

2020-21

Program Guidelines

Tuition Equalization

Grant (TEG)



Texas Higher Education Coordinating Board

Student Financial Aid Programs
Texas Higher Education Coordinating Board

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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

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 attending 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 state-funded financial assistance in an academic year. General Academic Teaching Institutions (GATIs) (*including* Lamar State College-Orange and Lamar State College-Port Arthur) in Texas, as defined in [TEC, Section 61.003\(3\)](#), must publicize and use **January 15** as the 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 and are encouraged to adopt a policy describing the actions that students must take to meet the deadline.

ELIGIBLE INSTITUTIONS

Any college or university, defined in [TEC, Section 61.003\(15\)](#) as a private or independent institution of higher education, will have a single allocation in which first and subsequent awards can be made.

ELIGIBILITY

ELIGIBILITY REQUIREMENTS

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 a 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 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 SUBSEQUENT AWARD, A STUDENT MUST:

- ✓ Meet all the first award requirements
- ✓ Maintain satisfactory academic progress (SAP)
 - [See SAP section, p. 3](#)

DISCONTINUATION OF ELIGIBILITY

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	5 years from the first semester awarded	6 years from the first semester awarded
RECIPIENT WORKING TOWARD A MASTER’S, PROFESSIONAL, OR DOCTORAL DEGREE	No maximum time limit	

NOTE: An award cannot be granted to a student pursuing a second degree of one already earned.

HARDSHIP PROVISIONS

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, or enrollment less than three-quarter time 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, upon request.

SATISFACTORY ACADEMIC PROGRESS (SAP)

At the end of the first academic year, a student must meet the SAP requirements set by the institution to be eligible for a subsequent 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 they must have a minimum 2.5 cumulative GPA or its equivalent. 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 they must have a minimum 2.5 cumulative GPA or its equivalent.

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
END OF 2ND ACADEMIC YEAR OR LATER – GRADUATE STUDENTS	Completion of at least 18 SCH in the most recent academic year		

STOP: Summer Satisfactory Academic Progress (SAP) Requirements

If the student **receives** state grant funding for the summer term(s), institutions **must** include credits attempted for summer coursework when calculating the satisfactory academic progress (SAP).

If a student **does not receive** state grant funding for the summer term(s), a student could take summer coursework to re-establish eligibility if they failed to meet SAP requirements during the last term or semester. Summer coursework (not funded using state grants) should not be used to recalculate SAP if the attempted credits will result in the student losing their eligibility for the fall term.

ADDITIONAL INFORMATION

FIRST YEAR APPEALS

If a student 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, unless deemed eligible by the institution under a hardship provision.

GPA REQUIREMENT

A student who does not meet the GPA requirement at the end of the academic year 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. If the resulting GPA meets or exceeds the program's academic progress requirement, an otherwise eligible student may receive an award in the following term.

FAILING COURSES

The intent of the 24/18 SCH requirement is to encourage timely progression toward 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.



SELECTIVE SERVICE STATEMENT

Male students must be registered with or exempt from Selective Service (SS) in order to be eligible to receive federal or state financial assistance. In accordance with [TEC, Section 51.9095](#), male students must file the required **Selective Service Statement of Registration Status** (found below) with their institution or other entity granting or guaranteeing financial assistance. This includes grants, scholarships, loans, or other assistance funded by state revenue, including federal funds or gifts and grants accepted by the state.

When is the statement NOT Required?

- **When the SS registration is confirmed through the Institutional Student Information Record (ISIR):** The ISIR confirmation serves as the student’s official, signed statement because the Department of Education validates registration directly with the Selective Service System (SSS).
- **NEW** **When the SS registration is confirmed through the [SSS.gov website](#):** The institution can save the confirmation directly from the website to serve as the student’s official, signed statement on record.
- **NEW** **When the ISIR confirms that a student is under the age of 18:** No statement or documentation is needed for the applicable award year, even if the student turns 18 during that year.

When is the statement REQUIRED, including all supporting documentation?

- When the student completes a Free Application for Federal Student Aid (FAFSA) but is flagged “not registered” on the ISIR and SS status **cannot** be confirmed on the [SSS.gov website](#).
- **NEW** **When the student completes a Texas Application for State Financial Aid (TASFA):** The required statement is embedded in the 2020-21 TASFA and must be completed by the student.
- **NEW** When the student does not complete a FAFSA or TASFA but applies for state financial aid, such as through exemptions or waivers, and SS status **cannot** be confirmed on the [SSS.gov website](#).

ADDITIONAL INFORMATION

FREQUENCY COLLECTING THE STATEMENT
 If the student’s status will NOT change, the statement and supporting documentation can be used for subsequent semesters. (Example: The student entered the U.S. after the eligible age to register.)
 If the student’s status is temporary, the statement must be collected each academic year until the student is registered or determined exempt. (Example: Student is under age 18 but did not complete a FAFSA or TASFA.)

RETENTION SCHEDULE
 The status statement and all documentation must be retained in the student’s record for 7 years after the date of completion of the award period ([TEC, Section 441.1855](#)).

REPROCESSED ISIRS
 If the student’s most recent ISIR transaction has been reprocessed by the Central Processing System (CPS) and the registration with the SSS was confirmed, the institution does not need to collect the status statement or any documentation.

Institutions may collect the required status statement and documentation either electronically or on paper.

[\(English Statement\)](#) or [\(Spanish Statement\)](#)

SELECTIVE SERVICE STATEMENT OF REGISTRATION STATUS	
Male students must verify their current Selective Service registration status by marking one of the statements below and providing proof of their registration status to their current institution. Failure to do so may result in the loss of eligibility for state financial aid.	
_____, I am under the age of 18 and not currently required to register.	
_____ I am REGISTERED with the Selective Service and, <i>Check the following box that applies:</i> <input type="checkbox"/> I have already submitted proof of registration to my current institution. <input type="checkbox"/> Proof of registration is included with this statement. <input type="checkbox"/> I will submit proof of my registration. NOTE: Proof is required to be considered eligible for financial aid.	_____ I am EXEMPT from registration and, <i>Check the following box that applies:</i> <input type="checkbox"/> I have already submitted proof of my exemption to my current institution. <input type="checkbox"/> Proof of my exemption is included with this statement. <input type="checkbox"/> I will submit proof of my exemption. NOTE: Proof is required to be considered eligible for financial aid.
_____, I am over the age of 18. I am not registered with Selective Service and I am not exempt from registration with Selective Service.	
I, _____, hereby certify that the Selective Service status statement provided above is true and accurate.	
Student ID: _____	Signature: _____ Date: _____

AWARDING

A TEG award amount for a term or semester may not exceed a student’s financial need or tuition differential for that term or semester, or the program maximum for the academic year, whichever is least. Undergraduate students with exceptional financial need may receive up to 150% of the program maximum award. Exceptional financial need is defined as the need an undergraduate student has if his or her expected family contribution (EFC) is less than or equal to \$1,000.

 **STOP: Enrollment in Programs Related to Religious Ministry**

Any enrollment in a religious ministry degree program, whether the program is the student’s sole major, an additional major, or a minor, makes the student **ineligible** for a TEG award. If a TEG recipient adds a religious ministry major or minor, there is no uniform method or procedure available that gives institutions the capability to separate funds for an eligible program versus a religious ministry program. The institution must determine when the new program was added and either return TEG funds to the THECB or follow the procedure for timely distribution of funds for ineligible aid.

ANNUAL MAXIMUM

Students receiving a TEG cannot exceed the **annual** maximum.

- A student may receive up to the annual maximum amount of \$3,420. (Undergraduates with exceptional need may receive up to \$5,130).
- Total awards for fall, spring, and summer terms cannot exceed the annual maximum.
- TEG does NOT have a semester maximum.

2020-21 AWARD MAXIMUMS

INSTITUTION TYPE	AWARD MAX/YEAR	EXCEPTIONAL NEED
PRIVATE/INDEPENDENT INSTITUTIONS	\$3,420	\$5,130

Undergraduate students whose EFCs are ≤ \$1,000 may receive up to the Exceptional Need award amount.

TUITION DIFFERENTIAL

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 used by the THECB to identify “comparable” institutions for the purpose of calculating tuition differentials, regardless of accreditation. The following table shows average resident undergraduate and graduate tuition rates per SCH for public institutions at various SACS levels for the 2020-21 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 LEVEL 1	\$68	n/a
BACCALAUREATE DEGREE LEVEL 2	\$58	n/a
MASTER’S DEGREE LEVEL 3	\$200	\$282
THREE OR FEWER DOCTORAL DEGREES LEVEL 5	\$207	\$260
FOUR OR MORE DOCTORAL DEGREES LEVEL 6	\$257	\$343
PUBLIC INSTITUTION RATES FOR LAW SCHOOL STUDENTS = \$959 PER SCH		

AWARD ADJUSTMENTS

Institutions may be required to make award adjustments in the following circumstances (see [NEW 19 TAC, Section 22.11](#)):

- Student officially withdraws from enrollment.
 - The institution will use the general refund policy to determine the amount of financial aid to be reduced.
 - A refund is not owed to the program if a student drops or withdraws after the end of an institution’s refund period.
- Student’s disbursement exceeds his/her eligibility amount.
 - Recalculate eligibility amount.

NOTE: If funds are available after an award has been adjusted, they can be re-awarded to other eligible students at the institution. If the funds cannot be re-awarded, they must be returned to the THECB based on the [Timely Distribution of Funds](#).

ADDITIONAL INFORMATION

TUITION DIFFERENTIAL EXAMPLE

- 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.

Tuition Differential Calculation

- Institution Current Tuition Rate per SCH = \$475
- Institution SACS Level 5 = \$207
- Undergraduate student is enrolled in 9 SCH for fall and 12 SCH for spring.

To calculate tuition differential:

$$\text{Institution Current Tuition Rate} - \text{SACS Level Rate} = \text{Difference}$$

$$\times \text{Total SCH} = \text{Tuition Differential}$$

For Example:

$$\$475 - \$207 = \$268$$

$$\$268 \times 21 \text{ SCH} = \$5,628$$

This student is eligible for a TEG award since the tuition differential (\$5,628) is more than the maximum award (\$3,420).

OVER AWARDS

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 (see ^{NEW}[19 TAC, Section 22.11\(d\)](#)).

PRORATION

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	25% of the maximum award amount
GRADUATE HARDSHIP PRORATION SCHEDULE	ENROLLED 5-6 HOURS	ENROLLED < 5 HOURS
	50% of the maximum award amount	25% of the maximum award amount

PROCESSING FUNDS

REQUESTING AND RETURNING PROGRAM FUNDS

Institutions must submit a form online through the [Grant Payment System](#) software application (app) to request or return funds. The app can be accessed through the secure Coordinating Board Pass System (CBPass) portal on the Student Financial Aid Programs (SFAP) Information Webpage.

- **Requesting Funds:** Institutions can begin submitting requests for funding on **August 3, 2020**. The THECB will begin processing funds *after* **September 1, 2020**. Institutions have *until* the close of business on **August 1, 2021** (or the first working day thereafter if it falls on a weekend or holiday) to request program funds.
- **Returning Funds:** Institutions that submit a return of funds through the Grant Payment System should use the [Electronic Funds Transfer](#) process.

NOTE: Each biennium (the two-year state budget period), funds not requested in the first year can be carried forward for use in the second year. Any funds not requested in the second year of the biennium become available for redistribution as determined by the THECB.

TIMELY DISTRIBUTION OF FUNDS

Institutions **must** follow these requirements when processing program funds (see [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.

LATE DISBURSEMENTS

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. The institution is required to document the reason for a student's late disbursement. All late disbursements must be processed prior to the end of the state's fiscal year, unless granted an extension by the THECB. Under no circumstances should funds be released directly to the student in this situation (see ^{NEW} [19 TAC, Section 22.11\(g\)](#)).

AUTHORITY TO TRANSFER FUNDS

Institutions participating in a combination of TCWS, TEXAS Grant, TEOG, and TEG may transfer up to 10 percent of the institution's total annual program allocation or **\$20,000** (whichever is less) between programs within the relevant fiscal year. Transfer requests are submitted online through [CONTACT US](#) (select "Financial Aid Question" under Contact Reason). Institutions requesting a transfer of funds must submit a request by **July 1, 2021**. The Financial Aid Services staff will respond to the institution to provide next steps for the process.

APPENDIX 1: SACS PROGRAM LEVELS

Institution Name	SACS Level	UNDERGRADUATE TUITION RATE PER SCH	GRADUATE TUITION RATE PER SCH
Abilene Christian University	5	\$207	\$260
Austin College	3	\$200	\$282
Baylor University	6	\$257	\$343
Concordia University Texas	5	\$207	\$260
Dallas Baptist University	5	\$207	\$260
East Texas Baptist University	3	\$200	\$282
Hardin-Simmons University	5	\$207	\$260
Houston Baptist University	5	\$207	\$260
Howard Payne University	3	\$200	\$282
Huston-Tillotson University	3	\$200	\$282
Jacksonville College	1	\$68	n/a
Jarvis Christian College	2	\$58	n/a
LeTourneau University	3	\$200	\$282
Lubbock Christian University	3	\$200	\$282
McMurry University	3	\$200	\$282
Our Lady of the Lake University	5	\$207	\$260
Parker University	5	\$207	\$260
Paul Quinn College	2	\$58	n/a
Rice University	6	\$257	\$343
Schreiner University	3	\$200	\$282
Southern Methodist University	6	\$257	\$343
Southwestern Adventist University	3	\$200	\$282
Southwestern Assemblies of God University	5	\$207	\$260
Southwestern Christian College	2	\$58	n/a
Southwestern University	2	\$58	n/a
St. Edward's University	5	\$207	\$260
St. Mary's University	5	\$207	\$260
Texas Chiropractic College	5	\$207	\$260
Texas Christian University	6	\$257	\$343
Texas College	2	\$58	n/a
Texas Lutheran University	3	\$200	\$282
Texas Wesleyan University	6	\$257	\$343
The University of Dallas	5	\$207	\$260
Trinity University	3	\$200	\$282
University of Mary Hardin-Baylor	5	\$207	\$260
University of St. Thomas	5	\$207	\$260
University of the Incarnate Word	6	\$257	\$343
Wayland Baptist University	5	\$207	\$260
Wiley College	2	\$58	n/a

For example: Institution's Current Tuition Rate per SCH = \$550
 Institution's SACS Level = 3

In this example, the undergraduate student is enrolled in 12 SCHs in the fall and 14 SCHs in the spring. To calculate tuition differential, the institution would complete the following:

$$\$550 - \$200 = \$350 \quad \times \quad 26 \text{ SCH} = \$9,100$$

$$\text{Institution Current Tuition} - \text{SACS Avg.} = \text{Difference} \quad \times \quad \text{Semester Credit Hours} = \text{Tuition Diff.}$$

See additional example on page 6, under Additional Information.

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	Student Financial Aid Programs Information Webpage
General loan information	HHloans
Texas Program Statutes	Texas Education Code
Texas Program Rules	Texas Administrative Code
First-time users will be required to create an account for CBPass and then request access to the online Grant Payment application.	CBPass CBPass User Instruction Guide
AVAILABLE FORMS	
Directors of Financial Aid must submit a form to add, update, or remove a user’s access to state financial aid web portals through the THECB.	System Authorization Form
A form is required when returning funds for all state grant, scholarship, Educational Aide Exemption, and loan program funds.	Special Programs Online Return of Funds Form Loan Programs Online Return of Funds Form
The THECB accepts funds electronically as an Automated Clearing House (ACH) or wire transfer.	Electronic Funds Transfer Information