

**Matthew Feehan, J.D., Senior Policy Advisor**  
**Veterans Education Project**  
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Proposed Additional Language:

§ 690.5 Ineligibility due to assistance from non-Federal grants (exact cost of attendance)

Add subpart (a):

- (a) The following forms of assistance are not considered grant aid for purposes of determining ineligibility under this section.
- (1) State veterans' education benefits, tuition exemptions, fee waivers, or similar programs provided to veterans, active-duty service members, members of the National Guard or Reserves, or their spouses or dependents. This includes, but is not limited to, programs such as the Texas Hazlewood Act and similar State-authorized veteran tuition exemptions.
  - (2) Non-cash tuition or fee exemptions granted by a State, institution, or public agency to military-affiliated students, including waivers that reduce or eliminate tuition charges without provision of cash aid to the student.
  - (3) State or institutional assistance restricted solely to expenses not fully encompassed within the federally defined cost of attendance, including licensure examination fees, program-required travel, equipment, or other narrowly defined educational costs.
  - (4) Military service-related educational benefits provided by States or institutions that supplement Federal veterans' benefits, when such benefits do not provide unrestricted cash to meet general cost-of-attendance components.
  - (5) Benefits provided as a result of active military service obligations, including institutional military discounts, National Guard tuition support, or other service-contingent arrangements that operate as tuition reductions rather than grant payments.

**Current Definition of a Grant Agreement or Grant:**

*Grant agreement or grant*

“means a legal instrument of financial assistance between a Federal agency and a recipient or between a pass-through entity and a subrecipient, consistent with [31 U.S.C. 6302, 6304](#): (1) Is used to enter into a relationship, the principal purpose of which is to transfer anything of value to carry out a public purpose authorized by a law of the United States (see [31 U.S.C. 6101\(3\)](#)); and not to acquire property or services for the Federal agency or pass-through entity's direct benefit or use; (2) Is distinguished from a cooperative agreement in that it does not provide for substantial involvement of the Federal agency in carrying out the activity contemplated by the Federal award. (3) Does not include an agreement that provides only: (i) Direct United States Government cash assistance to an individual; (ii) A subsidy; (iii) A loan; (vi) A loan guarantee; or (v) Insurance.