

2025 - 2026

Program Guidelines

| Tuition Equalization Grant (TEG)



**Texas Higher
Education**
COORDINATING BOARD

Table of Contents

Program Authority and Purpose	1
Eligible Institutions	1
Program Eligibility.....	2
Eligibility Requirements	2
Discontinuation of Eligibility.....	2
Hardship Provisions	3
Satisfactory Academic Progress	3
Selective Service Statement.....	4
Packaging.....	5
Summer Packaging	5
Annual Maximum	5
Tuition Differential	6
Over Awards	6
Grant Adjustments.....	6
Processing Funds	7
Timely Distribution of Funds.....	7
Late Disbursements	7
Authority to Transfer.....	7

Appendices

Appendix 1: SACSCOC Program Levels.....	8
Appendix 2: Frequently Asked Questions	9
Appendix 3: Quick References.....	10

Tuition Equalization Grant

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 Texas Administrative Code (TAC). When administering this program, institutions should always refer to the relevant statutes and rules. The information in this document is to be used solely as a resource and does not override the statute or rules for this program.

⚠️ ALERT: The program rules found in the TAC for the Tuition Equalization Grant (TEG) program were amended on April 24, 2025. The guidelines have been updated to reflect the amendments which become effective and will be available online on May 15, 2025. This includes the elimination of restrictions on participation in the program by theological seminaries (previously under “Eligible Institutions” – Page 1) or students enrolled in degree plans intended to lead to religious ministry (previously under “Eligibility Requirements” – Page 2).

Program Authority and Purpose ([TAC Section 22.21](#))

The Tuition Equalization Grant (TEG) Program was authorized by [TEC, Chapter 61, Section 61.221](#). Rules for administering the subchapter can be found in [TAC, Title 19, Chapter 22, Subchapter B](#). The program is funded by appropriations from 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.

Eligible Institutions ([TAC Section 22.23](#))

Any private or independent institution of higher education defined in [TEC Section 61.003\(15\)](#) or a branch campus located in Texas that meets specific accreditation requirements is eligible to participate in this program.

Program Eligibility

Eligibility Requirements ([TAC Section 22.24](#))

To receive a grant, a student must:
<ul style="list-style-type: none"> ✓ Be a Texas resident. ✓ Be registered with Selective Service or be exempt (see Selective Service Statement). ✓ 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. ✓ Maintain satisfactory academic progress (SAP) - see SAP section. ✓ Not have earned a degree for which they are currently enrolled. ✓ Not concurrently receive any athletic scholarship (i.e., the student is obliged to play an intercollegiate sport as a result of receiving the scholarship). ✓ 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.

Discontinuation of Eligibility ([TAC Section 22.26](#))

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 certificated program of 4 years or less	If enrolled in a degree or certificated program for more than 4 years
Recipient working toward an associate or baccalaureate degree	5 years from the start of the first semester TEG is received	6 years from the start of the first semester TEG is received
Recipient working towards a master’s, professional, or doctoral degree	No maximum time limit	

Hardship Provisions ([TAC Section 22.27](#))

A student who is ineligible for a TEG may be eligible under a hardship provision based on one of the following provisions:

- If the student is enrolled in less than 3/4 of full-time enrollment
- If the student's GPA falls below SAP requirements
- If the student's completion rate falls below SAP requirements
- If the student's number of completed hours falls below SAP requirements
- If the student requires an extension of the year limits to complete their certificate or degree
- If the student provides documentation of the birth of a child or placement of a child with the student for adoption or foster care, that may affect the student's academic performance

The institution will determine any acceptable reasons to grant a hardship decision. 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 ([TAC Section 22.25](#))

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 grant.

At the end of the second academic year, and all years thereafter, undergraduates must have completed 24 semester credit hours (SCHs) 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 SCHs 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 these requirements, which must be monitored to ensure compliance.

Academic Year	SAP Requirements		
End of 1st Academic Year	Institution SAP policy		
End of 2nd Academic Year or Later – Undergraduate Students	Complete 24 SCHs 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	Complete 18 SCHs in the most recent academic year		

Summer Satisfactory Academic Progress Requirements

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

If the student *does not receive* state grant funding for the summer term(s), the student can take summer coursework to reestablish 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

Child Support Arrearages

Per [Texas Family Code, Title 5, Section 231.006](#), a student who is obligated to pay child support and is more than 30 days delinquent is not eligible to receive a state-funded grant or loan.

Institutions determine how to best comply with this state requirement and should work with their legal counsel on questions related to this statutory mandate.

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.

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. However, failing grades are considered attempted hours and, therefore, must be counted in the calculation of a student's completion rate.

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 a grant in the following term.

Selective Service Statement ([TAC Section 22.3](#))

Under [TEC Section 51.9095](#), an individual must file a statement of their Selective Service status with the institution confirming registration or exemption.

This statute applies to all state-funded financial aid, as well as “federal funds or gifts and grants accepted by this state.” The statement is required from students receiving federal aid, state-appropriated funds, or institutional funding, which includes programs funded by tuition set-asides, exemptions, and waivers.

Any of the following can be used to meet the statutory statement requirement:

- THECB Selective Service Statement of Registration Status ([English Statement](#) or [Spanish Statement](#))
- Printout from [SSS.gov](#) website
- Institutional Student Information Record (ISIR) if status is available*
- THECB Selective Service Statement of Registration Status embedded in the Texas Application for State Financial Aid (TASFA)

*As of Fiscal Year 2023-24, registration status is no longer reported on the ISIR. Institutions can use any prior year ISIR that confirms registration to meet the statutory requirement for a student's status.

Institutions are **not** required to collect “proof” of registration or exemption from students or to verify the accuracy of the statement against external databases or other resources if conflicting information does not exist. See [Updated Guidance on Statutory Requirements that Impact Financial Aid Memo](#)).

SELECTIVE SERVICE STATEMENT OF REGISTRATION STATUS

In accordance with [Texas Education Code, Section 51.9095](#), male students must file a Selective Service Statement of Registration Status with their institution or other entity granting financial assistance. For more information about the Selective Service System, visit [sss.gov](#).

Please mark **one** option below:

<input type="checkbox"/> I was born female and not required to register.	<input type="checkbox"/> I was born male and am EXEMPT from registration because: (please briefly explain why you are exempt in the box below.)
<input type="checkbox"/> I was born male and am under the age of 18 and not currently required to register.	<div style="border: 1px solid black; height: 100px; width: 100%;"></div>
<input type="checkbox"/> I was born male and am REGISTERED with the Selective Service.	
<input type="checkbox"/> I was born male and 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: _____

Complete and return to the Financial Aid Office at your institution of higher education.

Selective Service Statement of Registration Status
As of 09/28/2021

Additional Information

Collection Method

The institution has flexibility to create an online, paper, or alternate method to collect the statement as long as it uses the content developed and required by the THECB.

Frequency of Collecting the Statement

If the student's status will NOT change, the statement collected can be used for subsequent semesters at the same institution.

If the student is NOT registered for Selective Service, a statement must be collected each time they apply for financial aid or a student loan until the statement indicates registered or exempt.

Males Age 26 or Older

Individuals older than the maximum age at which an individual is required to be registered with the Selective Service System under federal law are not required to complete this status statement.

Retention Schedule

The status statement must be retained in the student's record based on the retention schedule outlined in the institution's Program Participation Agreement (PPA).

Packaging

To receive funds for the biennium, private and independent institutions are invited to participate in the TEG allocation process and must opt in by June 1 of each odd-numbered year. Those that opt out will not be considered in the allocation calculation.

A TEG 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 grant.

Exceptional need applies to undergraduate students that have SAI less than or equal to 50% of the federal Pell Grant eligibility cap for the academic year the grant is offered (i.e., institutions use 50% of the 2025-26 Pell Grant cap to determine which students can receive a TEG in 2025-26).

For example, institutions will use 50% of the 2025-26 Pell Grant cap (\$7,395) to determine which students can receive an exceptional need TEG.

- 50% of the Pell Grant cap for 2025-26 of \$7,395 is \$3,697.50.
- \$3,697.50 is the SAI cap for exceptional need.
- Any student with an SAI less than or equal to \$3,697.50 would qualify for exceptional need if otherwise eligible for TEG.

Summer Packaging

All basic eligibility requirements remain the same for summer terms, including the student’s minimum enrollment status. Since summer terms vary in length and in the number of hours a student can enroll, summer terms or modules can be combined to establish the student’s enrollment hours for eligibility purposes.

Annual Maximum ([TAC Section 22.28](#))

Students receiving a TEG cannot exceed the **annual** maximum amount. Proration is not required for this program, but institutions have discretion in determining the grant amount, up to the annual maximum. A grant cannot be offered to a student who already has earned one degree and is pursuing a second.

- A student may receive up to the annual maximum amount of \$4,270 (undergraduates with exceptional need may receive up to \$6,405).
- Total grants amounts for fall, spring, and summer terms cannot exceed the annual maximum.
- TEG does **NOT** have a semester maximum.

2025-26 Grant Maximums		
Total grants for fall, spring, and summer terms cannot exceed the annual maximum.		
Institution Type	Year Max	Exceptional Need Amount Per Year
Private/Independent Institutions	\$4,270	\$6,405

Tuition Differential ([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 Commission on Colleges (SACSCOC) 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 SACSCOC levels for the 2025-2026 academic year. These amounts should be used by the institution to derive tuition differentials by using the student’s total SCHs and multiplying by the tuition rate indicated (see [Appendix 1](#) for individual institutional program levels).

SACS Level	Undergraduate Tuition Rate Per SCH	Graduate Tuition Rate Per SCH
Associate Degree - Level 1	\$71	n/a
Baccalaureate Degree - Level 2	\$77	n/a
Master’s Degree - Level 3	\$216	\$318
Three or Fewer Doctoral Degrees - Level 5	\$209	\$258
Four or More Doctoral Degrees - Level 6	\$268	\$350
Public Institution Rates for Law School Students = \$949 PER SCH		

Over Awards ([TAC Section 22.11](#))

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

Grant Adjustments ([TAC Section 22.11](#))

Institutions may be required to make grant adjustments in the following circumstances:

- Student officially withdraws from enrollment.
 - The institution must use their 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 their eligibility amount.
 - The institution must recalculate eligibility amount.

Note: If funds are available after a grant has been adjusted, they can be offered to other eligible students at the institution. If the funds cannot be offered, they must be returned to the THECB based on the [Timely Distribution of Funds requirements](#).

Additional Information

Tuition Differential Example

- Charges for an independent two-year institution (e.g., Jacksonville College) should be compared to public community college charges (Level 1).
- A Level 2 institution that only offers TEG to associate degree students (e.g., Southwestern Christian College) should compare its charges to those of public community colleges (Level 1).
- Level 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 = \$515
- Institution SACSCOC Level 3 = \$216
- Undergraduate student is enrolled in 12 SCHs for fall and 15 SCHs for spring

To calculate tuition differential:

Institution Current Tuition Rate - SACSCOC Level Rate = Difference x Total SCHs = Tuition Differential

For Example:

$$\$515 - \$216 = \$299$$

$$\$299 \times 27 \text{ SCHs} = \$8,073$$

This student is eligible for TEG since the tuition differential (\$8,073) is more than the maximum grant amount (\$4,270).

Processing Funds

Each biennium (the two-year state budget period), funds not requested in the first year will be carried forward by the THECB on behalf of the institution 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.

Institutions can **begin submitting** requests for funding on **August 15, 2025**. The THECB will **begin processing** funds after **September 2, 2025**. Institutions have through **August 3, 2026**, to request program funds. An official notification will be sent to institutions in the summer to provide instructions on how to request funds for FY 2026.

Timely Distribution of Funds ([TAC Section 22.2](#))

Institutions **must** follow these requirements when processing program funds:

- 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 grant.

Late Disbursements ([TAC Section 22.11](#))

Funds that are disbursed after the end of a student's period of enrollment must only be used 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 must document the reason for a student's late disbursement. All late disbursements must be processed before 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.

Authority to Transfer ([TAC Section 22.11](#))

Institutions participating in a combination of either Texas College Work-Study or Work-Study Student Mentorship Program and TEG may transfer up to **25%** of the institution's total annual program allocation or **\$60,000** (whichever is less) between programs within the relevant fiscal year. This threshold applies to the program from which the funds are transferred.

Transfer requests are submitted by the institution to the THECB through the [Grant and Aid Processing Platform \(GAPP\)](#). An official notification will be sent to institutions during the award year. Institutions requesting a transfer of funds must submit a request by **July 1, 2026**.

Appendix 1: SACSCOC Program Levels

INSTITUTION NAME	SACSCOC LEVEL	UNDERGRADUATE TUITION RATE PER SCH	GRADUATE TUITION RATE PER SCH
Abilene Christian University	6	\$268	\$350
Austin College	3	\$216	\$318
Baylor University	6	\$268	\$350
Concordia University Texas	5	\$209	\$258
Criswell College	3	\$216	\$318
Dallas Baptist University	5	\$209	\$258
East Texas Baptist University	6	\$268	\$350
Hardin-Simmons University	5	\$209	\$258
Houston Christian University	6	\$268	\$350
Howard Payne University	3	\$216	\$318
Huston-Tillotson University	3	\$216	\$318
Jacksonville College	1	\$71	n/a
Jarvis Christian University	3	\$216	\$318
LeTourneau University	3	\$216	\$318
Lubbock Christian University	5	\$209	\$258
McMurry University	3	\$216	\$318
Nelson University	5	\$209	\$258
Our Lady of the Lake University	5	\$209	\$258
Parker University	5	\$209	\$258
Paul Quinn College	2	\$77	n/a
Rice University	6	\$268	\$350
Schreiner University	3	\$216	\$318
Southern Methodist University	6	\$268	\$350
Southwestern Adventist University	3	\$216	\$318
Southwestern Christian College	2	\$77	n/a
Southwestern University	2	\$77	n/a
St. Edward's University	5	\$209	\$258
St. Mary's University	5	\$209	\$258
Texas Chiropractic College	5	\$209	\$258
Texas Christian University	6	\$268	\$350
Texas College	2	\$77	n/a
Texas Lutheran University	5	\$209	\$258
Texas Wesleyan University	6	\$268	\$350
The University of Dallas	5	\$209	\$258
Trinity University	3	\$216	\$318
University of Mary Hardin-Baylor	5	\$209	\$258
University of St. Thomas	5	\$209	\$258
University of the Incarnate Word	6	\$268	\$350
Wayland Baptist University	5	\$209	\$258
Wiley University	3	\$216	n/a

For example: Institution's SACS Level = 5 Institution's Current Tuition Rate per SCH = \$620

In this example, the **graduate** student is enrolled in 9 SCHs in the fall and 9 SCHs in the spring. To calculate tuition differential, the institution would complete the following:

$$\begin{array}{rcccccc}
 \text{(Institution Current Tuition} & - & \text{SACS Avg.} & = & \text{Difference} & \times & \text{Semester Credit Hours} & = & \text{Tuition Diff.)} \\
 \$620 & & \$209 & = & \$411 & \times & 18 \text{ SCH} & = & \$7,398
 \end{array}$$

See additional example in the Tuition Differential section, under [Additional Information](#).

Appendix 2: Frequently Asked Questions

1. Can TEG funds be offered to a student while concurrently receiving an athletic scholarship?

No. A student is not eligible to receive a TEG while concurrently receiving an athletic scholarship, regardless of the funding source or amount.

2. Are institutions required to verify that a student is a Texas resident to issue a TEG?

Yes. Institutions are required to verify that all TEG recipients are Texas residents based on the data collected using the required [Core Residency Questions](#). The core questions are also collected and certified through the ApplyTexas application process, which is an additional resource an institution can use to determine a student's residency status.

3. How long does an institution have to return TEG funds after determining a student is ineligible?

An institution must return funds to the THECB within 45 calendar days of a student becoming ineligible for the funding, except when the funds can be disbursed to a different eligible student (for whom funds have not yet been requested) within the 45-day period.

Note: If funds are disbursed after the end of a student's period of enrollment, the funds must be used to pay the student's outstanding balance at the institution or to make a payment on an outstanding student loan for that period. Under no circumstances are funds to be released to the student.

4. Are institutions required to prorate grant amounts?

No. Institutions are not required to prorate grant amounts but have the flexibility to prorate a grant (up to the annual maximum) if the student meets all eligibility criteria.

Appendix 3: Quick References

Contact Information	
By phone: (844) 792-2640	
Program Rules and Statutes	
Texas Program Statutes	Texas Education Code TEC, Chapter 61, Subchapter F
Texas Program Rules	Texas Administrative Code TAC, Title 19, Chapter 22, Subchapter A TAC, Title 19, Chapter 22, Subchapter B
Websites, Portals, and Guides	
General program information for institutions	Student Financial Aid Programs Information Webpage
General college enrollment and financial aid information for students	My Texas Future
Grant and Aid Processing Platform (GAPP) - Institutions can log into the GAPP to access certain state financial aid programs	GAPP Login GAPP Help Desk GAPP Account Creation Instructions [PDF]
Secure file transfer and processing portal	MOVEit DMZ Portal MOVEit DMZ User Access Guide [PDF]
Forms and Instructions	
Form for adding, updating, or removing a user's access for state financial aid web portals	User Access Form [PDF]
Instructions for returning funds electronically	Electronic Funds Transfer Information [PDF]