

2024 - 2025

Program Guidelines

| Tuition Equalization Grant (TEG)



**Texas Higher
Education**
COORDINATING BOARD

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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 Title 19 of the 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.

Program Authority and Purpose ([TAC, Title 19, 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.

State Priority Deadline ([TEC, Title 3, Section 56.008](#) and [TAC, Title 19, Section 22.6](#))

 **ALERT:** The THECB extended the 2024-25 (FY 2025) state financial aid application priority deadline to April 15, 2024, due to exigent circumstances related to federal aid development, as authorized under [Texas Administrative Code 22.6\(3\)](#).

The THECB sets the same priority deadline for applications that qualify for state-funded financial aid in an academic year. General Academic Teaching Institutions (including Lamar State College Orange and Lamar State College Port Arthur) in Texas, as defined in [TEC, Title 3, 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 they must take to meet the deadline. The priority deadline is neither a guarantee to receive funding if a student applies by the applicable date for the academic year, nor is it a restriction to those that apply beyond the date. It is a mechanism used to evaluate similarly situated students to prioritize limited funding and encourage students to complete their application timely to increase the likelihood of receiving state funding.

Eligible Institutions ([TAC, Title 19, Section 22.23](#))

Any private or independent institution of higher education defined in [TEC, Title 3, Section 61.003\(15\)](#), or a branch campus located in Texas that meets specific accreditation requirements, other than theological or religious seminaries, is eligible to participate in this program.

Program Eligibility

Eligibility Requirements ([TAC, Title 19, Section 22.24](#))

To receive an award, 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 (excluding degree plans that are intended to lead to religious ministry*); ✓ maintain satisfactory academic progress (SAP) - see SAP section; ✓ 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) a TEG is awarded; and ✓ 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.

*Enrollment in Degree Programs Leading to Religious Ministry ([TAC, Title 19, Section 22.22\(7\)](#))

Enrollment in a degree program leading to religious ministry makes a student ineligible for a TEG award. If a TEG recipient adds a degree leading to religious ministry, 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.

The THECB does not approve degree plans for TEG award eligibility. Institutions will determine if the student’s degree plan is intended to lead to religious ministry.

Discontinuation of Eligibility ([TAC, Title 19, 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 first semester awarded	6 years from the first semester awarded
Recipient working towards a master’s, professional or doctoral degree	No maximum time limit	

Hardship Provisions ([TAC, Title 19, 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 ¾ time 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

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, Title 19, 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 award.

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 a student *does not receive* state grant funding for the summer term(s), a 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 an award in the following term.

Selective Service Statement ([TAC, Title 19, Section 22.3](#))

Under [TEC, Title 3, 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 or private donations that pass through the state Treasury or governor’s office (i.e., Governor’s Emergency Education Relief (GEER)), 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 FY 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 under the age of 18 and not currently required to register. <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.	<input type="checkbox"/> I was born male and am EXEMPT from registration because: (please briefly explain why you are exempt in the box below.) <div style="border: 1px solid black; height: 80px; width: 100%;"></div>
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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 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).

Awarding

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 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.

⚠️ ALERT: Update to Exceptional Need ([TAC, Section 22.24\(b\)](#)) and Expected Family Contribution (EFC) ([TAC, Section 22.1\(13\)](#))

- The term "exceptional need" was changed to provide institutions with greater flexibility in supporting economically disadvantaged students through funds from the TEG program. The **previous** rule for "exceptional need" was for an undergraduate student that had an expected family contribution (EFC) less than or equal to \$1,000.
- The term “Expected Family Contribution (EFC)” is defined as: “A measure utilized to calculate a student's financial need as regulated and defined by the methodology used for federal student financial aid.” The federal methodology for calculating a student's financial need has transitioned from using EFC to the Student Aid Index (SAI). Reflecting this change, the Texas Higher Education Coordinating Board (THECB) will now refer to SAI in all related guidance and documentation.

Exceptional need applies to undergraduate students that have SAI less than or equal to 50% of the federal Pell Grant eligibility cap that aligns with the year the institution is packaging (i.e., institutions use 50% of the 2024-25 Pell grant cap to determine which students can receive a TEG award in 2024-25). For example, institutions will use 50% of the 2024-25 Pell grant cap (\$7,395) to determine which students can receive an exceptional need TEG award.

- 50% of the Pell cap for 2024-25 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 Awarding

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, Title 19, 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. An award cannot be granted 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 \$3,873 (undergraduates with exceptional need may receive up to \$5,810).
- Total awards for fall, spring, and summer terms cannot exceed the annual maximum.
- TEG does **NOT** have a semester maximum.

2024 25 Award Maximums		
Total awards for fall, spring, and summer terms cannot exceed the annual maximum.		
Institution Type	Award Max Per Year	Exceptional Need Amount Per Year
Private/Independent Institutions	\$3,873	\$5,810

Tuition Differential ([TAC, Title 19, 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 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 2024-2025 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	\$70	n/a
Baccalaureate Degree - Level 2	\$76	n/a
Master’s Degree - Level 3	\$241	\$334
Three or Fewer Doctoral Degrees - Level 5	\$205	\$259
Four or More Doctoral Degrees - Level 6	\$267	\$362
Public Institution Rates for Law School Students = \$969 PER SCH		

Over Awards ([TAC, Title 19, Section 22.11](#))

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 award disbursement is greater than \$300.

Award Adjustments ([TAC, Title 19, Section 22.11](#))

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

- Student officially withdraws from enrollment.
 - The institution must 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 their eligibility amount.
 - The institution must 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 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 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 = \$515
- Institution SACS Level 3 = \$241
- Undergraduate student is enrolled in 12 SCHs for fall and 15 SCHs for spring

To calculate tuition differential:

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

For Example:

\$515 - \$241 = \$274
 \$274 x 27 SCHs = \$7,398

This student is eligible for a TEG award since the tuition differential (\$7,398) is more than the maximum award (\$3,873).

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, 2024**. The THECB will **begin processing** funds after **September 1, 2024**. Institutions have through **August 1, 2025**, 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 2025.

Timely Distribution of Funds ([TAC, Title 19, 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 award.

Late Disbursements ([TAC, Title 19, 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, Title 19, Section 22.11](#))

Institutions participating in a combination of either Texas College Work-Study (TCWS), or Work-Study Student Mentorship Program (WSMP) 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, 2025**.

Appendix 1: SACS Program Levels

Institution Name	SACS Level	Undergraduate Tuition Rate Per SCH	Graduate Tuition Rate Per SCH
Abilene Christian University	6	\$267	\$362
Austin College	3	\$241	\$334
Baylor University	6	\$267	\$362
Concordia University Texas	5	\$205	\$259
Criswell College	3	\$241	\$334
Dallas Baptist University	5	\$205	\$259
East Texas Baptist University	6	\$267	\$362
Hardin-Simmons University	5	\$205	\$259
Houston Christian University	6	\$267	\$362
Howard Payne University	3	\$241	\$334
Huston-Tillotson University	3	\$241	\$334
Jacksonville College	1	\$70	n/a
Jarvis Christian University	3	\$241	\$334
LeTourneau University	3	\$241	\$334
Lubbock Christian University	5	\$205	\$259
McMurry University	3	\$241	\$334
Our Lady of the Lake University	5	\$205	\$259
Parker University	5	\$205	\$259
Paul Quinn College	2	\$76	n/a
Rice University	6	\$267	\$362
Schreiner University	3	\$241	\$334
Southern Methodist University	6	\$267	\$362
Southwestern Adventist University	3	\$241	\$334
Southwestern Assemblies of God University	5	\$205	\$259
Southwestern Christian College	2	\$76	n/a
Southwestern University	2	\$76	n/a
St. Edward's University	5	\$205	\$259
St. Mary's University	5	\$205	\$259
Texas Chiropractic College	5	\$205	\$259
Texas Christian University	6	\$267	\$362
Texas College	2	\$76	n/a
Texas Lutheran University	5	\$205	\$259
Texas Wesleyan University	6	\$267	\$362
The University of Dallas	5	\$205	\$259
Trinity University	3	\$241	\$334
University of Mary Hardin-Baylor	5	\$205	\$259
University of St. Thomas	5	\$205	\$259
University of the Incarnate Word	6	\$267	\$362
Wayland Baptist University	5	\$205	\$259
Wiley College	3	\$241	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:

$$\begin{array}{rccccccc}
 \text{(Institution Current Tuition} & - & \text{SACS Avg.} & = & \text{Difference} & \times & \text{Semester Credit Hours} & = & \text{Tuition Diff.)} \\
 \$620 & & - & & \$205 & = & \$415 & \times & 18 \text{ SCH} & = & \$7,470
 \end{array}$$

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

Appendix 2: Frequently Asked Questions

1. Can TEG funds be awarded to a student in the same term/semester as an athletic scholarship?

No. A student who is obliged (contractually bound) to play an intercollegiate sport as a condition of the scholarship, regardless of the funding source or amount, is not eligible to receive a TEG award during the same term/semester for which the scholarship funds are being paid.

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

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 awards?

No. Institutions are not required to prorate awards. In November 2020, TAC provisions pertaining to proration were removed. Institutions have the flexibility to determine grant amounts and can prorate awards (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 TEXAS Grant, TEOG, TEG, TCWS, EAE, and Bilingual Education 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]