

By: Zaffirini

S.B. No. 27

A BILL TO BE ENTITLED

AN ACT

relating to the Texas B-On-time student loan program.

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

SECTION 1. Subdivisions (2) and (3), Section 56.451, Education Code, are amended to read as follows:

(2) "Eligible institution" means:

(A) a general academic teaching institution, other than a public state college ~~[an institution of higher education]; [or]~~

(B) a medical and dental unit that offers baccalaureate degrees; or

(C) a private or independent institution of higher education that offers baccalaureate degree programs.

(3) "General academic teaching institution," "medical and dental unit," "private or independent institution of higher education," and "public state ~~[junior]~~ college," ~~[and "public technical institute"]~~ have the meanings assigned by Section 61.003.

SECTION 2. Subsection (b), Section 56.452, Education Code, is amended to read as follows:

(b) The purpose of this subchapter is to provide no-interest loans to eligible students to enable those students to earn baccalaureate degrees at ~~[attend all]~~ public and private or independent institutions of higher education in this state.

SECTION 3. Section 56.455, Education Code, is amended to

1 read as follows:

2 Sec. 56.455. INITIAL ELIGIBILITY FOR LOAN. To be eligible
3 initially for a Texas B-On-time loan, a person must:

4 (1) be a resident of this state under Section 54.052 or
5 be entitled, as a child of a member of the armed forces of the United
6 States, to pay tuition at the rate provided for residents of this
7 state under Section 54.241;

8 (2) meet one of the following academic requirements:

9 (A) be a graduate of a public or private high
10 school in this state who graduated not earlier than the 2002-2003
11 school year under the recommended or advanced high school program
12 established under Section 28.025(a) or its equivalent;

13 (B) be a graduate of a high school operated by the
14 United States Department of Defense who:

15 (i) graduated from that school not earlier
16 than the 2002-2003 school year; and

17 (ii) at the time of graduation from that
18 school was a dependent child of a member of the armed forces of the
19 United States; or

20 (C) have received an associate degree from an
21 ~~[eligible]~~ institution of higher education or private or
22 independent institution of higher education not earlier than May 1,
23 2005;

24 (3) be enrolled for a full course load for an
25 undergraduate student, as determined by the coordinating board, in
26 a baccalaureate ~~[an undergraduate]~~ degree ~~[or certificate]~~ program
27 at an eligible institution;

1 (4) be eligible for federal financial aid, except that
2 a person is not required to meet any financial need requirement
3 applicable to a particular federal financial aid program; and

4 (5) comply with any additional nonacademic
5 requirement adopted by the coordinating board under this
6 subchapter.

7 SECTION 4. Subsection (a), Section 56.456, Education Code,
8 is amended to read as follows:

9 (a) After initially qualifying for a Texas B-On-time loan, a
10 person may continue to receive a Texas B-On-time loan for each
11 semester or term in which the person is enrolled at an eligible
12 institution only if the person:

13 (1) is enrolled for a full course load for an
14 undergraduate student, as determined by the coordinating board, in
15 a baccalaureate ~~[an undergraduate]~~ degree ~~[or certificate]~~ program
16 at an eligible institution;

17 (2) is eligible for federal financial aid, except that
18 a person is not required to meet any financial need requirement
19 applicable to a particular federal financial aid program;

20 (3) makes satisfactory academic progress toward a
21 degree ~~[or certificate]~~ as determined by the institution at which
22 the person is enrolled, if the person is enrolled in the person's
23 first academic year at the institution;

24 (4) completed at least 75 percent of the semester
25 credit hours attempted by the person in the most recent academic
26 year and has a cumulative grade point average of at least 2.5 on a
27 four-point scale or the equivalent on all coursework previously

1 attempted at institutions of higher education or private or
2 independent institutions of higher education, if the person is
3 enrolled in any academic year after the person's first academic
4 year; and

5 (5) complies with any additional nonacademic
6 requirement adopted by the coordinating board.

7 SECTION 5. Subsections (a), (b), and (f), Section 56.459,
8 Education Code, are amended to read as follows:

9 (a) The amount of a Texas B-On-time loan for a semester or
10 term for a student enrolled full-time at an eligible institution
11 other than an institution covered by Subsection (b) may not exceed
12 the ~~[(c), or (d) is an]~~ amount determined by the coordinating board
13 to be ~~[as]~~ the average statewide amount of tuition and required fees
14 that a resident student enrolled full-time in a baccalaureate ~~[an~~
15 ~~undergraduate]~~ degree program would be charged for that semester or
16 term at general academic teaching institutions.

17 (b) The amount of a Texas B-On-time loan for a student
18 enrolled full-time at a private or independent institution of
19 higher education may not exceed the ~~[is an]~~ amount determined by the
20 coordinating board to be ~~[as]~~ the average statewide amount of
21 tuition and required fees that a resident student enrolled
22 full-time in a baccalaureate ~~[an undergraduate]~~ degree program
23 would be charged for that semester or term at general academic
24 teaching institutions.

25 (f) If in any academic year the amount of money in the Texas
26 B-On-time student loan account, other than money appropriated to
27 the account exclusively for loans at eligible institutions that are

1 private or independent institutions of higher education, is
2 insufficient to provide the loans in the maximum amount specified
3 by this section to all eligible persons at eligible institutions
4 that are institutions of higher education ~~[in amounts specified by~~
5 ~~this section]~~, the coordinating board shall determine the amount of
6 that available money and shall allocate that amount to those
7 eligible institutions in proportion to the amount of tuition set
8 aside by ~~[number of full-time equivalent undergraduate students~~
9 ~~enrolled at]~~ each of those institutions under Section 56.465 for
10 the preceding academic year ~~[institution]~~. In the manner
11 prescribed by the coordinating board for purposes of this
12 subsection, each eligible institution that is a private or
13 independent institution of higher education is entitled to receive
14 an allocation only from the general revenue appropriations made for
15 that academic year to eligible private or independent institutions
16 of higher education for the purposes of this subchapter. Each
17 institution shall use the money allocated to award Texas B-On-time
18 loans to eligible students enrolled at the institution selected
19 according to financial need.

20 SECTION 6. Sections 56.461 and 56.462, Education Code, are
21 amended to read as follows:

22 Sec. 56.461. LOAN PAYMENT DEFERRED. The repayment of a
23 Texas B-On-time loan received by a student under this subchapter is
24 deferred as long as the student remains continuously enrolled in a
25 baccalaureate ~~[an undergraduate]~~ degree ~~[or certificate]~~ program
26 at an eligible institution.

27 Sec. 56.462. LOAN FORGIVENESS. A student who receives a

1 Texas B-On-time loan shall be forgiven the amount of the student's
2 loan if the student is awarded a baccalaureate ~~[an undergraduate~~
3 ~~certificate or]~~ degree at an eligible institution with a cumulative
4 grade point average of at least 3.0 on a four-point scale or the
5 equivalent:

6 (1) within:

7 (A) four calendar years after the date the
8 student initially enrolled in an ~~[the]~~ institution of higher
9 education or private or independent institution of higher education
10 ~~[or another eligible institution]~~ if ~~[+~~

11 ~~[(i) the institution is a four-year~~
12 ~~institution; and~~

13 ~~[(ii)]~~ the student is awarded a degree
14 other than a degree in engineering, architecture, or any other
15 program determined by the coordinating board to require more than
16 four years to complete; or

17 (B) five calendar years after the date the
18 student initially enrolled in an ~~[the]~~ institution of higher
19 education or private or independent institution of higher education
20 ~~[or another eligible institution]~~ if ~~[+~~

21 ~~[(i) the institution is a four-year~~
22 ~~institution; and~~

23 ~~[(ii)]~~ the student is awarded a degree in
24 engineering, architecture, or any other program determined by the
25 coordinating board to require more than four years to complete; ~~[or~~

26 ~~[(C) two years after the date the student~~
27 ~~initially enrolled in the institution or another eligible~~

1 ~~institution if the institution is a public junior college or public~~
2 ~~technical institute,~~] or

3 (2) with a total number of semester credit hours,
4 including transfer credit hours and excluding hours earned
5 exclusively by examination, hours earned for a course for which the
6 student received credit toward the student's high school academic
7 requirements, and hours earned for developmental coursework that an
8 institution of higher education required the student to take under
9 Section 51.3062 or under the former provisions of Section 51.306,
10 that is not more than six hours more than the minimum number of
11 semester credit hours required to complete the ~~[certificate or]~~
12 degree.

13 SECTION 7. Subsection (d), Section 56.456, and Subsections
14 (c) and (d), Section 56.459, Education Code, are repealed.

15 SECTION 8. (a) The change in law made by this Act in
16 amending Subchapter Q, Chapter 56, Education Code, applies
17 beginning with Texas B-On-time loans awarded for the 2014-2015
18 academic year.

19 (b) Notwithstanding Subsection (a) of this section, a
20 student who first receives a Texas B-On-time loan for a semester or
21 other academic term before the 2014 fall semester may continue to
22 receive Texas B-On-time loans under Subchapter Q, Chapter 56,
23 Education Code, as that subchapter existed immediately before the
24 effective date of this Act, as long as the student remains eligible
25 for a Texas B-On-time loan under the former law, and is entitled to
26 obtain forgiveness of the loans as permitted by Section 56.462,
27 Education Code, as that section existed immediately before the

1 effective date of this Act. The Texas Higher Education
2 Coordinating Board shall adopt rules to administer this subsection
3 and shall notify each student who receives a Texas B-On-time loan in
4 the 2013-2014 academic year of the provisions of this subsection.

5 SECTION 9. This Act takes effect September 1, 2013.