

1-1 By: Zaffirini S.B. No. 27
1-2 (In the Senate - Filed November 12, 2012; January 28, 2013,
1-3 read first time and referred to Committee on Higher Education;
1-4 April 15, 2013, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 6, Nays 0; April 15, 2013,
1-6 sent to printer.)

1-7	COMMITTEE VOTE			
1-8		Yea	Nay	Absent
1-9	Seliger	X		
1-10	Watson	X		
1-11	Birdwell	X		
1-12	Duncan	X		
1-13	Patrick	X		
1-14	West			X
1-15	Zaffirini	X		

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 27 By: Zaffirini

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to the Texas B-On-time student loan program.
1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-21 SECTION 1. Subdivisions (2) and (3), Section 56.451,
1-22 Education Code, are amended to read as follows:
1-23 (2) "Eligible institution" means:
1-24 (A) a general academic teaching institution,
1-25 other than a public state college ~~[an institution of higher~~
1-26 ~~education]; [or]~~
1-27 (B) a medical and dental unit that offers
1-28 baccalaureate degrees; or
1-29 (C) a private or independent institution of
1-30 higher education that offers baccalaureate degree programs.
1-31 (3) "General academic teaching institution," "medical
1-32 and dental unit," "private or independent institution of higher
1-33 education," and "public state [junior] college," [and "public
1-34 ~~technical institute"]~~ have the meanings assigned by Section 61.003.
1-35 SECTION 2. Subsection (b), Section 56.452, Education Code,
1-36 is amended to read as follows:
1-37 (b) The purpose of this subchapter is to provide no-interest
1-38 loans to eligible students to enable those students to earn
1-39 baccalaureate degrees at [attend all] public and private or
1-40 independent institutions of higher education in this state.
1-41 SECTION 3. Section 56.455, Education Code, is amended to
1-42 read as follows:
1-43 Sec. 56.455. INITIAL ELIGIBILITY FOR LOAN. To be eligible
1-44 initially for a Texas B-On-time loan, a person must:
1-45 (1) be a resident of this state under Section 54.052 or
1-46 be entitled, as a child of a member of the armed forces of the United
1-47 States, to pay tuition at the rate provided for residents of this
1-48 state under Section 54.241;
1-49 (2) meet one of the following academic requirements:
1-50 (A) be a graduate of a public or private high
1-51 school in this state who graduated not earlier than the 2002-2003
1-52 school year under the recommended or advanced high school program
1-53 established under Section 28.025(a) or its equivalent;
1-54 (B) be a graduate of a high school operated by the
1-55 United States Department of Defense who:
1-56 (i) graduated from that school not earlier
1-57 than the 2002-2003 school year; and
1-58 (ii) at the time of graduation from that
1-59 school was a dependent child of a member of the armed forces of the
1-60 United States; or

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

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

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

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

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

(a) After initially qualifying for a Texas B-On-time loan, a person may 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:

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

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

(3) makes satisfactory academic progress toward 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;

(4) completed at least 75 percent of the semester credit hours attempted by the person in the most recent academic year and has a cumulative grade point average of at least 2.5 on a four-point scale or the equivalent on all coursework previously attempted at institutions of higher education or private or independent institutions of higher education, if the person is enrolled in any academic year after the person's first academic year; and

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

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

(a) 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) may not exceed the ~~the~~ ~~[(c), or (d) is an]~~ amount determined by the coordinating board to be ~~to be~~ ~~[as]~~ the average statewide amount of tuition and required fees that a resident student enrolled full-time in a baccalaureate ~~[an undergraduate]~~ degree program would be charged for that semester or term at general academic teaching institutions.

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

(f) If in any academic year the amount of money in the Texas B-On-time student loan account, other than money appropriated to the account exclusively for loans at eligible institutions that are private or independent institutions of higher education, is insufficient to provide the loans in the maximum amount specified by this section to all eligible persons at eligible institutions that are institutions of higher education ~~[in amounts specified by this section]~~, the coordinating board shall determine the amount of that available money and shall allocate that amount to those eligible institutions in proportion to the amount of tuition set

aside by ~~[number of full-time equivalent undergraduate students enrolled at]~~ each of those institutions under Section 56.465 for the preceding academic year ~~[institution]~~. In the manner prescribed by the coordinating board for purposes of this subsection, each eligible institution that is a private or independent institution of higher education is entitled to receive an allocation only from the general revenue appropriations made for that academic year to eligible private or independent institutions of higher education for the purposes of this subchapter. Each institution shall use the money allocated to award Texas B-On-time loans to eligible students enrolled at the institution selected according to financial need.

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

Sec. 56.461. LOAN PAYMENT DEFERRED. 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 a baccalaureate ~~[an undergraduate]~~ degree ~~[or certificate]~~ program at an eligible institution.

Sec. 56.462. LOAN FORGIVENESS. A student who receives a Texas B-On-time loan shall be forgiven the amount of the student's loan if the student is awarded a baccalaureate ~~[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:

(1) within:

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

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

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

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

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

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

~~[(C) 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,] or~~

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

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

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

(b) Notwithstanding Subsection (a) of this section, a student who first receives a Texas B-On-time loan for a semester or other academic term before the 2014 fall semester may continue to receive Texas B-On-time loans under Subchapter Q, Chapter 56,

4-1 Education Code, as that subchapter existed immediately before the
4-2 effective date of this Act, as long as the student remains eligible
4-3 for a Texas B-On-time loan under the former law, and is entitled to
4-4 obtain forgiveness of the loans as permitted by Section 56.462,
4-5 Education Code, as that section existed immediately before the
4-6 effective date of this Act. The Texas Higher Education
4-7 Coordinating Board shall adopt rules to administer this subsection
4-8 and shall notify each student who receives a Texas B-On-time loan in
4-9 the 2013-2014 academic year of the provisions of this subsection.

4-10 SECTION 9. This Act takes effect September 1, 2013.

4-11 * * * * *