

By: N. Gonzalez of El Paso

H.B. No. 2322

A BILL TO BE ENTITLED

AN ACT

relating to an emergency loan program at a public institution of higher education.

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

SECTION 1. Sections 56.033(a), (b), (d), and (e), Education Code, are amended to read as follows:

(a) The governing board of each institution of higher education, including the Texas State Technical College System, shall cause to be set aside:

(1) not less than 15 percent nor more than 25 ~~[20]~~ percent out of each resident student's tuition charge under Section 54.051 as provided by the General Appropriations Act for the applicable academic year;

(2) not less than three percent nor more than eight percent out of each nonresident student's tuition charge under Section 54.051;

(3) not less than six percent nor more than 25 ~~[20]~~ percent out of each resident student's hourly tuition charge exclusive of out-of-district charges, and \$1.50 out of each nonresident student's hourly tuition charge, for academic courses at a public community or junior college; and

(4) not less than six percent nor more than 25 ~~[20]~~ percent of hourly tuition charges exclusive of out-of-district charges for vocational-technical courses at a public community or

1 junior college.

2 (b) Of the funds set aside under this section by an  
3 institution, not less than 85 ~~[90]~~ percent shall be used for Texas  
4 Public Educational Grants and not more than 15 ~~[10]~~ percent shall be  
5 used for emergency loans under Subchapter D ~~[of this chapter]~~.

6 (d) Interest earned from the funds set aside for Texas  
7 Public Educational Grants may be spent ~~[only]~~ for grants to  
8 students as provided by this subchapter and for emergency loans to  
9 students as provided by Subchapter D.

10 (e) To supplement money set aside under Subsection (a), the  
11 governing board of an institution of higher education may use money  
12 received by the institution from the fee for issuance of collegiate  
13 license plates under Section 504.615, Transportation Code, for  
14 awarding Texas Public Educational Grants and for providing  
15 emergency loans under Subchapter D. The board may use the money to  
16 award grants and provide emergency loans to both resident and  
17 nonresident students, except that the board shall give priority to  
18 grants or loans for resident students. ~~[Notwithstanding Subsection~~  
19 ~~(b), the board may not use the money for emergency loans under~~  
20 ~~Subchapter D.]~~

21 SECTION 2. Section 56.051, Education Code, is amended to  
22 read as follows:

23 Sec. 56.051. EMERGENCY LOANS. Each institution of higher  
24 education shall ~~[may]~~ establish an emergency loan program under  
25 which students are loaned money to pay tuition, fees, costs of  
26 on-campus housing, and the costs of textbooks.

27 SECTION 3. Section 56.053(a), Education Code, is amended to

1 read as follows:

2 (a) The governing board of each institution shall adopt  
3 rules providing for the terms of the loan, subject to the following:

4 (1) the loan must be repaid over a period not to exceed  
5 180 [~~90~~] days for a loan made for a regular semester or long summer  
6 session or over a proportionately shorter period for loans made for  
7 a six-week summer session;

8 (2) the loan must be evidenced by a written or  
9 electronic agreement providing for one of the following:

10 (A) interest on the loan at a rate of not more  
11 than five percent per year; or

12 (B) an origination fee of not more than 1.25  
13 percent of the amount of the loan; and

14 (3) the loan amount per student may not exceed an  
15 amount equal to the tuition, mandatory fees, and cost of textbooks  
16 for the courses in which the student is actually enrolling.

17 SECTION 4. Subchapter D, Chapter 56, Education Code, is  
18 amended by adding Section 56.056 to read as follows:

19 Sec. 56.056. NOTICE OF AVAILABILITY OF EMERGENCY LOAN. (a)  
20 Each institution of higher education shall provide notice of the  
21 emergency loan program to each student in a prominently printed  
22 statement that appears on or is included with the student's tuition  
23 bill or billing statement for the payment of the student's tuition.

24 (b) If for any semester or other academic term the  
25 institution does not provide the student with a printed tuition  
26 bill or tuition billing statement, the institution shall include  
27 the notice required by Subsection (a) for that semester or other

1 term in a statement prominently displayed in an e-mail sent to the  
2 student. The notice may be included in any other e-mail sent to the  
3 student in connection with the student's tuition charges for that  
4 semester or other term.

5 (c) The Texas Higher Education Coordinating Board by rule  
6 shall prescribe minimum standards for the manner, form, and content  
7 of the notice required by this section.

8 SECTION 5. (a) The change in law made by this Act to Section  
9 56.033, Education Code, applies beginning with tuition charged for  
10 the 2013 fall semester.

11 (b) The changes in law made by this Act to Subchapter D,  
12 Chapter 56, Education Code, apply beginning with the emergency loan  
13 program for the 2014 spring semester.

14 (c) Not later than September 1, 2013, the Texas Higher  
15 Education Coordinating Board shall adopt the rules required by  
16 Section 56.056, Education Code, as added by this Act.

17 SECTION 6. This Act takes effect immediately if it receives  
18 a vote of two-thirds of all the members elected to each house, as  
19 provided by Section 39, Article III, Texas Constitution. If this  
20 Act does not receive the vote necessary for immediate effect, this  
21 Act takes effect September 1, 2013.