

General Provisions

Texas Administrative Code (TAC), Title 19, Chapter 22, Subchapter A

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§22.1 Definitions

The following words and terms, when used in Chapter 22, shall have the following meanings, unless otherwise defined in a particular subchapter:

- (1) **Academic Year**--The combination of semesters defined by a public or private institution of higher education to fulfill the federal "academic year" requirement as defined by 34 CFR 668.3.
- (2) **Attempted Semester Credit Hours**--Every course in every semester for which a student has been registered as of the official Census Date, including but not limited to, repeated courses and courses the student drops and from which the student withdraws. For transfer students, transfer hours and hours for optional internship and cooperative education courses are included if they are accepted by the receiving institution towards the student's current program of study.
- (3) **Awarded**--Offered to a student.
- (4) **Board or Coordinating Board**--The Texas Higher Education Coordinating Board.
- (5) **Board Staff**--The staff of the Texas Higher Education Coordinating Board.
- (6) **Categorical Aid**--Gift aid that the institution does not award to the student, but that the student brings to the school from a non-governmental third party.
- (7) **Commissioner**--The Commissioner of Higher Education, the Chief Executive Officer of the Board.
- (8) **Cost of Attendance/Total Cost of Attendance**--An institution's estimate of the expenses incurred by a typical financial aid recipient in attending a particular institution of higher education. It includes direct educational costs (tuition and fees) as well as indirect costs (room and board, books and supplies, transportation, personal expenses, and other allowable costs for financial aid purposes).
- (9) **Degree or certificate program of four years or less**--A baccalaureate degree or certificate program other than a program determined by the Board to require four years or less to complete.
- (10) **Degree or certificate program of more than four years**--A baccalaureate degree or certificate program determined by the Board to require more than four years to complete.
- (11) **Encumber**--Program funds that have been officially requested by an institution through procedures developed by the Coordinating Board.
- (12) **Entering undergraduate**--A student enrolled in the first 30 semester credit hours or their equivalent, excluding hours taken during dual enrollment in high school and courses for which the student received credit through examination.
- (13) **Expected Family Contribution (EFC)**--A measure of how much the student and his or her family can be expected to contribute to the cost of the student's education for the year as determined following the federal methodology.
- (14) **Financial Need**--The Cost of Attendance at a particular public or private institution of higher education less the Expected Family Contribution. The Cost of Attendance and Expected Family Contribution are to be determined in accordance with Board guidelines.
- (15) **Full-Time**--For undergraduate students, enrollment or expected enrollment for the equivalent of twelve or more semester credit hours per semester. For graduate students, enrollment or expected enrollment for the normal full-time course load of the student's program of study as defined by the institution.

(16) Gift Aid--Grants, scholarships, exemptions, waivers, and other financial aid provided to a student without a requirement to repay the funding or earn the funding through work.

(17) Graduate student--A student who has been awarded a baccalaureate degree and is enrolled in coursework leading to a graduate or professional degree.

(18) Half-Time--For undergraduates, enrollment or expected enrollment for the equivalent of at least six but fewer than nine semester credit hours per regular semester. For graduate students, enrollment or expected enrollment for the equivalent of 50 percent of the normal full-time course load of the student's program of study as defined by the institution.

(19) Period of enrollment--The semester or semesters within the current state fiscal year (September 1 - August 31) for which the student was enrolled in an approved institution and met all eligibility requirements for an award through this program.

(20) Program Officer--The individual named by each participating institution's chief executive officer to serve as agent for the Board. The Program Officer has primary responsibility for all ministerial acts required by the program, including the determination of student eligibility, selection of recipients, maintenance of all records, and preparation and submission of reports reflecting program transactions. Unless otherwise indicated by the institution's chief executive officer, the director of student financial aid shall serve as Program Officer.

(21) Residency Core Questions--A set of questions developed by the Coordinating Board to be used to determine a student's eligibility for classification as a resident of Texas, available for downloading from the Coordinating Board's website, and incorporated into the ApplyTexas application for admission.

(22) Resident of Texas--A resident of the State of Texas as determined in accordance with Chapter 21, Subchapter B of this title (relating to Determination of Resident Status). Nonresident students who are eligible to pay resident tuition rates are not residents of Texas.

(23) Semester--A payment period, as defined by 34 CFR 668.4(a) or 34 CFR 668.4(b)(1).

(24) Three-Quarter-Time--For undergraduate students, enrollment or expected enrollment for the equivalent of at least nine but fewer than 12 semester credit hours per semester. For graduate students, enrollment or expected enrollment for the equivalent of 75 percent of the normal full-time course load of the student's program of study as defined by the institution.

(25) Timely Distribution of Funds--Activities completed by institutions of higher education related to the receipt and distribution of state financial aid funding from the Board and subsequent distribution to recipients or return to the Board.

(26) Undergraduate student--An individual who has not yet received a baccalaureate degree.

Source Note: The provisions of this §22.1 adopted to be effective May 22, 2017, 42 TexReg 2719; amended to be effective December 5, 2019, 44 TexReg 7379; amended to be effective February 18, 2021, 46 TexReg 1057

§22.2 Timely Distribution of Funds

All institutions participating in the financial aid programs outlined in Chapter 22 shall follow the guidelines for the timely distribution of funds, as outlined in this section:

(1) **Timely Disbursement.** Institutions shall disburse state student financial aid funding to a student recipient's account or, in the case of work-study, through a paycheck, no later than three business days after receiving the funds. Undisbursed funds must be returned to the Board no later than six business days after the receipt of funds. Gift aid and work-study funds for which a student is no longer eligible may be disbursed to a different eligible student for whom funds have not yet been requested in order to meet the timely disbursement requirement.

(2) **Timely Determination of Ineligibility.** For state student financial aid funding already disbursed to a student, except work study, institutions shall return funds to the Board within 45 calendar days of a student becoming ineligible for the funding. Gift aid funds for which a student has been determined ineligible may be disbursed to a different eligible student for whom funds have not yet been requested in order to meet the timely determination of ineligibility requirement. In all cases, an institution must provide notification to the Board regarding the change in student eligibility, as appropriate for the particular student financial aid program.

(3) **Timely Cancellation.** For state student financial aid funds already disbursed to a student, except work-study, institutions may return funds to the Board within 120 calendar days of disbursement in situations where a student has notified the institution of his or her decision to cancel the financial aid. Gift aid funds for which a student has made the decision to cancel may be disbursed to a different eligible student for whom funds have not yet been requested in order to meet the timely cancellation requirement. In all cases, an institution must provide notification to the Board regarding the student's decision to cancel financial aid, as appropriate for the particular student financial aid program.

Source Note: The provisions of this §22.2 adopted to be effective May 22, 2017, 42 TexReg 2719; amended to be effective November 16, 2022, 47 TexReg 7555

§22.3 Student Compliance with Selective Service Registration

(a) An individual may not receive a loan, grant, scholarship, or other financial assistance funded by state revenue, including federal funds or gifts and grants accepted by this state, unless the individual files the Selective Service Statement of Registration Status with the institution granting or certifying the financial assistance. The language to be used in the Selective Service Statement of Registration Status is disseminated by Coordinating Board staff to institutions of higher education on an annual basis. Institutions may accept documentation from the Selective Service System of an individual's registration with the Selective Service in lieu of the required statement.

(b) An individual who has demonstrated registration with the Selective Service through the Selective Service Statement of Registration Status or acceptable Selective Service System documentation is not required to file a statement of the individual's selective service status the next time the individual makes an application for financial assistance to the same institution of higher education. An individual who has not previously demonstrated registration with the Selective Service through the Selective Service Statement of Registration Status or acceptable Selective Service System documentation is required to file a statement of the individual's selective service status the next time the individual makes an application for financial assistance.

(c) This section does not apply to:

(1) a female individual, if females are not subject to general selective service registration under federal law; or

(2) an individual older than the maximum age at which an individual is required to be registered with the selective service system under federal law.

(d) Authority for this section is provided in Texas Education Code, Chapter 51, Section 51.9095.

Source Note: The provisions of this §22.3 adopted to be effective February 28, 2018, 43 TexReg 1083; amended to be effective May 19, 2022, 47 TexReg 2860

§22.4 Records Retention

(a) All institutions participating in the financial aid programs described in Chapter 22 shall follow the records retention guidelines outlined in subsection (a) and (b) of this section:

(1) An institution shall maintain its records and accounts of all transactions related to state and federal student financial aid in keeping with the institution's records retention schedule to ensure a full accounting for all funds received, disbursed, and expended by the institution.

(2) Records and accounts shall be available for inspecting, monitoring, programmatic or financial auditing, or evaluation by the Coordinating Board, and by others authorized by law or regulation, for a period (whichever is later):

(A) not less than seven (7) years after the date of the completion of the award period,

(B) the date of the receipt of the institution's final claim for payment of final expenditure report, or

(C) until a resolution of all billing questions in connection with the account has been resolved.

(3) Records and accounts shall include, but are not limited to, general institutional and program specific record-keeping requirements in accordance with Federal Student Aid Title IV regulations (USOE, 34 CFR §668.24).

(b) If an audit is announced, an institution shall retain its records until the audit has been completed or not less than seven (7) years after the expiration date of the Memorandum of Understanding for State Financial Aid Programs (MOU), whichever is later.

(1) An institution shall make available to the auditing entity all documents and other information related to state financial aid programs.

(2) An institution and any subcontractors shall provide any information the auditing entity deems relevant to any monitoring, investigation, evaluation, or audit.

Source Note: The provisions of this §22.4 adopted to be effective February 28, 2018, 43 TexReg 1083

§22.5 Exclusion of Certain Resources in Determining Need for State Aid

The right of a person to receive payments or benefits from the Higher Education Savings Plan, Prepaid Tuition Unit Undergraduate Education Program: Texas Tomorrow Fund II, or the Texas Save and Match Program, authorized in the Texas Education Code, Chapter 54, Subchapters G, H, or I, is not to be considered an asset of the person or otherwise included in the person's household income or other financial resources for purposes of determining the person's eligibility for a TEXAS grant or other state-funded financial assistance.

Source Note: The provisions of this §22.5 adopted to be effective August 27, 2018, 43 TexReg 5504

§22.6 Applying for State Aid

(a) Priority deadline:

(1) All general academic teaching institutions shall use January 15 as the priority application deadline to receive state financial aid.

(2) The priority deadline is not to serve as a determination of eligibility for state financial aid, but otherwise eligible students who apply on or before the deadline shall be given priority consideration for available state financial aid before other applicants.

(b) Texas Application for State Financial Aid (TASFA):

(1) The TASFA collects data necessary for determining state financial aid eligibility for those applicants classified as Texas residents, as outlined in Chapter 21, Subchapter B of this Part, who are not eligible to apply for federal financial aid using the Free Application for Federal Student Aid.

(2) Beginning with the financial aid application cycle for academic year 2023-2024 and thereafter, the online TASFA available through the ApplyTexas website is the sole, acceptable online TASFA. All institutions participating in financial aid programs covered by this chapter must accept the data generated by the completion of this online TASFA.

(3) Beginning with the financial aid application cycle for academic year 2023-2024 and thereafter, the TASFA document available through the ApplyTexas website is the sole, acceptable printable version of the TASFA, which institutions may accept from applicants who do not have access to the necessary technology to complete the online TASFA.

(4) An institution is not prohibited from requiring an applicant to submit additional information to accompany the data received via the TASFA.

(c) Authority for this section is provided in Texas Education Code, Chapter 56, Section 56.008 and Chapter 61, Section 61.07762.

Source Note: The provisions of this §22.6 adopted to be effective August 27, 2018, 43 TexReg 5504; amended to be effective May 19, 2022, 47 TexReg 2860

§22.7 Dissemination of Information and Rules

The Board is responsible for publishing and disseminating general information and program rules for the programs described in this Chapter.

Source Note: The provisions of this §22.7 adopted to be effective August 27, 2018, 43 TexReg 5504

§22.9 Institutional Responsibilities

(a) Probation Notice. If the institution is placed on probation by its accrediting agency, it must immediately notify Board staff and advise state financial aid recipients of this condition and maintain evidence to demonstrate that state financial aid program recipients were so informed.

(b) Disbursements to Students.

(1) Documentation. The institution must maintain records to prove the crediting of state financial aid program funds to the student's school account.

(2) Procedures in Case of Illegal Disbursements. If the Commissioner has reason for concern that an institution has disbursed state financial aid program funds for unauthorized purposes, Board staff will notify the Program Officer and offer an opportunity for a hearing pursuant to the procedures outlined in Chapter 1 of this title (relating to Agency Administration). Thereafter, if Board staff determine that funds have been improperly disbursed, the institution shall become primarily responsible for restoring the funds to the Board. No further disbursements of funds from the program in question shall be permitted to students at that institution until the funds have been repaid.

(c) Reporting Requirements/Deadlines. All institutions must submit such reports and information as the Board may require in connection with the administration or evaluation of the state financial aid programs. These materials must

be submitted within the time allotted by THECB for each such report or information request. The Program officer agrees that all reports and information provided to the Board shall reflect properly the facts and those reports may be relied upon as being complete and accurate.

(d) Program Reviews. If selected for such by Board staff, participating institutions must submit to program reviews of activities related to state financial aid programs.

Source Note: The provisions of this §22.9 adopted to be effective December 5, 2019, 44 TexReg 7380

§22.10 Grade Point Average Calculations for Satisfactory Academic Progress

(a) Grade point average calculations shall be made in accordance with institutional policies.

(b) A grant recipient whose GPA is below program grade point average requirements as of the end of an academic year may appeal his/her grade point average calculation if he/she has taken courses previously at one or more institutions. In the case of such an appeal, the current institution (if presented with transcripts from the previous institutions), shall calculate an overall grade point average counting all classes and grade points previously earned. If the resulting grade point average exceeds the program's academic progress requirement, an otherwise eligible student may receive an award in the following academic year.

(c) If a grant recipient's grade point average falls below program requirements and the student transfers to another institution, or has transferred from another institution, the receiving institution cannot make a subsequent award to the transfer student until the student provides official transcripts of previous coursework to the current institution's financial aid office and the institution re-calculates an overall grade-point average, including hours and grade points for courses taken at the previous and current institutions, that proves the student's overall grade point average now meets or exceeds program requirements.

Source Note: The provisions of this §22.10 adopted to be effective December 5, 2019, 44 TexReg 7380

§22.11 Provisions specific to the TEXAS Grant, TEOG, TEG, and Texas Work-Study Programs

(a) Funding. Funds offered through this program may not exceed the amount of appropriations, gifts, grants and other funds that are available for this use (§§56.303(c) and 56.403(c)) Texas Education Code).

(b) Authority to Transfer Funds.

(1) Institutions participating in a combination of the Toward EXcellence, Access and Success Grant, Texas Educational Opportunity Grant, Tuition Equalization Grant, and Texas College Work-Study Programs, in accordance with instructions from the Board, may transfer current fiscal year funds up to the lesser of 25 percent or \$60,000 between these programs. This threshold applies to the program from which the funds are transferred. Requests for such transfers must be submitted by the institution by the annual deadline published by the agency.

(2) Institutions participating in both the Texas College Work-Study Program and the Work-Study Student Mentorship Program, in accordance with instructions from the Board, may transfer current fiscal year funds up to 25 percent between the two programs. This threshold applies to the program from which the funds are transferred. Such transfers must occur by July 1 of the current fiscal year.

(c) Grant Uses. No state grant or work-study funding may be used for any purpose other than paying for any usual and customary cost of attendance incurred by the student related to enrollment at a participating institution of higher education for the academic year for which funding was offered.

(d) **Over Awards.** If, at a time after the grant has been disbursed by the institution to the student, the student receives assistance that was not taken into account in the institution's estimate of the student's financial need, so that the resulting sum of assistance exceeds the student's financial need, the institution is not required to adjust the grant under this program unless the sum of the excess resources is greater than \$300.

(e) **Grant adjustments.** If a student officially withdraws from enrollment, the institution shall follow its general institutional refund policy in determining the amount by which the financial aid is to be reduced. If the student withdraws or drops classes after the end of the institution's refund period, no refunds are due to the program. If for some other reason the amount of a student's disbursement exceeds the amount the student is eligible to receive, the financial aid should be recalculated accordingly.

(f) **Re-offering of funds.** Funds made available from grant adjustments may be re-offered to other eligible students attending the institution. If funds cannot be re-offered, they should be returned to the Board in accordance with §22.2 of this subchapter (relating to Timely Distribution of Funds).

(g) **Late Disbursements.**

(1) A student may receive a disbursement after the end of his/her period of enrollment if the student:

(A) Owes funds to the institution for the period of enrollment for which the grant is being made; or

(B) Received a student loan that is still outstanding for the period of enrollment.

(2) Funds that are disbursed after the end of the student's period of enrollment must be used to either pay the student's outstanding balance from his/her period of enrollment at the institution or to make a payment against an outstanding student loan received during that period of enrollment. Under no circumstances are funds to be released to the student.

(3) Documentation must be retained by the institution, proving the late-disbursed funds were used to make a payment against an outstanding balance at the institution from the relevant period of enrollment and/or to make a payment against an outstanding loan taken out for the period of enrollment.

(4) Unless granted an extension by the staff of the Coordinating Board, late disbursements must be processed prior to the end of the state fiscal year for which the funds were allocated to the institution.

Source Note: The provisions of this §22.11 adopted to be effective December 5, 2019, 44 TexReg 7380; amended to be effective November 22, 2020, 45 TexReg 8339; amended to be effective May 19, 2022, 47 TexReg 2860