

BILL ANALYSIS

Senate Research Center

S.B. 27
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Higher Education
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The purpose of this legislation is to make eligibility modifications to the Texas B-On-time loan program in order to ensure its long-term viability.

The Be-On-time program provides zero-interest student loans, which may be forgiven, for students who maintain a certain grade point average and graduate from college within four years. Community college students rarely use the program because they often do not meet the full-time student requirements.

S.B. 27 removes community college students from the Be-On-time program, as they are better served through the Texas Educational Opportunity Grant Program.

As proposed, S.B. 27 amends current law relating to eligibility for a Texas B-On-time loan.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 56.451, Education Code, to delete the definitions for "public junior college" and "public technical institute" in this subchapter.

SECTION 2. Amends Section 56.455, Education Code, as follows:

Sec. 56.455. INITIAL ELIGIBILITY FOR LOAN. Requires a person, to be eligible initially for a Texas B-On-time loan, to meet certain criteria, including being enrolled for a full course load for an undergraduate student, as determined by the Texas Higher Education Coordinating Board (THECB), in an undergraduate degree at an eligible institution, rather than in an undergraduate degree or certificate program at an eligible institution.

SECTION 3. Amends Section 56.456, Education Code, as follows:

Sec. 56.456. CONTINUING ELIGIBILITY AND ACADEMIC PERFORMANCE REQUIREMENTS. (a) Authorizes a person, after initially qualifying for a Texas B-On-time loan, to continue to receive a Texas B-On-time loan for each semester or term in which the person is enrolled at an eligible institution only if the person is enrolled for a full course load for an undergraduate student, as determined by the coordinating board, in an undergraduate degree program, rather than an undergraduate degree or certificate program, at an eligible institution, and makes satisfactory academic progress toward a degree, rather than a degree or certificate, as determined by the institution at which the person is enrolled, if the person is enrolled in the person's first academic year at the institution.

(b)-(c) Makes no change to these subsections.

Deletes existing Subsection (d) providing that a person who qualifies for and subsequently receives a Texas B-On-time loan, who receives an undergraduate certificate or associate degree, and who, not later than the 12th month after the month the person receives the certificate or degree, enrolls in a program leading to a higher level undergraduate degree continues to be eligible for a Texas B-On-time loan to the extent other eligibility requirements are met.

SECTION 4. Amends Section 56.459, Education Code, as follows:

Sec. 56.459. LOAN AMOUNT. (a) Provides that the amount of a Texas B-On-time loan for a semester or term for a student enrolled full-time at an eligible institution other than an institution covered by Subsection (b), rather than Subsection (b), (c), or (d), is an amount determined by THECB as the average statewide amount of tuition and required fees that a resident student enrolled full-time in an undergraduate degree program would be charged for that semester or term at general academic teaching institutions.

(b) Makes no change to this subsection.

(c) Redesignates existing Subsection (e) as Subsection (c). Makes no further change to this subsection.

(d) Redesignates existing Subsection (f) as Subsection (d). Makes no further change to this subsection.

Deletes existing Subsection (c) providing that the amount of a Texas B-On-time loan for a student enrolled full-time at a public technical institute is the amount determined by THECB as the average statewide amount of tuition and required fees that a resident student enrolled full-time in an associate degree or certificate program would be charged for that semester or term at public technical institutes.

Deletes existing Subsection (d) providing that the amount of a Texas B-On-time loan for a student enrolled full-time at a public junior college is the amount determined by THECB as the average statewide amount of tuition and required fees that a student who is a resident of the junior college district and is enrolled full-time in an associate degree or certificate program would be charged for that semester or term at public junior colleges.

SECTION 5. Amends Section 56.461, Education Code, to provide that the repayment of a Texas B-On-time loan received by a student under this subchapter is deferred as long as the student remains continuously enrolled in an undergraduate degree program, rather than an undergraduate degree or certificate program, at an eligible institution.

SECTION 6. Amends Section 56.462, Education Code, as follows:

Sec. 56.462. LOAN FORGIVENESS. Deletes existing text requiring a student who receives a Texas B-On-time loan to be forgiven the amount of the student's loan if the student is awarded an undergraduate certificate or degree at an eligible institution with a cumulative grade point average of at least 3.0 on a four-point scale or the equivalent within two years after the date the student initially enrolled in the institution or another eligible institution if the institution is a public junior college or public technical institute.

SECTION 7. Effective date: upon passage or September 1, 2013.