

By: Giddings

H.B. No. 3372

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the administration of the Texas B-On-time loan program  
3 and to permitting an institution of higher education to retain  
4 excess B-On-time tuition set-asides to provide financial  
5 assistance to students of the institution.

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

7 SECTION 1. Subchapter Q, Chapter 56, Education Code, is  
8 amended by adding Section 56.4601 to read as follows:

9 Sec. 56.4601. PROMOTING UNIFORM STUDENT PARTICIPATION IN  
10 PROGRAM. (a) The coordinating board shall examine the  
11 administration of the Texas B-On-time loan program at institutions  
12 of higher education to identify the reasons for different rates of  
13 student participation in the program at those institutions and  
14 shall develop strategies for achieving a more uniform student  
15 participation among those institutions.

16 (b) The coordinating board shall assist the financial aid  
17 office and administration of each institution of higher education  
18 with a student participation rate in the Texas B-On-time loan  
19 program that is less than the average statewide student  
20 participation rate in the program for institutions of higher  
21 education to develop and implement strategies to improve student  
22 participation at the institution, including strategies to better  
23 inform students and prospective students about the program and to  
24 assist students to qualify for and achieve maximum benefits under

1 the program.

2 SECTION 2. Section 56.465, Education Code, is amended by  
3 amending Subsection (b) and adding Subsections (c), (c-1), and (d)  
4 to read as follows:

5 (b) Subject to Subsection (c), the [~~The~~] amount of tuition  
6 set aside under Subsection (a) shall be deposited to the credit of  
7 the Texas B-On-time student loan account established under Section  
8 56.463 or to the interest and sinking fund established by the  
9 coordinating board under Section 52.91(b) in accordance with the  
10 resolution of the board establishing such fund.

11 (c) If in the preceding academic year the students of an  
12 institution of higher education receive a percentage of the total  
13 amount of Texas B-On-time loans made to students at all  
14 institutions of higher education that is less than the percentage  
15 of the total amount of tuition set aside under Subsection (a) in  
16 that year at all institutions of higher education that was set aside  
17 at that institution, the coordinating board shall permit the  
18 institution to retain a portion of the tuition set aside at the  
19 institution in the current academic year so that the amount of that  
20 tuition set aside at that institution in the current academic year  
21 that is deposited to the credit of the Texas B-On-time student loan  
22 account or to the interest and sinking fund established under  
23 Section 52.91(b) reflects the institution's percentage of the total  
24 amount of Texas B-On-time loans made to students at all  
25 institutions of higher education in the preceding academic year.  
26 The institution may use the retained portion of the tuition set  
27 aside under Subsection (a) only to provide financial assistance to

1 students of the institution in the same manner as tuition set aside  
2 at the institution under Section 56.011.

3 (c-1) The coordinating board shall permit qualifying  
4 institutions of higher education to retain a portion of the tuition  
5 set aside at each institution under Subsection (c) beginning with  
6 the tuition set aside under Subsection (a) in the 2013-2014  
7 academic year, based on the appropriate information regarding Texas  
8 B-On-time loans and tuition set-asides for the 2012-2013 academic  
9 year. This subsection expires January 1, 2015.

10 (d) Under Subsection (c), the coordinating board may not  
11 permit institutions to retain a portion of tuition set aside under  
12 Subsection (a) that would have a direct adverse impact on the  
13 repayment of bonds issued on or before September 1, 2013, to provide  
14 funding to support the Texas B-On-time loan program.

15 SECTION 3. The change in law made by this Act to Section  
16 56.465, Education Code, does not affect the application of that  
17 section to tuition set aside under that section for any semester or  
18 other academic term before the 2013 fall semester, and the former  
19 law is continued in effect for purposes of the use of that amount  
20 under the Texas B-On-time loan program.

21 SECTION 4. This Act takes effect immediately if it receives  
22 a vote of two-thirds of all the members elected to each house, as  
23 provided by Section 39, Article III, Texas Constitution. If this  
24 Act does not receive the vote necessary for immediate effect, this  
25 Act takes effect September 1, 2013.