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Texas Takes On Transfer Grants

Interim Impacts of the Texas Transfer Grant Pilot Program on Student Transfer

As of 2021, more than three-fourths of community college students in the United States plan to transfer to a four-year university or college and obtain a bachelor's degree.¹ However, only about one-third of these students actually do.² Additionally, students from low-income backgrounds are only half as likely as their peers from higher-income backgrounds to transfer to a four-year institution after six years.³ More than half of students who initially enroll at a community college intend to pursue a four-year degree, yet in Texas, only slightly more than one-fourth of these students transfer to a four-year institution within six years.⁴

To improve transfer rates and, ideally, bachelor's degree attainment, the Texas Higher Education Coordinating Board (THECB) launched the Texas Transfer Grant Pilot Program. Funded by the U.S. Department of Education's Governor's Emergency Education Relief Fund, the pilot program offered \$5,000 grants to community college students who performed well academically, came from low-income backgrounds, and enrolled in public four-year institutions in Texas. The pilot program offered grants to students for the fall 2022 semester—and, for some, the spring 2023 semester as well. Students received emails and hardcopy letters before each semester began, informing them of their eligibility for the pilot program and encouraging them to apply to—and, if accepted, enroll in—a Texas public four-year institution for the upcoming semester to receive the grant. The grants were intended to reduce financial barriers to transferring and encourage students to consider enrolling at institutions that might otherwise be inaccessible to them. Grants were incorporated into students' financial aid packages for each semester.

MDRC is evaluating the pilot program to build evidence about its efficacy and help inform future THECB decisions about the program. This brief presents initial findings about the pilot program's impact on students' enrollment at Texas four-year institutions in fall 2022. A follow-up report, due to be published in 2024, will explore the pilot program's impact on other fall 2022 academic outcomes—such as grade point average (GPA) and number of credits earned—as well as outcomes for the spring 2023 semester.

Evaluation Design

To build high-quality causal evidence about the pilot program's effect on students' academic outcomes, MDRC's evaluation uses a mixed-methods randomized con-

trolled trial design that combines quantitative analyses of student academic records with qualitative student interviews.⁵ The evaluation addresses two primary questions:

1. Does offering the Texas Transfer Grant to community college students affect their enrollment rates at public and private four-year institutions in Texas?⁶
2. What do community college students think—and how do they feel—about the Texas Transfer Grant offer, particularly with respect to their decision to transfer to a Texas four-year institution?

In addition, the evaluation explores whether the grant offer affects enrollment at specific types of higher education institutions (for example, whether it dissuades students from enrolling at private four-year institutions) and whether it may be more effective for certain types of students depending on their demographics or academic history.

Eligibility Criteria and Evaluation Sample

The THECB and MDRC established five program eligibility criteria based on available program funding, an analysis of historical Texas student data, and a State of Texas requirement that the grant offer be targeted to high-achieving students from low-income backgrounds:⁷

- Students must have been enrolled at a Texas public two-year institution for any semester during the 2021 calendar year.
- They must not have been enrolled at any Texas four-year institution for any semester during the 2021 calendar year.
- Students must come from a family with a low income, defined as being Pell-eligible in the 2021-2022 Free Application for Federal Student Aid (FAFSA).⁸
- They must have maintained a postsecondary GPA of 2.0 or higher during the 2019-2021 academic years.
- Students must have earned at least 24 college-level credits by the end of summer 2021.

In addition, the THECB and MDRC determined what steps eligible students would need to take to receive the grant. First, students would need to file their 2022-2023 FAFSA, which enables the THECB and Texas higher education institutions to package the grant with the rest of their aid. Second, students would need to apply to and enroll in a Texas public four-year higher education institution at least three-quarter time (nine credit hours) for the fall 2022 semester by the fall semester census date. The nine-credit-hour requirement was intended to encourage students to enroll in more credits than they might have otherwise, thereby increasing their likelihood of degree attainment.⁹

In spring 2022, MDRC identified 89,834 students who met the five eligibility criteria; 13,966 students were randomly assigned to a program group and the remaining 75,868 students were assigned to a control group.¹⁰ Students in the program group were notified in June that they were eligible for a Texas Transfer Grant for use in the fall 2022 semester; students in the control group were not eligible for the grant and did not receive any notifications.¹¹ Because enrollment data for the 2022 spring and summer semesters were not available at the time students were offered the grant, the THECB and MDRC decided that eligible students would be able to receive the grant upon successful fall 2022 enrollment even if they had already transferred to a four-year institution earlier that year. Later analysis showed that approximately 7.2 percent of students in the sample (7.3 percent in the program group and 7.2 percent in the control group) had enrolled at a Texas four-year institution during the 2022 spring or summer semesters.

Table 1 displays characteristics of the sample at the time of random assignment. Overall, the characteristics of program and control group students were similar, suggesting that later differences in academic outcomes can be attributed to the grant offer.

Table 1. Student Characteristics at Random Assignment

Characteristic	Overall Sample	Program Group	Control Group	Difference	P-Value
Gender (%)					
Female	69.3	69.3	69.3	0.0	0.977
Male	30.7	30.7	30.7	0.0	0.977
Average age (years)	26.6	26.6	26.7	-0.1	0.258
Age (%)					
19 or younger	6.0	6.2	5.9	0.2	0.289
20 to 23	42.7	42.6	42.7	-0.1	0.829
24 or older	51.3	51.2	51.4	-0.1	0.773
Race/ethnicity (%)					
Hispanic ^a	53.3	53.3	53.3	0.0	0.955
White	21.7	21.7	21.7	0.0	0.999
Black	15.1	15.1	15.1	0.0	0.984
Asian	4.3	4.3	4.4	0.0	0.889
Multiracial	2.4	2.4	2.4	0.0	0.913
Unknown	2.7	2.7	2.7	0.0	0.796
None of the above ^b	0.4	0.4	0.4	0.0	0.779
Academic history					
Prior postsecondary GPA	3.12	3.12	3.12	-0.01	0.311
Number of prior college-level credits	49.80	50.11	49.75	0.36*	0.073
Sample size	89,834	13,966	75,868		

(continued)

Table 1 (continued)

SOURCE: MDRC calculations using de-identified data accessed through the University of Texas at Austin Education Research Center.

NOTES: Rounding may cause small discrepancies in sums and differences.

For the table above, statistical significance levels have been indicated by MDRC as *** = 1 percent; ** = 5 percent; * = 10 percent.

^aStudents of Cuban, Mexican, Puerto Rican, South or Central American, or of other Spanish culture or origin were counted as “Hispanic” regardless of their race. Non-Hispanic students were counted under the other categories shown.

^b“None of the above” includes students whose race/ethnicity was classified as International, Pacific Islander, American Indian, or Alaskan Native. International students are individuals who are studying in the United States on a visa from another country.

Program Implementation

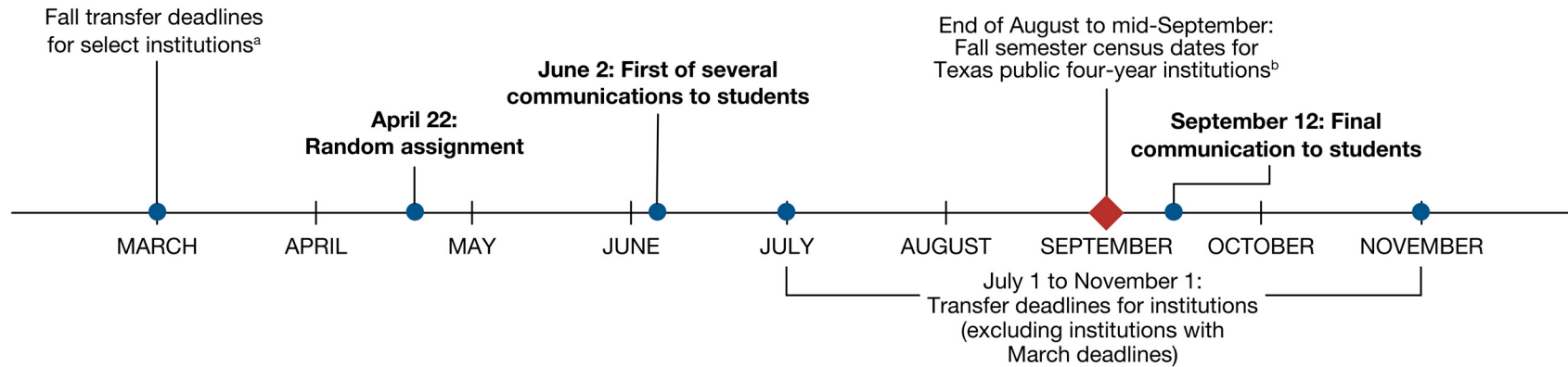
Program group students were first notified about the grant offer by email on June 2, 2022. MDRC and the THECB had initially hoped to contact students in January so that they would have more time to consider how the grant offer might affect their fall enrollment decisions, but administrative challenges delayed the communications.¹² Between June and mid-September, students were sent a series of eight emails and two hardcopy letters that reminded them of their eligibility. These communications explained the grant offer, described the steps the students would need to take to receive the grant, and included a link students could use to contact the THECB with further questions.¹³ Control group students were not contacted. Figure 1 shows a timeline of the communications with the program group.

MDRC staff members interviewed 26 program group students about their experience with the grant offer in August and September 2022. During these 30-minute interviews, students were asked for their thoughts on the pilot program communications and the benefits of the grant offer, as well as their suggestions for improving the program in the future. MDRC staff members had emailed 800 randomly selected program group students about participating in the interviews; the 26 interviews were conducted on a first-come, first-served basis. In other words, the interviewees include some of the most responsive program group students—a group that is not representative of the overall student population. As a result, qualitative findings should be interpreted with caution.

Findings

An analysis of enrollment data shows that the pilot program increased the proportion of students who enrolled in a Texas four-year institution for the fall 2022 semester. As shown in Table 2, approximately 16.7 percent of program group students enrolled at a four-year institution, compared with 15.2 percent of control group students—a difference of 1.5 percentage points (a 10 percent increase) that can be causally attributed to the Texas Transfer Grant program.

Figure 1. Texas Transfer Grant Pilot Program Timeline in 2022



NOTES: ^aInstitutions with March transfer deadlines include Texas A&M University, Texas A&M University-Corpus Christi, Texas A&M University-San Antonio, and the University of Texas at Austin.

^bStudents had to be enrolled by this time in the four-year institutions to receive the grant.

Table 2. Impacts on the Fall 2022 Enrollment Rate

Enrollment Rate (%)	Program Group	Control Group	Difference (Impact)	P-Value	Standard Error
Any four-year institution	16.7	15.2	1.5 ***	0.000	0.329
Public four-year institution	16.0	14.6	1.4 ***	0.000	0.323
Private four-year institution	0.7	0.6	0.1	0.163	0.073
Public two-year institution	33.0	33.0	0.0	0.936	0.427
Private two-year institution	0.0	0.0	0.0	0.785	0.007
Sample size (n = 89,832)	13,966	75,866			

SOURCE: MDRC calculations using de-identified data accessed through the University of Texas at Austin Education Research Center. Data for one public four-year institution were not available and are not included in these calculations.

NOTES: Rounding may cause small discrepancies in sums and differences.

For the table above, statistical significance levels have been indicated by MDRC as *** = 1 percent; ** = 5 percent; * = 10 percent.

Estimates are adjusted by students' race/ethnicity and gender, as well as their age, GPA, and the number of college credits they accumulated prior to their selection for the evaluation. Two students were omitted from the calculation due to missing age information.

The ages of two students in the evaluation sample were not available; they are excluded from the numbers above.

The standard error is an estimate of the sampling variation of the impact and is used to assess its level of statistical significance, as shown by the p-value.

This program impact was driven by enrollment at public four-year institutions; enrollment at other types of institutions was unaffected. Program group students' enrollment at public two-year institutions did not decline due to the grant offer—approximately one-third of both the program and control groups enrolled at such institutions. This may indicate that the grant offer motivated students who would otherwise not have enrolled at *any* institution for the fall 2022 semester to instead enroll at a public four-year institution (as opposed to influencing students who would have remained at their two-year institution to transfer earlier than they originally planned).¹⁴

To explore whether the grant offer was particularly effective for certain types of students, enrollment analyses were conducted that grouped students by gender, race/ethnicity, age, number of college-level credits accumulated, and postsecondary GPA (as of the students' selection for the evaluation and random assignment). The estimated effects of the Texas Transfer Grant offer on fall enrollment are positive for all subgroups. There is no discernable evidence that the intervention was more effective for one subpopulation compared with another, with one exception: students' prior postsecondary GPA. The estimated effects are

positive for all of the students, but the grant offer appears to have been most effective for students with lower prior postsecondary GPAs that range from 2.0 to 2.49. Given the number of subgroups examined, these results should not be overinterpreted. These results are shown in [Supplemental Table 1](#).

The student interviews suggest that the grant offer may have provided other benefits besides influencing student enrollment decisions. More than 50 percent of the interviewees reported that the grant offer lowered their financial stress and anxiety. About 19 percent of interviewees also reported that they expected the grant would allow them to devote more effort to their classes, either by reducing their need to work or by enabling them to afford additional courses. At the same time, interview analyses highlight that the students who were interviewed were not representative of the overall program group. About 33 percent of interviewees reported that the grant offer enabled them to transfer for the fall 2022 semester—a higher proportion than the 17 percent of program group members who ended up enrolling (regardless of whether they were specifically able to do so as a result of the grant offer), and a much higher proportion than the 1.5 percentage point enrollment impact. It is not surprising that the students who felt that the grant offer was most impactful would be most responsive to an invitation to be interviewed about the pilot program.

Interviewees who had decided not to transfer in the fall offered a range of motivations for doing so. These motivations included finding the nine-credit-hour requirement difficult to meet, being close to obtaining a two-year degree, or experiencing financial pressures that the grant dollars were insufficient to address. No single reason emerged as a predominant obstacle to increased grant uptake.

The student interviews identified ways that program implementation could be strengthened in the future. About 33 percent of interviewees noted that they were initially skeptical of the grant offer, given that they were not familiar with the THECB and the emails and letters they received were unsolicited. These students became convinced the grant offer was real when they saw the grant reflected in their financial aid package or when they spoke with someone at their intended transfer institution or the THECB. About 20 percent of interviewees said that it would have been helpful to learn about the grant offer earlier in the year, to allow them more time to plan for their transfer and to participate in new transfer student activities. As one student stated, “[The communications] really pushed me to apply [for transfer], and I was able to get accepted into [the university], but not in time for this semester to [register] for classes, because there are certain deadlines that I couldn’t meet.” Future iterations of the grant offer could be adapted to address these points—for example, by notifying students about their grant eligibility earlier in the year, or by partnering with Texas public universities to inform students about the grant offer.

Conclusion

The Texas Transfer Grant Pilot Program increased the proportion of students who enrolled at a Texas four-year institution for the fall 2022 semester by 1.5 percentage points, or 10 percent over a control group mean of 15.2 percent. In other words, the Texas Transfer Grant program persuaded 1 out of every 11 students who received a grant to enroll at a four-year institution, while the other 10 would have done so in the absence of the pilot program. Total program expenditures were \$9.8 million, with an average cost of approximately \$700 per student offered the grant and approximately \$47,000 per student persuaded to transfer. Student interviews highlight other program benefits—such as lowered financial stress or the ability to reduce work hours and focus more on classes—that extended to many grant recipients, regardless of whether the grant offer persuaded them to transfer or not.

The findings presented here suggest that the grant offer had a positive effect on changing student transfer behavior and provided a range of perceived benefits to students. They also highlight two ways that program implementation could be altered to potentially enhance impacts on transfer. First, the student messaging campaign could be scheduled earlier, and more could be done to assure students of the grant offer's authenticity quickly (such as partnering with two-year institutions to inform students about the program).

Second, if data about spring enrollment could be incorporated when determining student grant eligibility, it would allow the grant offer to be more precisely targeted to students who have not already transferred. Re-targeting the program in this way would come with both advantages and disadvantages. The primary advantage would be that fewer grant payments would be made to students who would have enrolled in a four-year institution in the absence of the grant—which means the program could potentially motivate as many as 1 out of every 7 grant recipients to transfer, rather than 1 out of every 11 recipients.¹⁵ The disadvantages would include the necessity for a more complex and tightly scheduled administration of the program, since spring enrollment information would need to be obtained and analyzed in a timely manner; the chance that students who planned to enroll in the spring would instead delay their transfer until the fall to become eligible for the grant; and the extension of the benefits of reduced financial stress and need to work to a narrower range of students.

This policy brief should not be taken as the final word on the benefits and costs of the grant offer because the evaluation of the pilot program is ongoing. Subsequent evaluation analyses will assess whether the grant offer had a positive impact on other fall 2022 and spring 2023 academic outcomes, such as students' rate of credit accumulation. In addition, future analyses will explore whether providing a subset of program group students with an additional grant offer for the spring 2023 semester further improves student outcomes.

Notes and References

1. “An aspiration for most students starting community college is to earn a bachelor’s degree. In fact, when asked to name their goals for attending college, 78 percent of entering students responding to the Survey of Entering Student Engagement indicated transferring to a four-year college or university as a goal.” Linda Garcia and Courtney Adkins, “What Community College Students Tell Us About Transfer,” website: www.insidehighered.com/blogs/tackling-transfer/what-community-college-students-tell-us-about-transfer, 2021.
2. National Student Clearinghouse Research Center, “Tracking Transfer: Measures of Effectiveness in Helping Community College Students to Complete Bachelor’s Degrees,” website: nscresearchcenter.org/tracking-transfer/, 2021.
3. National Student Clearinghouse Research Center (2021).
4. Sandy Baum and Kristin Blagg, *Strengthening Student Aid in Texas: Can the TEXAS Grant Program Support Transfer Students?* (Washington, DC: Urban Institute, 2021); Texas Higher Education Coordinating Board, *2021 Texas Public Higher Education Almanac* (Austin: Texas Higher Education Coordinating Board, 2021).
5. This mixed-methods evaluation used a random assignment design—a process akin to a lottery or coin flip—to determine which eligible students were offered the grant. Random assignment ensures that students who are offered a grant do not systematically differ from students who are not offered a grant. This is true for measurable characteristics (like gender, education, and economic status) as well as other immeasurable characteristics (like motivation and grit). It allowed evaluators to estimate the impact of the grant offer—that is, its added value over the status quo. Incorporating qualitative perspectives—through activities like student interviews—allowed evaluators to more fully understand what barriers students face to transferring, how well the pilot program operated, and how to more accurately interpret the “how and why” that underlie any quantitative assessments of program performance.
6. While the grant was only given to students for enrollment at public four-year institutions in Texas, the evaluation estimated the impact of the grant offer on enrollment in all Texas four-year institutions—including both public and private institutions—because it provides a better measure of success. If the grant offer increased public enrollment but decreased private enrollment by a similar amount (a net zero change for overall four-year enrollment), it would likely not be considered a successful program.
7. The THECB and MDRC’s analysis of historical Texas student data and assessment of student program eligibility used deidentified student data that were securely accessed through the University of Texas at Austin Education Research Center. Eligibility was determined by using the most current data that were available at the time.
8. The federal Pell Grant program provides aid to students from low-income households for their postsecondary education.
9. Enrollment in a greater number of credits is associated with a higher likelihood of degree attainment. See Paul Attewell, Scott Heil, and Liza Reisel, “What Is Academic Momentum? And Does It Matter?” *Educational Evaluation and Policy Analysis* 34, 1 (2012): 27–44.
10. The program and control groups were stratified based on students’ race/ethnicity and gender. A smaller number of students were assigned to the program group than the control group to align expected total grant disbursements with available grant funds.
11. A random subset of students who had been offered the fall 2022 grant were offered the spring 2023 grant. A later report will examine this grant and student academic outcomes in spring 2023.
12. Challenges included the process of finalizing a data-sharing agreement between the THECB and MDRC, as well as the establishment of contracts between the THECB and public four-year universities in Texas. In prior higher education financial aid programs in Texas, the academic institutions identified which students would receive funds. The Texas Transfer Grant Pilot Program was the first time that the THECB identified individual student grant recipients. This novel approach took longer to set up than originally anticipated. As shown in Figure 1, four institutions had fall transfer deadlines in March, before students were notified of the grant offer. Based on data from the THECB, these four institutions accounted for approximately 10 percent of fall 2020 first-time transfers by students from public two-year institutions to public four-year institutions in Texas.
13. Students were offered the option to withdraw from the evaluation and program, if desired. One student withdrew, and is not included in any numbers presented in this policy brief.

14. An alternative explanation would be that some students enrolled in multiple types of institutions—however, this was the case for fewer than 1.0 percent of students, with comparable prevalence among both evaluation groups.
15. During the pilot, 6.0 percent of both program and control group students transferred during the spring 2022 semester, before the grant offer was extended to students. If these students had been identified as having already transferred, and therefore had not been offered a grant, an impact of 1.5 percentage points against a control group mean of 9.2 percent might be expected. In this case, the 1.5 percentage point impact would represent an increase of 16 percent over the control group mean.

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