

By: Zaffirini

S.B. No. 27

A BILL TO BE ENTITLED

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AN ACT

relating to the establishment of a no interest college loan program to provide students who maintain a B average and graduate within four years an incentive to pursue higher education in Texas.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 61, Education Code, is amended by adding Subchapter Q to read as follows:

Sec. 61.815. PROGRAM NAME. The student financial assistance program authorized by this subchapter is known as the Texas B On-Time Student Loan Program, and an individual scholarship awarded under this subchapter is known as a Texas B On-Time Student Loan.

Sec. 61.8151. PURPOSE. The purpose of this subchapter is to provide zero percent loans for eligible students to enable them to attend Texas institutions of higher education.

Sec. 61.8152. ADMINISTRATIVE AUTHORITY. (a) The Texas Higher Education Coordinating Board shall administer the Texas B On-Time Student Loan Program.

(b) The coordinating board shall provide a Texas B On-Time Student loan to an eligible student enrolled in an eligible institution of higher education in the most efficient manner possible.

(c) The total amount of Texas B On-Time Student Loans awarded may not exceed the amount available for the Texas B On-Time

1 Student Loan Program from appropriations, gifts, grants or other  
2 funds.

3 (d) During each fiscal year, the coordinating board may use  
4 up to one percent of the funds appropriated for the Texas B On-Time  
5 Student Land Program to cover the costs of administering the  
6 program.

7 Sec. 61.8153. ELIGIBLE INSTITUTION. An eligible  
8 institution of higher education is:

9 (1) an institution of higher education as defined by  
10 Se. 61.003(8); or

11 (2) a private or independent institution of higher  
12 education as defined by Section 61.003(15).

13 Sec. 61.8154. ELIGIBLE PERSON. (a) To be eligible for a  
14 Texas B On-Time Student Loan, a person must:

15 (1) be a Texas resident under the rules of the Texas  
16 Higher Education Coordinating Board;

17 (2) be enrolled in an undergraduate degree or  
18 certificate program at an eligible institution of higher education;

19 (3) be a graduate of a Texas public or accredited  
20 private high school who graduated not earlier than the 2002-2003  
21 school year and who graduated with at least a B cumulative grade  
22 point average;

23 (4) enroll for a full course load as an entering  
24 freshman not later than the sixteenth month after the person's  
25 graduation from a Texas high school; and

26 (5) comply with any other requirement adopted by the  
27 coordinating board under this subchapter.

1 (b) A person is not eligible to receive a Texas B On-Time  
2 Student Loan if the person has a baccalaureate degree.

3 (c) A person's eligibility for a Texas B On-Time Student  
4 Loan ends four years after the person first enrolls in an eligible  
5 institution of higher education.

6 (d) A person may not receive a Texas B On-Time Student Loan  
7 for more than 150 semester credit hours or the equivalent.

8 Sec. 61.8155. REQUIREMENTS FOR MAINTAINING ELIGIBILITY.

9 (a) A person may receive a Texas B On-Time Student Loan during each  
10 semester in which the person enrolls if the person makes steady  
11 academic progress toward an undergraduate degree or certificate and  
12 maintains at least a B cumulative grade point average.

13 Sec. 61.8156. LOAN DISBURSEMENT. (a) A person receiving a  
14 Texas B On-Time Student Loan may use the loan proceeds for any usual  
15 and customary education-related expense incurred by the student,  
16 including tuition and fees, books, and room and board.

17 (b) An institution may not require a scholarship recipient  
18 to use the proceeds to pay tuition and fees.

19 Sec. 61.8157. LOAN AMOUNT. (a) The amount of a Texas B  
20 On-Time Student Loan for a student enrolled at a public institution  
21 of higher education is an amount equal to the tuition and fees,  
22 excluding incidental fees, charged to the student.

23 (b) The amount of a Texas B On-Time Student Loan for a  
24 student enrolled at a private or independent institution of higher  
25 education shall be an amount equal to the average tuition and fees,  
26 excluding incidental fees, charged to a student.

27 (c) The Texas Higher Education Coordinating Board shall

1 award annually loans based on the amount from appropriations,  
2 gifts, grants or other funds and the number of eligible persons.

3 Sec. 61.8158. LOAN PAYMENT. (a) The Texas Higher  
4 Education Coordinating Board shall establish policies and  
5 procedures for distributing the loan funds in the most efficient  
6 manner possible.

7 Sec. 61.8159. FUTURE ELIGIBILITY REQUIREMENTS.

8 (a) Beginning in the fall semester of 2003, in order to be eligible  
9 for a Texas B On-Time Student Loan, a student must graduate from a  
10 Texas high school with a diploma designated as college preparatory  
11 by the Texas Education Agency.

12 (b) The Texas Education Agency, in consultation with the  
13 Texas Higher Education Coordinating Board, public schools and  
14 institutions of higher education, shall determine the curriculum  
15 needed to lead to a college preparatory diploma. The Texas  
16 Education Agency may designate multiple diploma categories as  
17 college preparatory.

18 (c) Each high school in Texas shall ensure that the diploma  
19 designation is either noted on each student's official transcript  
20 or included in the documentation required to certify a students'  
21 eligibility for the loan.

22 Sec. 61.81510. ADOPTION AND DISTRIBUTION OF RULES.

23 (a) The Texas Higher Education Coordinating Board shall adopt  
24 rules necessary to administer this subchapter.

25 (b) The coordinating board shall distribute to each  
26 eligible institution of higher education and to each school  
27 district a copy of all rules adopted under this subchapter.

1           (c) Each school district shall notify its students to ensure  
2 the students' awareness of this loan program and the eligibility  
3 requirements.

4           Sec. 61.81511. FUNDING. (a) The coordinating board may  
5 accept gifts and grants from any public or private source for the  
6 purposes of this subchapter.

7           SECTION 2. (a) The Texas B On-Time Student Loan shall  
8 first be awarded for the fall semester 2003.

9           (b) The coordinating board shall adopt rules for awarding  
10 loans under this subchapter not later than July 25, 2003.

11          SECTION 3. This Act takes effect immediately if it receives  
12 a vote of two-thirds of all the members elected to each house, as  
13 provided by Section 39, Article III, Texas Constitution. If this  
14 Act does not receive the vote necessary for immediate effect, this  
15 Act takes effect September 1, 2003.