

# 2018-19

# Program Guidelines

# Tuition Equalization

# Grant (TEG)



Student Financial Aid Programs  
Texas Higher Education Coordinating Board

## TABLE OF CONTENTS

<b>TUITION EQUALIZATION GRANT PROGRAM</b> .....	<b>1</b>
Program Authority and Purpose (19 TAC, Section 22.21).....	1
State Priority Deadline (TEC, Section 56.008 and 19 TAC, Section 22.6) .....	1
Eligible Institutions (19 TAC, Section 22.23) .....	1
<b>ELIGIBILITY</b> .....	<b>2</b>
Eligibility Requirements (19 TAC, Section 22.24).....	2
Selective Service Statement (19 TAC, Section 22.3) .....	3
Discontinuation of Eligibility (19 TAC, Section 22.24).....	4
Hardship Provisions (19 TAC, Section 22.24).....	4
Satisfactory Academic Progress (SAP) (19 TAC, Section 22.24) .....	4
<b>AWARDING</b> .....	<b>5</b>
Tuition Differential (19 TAC, Section 22.22) .....	6
Over Awards (19 TAC, Section 22.26).....	6
Late Disbursements (19 TAC, Section 22.28).....	6
Proration (19 TAC, Section 22.26) .....	7
Adjustments to Awards (19 TAC, Section 22.27) .....	7
<b>PROCESSING FUNDS</b> .....	<b>7</b>
Requesting Program Funds.....	7
Returning Program Funds.....	7
Authority to Transfer Funds (TAC, Section 22.30) .....	8
<b>APPENDIX 1: SACS PROGRAM LEVELS</b> .....	<b>9</b>
<b>APPENDIX 2: QUICK REFERENCES</b> .....	<b>10</b>



## TUITION EQUALIZATION GRANT PROGRAM

The Texas Higher Education Coordinating Board (THECB) Program Guidelines are intended to support institutions by highlighting requirements that appear in the Texas Education Code (TEC) and Title 19 of the Texas Administrative Code (TAC). When administering this program, institutions should always refer to the applicable statutes and rules. The information provided in this document is to be used solely as a resource and does not supersede the statute and/or rules for this program.

---

### PROGRAM AUTHORITY AND PURPOSE ([19 TAC, SECTION 22.21](#))

The Tuition Equalization Grant (TEG) program was authorized by [TEC Chapter 61, Section 61.221](#). Rules establishing procedures to administer the subchapter can be found in [Title 19 of the TAC, Chapter 22, Subchapter B](#). The program is funded by appropriations by the Texas Legislature. The purpose of the TEG program is to promote the best use of existing educational resources and facilities within this state, both public and private, by providing need-based grants to Texas residents enrolled in approved private or independent Texas colleges or universities.

---

### STATE PRIORITY DEADLINE ([TEC, SECTION 56.008](#) AND [19 TAC, SECTION 22.6](#))

The THECB provides a uniform priority deadline for applications that qualify for financial assistance in an academic year. Institutions eligible to participate in the TEG program are *encouraged* to publicize and use the **March 15** state priority deadline for identifying eligible students to be given priority in receiving awards through the state financial aid programs. Institutions may define how their students must meet the priority deadline. Institutions are encouraged to adopt a policy and procedure to ensure students are awarded consistently for this program.

**! ALERT NEW:** Beginning with the 2019-20 academic year and all years thereafter, all General Academic Teaching Institutions (GATIs) in Texas **must** publicize and use **January 15** as the state priority deadline. All other public and private/independent institutions are *encouraged* to use this deadline.

**NOTE:** The 2019-20 Free Application for Federal Student Aid (FAFSA) and Texas Application for State Financial Aid (TASFA) will use **January 15, 2019** as the state priority deadline date.

---

### ELIGIBLE INSTITUTIONS ([19 TAC, SECTION 22.23](#))

Any college, university or branch campus, defined as a private or independent institution of higher education, is eligible to participate in the TEG program (See [TEC, Section 61.003](#)).

Each participating institution will have a single allocation in which initial year (IY), also known as first awards, and renewal year (RY), also known as subsequent awards, can be made.

## ELIGIBILITY

### ELIGIBILITY REQUIREMENTS ([19 TAC, SECTION 22.24](#))

#### TO RECEIVE A FIRST AWARD, A STUDENT MUST:

- ✓ Be classified by the institution as a Texas resident
- ✓ Be registered with Selective Service, or be exempt
- ✓ Have financial need
- ✓ Be enrolled at least 3/4 time
- ✓ Be an undergraduate **or** graduate student enrolled in degree plan leading to a **first** associate, baccalaureate, master's, professional, or doctoral degree (excluding degree plans that are intended to lead to religious ministry)
- ✓ Maintain satisfactory academic progress in his/her program of study as determined by the institution
- ✓ Not have earned a degree for which they are currently enrolled
- ✓ Not be a recipient of an athletic scholarship (i.e. the student is obliged to play an intercollegiate sport as a result of receiving the scholarship) during the semester(s) TEG is awarded
- ✓ Be required to pay more tuition than is required at a comparable public college or university and be charged no less than the tuition required of all similarly situated enrolled at the institution

#### TO RECEIVE A CONTINUATION AWARD, A STUDENT MUST:

- ✓ Meet all the first award requirements
- ✓ Maintain satisfactory academic progress



**STOP:** Non-resident National Merit Scholarship finalists are no longer eligible for a TEG award and there is no grandfathering provision included in this change.

**SELECTIVE SERVICE STATEMENT ([19 TAC, SECTION 22.3](#))**

**! ALERT NEW: STUDENT COMPLIANCE WITH SELECTIVE SERVICE**

A male student cannot receive a grant, scholarship, loan or other financial assistance funded by state revenue, unless a statement of the individual's selective service status is completed with the institution or other entity granting or guaranteeing the financial assistance. This requirement also includes federal funds or gifts and grants accepted by this state and any loans guaranteed by the state of Texas (See [TEC, 51.9095](#)).

Typically, a student's selective service status is confirmed through the online FAFSA process which validates registration directly with the Selective Service Administration. If a student's selective service status is confirmed on the Institutional Student Information Record (ISIR), no statement needs to be collected by the institution.

The statement below **must** be collected for all male applicants, each academic year, in the following situations:

- A FAFSA that that is flagged "not registered" must be reviewed by the institution to determine if the student is exempt and may be eligible for federal or state financial aid programs. If the student is **exempt**, additional documentation should be collected by the institution to verify the circumstances. The institution can determine what additional documentation to collect for this verification.
- For a student that does not complete a FAFSA, the required statement and back-up documentation must be collected by the institution to verify the current selective service status if the individual is applying for any state financial aid.

**NOTE:** The institution has discretion to determine how to collect this required statement, which can be done electronically or on paper (e.g. online form, signed award letter, etc.). The statement and all documentation must be retained in the student's record and be made available if requested during a program review or audit. Each statement collected must be retained with the student's records for 7 years after the date of completion for the applicable award period (See [TAC, Section 22.4\(a\)\(2\)\(A\)](#)).

**Required Statement of Selective Service Status**

Are you currently registered for Selective Service, as required by federal law?

Registered (Proof of registration required)
  Not Registered
  Exempt (Documentation required)

I, \_\_\_\_\_, hereby certify that the selective service status provided is true and correct. I understand that I must provide documentation if requested by my institution that I may be required to complete a new statement for each academic year for continued eligibility.

\_\_\_\_\_

Student Signature \_\_\_\_\_  
Date

**DISCONTINUATION OF ELIGIBILITY (19 TAC, SECTION 22.24)**

An award cannot be granted to a student pursuing a second degree of one already earned. Unless an extension of eligibility (due to a hardship circumstance) is granted, a student’s eligibility ends if any of the following maximums have been met:

DEGREE TYPE	IF ENROLLED IN A DEGREE OR CERTIFICATE PROGRAM OF 4 YEARS OR LESS	IF ENROLLED IN A DEGREE OR CERTIFICATE PROGRAM OF MORE THAN 4 YEARS
RECIPIENT WORKING TOWARD AN ASSOCIATE OR BACCALAUREATE DEGREE	<b>5 years</b> from the first semester awarded	<b>6 years</b> from the first semester awarded
RECIPIENT WORKING TOWARD A MASTER'S, PROFESSIONAL, OR DOCTORAL DEGREE	<b>No maximum time limit</b>	

**HARDSHIP PROVISIONS (19 TAC, SECTION 22.24)**

A student who is ineligible for a TEG award based on grade point average (GPA), completion rate, or number of completed hours for satisfactory academic progress may be deemed eligible under a hardship provision. Each institution must adopt a hardship policy and have the policy available for public review. All hardship decisions must be documented in the student’s record and be available for submission to the THECB, if requested.

**SATISFACTORY ACADEMIC PROGRESS (SAP) (19 TAC, SECTION 22.24)**

At the end of the first academic year, a student must meet the SAP requirements set by the institution to be eligible for a continuation award.

At the end of the second academic year, and all years thereafter, undergraduates must have completed 24 semester credit hours (SCH) in the most recent academic year, with a 75% completion rate for hours attempted in that year, and must have a minimum 2.5 cumulative GPA. Graduate students must have completed 18 SCH in the most recent academic year, with a 75% completion rate for hours attempted in that year, and must have a minimum 2.5 cumulative GPA.

The chart below reflects requirements, which must be monitored to ensure compliance.

ACADEMIC YEAR	SAP REQUIREMENTS		
END OF 1ST ACADEMIC YEAR	Institutional SAP policy		
END OF 2ND ACADEMIC YEAR OR LATER – UNDERGRADUATE STUDENTS	Completion of at least 24 SCH in the most recent academic year	75% completion rate	2.5 cumulative GPA on a 4-point scale or its equivalent for all coursework attempted at a public, private, or independent institution
END OF 2ND ACADEMIC YEAR OR LATER – GRADUATE STUDENTS	Completion of at least 18 SCH in the most recent academic year		

**ADDITIONAL INFORMATION**

**GPA APPEALS**

A student who does not meet the GPA requirement at the end of a spring term may appeal to have courses taken at other institutions included in the GPA calculation. In this case, all grade points previously earned must be included in the overall GPA calculation.

**FIRST YEAR APPEALS**

If a student who completes the first year on academic warning, probation, or on an approved plan, the student can be considered meeting SAP, if the institution’s policy includes such provisions. However, at the end of the second year, the student must meet the program SAP requirements for continued eligibility.

**FAILING COURSES**

The intent of the 24/18 SCH requirement is to encourage timely progression towards a degree. Since a grade of **F** is not earned toward a degree, it should not be considered when calculating the student’s completed hours. Failing grades must be considered attempted hours, and therefore counted in the calculation of a student’s completion rate.

## AWARDING

**! ALERT NEW: ELIMINATION OF REALLOCATION PROCESS**

Beginning in the 2018-19 award year, institutions will now have until the close of business on **August 1** (or the first working day thereafter if it falls on a weekend or holiday) to request program funds. The prior process in February will no longer be used to reallocate grant funding.

Each biennium\*, funds not requested in the first year can be rolled-over for use in the second. However, funds for the second year of the biennium cannot be requested in advance during the first. Any funds not requested in the second year of the biennium become available for grant processing determined by the THECB.

*\*A biennium is defined as a two-year period designated to spend appropriated funds by the Legislature to be allocated to the institutions.*

Institutions have until August 1 to encumber the program funds that have been allocated. In determining who should receive a TEG award, an award may not exceed a student's financial need or tuition differential for that term or semester. Undergraduate students with exceptional financial need may receive up to 150% of the program maximum award (see [19 TAC, SECTION 22.26](#)). Exceptional financial need is defined as the amount of unmet need a student has if his or her expected family contribution (EFC) is less than or equal to \$1,000.

TEG 2018-19 AWARD MAXIMUMS		
INSTITUTION TYPE	AWARD MAX/YEAR	EXCEPTIONAL NEED
PRIVATE/INDEPENDENT INSTITUTIONS	\$3,364	\$5,046
Undergraduate students whose EFC's are ≤ \$1,000 may receive up to the Exceptional Need award amount.		

**TUITION DIFFERENTIAL ([19 TAC, SECTION 22.22](#))**

Tuition differential is defined as the difference between the tuition paid at a private or independent institution and the tuition the student would have to pay to attend a comparable public institution in Texas. Fees are not included in this calculation, only tuition rates.

The Southern Association of Colleges and Schools (SACS) identifies institutions by the highest levels of degrees they offer. These levels are being used by the THECB to identify “comparable” institutions for the purpose of calculating tuition differentials. The following table shows average resident undergraduate and graduate tuition rates per SCH for public institutions at various SACS levels for the 2018-19 academic year.

These amounts should be used by the institution to derive tuition differentials by using the student’s total SCH and multiplying the tuition rate provided (see **Appendix 1** for individual institutional program levels).

SACS LEVEL	UNDERGRADUATE TUITION RATE PER SCH	GRADUATE TUITION RATE PER SCH
ASSOCIATE DEGREE <b>LEVEL 1</b>	\$61	n/a
BACCALAUREATE DEGREE <b>LEVEL 2</b>	\$60	n/a
MASTER’S DEGREE <b>LEVEL 3</b>	\$190	\$273
THREE OR FEWER DOCTORAL DEGREES <b>LEVEL 5</b>	\$196	\$260
FOUR OR MORE DOCTORAL DEGREES <b>LEVEL 6</b>	\$245	\$316
PUBLIC INSTITUTION RATES FOR LAW SCHOOL STUDENTS = \$880 PER SCH		

**OVER AWARDS ([19 TAC, SECTION 22.26](#))**

If an award has been disbursed and a student receives other assistance that exceeds the student's financial need, the institution is not required to adjust the award unless the sum of the excess resources is greater than \$300.

**LATE DISBURSEMENTS ([19 TAC, SECTION 22.28](#))**

Funds that are disbursed after the end of a student’s period of enrollment must be used either to pay the student’s outstanding balance for the period of enrollment, or to make a payment on an outstanding loan received during that period of enrollment. Under no circumstances should funds be released directly to the student in this situation.

**ADDITIONAL INFORMATION**

**TUITION DIFFERENTIAL EXAMPLES:**

- Charges for an independent 2-year institution (e.g. Jacksonville College) should be compared to public community college charges (Level 1).
- A Level 2 institution that only awards TEG to associate degree students (e.g. Southwestern Christian College) should compare its charges to those of public community colleges (Level 1).
- Levels 2, 3, 5 and 6 independent institutions (other than Southwestern Christian College) should compare their charges to the average charges of public institutions at the same levels.



**PRORATION ([19 TAC, SECTION 22.26](#))**

Awards must be prorated if the student has been approved for an exception to the 3/4 time enrollment requirement due to a hardship circumstance:

UNDERGRADUATE HARDSHIP PRORATION SCHEDULE	ENROLLED 6-8 HOURS	ENROLLED < 6 HOURS
		50% of the maximum award amount
GRADUATE HARDSHIP PRORATION SCHEDULE	ENROLLED 5-6 HOURS	ENROLLED < 5 HOURS
		50% of the maximum award amount

**ADJUSTMENTS TO AWARDS ([19 TAC, SECTION 22.27](#))**

If a student officially withdraws or the amount of a student's disbursement exceeds the amount the student is eligible to receive, the institution must follow its institutional refund policy in determining the amount by which the award must be reduced.

- These funds should be re-awarded to other eligible students attending the institution. If funds cannot be re-awarded, they should be returned to the THECB no later than the end of the state fiscal year for which they were allocated to the institution.
- If the student withdraws or drops classes after the end of the institution's refund period, no refunds to the program are due.

**PROCESSING FUNDS**

**REQUESTING PROGRAM FUNDS**

When requesting funds, institutions must submit a [Funds Request Form \(FRF\)](#). This form is available through the secure Coordinating Board Pass System (CBPASS) portal on the Student Financial Aid Programs Information Webpage.

**RETURNING PROGRAM FUNDS**

A [Return of Funds Form \(RFF\)](#) must be submitted and approved before any funds are returned to the THECB. This form is available on the Student Financial Aid Programs Information Webpage under **Online Resources**.



**STOP: TIMELY DISTRIBUTION OF FUNDS ([19 TAC, Section 22.2](#))**

- Institutions have 3 business days after receiving the funds to apply the funds to a student's account
- Institutions have 6 business days after receiving the funds to return undisbursed funds
- Institutions have 45 calendar days from the date a student becomes ineligible to return disbursed funds
- Institutions have 120 calendar days to return funds after a student has notified the institution of a decision to cancel the award

**AUTHORITY TO TRANSFER FUNDS ([TAC, SECTION 22.30](#))**

**! ALERT:** Institutions participating in TEG and Texas College Work-Study (TCWS) may transfer up to 10% of the institution’s total annual program allocation or \$20,000 (whichever is less) between programs within the relevant fiscal year. Institutions requesting a transfer between programs must submit an [Authority to Transfer Form](#) by **January 18**.

If the institution transfers TEG funds to TCWS, the transferred TCWS funds must be encumbered by **February 20**. If funds are being transferred from TCWS to TEG, the institutions must first return the TCWS funds to the THECB by **January 18** but will have until **August 1** to request the transferred funds.

FROM		TO	Deadline to Encumber
TEXAS Grant TEOG TEG	→	TCWS	FEBRUARY 20
<b>OR</b>			
TCWS	→	TEXAS Grant TEOG TEG	AUGUST 1

Funds can only be transferred from a grant to TCWS or vice versa, never from a grant to a grant.

# APPENDIX 1: SACS PROGRAM LEVELS

Institution Name	SACS Level	UNDERGRADUATE TUITION RATE PER SCH	GRADUATE TUITION RATE PER SCH
Abilene Christian University	5	\$196	\$260
Austin College	3	\$190	\$273
Baylor University	6	\$245	\$316
Concordia University Texas	5	\$196	\$260
Dallas Baptist University	5	\$196	\$260
East Texas Baptist University	3	\$190	\$273
Hardin-Simmons University	5	\$196	\$260
Houston Baptist University	5	\$196	\$260
Howard Payne University	3	\$190	\$273
Huston-Tillotson University	3	\$190	\$273
Jacksonville College	1	\$62	n/a
Jarvis Christian College	2	\$60	n/a
LeTourneau University	3	\$190	\$273
Lubbock Christian University	3	\$190	\$273
McMurry University	3	\$190	\$273
Our Lady of the Lake University	5	\$196	\$260
Parker University	5	\$196	\$260
Rice University	6	\$245	\$316
Schreiner University	3	\$190	\$273
Southern Methodist University	6	\$245	\$316
Southwestern Adventist University	3	\$190	\$273
Southwestern Assemblies of God University	5	\$196	\$260
Southwestern Christian College	2	\$60	n/a
Southwestern University	2	\$60	n/a
St. Edward's University	3	\$190	\$273
St. Mary's University	5	\$196	\$260
Texas Chiropractic College	5	\$196	\$260
Texas Christian University	6	\$245	\$316
Texas College	2	\$60	n/a
Texas Lutheran University	3	\$190	\$273
Texas Wesleyan University	5	\$196	\$260
The University of Dallas	5	\$196	\$260
Trinity University	3	\$190	\$273
University of Mary Hardin-Baylor	5	\$196	\$260
University of St. Thomas	5	\$196	\$260
University of the Incarnate Word	6	\$245	\$316
Wayland Baptist University	5	\$196	\$260
Wiley College	2	\$60	n/a

**For example:** Institution Current Tuition Rate Per SCH = \$550  
 Institution SACS Level = 2

To calculate tuition differential for an undergraduate student who is enrolled in 12 SCH in the fall and 12 SCH in the spring:

$$\$550 - \$60 = \$490 \times 24\text{SCH} = \$11,760$$

$$\text{Institution Current Tuition} - \text{SACS avg.} = \text{Difference} \times \text{Total SCH} = \text{Tuition Differential}$$

## APPENDIX 2: QUICK REFERENCES

### CONTACT FINANCIAL AID SERVICES

By phone: (844) 792-2640

Contact us by completing an [online inquiry form](#) and select "Financial Aid Question" as the Contact Reason.

### OTHER RESOURCES FOR INSTITUTIONS

General program information for institutions	<a href="#">Student Financial Aid Programs Information Webpage</a>
General loan information	<a href="#">HHloans</a>
Texas Program Statutes	<a href="#">Texas Education Code</a>
Texas Program Rules	<a href="#">Texas Administrative Code</a>
Information concerning programs, procedures, allocations, and other topics will be communicated to institutions through the GovDelivery system. To receive these communications, interested individuals must subscribe.	<a href="#">GovDelivery</a>
Federal Selective Service Requirement Guide	<a href="#">Who Must Register Chart</a>

### AVAILABLE FORMS

TEXAS Grant, TEOG, TEG, TCWS	<a href="#">Authority to Transfer</a>
A form is required when requesting funds for all state grant, Bilingual Education Scholarship, and Educational Aide Exemption program funds.	<a href="#">Funds Request Form</a>
A form is required when returning funds for all state grant, scholarship, Educational Aide Exemption, and loan program funds.	<a href="#">Grants and Special Programs Online Return of Funds Form</a> <a href="#">Loan Programs Online Return of Funds Form</a>

### CALENDAR

[Institutional Calendar](#)