

# **2019-20**

# **Program Guidelines**

# **Tuition Equalization**

# **Grant (TEG)**



**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.

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

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

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## 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) 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.

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

Any college, university or branch campus, defined as a private or independent institution of higher education, is eligible to participate in the TEG Program (See [TEC, Section 61.003\(15\)](#)).

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

## ELIGIBILITY


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

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

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

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

- ✓ Meet all the first award requirements
- ✓ Maintain satisfactory academic progress
  - [See SAP section, pg. 5](#)

 **STOP:** Beginning with the 2017-18 academic year, non-resident National Merit Scholarship finalists are no longer eligible for a TEG award and there is no grandfathering provision included in this change.

## SELECTIVE SERVICE STATEMENT (19 TAC, SECTION 22.3)

In accordance with [TEC, 51.9095](#), male students may not receive financial assistance without filing a **Selective Service Status Statement** with their institution or other entity granting or guaranteeing the assistance. Financial assistance includes grants, scholarships, loans or other assistance funded by state revenue, including federal funds or gifts and grants accepted by the state.

### When is a statement NOT required?

A **Selective Service Status Statement** is not required when a student's registration is confirmed on the Institutional Student Information Record (ISIR). The confirmation on the ISIR will serve as the student's signed statement since the Department of Education validates registration directly with the Selective Service System (SSS) through a database match for male students who complete the Free Application for Federal Student Aid (FAFSA).

### When is a statement required?

- For a male student that completes a FAFSA but is flagged "not registered" on the ISIR, the institution must determine the student's status.
  - o If the student is **registered**, the institution must collect the status statement and proof of registration which can be used for subsequent semesters.
  - o If the student is **exempt**, the institution must collect the status statement and proof of exemption based on the student's circumstances. The institution can determine what additional documentation to collect to verify the exemption.
- For a male student that does not complete a FAFSA, the required status statement and back-up documentation must be collected by the institution to verify the current selective service status if the individual is applying for any state financial aid.

## 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 (e.g., the individual entered the U.S. after the eligible age to register).

In the event the student's status could change, the statement must be collected each academic year until the male student is registered or determined exempt (e.g., student is under 18).

### METHOD FOR COLLECTING THE STATEMENT

The institution has discretion to determine how to collect this required status statement, which can be done electronically or on paper (e.g., online form, signed award letter, etc.).

### RETENTION SCHEDULE

The status statement and all documentation must be retained in the student's record and be made available if requested during a program review or audit. Each status statement collected must be retained with the student's records for 7 years after the date of completion for the applicable award period (See [TAC, Section 22.4\(a\)\(2\)\(A\)](#)).

### REPROCESSED ISIRS

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

#### Required Statement of Selective Service Status

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

☐ Registered

(Proof of registration required)

☐ Not Registered

☐ Exempt

(Documentation required)

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

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

\_\_\_\_\_  
Date

**DISCONTINUATION OF ELIGIBILITY ([19 TAC, SECTION 22.26](#))**

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

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

**HARDSHIP PROVISIONS ([19 TAC, SECTION 22.27](#))**

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) (19 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 continuation award.

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

**NOTE:** A student who does not meet the program GPA requirement at the end of a spring term may appeal to have courses taken at other institutions included in the GPA calculation. In this case, all grade points previously earned must be included in the overall GPA calculation. If the resulting GPA meets or exceeds the program's academic progress requirement, an otherwise eligible student may receive an award in the following fall term.

## ADDITIONAL INFORMATION

### FIRST YEAR APPEALS

If a student who completes the first year on academic warning, probation, or on an approved plan, the student can be considered meeting SAP, if the institution's policy includes such provisions. However, at the end of the second year, the student must meet the program SAP requirements for continued eligibility, 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 towards a degree. Since a grade of **F** is not earned toward a degree, it should not be considered when calculating the student's completed hours. Failing grades must be considered attempted hours, and therefore counted in the calculation of a student's completion rate.

## AWARDING

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 (See [19 TAC, Section 22.28](#)). 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 (See [19 TAC, Section 22.22](#)).

Beginning in the 2018-19 award year, the reallocation process was eliminated. Institutions have until the close of business on August 1 to request grant funding (or the first working day thereafter if it falls on a weekend or holiday). Extending the award year through August allows institutions to award students attending the summer terms, if otherwise eligible. Students may be issued a total of 3 awards (Fall, Spring, and Summer) in an academic year.

### TEG 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.

### TEG 2019-20 AWARD MAXIMUMS

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

Undergraduate students whose EFC's are  $\leq$  \$1,000 may receive up to the Exceptional Need award amount.



## TUITION DIFFERENTIAL (19 TAC, SECTION 22.22)

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

The Southern Association of Colleges and Schools (SACS) identifies institutions by the highest levels of degrees they offer. These levels are being used by the THECB to identify “comparable” institutions for the purpose of calculating tuition differentials, 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 2019-20 academic year.

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

SACS LEVEL	UNDERGRADUATE TUITION RATE PER SCH	GRADUATE TUITION RATE PER SCH
ASSOCIATE DEGREE <b>LEVEL 1</b>	\$64	n/a
BACCALAUREATE DEGREE <b>LEVEL 2</b>	\$58	n/a
MASTER’S DEGREE <b>LEVEL 3</b>	\$195	\$260
THREE OR FEWER DOCTORAL DEGREES <b>LEVEL 5</b>	\$201	\$241
FOUR OR MORE DOCTORAL DEGREES <b>LEVEL 6</b>	\$248	\$294
PUBLIC INSTITUTION RATES FOR LAW SCHOOL STUDENTS = \$943 PER SCH		

## 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.

## LATE DISBURSEMENTS (19 TAC, SECTION 22.28)

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

## ADDITIONAL INFORMATION

### TUITION DIFFERENTIAL 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.

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

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

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

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

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

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

## PROCESSING FUNDS

### REQUESTING PROGRAM FUNDS

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

Institutions have until the close of business on **August 1** (or the first working day thereafter if it falls on a weekend or holiday) to request program funds (See [19 TAC, Section 22.29](#)).

Each biennium, 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.

**NOTE:** Funding that has been allocated for use in the second year of a biennium cannot be requested in advance during the first year.



**DEFINITION:** A biennium is the two-year state budget period.

## RETURNING PROGRAM FUNDS

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



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

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

## AUTHORITY TO TRANSFER FUNDS ([19 TAC, SECTION 22.30](#))

Institutions participating in TEG and Texas College Work-Study (TCWS) may transfer up to 10% of the institution's total annual program allocation or \$20,000 (whichever is less) between programs within the relevant fiscal year. Institutions requesting a transfer between programs must submit an online inquiry by the deadline listed below through [CONTACT US](#) (select the "Financial Aid Question" option in the drop-down selection under Contact Reason). The Financial Aid Services staff will respond to the institution to provide next steps for the process.

TRANSFER FROM:	TRANSFER TO:	AUTHORITY TO TRANSFER REQUEST DEADLINE DATE
TEG	TCWS	JANUARY 18
OR		
TCWS	TEG	JUNE 14

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

# APPENDIX 1: SACS PROGRAM LEVELS

Institution Name	SACS Level	UNDERGRADUATE TUITION RATE PER SCH	GRADUATE TUITION RATE PER SCH
Abilene Christian University	5	\$201	\$241
Austin College	3	\$195	\$260
Baylor University	6	\$248	\$294
Concordia University Texas	5	\$201	\$241
Dallas Baptist University	5	\$201	\$241
East Texas Baptist University	3	\$195	\$260
Hardin-Simmons University	5	\$201	\$241
Houston Baptist University	5	\$201	\$241
Howard Payne University	3	\$195	\$260
Huston-Tillotson University	3	\$195	\$260
Jacksonville College	1	\$64	n/a
Jarvis Christian College	2	\$58	n/a
LeTourneau University	3	\$195	\$260
Lubbock Christian University	3	\$195	\$260
McMurry University	3	\$195	\$260
Our Lady of the Lake University	5	\$201	\$241
Parker University	5	\$201	\$241
Paul Quinn College	2	\$58	n/a
Rice University	6	\$248	\$294
Schreiner University	3	\$195	\$260
Southern Methodist University	6	\$248	\$294
Southwestern Adventist University	3	\$195	\$260
Southwestern Assemblies of God University	5	\$201	\$241
Southwestern Christian College	2	\$58	n/a
Southwestern University	2	\$58	n/a
St. Edward's University	3	\$195	\$260
St. Mary's University	5	\$201	\$241
Texas Chiropractic College	5	\$201	\$241
Texas Christian University	6	\$248	\$294
Texas College	2	\$58	n/a
Texas Lutheran University	3	\$195	\$260
Texas Wesleyan University	6	\$248	\$294
The University of Dallas	5	\$201	\$241
Trinity University	3	\$195	\$260
University of Mary Hardin-Baylor	5	\$201	\$241
University of St. Thomas	5	\$201	\$241
University of the Incarnate Word	6	\$248	\$294
Wayland Baptist University	5	\$201	\$241
Wiley College	2	\$58	n/a

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

To calculate tuition differential for an undergraduate student who enrolled in 12 SCH in the fall and 12 SCH in the spring, the institution would report the following:

$$\$550 - \$195 = \$355 \times 24 \text{ SCH} = \$8,520$$

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

## APPENDIX 2: QUICK REFERENCES

### CONTACT FINANCIAL AID SERVICES

By phone: (844) 792-2640

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

### OTHER RESOURCES FOR INSTITUTIONS

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

### AVAILABLE FORMS

An online form is required to request grant program funds.	<a href="#">Funds Request Form</a>
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.	<a href="#">System Authorization Form</a>
A form is required when returning funds for all state grant, scholarship, Educational Aide Exemption, and loan program funds.	<a href="#">Grants and Special Programs Online Return of Funds Form</a> <a href="#">Loan Programs Online Return of Funds Form</a>

### CALENDAR

[Institutional Calendar](#)