



FEB 4TH 2026

Applications open

MID MARCH 2026

Expected Application Close Date

# A GUIDE TO TEFA FOR FAMILIES



Senate Bill 2 established TEFA to help families access funds for approved educational expenses starting in 2026–27. With final rules released on November 25, 2025, families now have clarity on how the program will work.

## ELIGIBILITY

Any Texas resident **eligible for public school (PK–12)** may apply.

This includes:

- Children entering PK3–PK4 who meet Texas eligibility
- Students currently in public, private, or homeschool settings
- Students with TEFA qualifying disabilities

There is no income limit to apply, but awards are offered based on State priority groups.

## PRIORITY GROUPS

BASED ON THE FPL (FEDERAL POVERTY LEVEL)

<b>1</b>	<b>≤ 500% +</b> Children with disabilities	<b>≤ 200%</b>	<b>2</b>
<b>3</b>	<b>200% – 500%</b>	<b>≥ 500%</b> (20% cap of total awards) <i>*Public School students may have priority in this group</i>	<b>4</b>

## FEDERAL POVERTY LEVELS

Household Size	200% of FPG Yearly Income	500% of FPG Yearly Income
2	\$42,300	\$105,750
3	\$53,300	\$133,250
4	\$64,300	\$160,750
5	\$75,300	\$188,250
6	\$83,920	\$215,750
7	\$108,300	\$270,750

## ALLOWABLE EXPENSES

Tuition/ Fees	Books/ Materials	Tutoring	Therapies	Meals	Assessments	Technology	Transportation
Participating Private Schools			Therapies not covered by government or private insurance.	Provided at school for a fee		10% Cap	Commercial Only
✓	✓	✓	✓	✓	✓	✓	✓

\*All purchases must be through the TEFA portal from approved providers.

### \$10,800\*

Award per student (85% of public funding).

Additional funding may be awarded based on a student's IEP for disabilities – up to \$30,000.

\*TEA currently estimates this amount to be \$10,800, and the final amount will be released in January 2026.

**PARENT:** As defined by Education Code, §29.351(5), a resident of this state who is a natural or adoptive parent, managing or possessory conservator, legal guardian, custodian, or other person with legal authority to act on behalf of a child.

## PARENT RESPONSIBILITY

Families must:

- Use funds only for approved expenses
- Not withdraw cash or request reimbursement
- Keep receipts
- Ensure annual testing (Grades 3–12)
- Report public school enrollment
- Follow all TEFA rules

## APPLICATION REQUIREMENTS

Choose **ONE** item from each column

1	2	3
Proof of Residency	Proof of Citizenship	Proof of Income
<ul style="list-style-type: none"> <li>• Lease, mortgage, or utility bill</li> <li>• Texas ID/driver's license</li> <li>• Voter registration</li> <li>• Government agency letter</li> <li>• Notarized affidavit</li> </ul>	<ul style="list-style-type: none"> <li>• Birth certificate</li> <li>• U.S. passport</li> <li>• Naturalization certificate</li> <li>• DHS documents</li> </ul>	<ul style="list-style-type: none"> <li>• IRS transcript (if available)</li> <li>• Most recent tax return (2024)</li> <li>• Texas Workforce Commission income data</li> </ul>

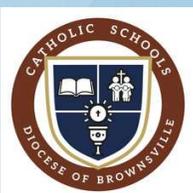
## WHAT IF FUNDS RUN OUT?

If funds run out, eligible students go on a state waitlist.

If more funds become available, awards may be offered mid-year, prorated, and begin the month after approval.

## WHAT'S NEXT?

When applications open on the Texas Comptroller Website, you will apply and select one approved school. Upon completion, eligibility will be determined. Awarding is expected to go out mid - April. If your child is selected, you'll receive instructions to accept the award in the TEFA portal. Your child's TEFA account is then created so you can choose approved schools, providers, and services.



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# A GUIDE TO TEFA

## PRE-K, Siblings & Students with Disabilities



### PRIORITY GROUP #1

BASED ON THE FPL (FEDERAL POVERTY LEVEL)

**≤ 500% +**  
Children with qualifying disabilities

### FEDERAL POVERTY LEVELS

Household Size	200% of FPG Yearly Income	500% of FPG Yearly Income
2	\$42,300	\$105,750
3	\$53,300	\$133,250
4	\$64,300	\$160,750
5	\$75,300	\$188,250
6	\$83,920	\$215,750
7	\$108,300	\$270,750

**\$10,800\* - \$30,000**

Award per student (85% of public funding).  
Additional IEP-based funding for disabilities—  
up to \$30,000 total.

\*TEA currently estimates this amount to be \$10,800, and the final amount will be released in January 2026.

### PRE-K ELIGIBILITY REQUIREMENTS

PK ages 3–5 qualify if they meet Texas public PK eligibility criteria (emergent bilingual, economically disadvantaged, homeless, military, foster, child of district employee, or Star of Texas).

### TEFA QUALIFYING DISABILITIES EXPLAINED

A student with special needs (Tier 1) is defined as a child age 21 or younger with a disability listed in Texas Education Code §29.003 that requires special services to be adequately or safely educated in a public school. Eligible conditions include visual or auditory impairment, physical disability, intellectual or developmental disability, emotional disturbance, learning disability, autism, speech disability, or traumatic brain injury.

### SIBLING PRIORITY

Siblings as defined by Education Code, §29.351(9), are: A brother, sister, stepbrother, stepsister, half-brother, half-sister, or a foster brother or sister who is a dependent of the participating parent and has been placed with the participating parent by an authorized placement agency or by judgment, decree, or other order of a court of competent jurisdiction.

### ADDITIONAL DOCUMENTATION

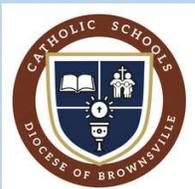
One of the following documents is needed to prove a child with disabilities:

- A current, active Individualized Education Program (IEP)
- A current Full Individual & Initial Evaluation (FIIE)
- An evaluation from a licensed professional that matches a qualifying disability.

### IMPORTANT:

A licensed professional evaluation can place your child in the top priority group, but the state can only calculate additional disability-based funding if your child has an IEP.

Families without an IEP will still be reviewed in the disability priority group but may receive the standard ESA funding amount.

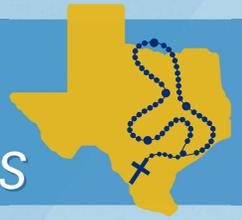


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# A GUIDE TO TEFA

FOR LEADERS



## TEFA FINAL RULES — KEY UPDATES & NEW REQUIREMENTS

A high-level summary of what changed, what was clarified, and what leadership must know.

### DISABILITY PRIORITY & DOCUMENTATION (DEFINED)

Understanding from Proposed Rules: Doctor's notes might qualify; unclear whether an IEP was required.

#### Final Rules:

- A child qualifies for disability priority with any ONE of the following:
  - Individualized Education Program (IEP)
  - Full Individual & Initial Evaluation (FIIE)
  - Licensed professional evaluation (must match 19 TAC §89.1040 categories)
    - IEP required only for enhanced funding, not for priority.

#### Leadership takeaway:

Families can enter Priority Group 1 without a district IEP, but disability-based funding requires one.

### WHAT TEFA COVERS (POTENTIALLY)

Understanding from Proposed Rules: Therapies are likely covered but not explicitly listed.

#### Final Rules:

- Uses broad category: “educational therapies or services” (not listed individually).
- This category may cover speech, OT, PT, dyslexia therapy, behavioral supports, counseling, etc.
- All purchases must be through the TEFA portal from approved providers.

#### Leadership takeaway:

We may give examples, but must phrase them as “such as...” because TEFA intentionally uses broad language.

### TECHNOLOGY & TRANSPORTATION (SPECIFICATIONS RELEASED)

Understanding from Proposed Rules: Tech limits unclear; transportation rules undefined.

#### Final Rules:

- Tech capped at 10% of the annual award; must be required by a provider or prescribed by a physician.
- Transportation only covered if provided by a private commercial, fee-for-service provider.
- No gas reimbursement or personal vehicle use.

#### Leadership takeaway:

Technology spending and transportation are more restricted than originally assumed.

### PRE-K ELIGIBILITY (CLARIFIED)

Understanding from Proposed Rules: PK eligibility unclear.

#### Final Rules:

PK ages 3–5 qualify if they meet Texas public PK eligibility criteria ([Eligibility can be found here](#)).

#### Leadership takeaway:

PK participation is broader than initially assumed—schools should be ready for PK-specific questions.



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# A GUIDE TO TEFA

FOR LEADERS

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## PARENT RESPONSIBILITIES (DETAILS RELEASED)

*Understanding from Proposed Rules: Basic compliance expected; limited detail.*

### **Final Rules:**

Parents must

- Use funds only for approved expenses
- Not withdraw cash or seek reimbursement
- Not sell ESA-funded items
- Ensure norm-referenced testing (Grades 3–12)
- Maintain receipts
- Notify the state within 30 days if child enters public school
- Cooperate with audits

### **Leadership takeaway:**

Responsibilities are strict and enforceable; families must understand these before accepting funds.

## WAITLIST & MID-YEAR AWARDS (DEFINED)

*Understanding from Proposed Rules: Wait list likely; mid-year funds unclear.*

### **Final Rules:**

- If funds run out, eligible students move to a state-managed waitlist.
- If funds increase mid-year:
  - students admitted in lottery order
  - awards prorated
  - funding starts the first day of the month after approval

### **Leadership takeaway:**

Families can apply with confidence – waitlist movement and applicable prorated funds are now defined.

## INCOME PRIORITY & 20% CAP (CLARIFIED)

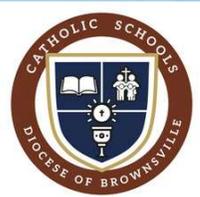
*Understanding from Proposed Rules: Priority groups known; cap unconfirmed.*

### **Final Rules:**

- Priority parameters remain the same. Priority Group #4 (highest-income group) has the following clarification:
  - Public school transfers will be prioritized in Priority Group #4 only.
  - No more than 20% of the total allocation can come from Priority Group #4 ( $\geq 500\%$  FPL).

### **Leadership takeaway:**

Income structure consistent, but cap is now officially binding.



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