

1. Title

Texas Public Education Grants/Loan Program

2. Rule and Regulation

Sec. 1 Establishment of Percentage. The Board of Regents authorizes each degree-granting institution to set aside from the percentage specified by the [General Appropriations Act](#) for the applicable academic year as provided by [Section 56.033\(a\)\(2\)](#) of the *Texas Education Code* from each resident student's tuition charge and 3% from each nonresident's tuition charge for use as Texas Public Educational Grants and Emergency Loans. In allocating the set-aside funds, the allocation shall reflect the legislatively mandated parameter that "not less than 90 percent [of the set-aside funds] shall be used for Texas Public Educational Grants (TPEG) and not more than 10 percent [of the set-aside funds] shall be use for emergency loans...." Within this parameter, each institution may adjust the allocation in accordance with its needs after consultation with the appropriate Executive Vice Chancellor. Each institution shall establish administrative procedures to insure that Texas Public Educational Grants and Emergency Loans are awarded on the basis of projected set-aside revenues for each semester or annual academic term.

Sec. 2 Criteria for Awarding Grants. The following criteria shall be used in awarding Texas Public Education Grants:

- 2.1 Enrolled Students. Grants are to be made only to students who have been accepted for enrollment and who actually enroll in the term or terms for which the grant is awarded.
- 2.2 Financial Need. Grants are to be awarded based upon the financial need of the applicant.
- 2.3 Method for Determining Need. Financial need is to be determined by use of accepted needs analysis procedures generally in use in other "needs based" financial assistance programs. Deviation from such procedures shall be properly documented.
- 2.4 Restrictions on Awards. Awards to residents may only be funded through funds set aside from resident student

tuition revenues. Awards to nonresident and foreign students may only come from funds set aside from the tuition revenues of such students. After the end of the sixth class week of each semester, an institution may transfer any excess funds set aside from tuition paid by resident or nonresident students to the funds set aside for grants awarded to the other class of students. Priority for awarding grants from any excess funds set aside from tuition paid by resident students shall be given to resident students.

- 2.5 Use of Interest Earned. Interest earned from the funds set aside for Texas Public Educational Grants may be spent only for grants to students under the Texas Public Educational Grants Program.
- 2.6 Transfer of Funds. Any or all of the funds set aside for making Texas Public Educational Grants may be transferred to the Texas Higher Education Coordinating Board to be used for matching federal or other grant funds for awarding to students at each U. T. System institution. Generally only such amounts as can be equally matched by funds held by the Coordinating Board shall be transferred to the Coordinating Board and any unmatched funds transferred to the Coordinating Board shall be returned to each institution upon request of the president.
- 2.7 Excess Funds. At the end of a fiscal year, if the total amount of unencumbered funds that has been set aside under this program by each U. T. System institution, together with the total amount of unencumbered funds transferred to the Texas Higher Education Coordinating Board, exceeds 150 percent of the amount of funds set aside by that institution in the fiscal year, each institution within the U. T. System shall transfer the excess amount to the Coordinating Board for the purpose of awarding scholarships as provided by law to students at institutions other than the institution that transferred funds.

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code [Section 56.033](#) – Source of Program Funding

Texas Education Code [Section 56.034](#) – Guidelines for Determining Eligibility and Awarding Grants

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Academic Affairs
Office of Health Affairs

8. Dates Approved or Amended

December 10, 2004

9. Contact Information

Questions or comments regarding this Rule should be directed to:

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