

Tuition Equalization Grant

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

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§22.21 Authority and Purpose

(a) **Authority.** Authority for this subchapter is provided in the Texas Education Code, Chapter 61, Subchapter F, the Tuition Equalization Grant Program. This subchapter establishes procedures to administer Texas Education Code, §§61.221 - 61.230.

(b) **Purpose.** The purpose of the Tuition Equalization Grant (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 any approved private or independent Texas college or university.

Source Note: The provisions of this §22.21 adopted to be effective November 29, 2010, 35 TexReg 10503; amended to be effective December 5, 2019, 44 TexReg 7381

§22.22 Definitions

In addition to the words and terms defined in Texas Administrative Code 22.1 the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) **Adjusted gross need**--An amount equal to a student's financial need less the amount of his or her Federal Pell Grant and any categorical aid the student might have brought to the institution.

(2) **Exceptional TEG need**--An additional amount of TEG funds for which an undergraduate student may qualify on the basis of having an expected family contribution generated through the use of the federal methodology, less than or equal to \$1,000.

(3) **First award**--The first Tuition Equalization Grant ever awarded to and received by a specific student.

(4) **Forecast**--The FORECAST function in Microsoft Excel.

(5) **Private or independent institution**--Any college or university defined as a private or independent institution of higher education by Texas Education Code, §61.003.

(6) **Program maximum**--The TEG Program award maximum determined by the Board in accordance with Texas Education Code, §61.227 (relating to Payment of Grant; Amount).

(7) **Program or TEG**--The Tuition Equalization Grant Program.

(8) **Religious ministry**--Roles serving as clergy, religious leaders or similar positions within any sect or religious society, as demonstrated through ordination, licensure to preach, or other mechanisms particular to a given sect or society that are used to identify clergy, religious leaders or such similar positions.

(9) **Subsequent award**--A TEG grant received in any academic year other than the year in which an individual received his or her first TEG award.

(10) **TEG need**--The basic amount of TEG funds that an eligible student could receive, subject to the limit in Texas Education Code §61.227(c).

(11) **Tuition differential**--The difference between the tuition paid at the private or independent institution attended and the tuition the student would have paid to attend a comparable public institution.

Source Note: The provisions of this §22.22 adopted to be effective November 29, 2010, 35 TexReg 10503; amended to be effective February 28, 2012, 37 TexReg 1333; amended to be effective March 4, 2014, 39 TexReg 1366; amended to be effective March 4, 2015, 40 TexReg 925; amended to be effective May 22, 2017, 42 TexReg 272;

amended to be effective August 27, 2018, 43 TexReg 5505; amended to be effective December 5, 2019, 44 TexRe 7381

§22.23 Eligible Institutions

(a) Eligibility.

(1) Any private or independent institution of higher education, or a branch campus of a private or independent institution of higher education located in Texas and accredited on its own or with its main campus institution by the Commission on Colleges of the Southern Association of Colleges and Schools, other than theological or religious seminaries, is eligible to participate in the TEG Program.

(2) No participating institution may, on the grounds of race, color, national origin, gender, religion, age, or disability exclude an individual from participation in, or deny the benefits of the program described in this subchapter.

(3) Each participating institution must follow the Civil Rights Act of 1964, Title VI (Public Law 88-352) in avoiding discrimination in admissions or employment.

(4) A private or independent institution of higher education that previously qualified under paragraph (1) of this subsection but no longer holds the same accreditation as public institutions of higher education may temporarily participate in the TEG Program if it is:

(A) accredited by an accreditor recognized by the Board;

(B) actively working toward the same accreditation as public institutions of higher education;

(C) participating in the federal financial aid program under 20 United States Code (U.S.C.) §1070a; and

(D) a "part B institution" as defined by 20 U.S.C. §1061(2) and listed in 34 Code of Federal Regulations §608.2.

(5) The Board may grant temporary approval to participate in the TEG program to an institution described under paragraph (4) of this subsection for a period of two years. The Board may renew that approval for a given institution twice for a period of two years.

(6) A private or independent institution of higher education that previously qualified under paragraph (1) of this subsection but no longer holds the same accreditation as public institutions of higher education may participate in the TEG Program if it is:

(A) accredited by an accreditor recognized by the Board in accordance with Texas Administrative Code, §7.6;

(B) a work college, as that term is defined by 20 U.S.C. Section 1087-58; and

(C) participating in the federal financial aid program under 20 U.S.C. §1070(a).

(b) Approval.

(1) Agreement. Each approved institution must enter into an agreement with the Board, prior to being approved to participate in the program, the terms of which shall be prescribed by the Commissioner or his/her designee.

(2) Intent to Participate. An eligible institution interested in participating in the Program must indicate this intent by June 1 of each odd-numbered year in order for qualified students enrolled in that institution to be eligible to receive grants in the following fiscal biennium.

(c) Responsibilities. Participating institutions are required to abide by the General Provisions outlined in Chapter 22, Subchapter A of this title (relating to General Provisions).

Source Note: The provisions of this §22.23 adopted to be effective November 29, 2010, 35 TexReg 10503; amended to be effective November 20, 2013, 38 TexReg 8199; amended to be effective March 4, 2015, 40 TexReg 925; amended to be effective May 22, 2017, 42 TexReg 2721; amended to be effective August 30, 2017, 42 TexReg 4302; amended to be effective December 5, 2019, 44 TexRe 7381

§22.24 Eligible Students

Eligible Students. To receive an award through the TEG Program, a student must:

- (1) be enrolled on at least a three-fourths of full-time enrollment;
- (2) show financial need;
- (3) maintain satisfactory academic progress in his or her program of study as determined by the institution at which the person is enrolled and as required by §22.25 of this title (relating to Satisfactory Academic Progress);
- (4) be a resident of Texas as determined based on data collected using the Residency Core Questions and in keeping with Chapter 21, Subchapter B of this title (relating to Determination of Resident Status);
- (5) be enrolled in an approved institution in an individual degree plan leading to a first associate degree, first baccalaureate degree, first master's degree, first professional degree, or first doctoral degree, but not in a degree plan that is intended to lead to religious ministry;
- (6) 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 students at the institution;
- (7) not be a recipient of any form of athletic scholarship during the semester or semesters he or she receives a TEG.

Source Note: The provisions of this §22.24 adopted to be effective November 29, 2010, 35 TexReg 10503; amended to be effective May 24, 2011, 36 TexReg 3186; amended to be effective September 6, 2011, 36 TexReg 5686; amended to be effective February 28, 2012, 37 TexReg 1333; amended to be effective March 4, 2015, 40 TexReg 925; amended to be effective May 22, 2017, 42 TexReg 2721; amended to be effective November 29, 2017, 42 TexReg 6625; amended to be effective December 5, 2019, 44 TexRe 7381

§22.25 Satisfactory Academic Progress

(a) Eligibility at End of First Award Year. Students who complete their first year receiving a Tuition Equalization Grant in compliance with their institutions' financial aid satisfactory academic progress requirements, are eligible to receive subsequent awards in the following year if they meet the other requirements listed in §22.24 of this title (relating to Eligible Students).

(b) Eligibility at End of a Subsequent Award Year. Students shall, unless granted a hardship provision in accordance with §22.27 of this title (relating to Hardship Provisions), as of the end of an academic year in which the student receives a subsequent award:

(1) have completed at least:

(A) for undergraduate students, 24 semester credit hours in the most recent academic year, or if at the end of the academic year in which the student receives a first award and the student entered college at the beginning of the

spring term in the year in which he or she received his or her first award, have completed at least 12 semester credit hours in the most recent academic year; or

(B) for graduate students, 18 semester credit hours in the most recent academic year;

(2) have an overall cumulative grade-point average of at least 2.5 on a four-point scale or its equivalent;

(3) have completed at least 75 percent of the semester credit hours attempted in the most recent academic year.

(c) The calculation of a student's GPA is to be completed in accordance with Chapter 22, Subchapter A of this title (relating to General Provisions).

(d) The completion rate calculations may be made in keeping with institutional policies.

Source Note: The provisions of this §22.25 adopted to be effective November 29, 2010, 35 TexReg 10503; amended to be effective February 28, 2012, 37 TexReg 1333; amended to be effective November 20, 2013, 38 TexReg 8199; amended to be effective March 4, 2015, 40 TexReg 925; amended to be effective November 29, 2017, 42 TexReg 6625; amended to be effective December 5, 2019, 44 TexReg 7381

§22.26 Discontinuation of Eligibility or Non-Eligibility

(a) Discontinuation of Eligibility.

(1) Unless granted a hardship provision in accordance with §22.27 of this title (relating to Hardship Provisions), an undergraduate student shall no longer be eligible for a TEG as of:

(A) the fifth anniversary of the first award of a TEG to the student, if the student is enrolled in a degree or certificate program of four years or less; or

(B) the sixth anniversary of the first award of a TEG to student, if the student is enrolled in a degree or certificate program of more than four years.

(2) A graduate student may continue to receive grants as long as he or she meets the relevant eligibility requirements of §22.24 and §22.25 of this title (relating to Eligible Students and Satisfactory Academic Progress respectively).

(b) Other than as described in §22.27 of this title, if a person fails to meet any of the requirements for receiving an award as outlined in §22.24 or §22.25 of this title after completion of any year, the person may not receive a TEG until he or she completes a semester of at least three-quarter-time enrollment while not receiving a TEG and meets all the requirements of §22.24 or §22.25 of this title as of the end of that semester.

Source Note: The provisions of this §22.26 adopted to be effective November 29, 2010, 35 TexReg 10503; amended to be effective June 2, 2014, 39 TexReg 4243; amended to be effective March 4, 2015, 40 TexReg 925; amended to be effective December 5, 2019, 44 TexReg 7381

§22.27 Hardship Provisions

(a) In the event of a hardship or for other good cause, the Program Officer at an eligible institution may allow an otherwise eligible student to receive a TEG while:

(1) enrolled less than three-quarter of full-time enrollment;

(2) if the student's grade point average, number of hours completed, or percent of attempted hours completed falls below the satisfactory academic progress requirements as referred to in §22.25 of this title (relating to Satisfactory Academic Progress); or

(3) if the student has taken more time to complete his/her certificate or degree than specified in §22.26 of this title (relating to Discontinuation of Eligibility or Non-Eligibility).

(b) Hardship conditions or other good cause may include, but are not limited to:

(1) a showing of a severe illness or other debilitating condition that may affect the student's academic performance;

(2) an indication that the student is responsible for the care of a sick, injured, or needy person and that the student's provision of care may affect his or her academic performance, or

(3) a student's need to complete fewer than the required minimum number of hours in a given term in order to complete a degree, in which case the award amount should be determined on a pro rata basis for a full-time award.

(c) Each institution shall adopt a hardship policy under this section and have the policy available in writing in the financial aid office for public review upon request.

Source Note: The provisions of this §22.27 adopted to be effective November 29, 2010, 35 TexReg 10503; amended to be effective December 5, 2019, 44 TexReg 7381

§22.28 Award Amounts and Adjustments

(a) Award Amount. Each academic year, no TEG award shall exceed the least of:

(1) the student's financial need;

(2) the student's tuition differential; or

(3) the maximum award allowed based on the student's EFC, which is:

(A) 150 percent of the program maximum for undergraduate students demonstrating exceptional TEG need; or

(B) the program maximum for all other eligible students.

(b) Term or Semester Disbursement Limit. The amount of any disbursement in a single term or semester may not exceed the student's financial need or tuition differential for that term or semester or the program maximum for the academic year, whichever is the least.

(c) Award calculations and disbursements are to be completed in accordance with Chapter 22, Subchapter A of this title (relating to General Provisions).

Source Note: The provisions of this §22.28 adopted to be effective November 29, 2010, 35 TexReg 10503; amended to be effective December 5, 2019, 44 TexReg 7381; amended to be effective November 22, 2020, 45 TexReg 8339

§22.29 Allocation and Disbursement of Funds

(a) Allocations for Fiscal Year 2019 and prior. Allocations for the TEG Program are to be determined on an annual basis as follows:

(1) All eligible institutions will be invited to participate; those choosing not to participate will be left out of the calculations for the relevant year.

(2) The allocation base for each institution choosing to participate will be its three-year average share of the total statewide amount of TEG that could be awarded, subject to the limits in Texas Education Code, §61.227(c) and (e).

(3) The source of data used for the allocation calculations are the three most recently completed TEG Need Survey Reports submitted to the Board by the institutions. The reports include data for each student identified by the school as eligible to receive a first or subsequent TEG award as described in §22.24 or §22.25 of this title in the fall term in which the report is submitted. The data from the Need Survey used to calculate the amount of TEG an individual could receive includes:

(A) Each reported student's TEG need, as defined in §22.22 of this title (relating to Definitions); and

(B) The student's exceptional TEG need, as defined in §22.22 of this title.

(4) A student's TEG need may not exceed the least of his or her adjusted gross need, tuition differential, or the TEG maximum award as set in accordance with Texas Education Code, §61.227(c).

(5) A student's exceptional TEG need plus TEG need may not exceed the least of the student's adjusted gross need, tuition differential or 150 percent of the current year's statutory TEG maximum award as set in accordance with Texas Education Code, §61.227(c).

(6) The maximum amount of need that may be recorded for any single student in the TEG Need Survey may not exceed the sum of his or her TEG need plus his or her exceptional TEG need.

(7) The total amount allocated for an institution may not exceed the sum of the individual maximum need for all students included in the most recent TEG Need Survey.

(8) Verification of Data.

(A) To provide data needed to confirm a reported need amount does not exceed one of the award limits listed in paragraphs (4) and (5) of this subsection, the Need Survey collects the following data for each student:

(i) Cost of attendance;

(ii) Expected family contribution;

(iii) Pell Grant amount;

(iv) Categorical aid amount;

(v) Classification (graduate or undergraduate); and

(vi) An indication of whether the student's need was limited by his or her tuition differential.

(B) The statewide TEG Need Survey summary will be provided to the institutions for review and the institutions will be given 10 working days, beginning the day of the notice's distribution and excluding State holidays, to confirm that the Survey accurately reflects the data they submitted or to advise Board staff of any inaccuracies.

(b) Allocations for Fiscal Year 2020 and later. Allocations for the TEG Program are to be determined on an annual basis as follows:

(1) All eligible institutions will be invited to participate; those choosing not to participate will be left out of the calculations for the relevant year.

(2) The allocation base for each institution choosing to participate will be its three-year average share of the total statewide amount of the total amount of TEG funds that eligible students at an approved institution could receive if the program were fully funded, subject to the limits in Texas Education Code, §61.227(c) and (e), based on the students who met the following criteria:

(A) Enrollment on at least a three-fourths or three-quarters basis;

(B) An Expected Family Contribution, calculated using federal methodology, that results in demonstrated Adjusted Gross Need greater than zero;

(C) Maintain satisfactory academic progress in his or her program of study as required by §22.24(b) of this title;

(D) Classified as a Resident of Texas;

(E) Be enrolled in an approved institution in an individual degree plan leading to a first associates degree, first baccalaureate degree, first master's degree, first professional degree, or first doctoral degree;

(F) Not be enrolled in a degree plan that is intended to lead to religious ministry;

(G) 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 students at the institution; and

(H) Not be a recipient of any form of athletic scholarship.

(3) Sources of data.

(A) For allocations for Fiscal Year 2020. The sources of data used for the allocations are the certified Fiscal Year 2018 Financial Aid Database (FADS) report and the fall 2015 and fall 2016 completed TEG Need Survey reports submitted to the Board by the institutions.

(B) For allocations for Fiscal Year 2021. The sources of data used for the allocations are the certified Fiscal Year 2018 and 2019 FADS reports and the fall 2016 completed TEG Need Survey report submitted to the Board by the institutions.

(C) For allocations for Fiscal Year 2022 and Later. The source of data used for the allocations are the three most recently certified FADS reports submitted to the Board by the institutions.

(4) A student's TEG need may not exceed the least of his or her adjusted gross need, tuition differential, or the TEG maximum award as set in accordance with Texas Education Code, §61.227(c).

(5) A student's exceptional TEG need plus TEG need may not exceed the least of the student's adjusted gross need, tuition differential or 150 percent of the current year's statutory TEG maximum award as set in accordance with Texas Education Code, §61.227(c).

(6) The maximum amount of need that may be recorded for any single student in the allocation calculation may not exceed the sum of his or her TEG need plus his or her exceptional TEG need.

(7) The total amount allocated for an institution may not exceed the sum of the individual maximum TEG need for all students calculated using the sources of data outlined in paragraph (3) of this subsection.

(8) Verification of Data. The TEG allocation spreadsheet will be provided to the institutions for review and the institutions will be given 10 working days, beginning the day of the notice's distribution and excluding State holidays, to confirm that the spreadsheet accurately reflects the data they submitted or to advise Board staff of any inaccuracies.

(9) Allocations for both years of the state appropriations' biennium will be completed at the same time. For the allocations process of the second year of the state appropriations' biennium, the sources of data outlined in paragraph (3) of this subsection will be utilized to forecast an additional year of data. This additional year of data, in combination with the two most recent years outlined in paragraph (3) of this subsection, will be utilized to calculate the three-year average share outlined in paragraph (2) of this subsection. Institutions will receive notification of their allocations for both years of the biennium at the same time.

(c) Disbursement of Funds to Institutions. As requested by institutions throughout the academic year, the Board shall forward to each participating institution a portion of its allocation of funds for timely disbursement to students. Institutions will have until the close of business on August 1, or the first working day thereafter if it falls on a weekend or holiday, to encumber program funds from their allocation. After that date, institutions lose claim to any funds in the current fiscal year not yet drawn down from the Board for timely disbursement to students. Funds released in this manner in the first year of the biennium become available to the institution for use in the

second year of the biennium. Funds released in this manner in the second year of the biennium become available to the Board's program for utilization in grant processing. Should these unspent funds result in additional funding available for the next biennium's program, revised allocations, calculated according to the allocation methodology specified in this rule, will be issued to participating institutions during the fall semester.

(d) Reductions in Funding.

(1) If annual funding for the program is reduced after the start of a fiscal year, the Board may take steps to help distribute the impact of reduced funding across all participating institutions by an across-the-board percentage decrease in all institutions' allocations.

(2) If annual funding for the program is reduced prior to the start of a fiscal year, the Board may recalculate the allocations according to the allocation methodology outlined in this rule for the affected fiscal year based on available dollars.

Source Note: The provisions of this §22.29 adopted to be effective November 29, 2010, 35 TexReg 10503; amended to be effective March 4, 2014, 39 TexReg 1366; amended to be effective March 4, 2015, 40 TexReg 925, amended to be effective February 22, 2017, 42 TexReg 686; amended to be effective November 29, 2017, 42 TexReg 6625; amended to be effective August 27, 2018, 43 TexReg 5505