

## Opt-Out Form Guidance

Texas Education Code (TEC) [§28.0256](#) allows a student to opt out of the financial aid application graduation requirement. To authorize a student to opt out, the Financial Aid Application Opt-Out Form must be signed under one of the following options:

- I) A student aged 18 years or older or an emancipated minor under Chapter 31, Texas Family Code, may decline
- II) The student’s parent or guardian may decline or authorize the student to decline
- III) A school counselor, for good cause as determined by the counselor and student, may authorize a student to decline

## TEA-Provided Form

Under 19 Texas Administrative Code (TAC) §74.1023(c), the board of trustees for each school district and open-enrollment charter school must adopt the standard opt-out form provided by TEA. The form must be made available to all students before graduation.

TEA has published the Opt-Out form on its website: <https://tea.texas.gov/academics/college-career-and-military-prep/financial-aid-requirement>. With any updates to the opt-out form, districts and charters will need to adopt and implement the newest version of the form.

The district or charter school cannot make any significant modifications to the form made available by TEA, but the form can be presented and signed digitally according to Texas Government Code, §2054.060(b) (see *Signatures* below).

## Translation of Opt-Out Form

The opt-out form must be available in English, Spanish, and any other language spoken by a majority of the students enrolled in a bilingual education or special language program under TEC, Chapter 29, Subchapter B, in the district or charter school. Districts and charter schools are responsible for translations not provided by TEA.

TEA has published an [English](#) and [Spanish](#) version of the Opt-Out form.

## Documentation of Opt-Out Form

The form does not need to be filed with TEA. The form should be submitted to the school counselor or appropriate district or campus staff. Completion of the opt-out form may be reported to TEA via TSDS PEIMS using code (2) "Exemption Submitted" for element E1724 *Financial Aid Application Code*.

Financial Aid Application Opt-Out Form	
Financial aid applications inform postsecondary institutions' decisions about student eligibility for federal, state, and institutional funds. Financial aid awards can help students pay for their educational expenses after high school.	
Each high school senior in a Texas public school district or open enrollment charter school must complete and submit a free application for federal student aid (FAFSA) or a Texas application for state financial aid (TASFA) as a state requirement for graduation. <a href="#">Texas Education Code §28.0256</a> allows a student to opt out of the financial aid application graduation requirement by submitting a signed form that authorizes the parent or student to decline.	
To authorize a student to opt out of the financial aid application graduation requirement, the Financial Aid Application Opt-Out Form must be signed by <u>one</u> of the following:	
OPTION I: A student age 18 years or older or emancipated minor under Chapter 31, Texas Family Code	
OPTION II: (a) The student's parent or guardian (the parent declines to complete the financial aid application), or (b) The student's parent or guardian and the student (the parent authorizes the student to opt out)	
OPTION III: A school counselor, for good cause as determined by the school counselor, and the student	
Students under 18 years of age may only be authorized to decline under OPTION II or OPTION III.	
Student Printed Name:	Date of Birth:
District/Charter School:	Campus:
Submitting a <i>Financial Aid Application Opt-Out Form</i> does not prohibit a student from completing and submitting a financial aid application at any time in the future.	
OPTION I: STUDENT AUTHORIZATION	
My signature below certifies that I am 18 years of age or older or an emancipated minor and am authorized to decline to complete and submit a financial aid application on my own behalf.	
Student Signature:	Date:
OPTION II: PARENT AUTHORIZATION	
My signature below (check one): <input type="checkbox"/> certifies that I decline to complete and submit a financial aid application on behalf of my child (parent signature only) <input type="checkbox"/> authorizes my child to decline to complete and submit a financial aid application (parent and student signature required)	
Parent/Legal Guardian Signature:	Date:
Parent/Legal Guardian Printed Name:	
I am under the age of 18 and with my parent's authorization, I decline to complete and submit a financial aid application.	
Student Signature:	Date:
OPTION III: COUNSELOR AUTHORIZATION	
My signature below certifies that reasonable efforts to fulfill obligations to the student have been made, but for good cause I have authorized the student to decline to complete and submit a financial aid application.	
School Counselor Signature:	Date:
School Counselor Printed Name:	
I am under the age of 18 and with my counselor's authorization, I decline to complete and submit a financial aid application.	
Student Signature:	Date:

Texas Education Agency

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Please follow the state and your district's records retention policy for documents related to this requirement. In the event of agency audit or when transferring records to another district in which the student enrolls, a district must be able to provide documentation to the agency or to the receiving district that the form with appropriate signatures was submitted.

LEAs are required to report the completion of the opt-out form for the financial aid application graduation requirement through the Texas Records Exchange (TReX) element TE139, Financial-Aid-Application-Code using code (2), "Exemption Submitted" in the table TC46.

## Signatures

The opt-out form must include the student's (or parent's) signature of intent to decline to complete a financial aid application **prior to the student's anticipated graduation date**.

The student must provide a signature under the applicable option being used to satisfy the requirement for graduation. Option 1 (student declines) and Option 3 (counselor authorization) require a student's signature. A student signature is not required under Option 2 in which a parent declines on the student's behalf.

The school counselor only needs to sign the opt-out form under Option III for good cause.

Texas Government Code, §2054.060(b) provides that "[a] digital signature may be used to authenticate a written electronic communication sent to a local government if it complies with rules adopted by the governing body of the local government. Before adopting the rules, the governing body of the local government shall consider the rules adopted by [DIR] and, to the extent possible and practicable, shall make the governing body's rules consistent with the department's rules." In Subsection (e) of that section, "digital signature" is defined as "an electronic identifier intended by the person using it to have the same force and effect as the use of a manual signature."

An electronic signature is satisfactory if it is executed pursuant to rules adopted by the governing body [school board] as provided by Texas Government Code, §2054.060(b). In the event of an agency audit or when transferring records to another district in which the student enrolls, the district would need to be able to provide documentation to the agency or to the receiving district that the [form] for the student was signed by the appropriate party regardless of the method used.

## Option I: Student Authorization

A student who is 18 years or older or an emancipated minor as described in Texas Family Code, Chapter 31, may exercise Option I to opt out of the financial aid application graduation requirement. The student must be eligible on the date of signature on the opt-out form. The opt-out form must be submitted prior to high school graduation. A student may exercise Option I from the day they turn 18 (or other eligible age) up to high school graduation. Only the student signature is required for Option I.

The student does not need to provide a reason for signing and submitting the opt-out form to decline. However, LEAs are encouraged to provide students information on the benefits of applying for financial aid, even if they currently do not anticipate postsecondary enrollment.

## Option II: Parent Authorization

Option 2 allows parents or guardians to either

- decline the financial aid requirement on behalf of their student, or
- authorize their student to decline the requirement.

If a parent selects to decline on behalf of their student, only the parent signature is required. If the parent selects to ‘authorize’ their student to decline, both the parent and student signature is required. If a parent checks both boxes on the form, only a parent signature is necessary.

A parent does not need to provide a reason for signing and submitting the opt-out form to authorize their student to decline. However, LEAs are encouraged to provide families information on the benefits of applying for financial aid.

## Option III: Counselor Authorization

Option III allows school counselors to authorize the student to decline the requirement under a “good cause,” as determined by the school counselor and student, informed by local policy. This option requires both the student and school counselor’s signature. A counselor may not opt out all students on a campus for “good cause,” since the student must agree to decline.

Administrators and other advising staff who are not certified school counselors are **not** authorized to submit an opt-out form under Option III. There is not an opt-out option for a district or charter that does not employ a school counselor. A district may consider hiring a school counselor on a contract basis to address this and other issues that require school counselor action.

### Good Cause

Good Cause is locally defined by the district or charter school policy and only applies to Option III. Option I and II do not require students or parents to provide a good cause to opt out. Districts and charters are not required to detail the “good cause” on the form under which the student is authorized to opt-out on the form. The student should be made aware that use of the opt-out form does not affect the student's ability to apply for financial aid at any time, including during the current school year.

## Failure to Provide Opt-Out Form

Under TEC [§28.025](#), a school counselor may not indicate a student has not complied with the requirement if the district or charter school **failed to provide** the opt-out form to the student or their parent or guardian.

## Disclosure

The original authorizing statute limited counselors from indicating the manner in which a student completed the financial aid application requirement. Senate Bill 369 of the 87th Legislative Session, 2021 clarifies this information may be indicated for the purpose of the reporting requirement in TSDS PEIMS, which codes an application completed or exception filed. Counselors should not disclose which application a student completed or the option in which they opt out.