access to financial tools and supports that enable enrollment and persistence—even if that includes some debt, used strategically.
- **State policymakers** focus on affordability as a structural issue—ensuring that the cost of college aligns with students’ future earnings and doesn’t become a long-term burden.

These differing definitions shape the decisions, policies, and practices that follow.



For the students we spoke with, affordability is often the deciding factor in whether and where to attend college. Many seek to minimize costs by living at home, attending community college first, or working part-time jobs. Their financial decision-making reflects an acute awareness of upfront costs and a desire to avoid debt. Administrators, meanwhile, recognize the primacy of affordability in student decisions and have developed targeted strategies to address it, including offering scholarships, grants, work-study opportunities, tuition payment plans, and financial literacy programming. State policymakers echo this concern through broader structural reforms. Texas's strategic plan—Building a Talent Strong Texas—emphasizes postsecondary credentials of value, aiming to ensure that students graduate with little or no debt relative to their expected earnings.³⁰ Through this strategic plan, which expands focus to all working-age adults, Texas recognizes that students attending college are increasingly post-traditional.³¹ Further, Latino students are more likely to receive grant aid than to take out loans to pay for college and by implementing manageable debt standards, Texas addresses Latino students' desire to minimize debt.³²

“Because my goal is no debt. Because I know that can be a pretty tough thing to deal with and considering my family's income and my family's financial situation...it's not even a question.”

— Student when asked about why they chose their institution

While all groups agree that college should be affordable and lead to economic and personal advancement, they diverge on how to achieve this balance. Students tend to view debt with caution or aversion, especially when their financial need is not fully met. For some students, financial aid exceeds expectations and reduces reliance on loans, while others—especially those just above Pell Grant eligibility—struggle to fill funding gaps and may resort to borrowing or even credit cards. Administrators see taking on some debt as a tool that, if used strategically and with proper guidance, can support persistence and completion. Policies such as the recent requirement for the Texas Higher Education Coordinating Board to calculate College Access Loan amounts based on “manageable debt” reflect a compromise between these perspectives, aiming to ensure that borrowing aligns with students' future earning potential.³³ State tuition freezes³⁴ and increased investment in gift aid signal the state's effort to contain costs for students, but institutional leaders caution that without corresponding state support, such measures can undermine financial predictability and sustainability for colleges.

30 Texas Higher Education Coordinating Board (2022). 2022-2030 Strategic Plan: Building a Talent Strong Texas. U.S. Department of Education.

31 *Excelencia* in Education uses the term post-traditional students to signify the majority of students in college today in an asset-based way—students that are first-generation college-goers, that work while enrolled, mix their enrollment, and more.

32 Arroyo, C., Labandera, E., & Santiago, D. (March 2025). *How Latinos Pay for College: 2025 National Trends*. Washington, D.C.: *Excelencia* in Education.

33 Texas Administrative Code, Title 19, Part 1, Chapter 22, Subchapter C, Rule §22.49: Amount of Loan

34 Abbott, G. (2024, November 13). “Letter from Governor Gregory Abbott to University Systems Chairman and Chancellor”. https://gov.texas.gov/uploads/files/press/Letter_to_University_Systems.pdf

The state directed public institutions in Texas to freeze tuition for the 2023-24 and 2024-25 academic years.³⁵ This directive has since been extended and now applies to academic years 2025-26 and 2026-27. While this policy aims to protect students from rising college costs, it introduces significant financial unpredictability for institutions, particularly Hispanic-Serving Institutions that serve a high proportion of low-income students but often receive less state investment.³⁶ Institutional leaders emphasized that without corresponding increases in public funding, tuition freezes limit their ability to expand support services, invest in affordability innovations, and maintain financial aid levels. This tension illustrates the complexity of balancing short-term affordability for students with the long-term financial health of the institutions that serve them.

Perspectives also differ on the role of financial responsibility in shaping student commitment. Many institutions promote work-study opportunities and merit-based scholarships with academic requirements as a way to encourage student investment in their own education. While some students embrace this model, others experience it as a burden, particularly when unexpected costs arise or aid falls short. Work-study positions are limited in number, offer low wages, and restrict the hours students can work. Merit-based scholarships also often can't be used to cover basic needs. As a result, students are left to seek other methods for paying for college such as working off-campus or taking on debt.

Navigating Support Systems

Interviewed students were familiar with their individual financial aid packages but had additional questions based on their specific financial situations. Administrators we spoke with described a range of targeted engagement efforts, including financial aid events, virtual workshops, and social media outreach. However, despite these initiatives, most students reported that the most helpful financial aid information and resources came from their academic departments and advisors rather than institutional outreach efforts. Texas has established various methods of financial aid engagement and outreach with students and families, whether it be through mandating FAFSA completion in high school or through online tools to support families.

Administrator Perspective

Administrators across the profiled institutions view student engagement around financial aid as a critical lever to improve college access and completion. They organize a range of events—including “Financial Aid Nights” at high schools, on college campuses, and during orientation—to ensure students and their families are informed about the application process, FAFSA/TASFA³⁷ completion, and available resources. These events are offered both in-person and virtually, and often in both English and Spanish, increasing accessibility for students and their families. Beyond these events, institutions have implemented virtual support strategies such as online FAFSA workshops with bilingual breakout rooms and user-friendly student portals to guide students through next steps and deadlines. One-on-one assistance, both in-person and online, is also offered to support the students who need additional help navigating the financial aid process. Administrators emphasize that personalized outreach, clear communication, and proactive data use are foundational to their efforts. They use survey data to tailor services, improve communication about financial aid deadlines, and adjust outreach methods to account for every students’ unique financial circumstances.

³⁵ Ibid.

³⁶ *Excelencia in Education*. (May 2024). *Excelencia's Policy Agenda: Institutional Capacity*. Washington, D.C.: *Excelencia in Education*. <https://www.edexcelencia.org/research/publications/excelencia-policy-agenda-institutional-capacity>

³⁷ “FAFSA” refers to the Free Application for Federal Student Aid. “TASFA” refers to the Texas Application for State Financial Aid.

Student Perspective

From the student perspective, engagement efforts by administrators and external organizations are helpful, but often inconsistent. Many students cite high school counselors and “Financial Aid Nights” as essential resources in demystifying the complex financial aid process. However, institutional support can feel uneven. Some students benefit from strong, structured aid programs, while others describe having to seek out information themselves due to fragmented or unclear communication. Students often rely on department- or program-specific outreach for scholarships, stipends, and textbook assistance, but these resources vary widely across majors. In many cases, students take it upon themselves to explore financial support options like work-study, highlighting the need for more consistent and centralized communication from institutions. Mentorship also emerges as a vital form of support. Students frequently mention that trusted relationships with faculty, advisors, and mentors help them manage financial and academic challenges. First-generation students often rely on support from First-Gen Offices on campus and external organizations that provide sustained financial advocacy and guidance.

“ I thought I was going to take on more student debt than I have at this point. With the resources that professors provide, luckily a lot of my professors found alternatives, like the free textbook online or a different resource. I'm pretty grateful that I don't have to spend those \$200, \$300 on books. ”

— Student on support from faculty

Texas Policy Perspective

At the policy level, state leaders in Texas have taken steps to institutionalize financial aid engagement. House Bill 3 established FAFSA/TASFA completion as a graduation requirement beginning with the 2021–2022 academic year, ensuring that students apply for aid or formally opt out.³⁸ The state also prioritizes transparency and digital support through tools like My Texas Future³⁹ and the Texas Higher Education Coordinating Board's (THECB) “Student and Families” portal,⁴⁰ which offer FAQs, scholarship information, and guidance on FAFSA/TASFA applications. These platforms include features like the Direct Admissions tool, which informs students of likely college matches before they apply, helping reduce unnecessary application costs. Texas institutions are also required to publish their cost of attendance (COA)⁴¹ (see Appendix) using standardized formats, enabling students and families to compare costs across colleges more effectively.⁴² Programs like the Texas Work-Study Student Mentorship Program (WSMP) further align with this strategy by training college students to mentor their peers and high school students on navigating the financial aid process.

38 Texas Administrative Code, Title 19, Part II, Chapter 74, Subchapter B, Rule §74.11.

39 Texas Higher Education Coordinating Board. (2025). My Texas Future. <https://www.mytexasfuture.org/middle-high-school/college-for-all-texans-content-has-moved/?ObjectID=699A998A-E7F3-1DCC-3F460F26136EEA05>

40 Texas Higher Education Coordinating Board. (2025). Students & families. <https://www.highered.texas.gov/students-families/>

41 See appendix.

42 Texas Administrative Code, Title 19, Part I, Chapter 21, Subchapter PP, Rule §21.2222.

“ I think for the most part, you have to [advocate] for yourself to realize what things you need to get done with financial aid.”

— Student on accessing financial resources

Together, these perspectives illustrate how students engage with financial aid in Texas. While administrators strive to build robust and inclusive systems of support, and state policy strengthens infrastructure and expectations, students still face a complex and sometimes fragmented path to understanding their options to pay for college.

Paying for College

Administrators and students we spoke with both recognize the importance of financial aid but differ in their perspectives on access and effectiveness. Administrators focus on structured aid programs, emphasizing grants, scholarships, loans, and work-study to keep students enrolled and prevent stop-outs. They highlight efforts to expand institutional aid, emergency support, and professionalized student employment. Students, however, navigate financial aid pragmatically, combining federal, state, and institutional aid with work and, for some, loans. Many prioritize minimizing debt, opting for work-study or private scholarships, though they express frustration with limits on the hours they can work per week and lower on-campus wages. While administrators see loans as a strategic tool, students often view them as a last resort.

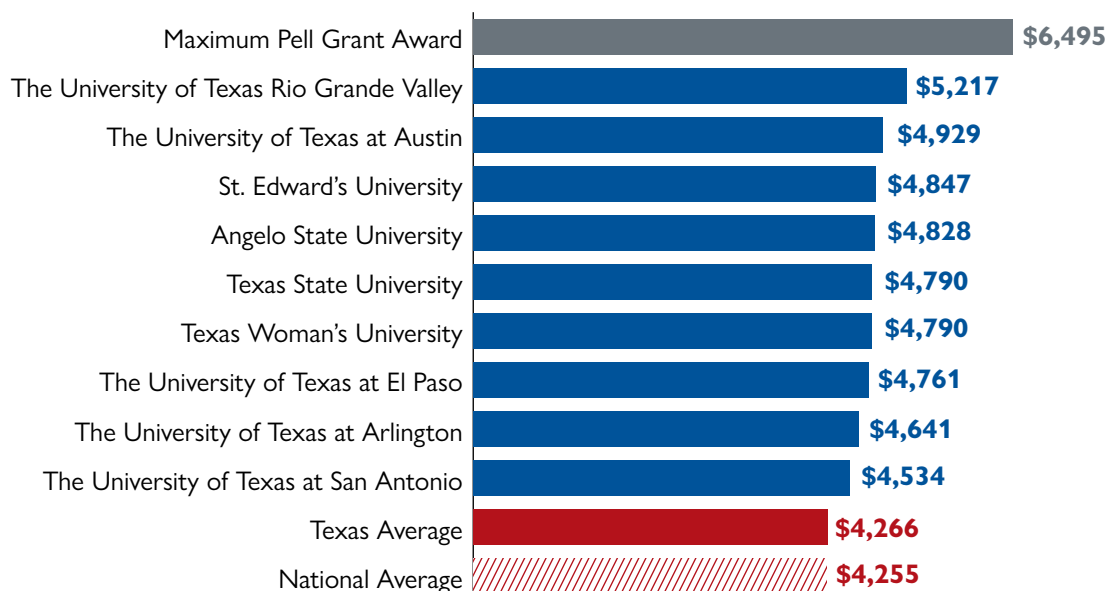
This section outlines the pragmatic ways in which Latino students pay for college, beginning with the most common sources of aid and ending with less frequently used methods. We highlight students' use of grants (federal, state, and institutional), loans, private scholarships, working while enrolled, and/or using military benefits.



Federal Grants

Pell Grants, awarded based on exceptional financial need, remain a crucial form of federal aid. Eligibility is determined by the Student Aid Index (SAI),⁴³ cost of attendance, enrollment status, and whether students plan to attend college for a full academic year (see Appendix). About half of Latino students nationwide, in Texas, and at profiled institutions are Pell grant recipients.^{44,45} Furthermore, all nine of the Texas Seal-certified institutions award students a higher-than-average Pell Grant than the national and Texas state averages (See Figure 1).^{46,47}

Figure 1. Average Pell Grant Amount Awarded to Students by Institution, 2021-22



Most interviewed students reported completing the FAFSA and receiving Pell Grants; however, those who were ineligible due to their parents' income faced significant financial burdens. These students frequently work while enrolled, take out loans, or rely on other resources to meet their financial needs.

Administrators recognize that students from middle-income households often fall into a financial aid gap—they come from families that earn just above the Pell Grant eligibility threshold but still struggle to afford college. In Texas, federal aid represents the majority (52%) of financial aid undergraduates receive, followed by institutional (33%) and state aid (9%).⁴⁸

43 The Student Aid Index (SAI) used to be referred to as the Expected Family Contribution (EFC). See Appendix for a more detailed definition.

44 *Excelencia in Education* analysis of U.S. Department of Education, National Center for Education Statistics, 2019-20 National Postsecondary Student Aid Study (NPSAS:20).

45 *Excelencia in Education* analysis of U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study-Administrative Collection: 2020 Undergraduate Students (NPSAS-AC).

46 U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Student Financial Aid component data (2021-22). Retrieved April 16, 2024, from <https://nces.ed.gov/ipeds/>

47 *Excelencia in Education* analysis of U.S. Department of Education, Federal Pell Grant Program End-of-year Report, 2021-22.

48 *Excelencia in Education* analysis of Texas Higher Education Coordinating Board, Report on Student Financial Aid in Texas Higher Education Fiscal Year 2022.

State Grants

Texas offers state grant aid through three major programs: the Texas Educational Opportunity Grant (TEOG) for students attending two-year public institutions, the Tuition Equalization Grant (TEG) for students attending private and nonprofit institutions, and the TEXAS Grant for students attending public four-year institutions. In Texas, Latino students receive higher percentages of need-based state grant aid than other groups. In Fiscal Year 2022, for each of the three major grant programs offered to Texas students attending public institutions (Texas Educational Opportunity Grant, TEXAS Grant, and Texas Equalization Grant), Latino students received the highest percentage of grant aid.⁴⁹

Administrators rely on state grants to support low-income students and note that Texas covers tuition and fees for students from families earning under \$50,000 annually. Students consistently cited state grants like the TEXAS Grant and TEOG as essential in helping them afford college. These grants are also available to students who are ineligible for federal aid through the TASFA application. Most state aid distributed to undergraduates is grant aid (85%), with loans and work-study accounting for just 14% and 1%, respectively.⁵⁰

Institutional Gift Aid⁵¹

The largest source of gift aid in Texas is institutional aid. From 2018 to 2022, over half of the gift aid awarded to students in Texas was institutional gift aid (56%), exceeding \$4.1 billion in 2022.⁵² Institutional gift aid varies widely across colleges and universities. While all profiled institutions cover tuition and fees for students from families earning under \$50,000, the University of Texas (UT) System will extend that threshold to \$100,000 in Fall 2025.⁵³ Students across all institutions prioritized gift aid—regardless of whether it was need- or merit-based or what entity provided it. Interviewed administrators emphasized that institutional aid should prioritize financial need and not exclude students from specific backgrounds. However, Texas Education Code §51.3525 (commonly known as SB17),⁵⁴ limits equity initiatives at public institutions of higher education. This policy may complicate existing scholarship programs aimed at specific student populations. To prioritize need-based aid, institutions charging designated tuition are also required to set aside at least 15% of charges above \$46 per credit hour to fund financial assistance for needy resident students through the Tuition Set-Aside policy.⁵⁵

49 Ibid.

50 Ibid.

51 The Texas Higher Education Coordinating Board defines the term “gift aid” as all grants, scholarships, and categorical aid.

52 *Excelencia in Education* analysis of Texas Higher Education Coordinating Board, Report on Student Financial Aid in Texas Higher Education Fiscal Year 2022.

53 The University of Texas System, UT System Regents greatly expand affordability and access to Texans through ‘Promise Plus’ program (November 2024).

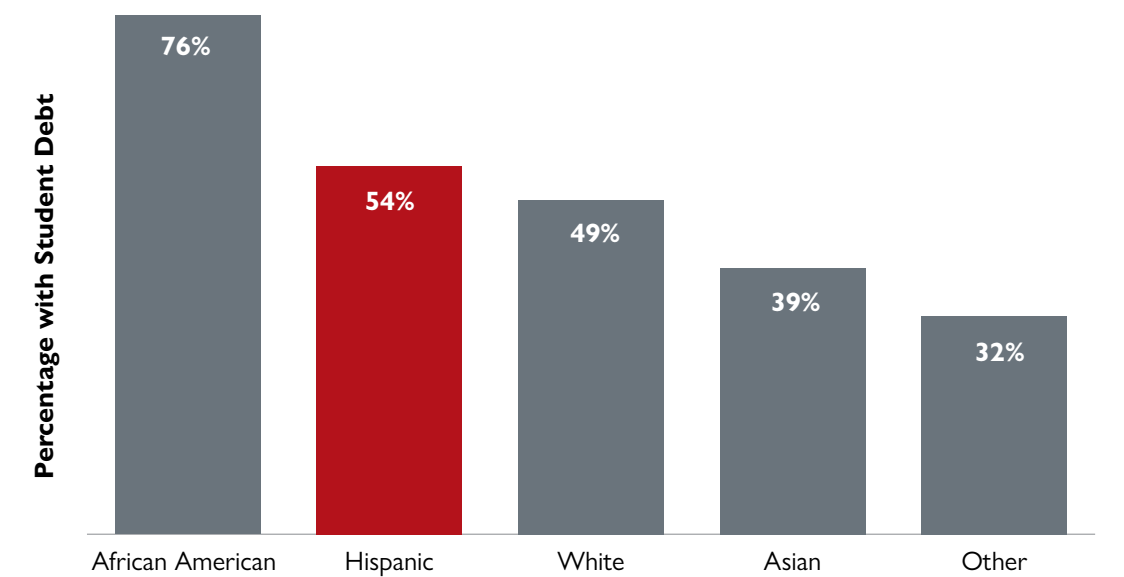
54 Texas Education Code §51.3525 (2024). [https://statutes.capitol.texas.gov/Docs/ED/htm/ED.51.htm#51.3525~:text=Sec.%2051.3525.%20%20RESPONSIBILITY%20OF%20GOVERNING%20BOARDS%20REGARDING%20DIVERSITY%2C%20EQUITY%2C%20AND%20INCLUSION%20INITIATIVES.%20%20\(a\)%20%20In%20this%20section%2C%20%22diversity%2C%20equity%2C%20and%20inclusion%20office%22%20means%20an%20office%2C%20division%2C%20or%20Other%20unit%20of%20an%20institution%20of%20higher%20education%20established%20for%20the%20purpose%20of%3A](https://statutes.capitol.texas.gov/Docs/ED/htm/ED.51.htm#51.3525~:text=Sec.%2051.3525.%20%20RESPONSIBILITY%20OF%20GOVERNING%20BOARDS%20REGARDING%20DIVERSITY%2C%20EQUITY%2C%20AND%20INCLUSION%20INITIATIVES.%20%20(a)%20%20In%20this%20section%2C%20%22diversity%2C%20equity%2C%20and%20inclusion%20office%22%20means%20an%20office%2C%20division%2C%20or%20Other%20unit%20of%20an%20institution%20of%20higher%20education%20established%20for%20the%20purpose%20of%3A)

55 Texas Education Code, § 56.011 and §56.012: Tuition set aside is a portion of the designated tuition paid by resident students (those classified as citizens of the State of Texas), “set aside” and dedicated to provide need-based financial aid to students.

Loans

Students in Texas borrow at lower rates than the national average. In Fiscal Year 2022, 31% of students at public four-year institutions in Texas took out loans, compared to 38% nationally.⁵⁶ Further, on average, students borrowed less in Texas than students nationally (\$6,326 vs. \$7,318, respectively).⁵⁷ Although Latinos tend to be more loan averse than their peers, by their fourth year of college, over half of Latino students attending four-year institutions in Texas borrowed loans to pay for college (See Figure 2).⁵⁸

Figure 2. Percentage of Students with Debt at Texas, Four-Year Institutions by Year Four, by Race/Ethnicity, Enrolled FY2022



Source: *Excelencia in Education* analysis of Texas Higher Education Coordinating Board, Student Financial Aid in Texas Higher Education Report Fiscal Year 2022.

However, Latino students borrowed lower amounts on average than other races/ethnicities. The average amount of debt borrowed by Latino students by their fourth year of attendance at Texas, four-year institutions in 2022 was \$20,521 which was lower than most other racial/ethnic groups (African American, \$26,965; White, \$25,038; Other, \$23,424; Asian, \$18,438) (See Figure 3).⁵⁹

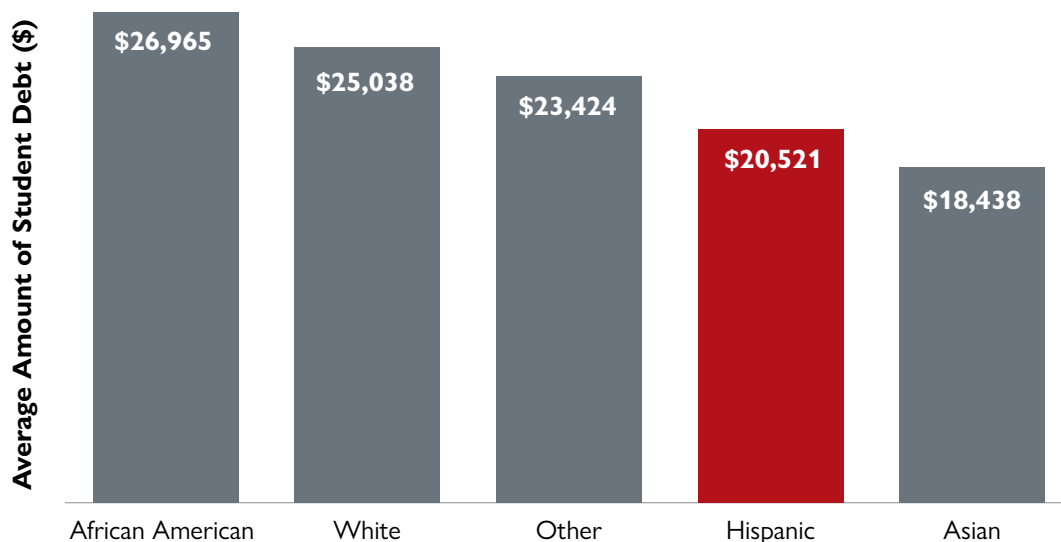
⁵⁶ *Excelencia in Education* analysis of U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Student Financial Aid component.

⁵⁷ Ibid.

⁵⁸ *Excelencia in Education* analysis of Texas Higher Education Coordinating Board, Student Financial Aid in Texas Higher Education Report Fiscal Year 2022.

⁵⁹ Ibid.

Figure 3. Average Amount Borrowed by Students with Debt at Texas, Four-Year Institutions by Year Four, by Race/Ethnicity, Enrolled FY2022



Source: *Excelencia in Education* analysis of Texas Higher Education Coordinating Board, Student Financial Aid in Texas Higher Education Report Fiscal Year 2022

Administrators we spoke with viewed loans as a potential solution to prevent stop-outs, noting that students sometimes leave college over unmet need as small as a couple thousand dollars. About 35% of interviewed students reported taking out loans—including subsidized, unsubsidized, and Parent PLUS loans—to fill remaining financial gaps. Students acknowledged the importance of minimizing debt and pursuing credentials of value.

“Okay, well, if I’m paying loans, it made me decide to choose a major that I know will be high-paying. Right? Since I said I was interested in tech, ‘Okay, well, it’s either software engineering, computer science, or management information systems.’”

— Student on choosing a major based on anticipated future debt-to-income

Texas offers targeted loan programs like the Future Occupations & Reskilling Workforce Advancement to Reach Demand (FORWARD) Loan Program, which provides low-interest loans for students pursuing high-demand, high-value degrees, and the College Access Loan (CAL) Program, which helps students who cannot cover the full cost of attendance. In 2022, Latino students were less likely to receive the College Access Loan, the major state-based student loan program in Texas, than their White peers (32% and 49%, respectively), but more likely than other groups (African American, 8%; Other/Unknown, 6%; and Asian, 5%).⁶⁰

⁶⁰ *Excelencia in Education* analysis of Texas Higher Education Coordinating Board, Student Financial Aid in Texas Higher Education Report Fiscal Year 2022.

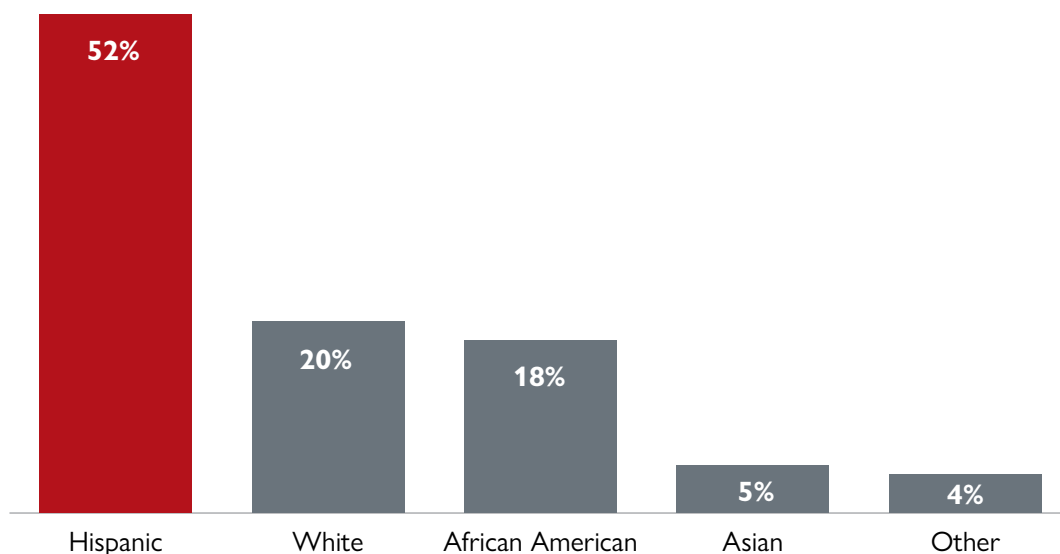
Private Scholarships

Private scholarships must fit within the student's total cost of attendance (COA), and administrators often adjust aid packages to reduce less favorable aid types—such as loans—when these scholarships are awarded. Institutional aid is typically not reduced unless the outside scholarship fully covers the student's COA. The timing of the scholarship's disbursement can determine whether funds go directly toward tuition or are refunded to students. Some students across institutions reported receiving small scholarships from local organizations or companies to help cover costs.

Working While Enrolled

Texas offers two programs for students to work while attending institutions of higher education: 1) the Texas College Work-Study program and 2) the Work-Study Student Mentorship program. In Fiscal Year 2022, Latino students represented the largest racial/ethnic group to receive work-study aid through the Texas College Work-Study program (52%), followed by White students (20%), African American students (18%), Asian students (5%), and students from Other/Unknown racial and ethnic groups (4%) (See Figure 4).⁶¹

Figure 4. Texas College Work-Study Percent Allocation by Race/Ethnicity, FY2022



Source: *Excelencia in Education* analysis of Texas Higher Education Coordinating Board, Texas College Work-Study Allocations (Fiscal Year 2022).

Most students interviewed held jobs while enrolled, with many preferring on-campus employment for its convenience, flexibility, and savings on transportation. However, they expressed frustration with low pay and strict hour limits (15–20 hours per week), noting the need to work more hours to support themselves and their families. As a result, some students opted for off-campus employment for higher pay despite reduced flexibility. Some students worked 40+ hours in the summer to work less during the academic year while others juggled multiple jobs to make ends meet.

⁶¹ *Excelencia in Education* analysis of Texas Higher Education Coordinating Board, Texas College Work-Study Allocations (Fiscal Year 2022)

“ I switched to an overnight shift because I had to get 40 hours a week to pay for my college, so my Tuesdays and Thursdays were the only days that I could go to school, so I packed my schedule to those days. Then I was working at [a grocery store] overnight. I would wake up at 9:00 PM, and then not go to sleep until 6:00 AM... Doing that, and four classes, and putting in 40 hours, and then software engineering, where you're just building a website and a project, it was definitely mentally challenging for me. If I had money, if I didn't have to worry about college, that semester would have been a breeze. Then this semester, it's a breeze now, because I worked the entire summer, I saved up some of my money, and I'm only paying like \$680-something per month. I'm not working over that, and I'm glad for that.”

— Student on working while enrolled

Interviewed administrators acknowledged the challenge of limited funding for work-study and the gap between on-campus and off-campus wages. Some institutions are working to professionalize student employment and expand nonprofit partnerships to increase work-study opportunities within their campuses. Policymakers have proposed subsidizing jobs to help students meet financial needs. However, funding for state work-study programs in Texas has decreased since Fiscal Year 2022 (from \$9.17 to \$8.17 million in allocations) (See Figure 5).⁶²

Figure 5. Final Allocations for Texas Work-Study Programs (All Institution Types), Fiscal Year 2021-2024

Fiscal Year	Final Allocation
2021	\$7,959,551
2022	\$9,169,435
2023	\$8,803,263
2024	\$8,169,469

Source: *Excelencia in Education* analysis of Texas Higher Education Coordinating Board, Texas College Work-Study Allocations and Work-Study Mentorship Program Allocations (Fiscal Year 2021-2024).

Note: Final allocation amount includes revised and final allocations when applicable. Includes sum of Texas College Work-Study Allocations and Work-Study Mentorship Program allocations.

⁶² Ibid.

Military Benefits

Students whose college costs were fully covered said they were able to focus entirely on their studies. For example, several students we spoke with used military benefits, such as the GI Bill, to pay for college. They expressed deep gratitude for being able to pursue their education without the stress of financial burdens.

The GI Bill⁶³ helps eligible veterans and service members pay for college by covering tuition and fees, providing a housing allowance, and offering funds for books and supplies.

“ At this old age, I’ve been able to do what I should have done when I was 20, or at least as soon as I left the military. ”

— Student on having college expenses fully covered by the GI Bill

Texas offers tuition exemptions, loans, and scholarships to veterans, military personnel, and/or their dependents, including the Texas Armed Services Scholarship,⁶⁴ the Hinson-Hazlewood College Access Loan,⁶⁵ and tuition exemptions under the Hazlewood Act. The Hazlewood Act grants up to 150 hours of tuition exemption to eligible veterans and their dependents. Latino students in Fiscal Year 2022 received higher proportions of most types of state financial aid in Texas; however, they were less likely to receive benefits like the Texas Armed Services Scholarship and the Hinson-Hazlewood College Access Loan compared to White students.⁶⁶ These disparities may reflect differences in program eligibility, application rates, or outreach—rather than direct exclusion—and point to areas where additional analysis and targeted support could help ensure more equitable access across all aid programs.

Administrators we spoke with expressed concern about how the state funds the Hazlewood Act, which provides tuition exemptions for veterans and their families. While institutions are committed to supporting veterans, they noted that if the state does not allocate sufficient funds for each eligible student, institutions are required to cover the difference using their own resources to comply with the state mandate—placing added pressure on institutional aid budgets.

63 The GI Bill, officially the Serviceman's Readjustment Act of 1944, is a U.S. federal law that provides educational benefits to veterans, active-duty service members, and their families. These benefits, primarily intended to aid veterans in their transition back to civilian life, include tuition and fee coverage, a monthly housing allowance, and other support for education and training.

64 The Texas Armed Services Scholarship Program (TASSP) encourages students to complete a baccalaureate degree and become a member of one of the following organizations: Texas Army National Guard, Texas Air National Guard, Texas State Guard, U.S. Coast Guard, U.S. Merchant Marine, or a commissioned officer of any branch of armed services of the U.S. Students must be registered with Selective Service to be eligible.

65 The Hinson-Hazlewood College Access Loan is the most significant portfolio in the Hinson-Hazelwood College Student Loan Program available to students registered with the Selective Service to fund their educational expenses up to their cost of attendance.

66 *Excelencia in Education* analysis of Texas Higher Education Coordinating Board, Report on Student Financial Aid in Texas Higher Education Fiscal Year 2022.

Addressing Basic Needs

Interviewed students and administrators both acknowledge that basic needs and non-tuition expenses—housing, food, transportation, and fees—can be significant barriers to college access and success if they are not covered by financial aid, but their perspectives highlight different priorities and challenges. Students make choices based on affordability, convenience, and necessity, often commuting long distances or relying on SNAP benefits, while administrators focus on structural solutions like housing scholarships, expanding student housing options, and food pantries.

Housing

Students we spoke with select living arrangements based on what is most financially viable. Those who live on campus do so when scholarships cover housing costs, and they appreciate the convenience of being close to their classes and activities, though they express concerns about outdated infrastructure and limited kitchen access. Students living off campus often cite affordability, bundled utilities, and the ability to apply financial aid directly toward rent as benefits. Others choose to live with family to save money and stay connected to loved ones, despite commuting long distances—sometimes up to 45 minutes—to attend classes and work.

“ I know that it gets more expensive every year, but it wasn’t even the tuition necessarily that made it more expensive this year than last year for me. It was the housing. ”

— Student on college costs

Interviewed administrators recognize that basic needs like housing and food often cost students more than tuition, with off-campus housing posing particular challenges in terms of affordability and availability. In response, some institutions have created housing scholarships or are purchasing nearby apartment buildings to convert into student housing, allowing them to better manage supply and control costs.

State policy on housing: Statewide, institutions may apply for Student Success Acceleration Program (SSAP) 2.0 grants, which allow flexible investment in basic needs support, including housing, under cost-of-living (COL) guidance provided by the state.⁶⁷ The goal of the SSAP 2.0 Grant is to focus on the development, scaling, enhancement, or redesign of these initiatives, allowing institutions to expand and improve their efforts to support student persistence.

⁶⁷ Texas Higher Education Coordinating Board (2025). *Institutional Grant Opportunities: Student Success Acceleration Program (SSAP) 2.0 Grants*.

Food

Interviewed students living at home typically save money by eating meals with their families, while those on campus or in independent housing rely on meal plans, SNAP benefits, and/or food pantries. Students voiced a need for more commuter-friendly meal plan options, expanded dining hall hours, and designated spaces for cooking meals. While many appreciated the existence of food pantries, they noted issues with long wait times and poor food quality, such as expired or unhealthy items.

Administrators we spoke with are equally concerned about food insecurity, which they view as a basic need that can hinder student success. Many institutions have implemented strategies like food pantries and emergency grants that can be used not just for food but also for housing, transportation, and utility expenses.

State policy on food: There is currently no legislation in Texas specifically addressing food security in higher education. Texas House Bill 4571, which would have required the THECB to establish a hunger-free campus program at institutions of higher education in Texas, was introduced in 2023 but was not passed.

Transportation

Students we spoke with detailed issues with transportation across several areas: high parking fees, limited parking spots even with a parking permit, and long and tiring commutes, all of which affect their academic focus and well-being. Those who rely on campus shuttles advocate for continuous loop services instead of ride-by-request systems, which they believe would make living near campus more practical and reduce the necessity of owning a personal vehicle.

“You’re paying almost \$300 for this parking permit and you’re still not finding parking.”

— Student on parking issues

Interviewed administrators acknowledge that transportation costs and inconsistent or unavailable public transit place a burden on students, particularly those who live far from campus. Some suggest the development of better and more affordable city-wide transportation systems.

State policy on transportation: Texas law allows select institutions (such as the University of Texas at Dallas and the University of Texas at San Antonio) to charge a transportation fee to fund services such as campus shuttles, parking, and capital expenses.⁶⁸

⁶⁸ Texas Education Code, Title 3, Subtitle A., Chapter 54, Subchapter A., Sections 54.5321 and 54.5311.

Fees

Interviewed students expressed a desire for greater transparency and control over the fees they are charged. They want clearer billing, the ability to opt out of unused services, and fewer surprise costs such as required textbook access codes.

“ I feel like maybe students should have the option to decide whether they want to pay for recreational fees or to support university sports. ”

— Student on mandatory fees

Administrators we interviewed recognize that student fees are complex and often vary by program enrollment, course type, and institutional policies, which complicates efforts to create standardized or more affordable fee structures. Modifying these systems typically requires approval from multiple governance layers, including institutional leadership and sometimes even state agencies.

State policy on fees: State guidelines for student fees vary amongst the different types of fees and implementation varies across institutions. For example, some fees are governed at the institutional level, and others are determined at the state level. Further, student fee policies differ based on whether they are charged to all students or only to students who make use of specific services. These policies are generally outlined in the Texas Education Code, Title 3, Subtitle A, Chapter 54, Subchapter A.

Emergency Aid

Emergency aid refers to short-term financial support provided to students facing unexpected hardships that could disrupt their education—such as sudden job loss, medical emergencies, housing instability, or transportation issues. This aid typically covers non-tuition expenses and can take the form of emergency grants, short-term loans, or other forms of circumstantial assistance. To support students experiencing sudden financial hardship, administrators we spoke with described offering a range of programs, including the HOOOF Fund at St. Edward's University and the Bobcats Bounce Back program at Texas State University, which helps students recover scholarships lost due to academic performance. However, many of the students we interviewed were unaware these resources existed at their institutions, and even those who had heard of them often didn't know how to access the support.

State policy on emergency aid: The Governor's Emergency Education Relief (GEER) Fund was a state-administered program funded by federal dollars to provide emergency support during the COVID-19 pandemic. However, this temporary federal funding has ended, and Texas has not established a similar statewide initiative to replace it.⁶⁹

Other Basic Needs

Administrators can use professional judgment to adjust a student's cost of attendance to account for additional needs, such as childcare and healthcare, on a case-by-case basis. While students did not provide detailed feedback specific to other basic needs, financial aid administrators' professional judgment remains an important financial aid tool that institutions can use to support students with unique life circumstances. These adjustments are allowed under federal guidelines and may help institutions more accurately reflect the true cost of attendance for their students.

⁶⁹ U.S. Department of Education (2025). Governor's Emergency Education Relief Fund. Retrieved April 29, 2025 from <https://www.ed.gov/grants-and-programs/formula-grants/response-formula-grants/covid-19-emergency-relief-grants/governors-emergency-education-relief-fund>

FAFSA Simplification

Access to financial aid can make the difference in whether a student enrolls in, persists through, and completes college. The Free Application for Federal Student Aid (FAFSA) is the primary form students use to apply for federal, state, and institutional financial aid. Completing the FAFSA has a positive impact on Latino students nationwide by increasing access to critical financial resources. Financial aid plays a vital role in supporting Latino students, whose average family income (\$65,221) is significantly lower than that of White students (\$129,431), all students (\$104,479), and Asian students (\$104,184).⁷⁰

In 2020, the FAFSA Simplification Act⁷¹ introduced structural changes intended to improve the application's transparency and accessibility. First, this policy replaced the Expected Family Contribution (EFC) with the SAI—while the EFC was capped at zero, the SAI allows for a negative number to be reported capturing a student's greater financial need. Additionally, these policies modified family definitions by adjusting how parental status and family size are determined and integrating IRS data to streamline income reporting.

The implementation of the FAFSA Simplification Act in academic year 2024-25 brought significant challenges for students and administrators alike, despite its goal of streamlining the federal financial aid application process. Administrators we interviewed noted that students from complex family backgrounds—including those with undocumented parents, mixed-status households, or divorced parents—faced the greatest hurdles in completing the new FAFSA. To accommodate the delays and complications caused by these issues, institutions responded with flexibility and student-centered approaches. For example, many colleges extended financial aid deadlines, awarded grants to students who were previously Pell-eligible regardless of changes in eligibility under the new system, and absorbed costs when students were later found ineligible for aid. Institutions also worked to re-engage students who were unable to complete the FAFSA before the due date by honoring previously earned scholarships, providing additional mentoring, and engaging families directly to support re-enrollment and aid completion.

“ Then it asked for my parents' information. I'm a parent. I found that some of it didn't pertain to me, and it kept trying to make me do some of that information. Well, I have parents, but I'm 30 years removed from living at home. I'm the parent. ”

— Student on FAFSA Simplification

70 *Excelencia in Education*. (April 2024). *Latinos in Higher Education: 2024 Compilation of Fast Facts*. Washington, D.C: *Excelencia in Education*. <https://www.edexcelencia.org/research/publications/latinos-higher-education-2024-compilation-fast-facts>

71 The FAFSA Simplification Act. (2025, April 8). <https://www.congress.gov/crs-product/R46909>

Students we interviewed expressed widespread frustration with the revised FAFSA, citing technical glitches, issues with digital signatures, and confusion around determining their dependency status.⁷² These issues were especially pronounced for students with undocumented parents, who encountered conflicting information and varying guidance from financial aid offices. Rather than simplifying the process, some students felt that the changes introduced more confusion and created new barriers to access. The inconsistency in instructions and lack of clarity undermined students' confidence in the process and contributed to delays in receiving aid.

“ I couldn't apply [for financial aid]. I'm still trying to because my parents are immigrants, so they don't have [all the information] I spent time on so many calls, emails, and I didn't get anything back. Right now, I'm paying everything out of pocket. ”

— Student on FAFSA Simplification

Despite the implementation challenges of the FAFSA Simplification Act, Texas leads in efforts to institutionalize FAFSA completion through state policy. Under House Bill 3 (HB3)—enacted in 2021—Texas became one of the first⁷³ states to require high school seniors to complete the FAFSA or TASFA, or formally opt out, as a graduation requirement. Early evidence indicated that, after the implementation of Texas' mandatory FAFSA policy, students living in poverty and Latino students saw the largest increases in FAFSA completion.⁷⁴ This policy reflects a broader commitment to ensuring that all students, especially those from underrepresented backgrounds, have access to federal and state financial aid.

Following the implementation of HB3, the FAFSA completion rate among the high school class of 2022 in Texas reached 67%, a 20% increase from the previous year.⁷⁵ However, during 2024, the first year of nationwide FAFSA simplification, the completion rate in Texas held steady at 67%, reflecting a 2% decrease from the previous year and indicating that simplification challenges may have dampened earlier gains.⁷⁶

72 Dependency status determines whose information you report when you fill out the FAFSA. A dependent student will report their and their parents' information. An independent student will report their own information (and their spouse's information if they are married). A list of questions on the FAFSA form help a student determine whether they are dependent or independent.

73 Texas implemented mandatory FAFSA completion in 2022. Up until that year, only Louisiana and Illinois had passed similar measures.

74 Kim Won, Sie. (April 2023). How a Mandatory FAFSA Completion Policy in Texas Could Improve College Access. Urban Institute.

75 *Excelencia* in Education analysis of National College Attainment Network, NCAN's FAFSA Tracker (2021-2022).

76 *Excelencia* in Education analysis of National College Attainment Network, NCAN's FAFSA Tracker (2022-2024).

Key Recommendations for College Affordability

From institutional grants designed to expand affordability efforts to statewide tuition freezes that aim to contain costs, Texas policy significantly shapes how students and institutions experience college affordability. Building on this landscape, students, administrators, and college presidents offered clear, action-oriented recommendations to make college more affordable. Despite differing perspectives, all groups emphasized the urgency of maximizing need-based aid and addressing students' basic needs as foundational to success.



STUDENT RECOMMENDATIONS

Students we spoke with made several of the following recommendations to make college more affordable focused on financial aid, advising, and basic needs:

IMPROVING FINANCIAL AID ACCESS AND COMMUNICATION

Expand affordable options, such as income-based scholarships and flexible payment plans, alongside clearer communication and targeted outreach. Students we interviewed emphasized the need for more affordable options, such as automatic income-based scholarships, reduced fees, and expanded financial aid availability. They also called for clearer communication about financial resources and greater transparency in student's bills. Many noted that existing resources are under-advertised and suggested that departments conduct more targeted outreach. Additionally, students advocated for more flexible payment plans for tuition, fees, and textbooks to better align with their financial situations.

NAVIGATING SUPPORT SYSTEMS

Strengthen first-year advising and provide ongoing mentorship and financial literacy support, while expanding staff in key areas like financial aid. Students we interviewed expressed feeling lost navigating college systems and financial aid processes during their first year and highlighted the need for clearer guidance in accessing resources. They suggested expanding staffing in financial aid offices and emphasized the importance of maintaining support beyond the first year. Recommendations included developing programs for upperclassmen, fostering community among students from similar backgrounds, and expanding financial literacy and mentorship opportunities, particularly for diverse student populations.

ADDRESSING BASIC NEEDS

Improve affordable housing, dining, and parking options to meet basic needs.

Interviewed students raised concerns about the cost and availability of affordable housing, proposing the development of apartment-style options near campus. They also stressed the importance of improving campus facilities, including making dining more affordable, and enhancing parking options.

PRESIDENT AND ADMINISTRATOR RECOMMENDATIONS

Presidents and administrators we spoke with highlighted several of the following key areas for improving affordability, student success, and financial stability in higher education:

INSTITUTIONAL FINANCIAL STABILITY

Increase predictability of public funding for higher education. Leaders called for greater predictability in higher education funding, cautioning against tuition freezes unless states offset inflationary costs. They also supported legislation like the College Cost Recovery Act to increase investment in student success. Other recommendations included removing Return of Title IV (R2T4) regulations,⁷⁷ expanding need-based federal support such as doubling the Pell Grant, ensuring careful alignment of financial aid policies to prevent tuition inflation, and potentially adopting healthcare funding models to share costs between federal and state governments.

ALIGNMENT OF PUBLIC FUNDING

Improve coordination between federal and state financial aid requirements. To better align between state and federal funding, leaders recommended that the state and federal governments lift restrictions on public institutions' ability to undertake equity initiatives, improve coordination between federal and state financial aid requirements, direct federal grant funding to better support HSIs, and eliminate cost-of-attendance ceilings for foster care students. In the case of tuition freezes, administrators understand the benefits to students, however, they recommend the state compensate for inflationary costs to the institutions, as these freezes can reduce financial predictability for institutions. Leaders recommend ensuring both FAFSA and TASFA are available in both English and Spanish to better align financial aid applications by ensuring greater accessibility to the students completing them.

⁷⁷ RT24 refers to the calculation required when a recipient of Title IV aid withdraws from an institution before completing a term. The calculation determines if any funds need to be returned from the student back to the university and/or the U.S. Department of Education.



INCOME-BASED AID

Cover tuition for families under a certain income and expand promise programs and Pell lifetime limits. To enhance student affordability initiatives, interviewed institutional leaders proposed state coverage of tuition for students from families earning under \$100,000, expansion of statewide promise programs beyond existing models, and adjustments to Pell lifetime limits to better serve post-traditional students. Additionally, they emphasized the importance of data-driven approaches to distribute need-based aid to ensure students with high financial need receive adequate support. For example, using robust data systems to target outreach to students with specific needs or indicators can improve an institutions' ability to meet students where they are.

HOUSING AND TRANSPORTATION

Expand affordable off-campus housing and improve transportation options. To ensure affordable housing for students, leaders urge lawmakers to better control off-campus housing options, particularly for third- and fourth-year students. To improve transportation for students, leaders support the development of improved, affordable transportation systems, strengthened through partnerships with their institutions' local departments of transportation.

FINANCIAL LITERACY

Make financial literacy a graduation requirement. Leaders suggested increasing student financial literacy, potentially making it a graduation requirement similar to FAFSA completion. They also called for a broader public understanding of the value of a postsecondary degree, including that from private and liberal arts institutions.

A WAY FORWARD: KEY TAKEAWAYS FROM CONVERSATIONS WITH TEXAS STAKEHOLDERS

In March 2025, *Excelencia* gathered institutional leaders, financial aid and enrollment professionals, community-based organizations, and foundations to inform and compel action to make college affordable for Latino, and all, students. We shared our initial findings with these leaders, who offered valuable context and perspectives to help advance the recommendations and shape efforts that can influence both policy and practice.

Themes and Solutions Surfaced

The convening discussions surfaced three critical and recurring themes:

- **Dismantle silos within institutions;**
- **Better align support systems around student needs,** particularly financial aid; and
- **Address affordability beyond just tuition.**

Leaders highlighted a **disconnect between how students perceive loans with aversion and how administrators view them as tools**. To bridge this, participants emphasized equipping faculty, advisors, and influencers (including peers, parents, and high school counselors) with the right information to guide students effectively. Institutions need to ensure academic departments—where students often go first for critical information—have access to timely financial aid information, and that communication between financial aid and faculty is robust.

The message was clear that engagement with students about their **options for paying for college should begin as early as possible**. Building systems to allow academic advisors and faculty to proactively support students' financial decisions was cited as both a challenge and a priority.

Participants underscored the urgency of **addressing affordability beyond just tuition**. Attendees offered practical solutions: from institutional policy innovations like expanding Promise programs to federal policy changes like tying Pell increases to inflation and eliminating loan initiation fees. While seen as important, improving students' financial literacy alone will not make college affordable. Meeting students' basic needs, simplifying aid processes, and ensuring consistent funding were viewed as essential next steps.

Conclusion and A Call to Action

Affordability remains central to college access and completion for Latino, and all, students in Texas. Through this research, *Excelencia* in Education has elevated the lived experiences of students, examined institutional efforts, and contextualized these findings within state and federal policy. The nine Seal-certified institutions profiled in this brief represent a select group of trendsetters that strive to go beyond enrollment to intentionally serve Latino, and all, students.

The following six strategies and practices are examples of what institutions can do to increase access to a quality college education and financially support Latino, and all, students:

1. Leverage data to proactively inform students about financial aid processes and provide payment plans that align with diverse attendance and enrollment patterns.
2. Provide emergency grants and housing scholarships to help students manage unexpected financial challenges and reduce their overall cost of attendance.
3. Ensure sufficient, low-cost parking and collaborate with local governments to make public transportation reliable, accessible, and affordable for students.
4. Contain costs by adopting Open Educational Resources (OER) to provide students with free textbooks and learning tools.
5. Advance full and renewable scholarships—especially for transfer students and those with financial need—ensuring awards are consistent and accessible.
6. Offer professionalized on-campus jobs that allow students to earn income while developing transferable career skills.

These institutions are leading with intentionality, implementing evidence-based practices that others can adopt and adapt. However, as students, administrators, and presidents raised in these conversations, more must be done to ensure that affordability is systemic, sustained, and centered on students' lived realities.

For institutions, this means moving beyond siloed initiatives and building systems that integrate financial aid, basic needs support, and student advising across departments. It requires translating policy into practice—ensuring that financial aid information is accessible, that faculty and staff are equipped to support students holistically, and that institutional strategies align with students' real financial realities.

For funders, this is a moment to double down on support for institutions and communities working on the frontlines of college affordability. Philanthropy can drive innovation, lift up student voices, and pilot strategies that state and federal entities can scale.

For advocates, this can mean amplifying evidence-based efforts, bringing local challenges and successes into policy discussions, and pushing decision-makers to prioritize students and the institutions that serve them.

For students, their lived experiences should shape how institutions and policymakers respond. Students are not just recipients of aid or services; they are partners in reshaping what an affordable college education means in practice for themselves and future generations of college-goers.

STATE AND FEDERAL POLICY

To build a sustainable, student-centered system to address college affordability, state and federal policy must complement institutional efforts. The ability to intentionally serve Latino students at scale requires knowing what works to accelerate Latino student success and garnering investment at the state and federal levels.

STATE POLICY

1. Award full-tuition grants to include students from households making \$100,000 or less.
2. Incentivize institutions to engage students in K-12 in financial literacy education.
3. Support development of affordable housing near campuses and expand state investment in regional public transportation serving college students.
4. Subsidize inflationary costs to mitigate unpredictable financial pressures for institutions.
5. Create online state applications for financial aid in Spanish and other languages.

FEDERAL POLICY

1. Include basic needs in financial aid calculations to reduce students' unmet financial need to pay for college.
2. Prioritize Pell Grants among federal programs to help students gain access and support to choose where to enroll.
3. Incentivize FAFSA completion to increase access to financial aid.
4. Revise the Federal Work-Study distribution formula to more strategically support students with high financial need.
5. Incentivize cost containment with a recognition program, and reduce administrative burdens to program participation.

By working with institutions, government, philanthropy, and students we can build a more coherent, student-centered system that treats college affordability not as a series of isolated fixes, but as a shared responsibility and long-term commitment. To move from insight to impact, we must translate these lessons into actionable policy recommendations that reflect the urgency of the moment and students' lived realities.

For more detailed analysis on these recommendations, please visit: EdExcelencia.org/research/publications/Excelencia-policy-agenda to read our latest Policy Agenda.

Appendix

TERMS

Cost of attendance includes the amount of tuition and fees; food and housing; books, course materials, supplies, and equipment; and other expenses (laundry, transportation, entertainment) that a full-time, first-time degree/certificate-seeking student can expect to pay to go to college for an academic year.⁷⁸ Understanding the cost of attendance is critical to understanding the financial choices and offerings available to students. In 2021-22, the average total cost of attendance for students varied significantly depending on the sector of the institution and whether a student lived on campus or off campus (Table 1). Of importance in this analysis, the cost of attendance is only reported for full-time, first-time students, which has implications for how Latino students and other post-traditional students are represented within these costs as they are more likely to enroll part-time or mix their enrollment rather than attend solely full-time.

Table 1: Average Cost of Attendance for In-state students⁷⁹ living on and off campus (2021-22)

Institution	Average Cost of Attendance, In-state, on campus, 2021-22 ⁸⁰	Average Cost of Attendance, In-state, off campus w/ family, 2021-22 ⁸¹
Texas Woman's University	\$22,881	\$11,955
The University of Texas Rio Grande Valley	\$22,925	\$12,786
The University of Texas at San Antonio	\$23,474	\$17,020
Angelo State University	\$22,766	\$15,608
The University of Texas at El Paso	\$24,254	\$17,635
Texas State University	\$26,275	\$17,743
The University of Texas at Austin	\$29,788	\$17,599
The University of Texas at Arlington	\$28,259	\$25,631
St. Edward's University	\$67,544	\$54,136

78 U.S. Department of Education, National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS)

79 In-state students pay in-state tuition which is generally lower than for students from out of state paying out-of-state tuition.

80 U.S. Department of Education, National Center for Education Statistics (NCES), College Navigator, 2021-22 Tuition, Fees, and Estimated Student Expenses.

81 U.S. Department of Education, National Center for Education Statistics (NCES), College Navigator, 2021-22 Tuition, Fees, and Estimated Student Expenses.

Student Aid Index (SAI) is an index number ranging from –1500 to 999999 used by financial aid professionals when creating an aid offer. Where a student’s SAI falls within the SAI range helps institutions determine how much financial support a student may need. SAI is calculated using information that students provide on the FAFSA. A negative SAI indicates a student has higher financial need. For example, if a student has an SAI of –1500 (the lowest possible), they will qualify for a maximum Pell Grant award assuming they have not exhausted their lifetime amounts and meet all student eligibility requirements.⁸²

Work-Study is a federal student aid program that provides part-time employment while the student is enrolled in college to help pay their education expenses. The student must seek out and apply for work-study jobs at their institution. The student will be paid directly for the hours worked and the amount they earn cannot exceed the total amount awarded by the institution for the award year.⁸³

METHODS

This research builds on *Excelencia*’s history of effort to examine more closely institutional policy and practice at nine Seal of *Excelencia* certified institutions in Texas as well as state policy and investment to ensure college is affordable for Latino, and all, students in Texas.

The institutions include the following:

1. Angelo State University
2. St. Edward’s University
3. Texas State University
4. Texas Woman’s University
5. The University of Texas at Arlington
6. The University of Texas at Austin
7. The University of Texas at El Paso
8. The University of Texas Rio Grande Valley
9. The University of Texas at San Antonio

Excelencia began this research in April 2024 by analyzing financial aid strategies and practices at the nine four-year Texas institutions with the Seal of *Excelencia*, including efforts to support Hispanic students as outlined in their Seal applications.

In Spring 2024, *Excelencia*:

- Reviewed five years of institutional data, financial aid strategies, and evidence-based practices submitted through the institutions’ Seal applications, identifying key components of institutional financial aid;
- Developed a matrix showing aggregate cost of attendance and average financial aid awarded by source for each institution;
- Compared institutional financial aid strategies with state-level policies and supports; and
- Aggregated data on student participation and total funding received in federal and private aid at each of the nine institutions.

82 U.S. Department of Education. (n.d.). What is the Student Aid Index (SAI)? Federal Student Aid. <https://studentaid.gov/help-center/answers/article/what-is-sai>

83 U.S. Department of Education, Office of Federal Student Aid, Glossary, <https://studentaid.gov/understand-aid/types/work-study>

In tandem, *Excelencia* examined Texas state financial aid policies and investments over the past three to five years to contextualize institutional and student experiences. This included:

- Summarizing state policies and appropriations related to financial aid, college affordability, and funding—particularly for four-year institutions;
- Analyzing the implications of these policies on institutional practices in dialogue with leaders from institutions and the Texas Higher Education Coordinating Board.

In Summer 2024, *Excelencia*:

- Developed an interview guide to facilitate 1.5-hour focus group discussions;
- Partnered with institutional representatives to identify and invite 6–10 students per campus; and
- Traveled to each of the six participating Texas Seal-certified institutions and conducted focus groups with 40 students to gain firsthand insights into how students are paying for college.

In Fall 2024, *Excelencia*:

- Analyzed qualitative data from the student focus groups;
- Facilitated discussions on affordability with financial aid officers, institutional leaders, and university presidents; and
- Compiled a summary report synthesizing findings from across the year, which was shared with key stakeholders and decisionmakers.

In Spring 2025, *Excelencia* hosted a convening in Texas with Seal-certified institutional leaders to share research findings. The event focused on advancing policies and strategies to improve affordability for Latino, and all, students in Texas.

This research brief reflects the findings from this comprehensive effort and is intended to inform institutional, state, and national policy to more intentionally support the cost of a quality education for Latino, and all, students.



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