

1-1 By: Giddings, et al. (Senate Sponsor - Seliger) H.B. No. 700
1-2 (In the Senate - Received from the House April 27, 2015;
1-3 May 6, 2015, read first time and referred to Committee on Higher
1-4 Education; May 21, 2015, reported favorably by the following vote:
1-5 Yeas 7, Nays 0; May 21, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			

1-15 A BILL TO BE ENTITLED
1-16 AN ACT

1-17 relating to the repeal of the Texas B-On-time student loan program.
1-18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-19 SECTION 1. Section 52.89(c), Education Code, is amended to
1-20 read as follows:
1-21 (c) The board shall deposit to the credit of the fund any
1-22 proceeds from the sale of bonds, excluding:
1-23 (1) any accrued interest on the bonds which shall be
1-24 deposited in the board interest and sinking fund relating to the
1-25 bonds; and
1-26 (2) proceeds from the sale of bonds issued by the board
1-27 under Section 56.464(b), as that subsection existed immediately
1-28 before September 1, 2015 [~~to provide Texas B-On-time student~~
1-29 ~~loans~~].
1-30 SECTION 2. Sections 52.90(a) and (b), Education Code, are
1-31 amended to read as follows:
1-32 (a) The board~~+~~
1-33 [~~(1)~~] shall make a loan from the fund to a student who
1-34 qualifies for a loan under Subchapter C~~+, and~~
1-35 [~~(2)~~] ~~may make a loan from the fund to a student who~~
1-36 ~~qualifies for a Texas B-On-time student loan under Subchapter Q,~~
1-37 ~~Chapter 56~~].
1-38 (b) Loans from the fund are governed by Subchapter C [~~of~~
1-39 ~~this chapter or Subchapter Q, Chapter 56, as appropriate, as if made~~
1-40 ~~under that subchapter, except to the extent of conflict with this~~
1-41 ~~subchapter~~].
1-42 SECTION 3. The heading to Section 52.91, Education Code, is
1-43 amended to read as follows:
1-44 Sec. 52.91. BONDS FOR FORMER TEXAS B-ON-TIME STUDENT LOAN
1-45 PROGRAM.
1-46 SECTION 4. Sections 52.91(a) and (c), Education Code, are
1-47 amended to read as follows:
1-48 (a) The board shall deposit to the credit of the Texas
1-49 B-On-time student loan account established under Section 56.0092
1-50 [~~56.463~~] any proceeds from the sale of bonds issued by the board to
1-51 fund Texas B-On-time student loans under Section 56.464(b), as that
1-52 subsection existed immediately before September 1, 2015, other
1-53 than~~+~~
1-54 [~~(1)~~] accrued interest on the bonds, which shall be
1-55 deposited to the credit of the interest and sinking fund related to
1-56 the bonds~~+, and~~
1-57 [~~(2)~~] ~~any proceeds from the sale of the bonds that the~~
1-58 ~~board by resolution deposits to the student loan auxiliary fund~~
1-59 ~~under Section 52.89(c-1)]].
1-60 (c) The board shall repay bonds described by Subsection (a)
1-61 [~~issued by the board to fund the Texas B-On-time student loan~~~~

2-1 ~~program]~~ using proceeds from the bonds, legislative
 2-2 appropriations, and money collected by the board as repayment for
 2-3 Texas B-On-time student loans awarded by the board under Section
 2-4 56.0092(c) for a semester or term occurring before the 2020 fall
 2-5 semester. The board may also repay the bonds by using [use] tuition
 2-6 set aside under Section 56.465, as that section existed immediately
 2-7 before September 1, 2015, for a semester or term occurring before
 2-8 the 2015 fall semester [~~to repay bonds issued by the board for the~~
 2-9 ~~Texas B-On-time student loan program].~~ The board may not repay the
 2-10 bonds with [use] money collected by the board as repayment for
 2-11 student loans awarded by the board under Subchapter C [~~to repay~~
 2-12 ~~bonds issued by the board for the Texas B-On-time student loan~~
 2-13 ~~program under Section 56.464(b)].~~

2-14 SECTION 5. Section 54.0065(a), Education Code, is amended
 2-15 to read as follows:

2-16 (a) A qualified student is eligible for a rebate of a
 2-17 portion of the undergraduate tuition the student has paid if the
 2-18 student:

2-19 (1) is awarded a baccalaureate degree from a general
 2-20 academic teaching institution within:

2-21 (A) four calendar years after the date the
 2-22 student initially enrolled in the institution or another
 2-23 postsecondary educational institution if:

2-24 (i) the institution awarding the degree is
 2-25 a four-year institution; and

2-26 (ii) the student is awarded a degree other
 2-27 than a degree in engineering, architecture, or any other program
 2-28 determined by the coordinating board to require more than four
 2-29 years to complete; or

2-30 (B) five calendar years after the date the
 2-31 student initially enrolled in the institution or another
 2-32 postsecondary educational institution if:

2-33 (i) the institution awarding the degree is
 2-34 a four-year institution; and

2-35 (ii) the student is awarded a degree in
 2-36 engineering, architecture, or any other program determined by the
 2-37 coordinating board to require more than four years to complete [the
 2-38 period prescribed by Section 56.462(1)(A) or (B), as applicable, to
 2-39 qualify for forgiveness of a Texas B-On-time loan]; and

2-40 (2) has attempted no more than three hours in excess of
 2-41 the minimum number of semester credit hours required to complete
 2-42 the degree program:

2-43 (A) including:

2-44 (i) transfer credits; and

2-45 (ii) course credit earned exclusively by
 2-46 examination, except that, for purposes of this subsection, only the
 2-47 number of semester credit hours earned exclusively by examination
 2-48 in excess of nine semester credit hours is treated as hours
 2-49 attempted; and

2-50 (B) excluding:

2-51 (i) course credit that is earned to satisfy
 2-52 requirements for a Reserve Officers' Training Corps (ROTC) program
 2-53 but that is not required to complete the degree program; and

2-54 (ii) course credit, other than course
 2-55 credit earned exclusively by examination, that is earned before
 2-56 graduating from high school.

2-57 SECTION 6. Subchapter A, Chapter 56, Education Code, is
 2-58 amended by adding Section 56.0092 to read as follows:

2-59 Sec. 56.0092. TEXAS B-ON-TIME STUDENT LOAN ACCOUNT; FORMER
 2-60 LOAN PROGRAM CONTINUED IN EFFECT FOR CERTAIN ACADEMIC YEARS ONLY.

2-61 (a) The Texas B-On-time student loan account previously
 2-62 established by former Section 56.463 continues as an account in the
 2-63 general revenue fund. The account consists of:

2-64 (1) gifts and grants;

2-65 (2) any legislative appropriations received for the
 2-66 purpose of awarding Texas B-On-time student loans to students who
 2-67 qualify and establish eligibility for the loans as described by
 2-68 Subsection (c) and for discharging any other remaining obligations
 2-69 under the former Texas B-On-time student loan program;

3-1 (3) tuition set aside under Section 56.465, as that
 3-2 section existed immediately before September 1, 2015, for a
 3-3 semester or term occurring before the 2015 fall semester;

3-4 (4) bond proceeds deposited under Section 52.91(a);
 3-5 and

3-6 (5) any other money in the account on September 1,
 3-7 2015.

3-8 (b) Money in the Texas B-On-time student loan account may be
 3-9 used only to pay any costs of the coordinating board related to
 3-10 loans awarded under the Texas B-On-time student loan program as
 3-11 provided by Subsection (c) for a semester or term occurring before
 3-12 the 2020 fall semester.

3-13 (c) Beginning with the 2015 fall semester, the coordinating
 3-14 board may not award an initial Texas B-On-time student loan under
 3-15 the Texas B-On-time student loan program. The coordinating board
 3-16 may award, for a semester or term occurring before the 2020 fall
 3-17 semester, a subsequent Texas B-On-time student loan to an eligible
 3-18 student who received an initial Texas B-On-time student loan before
 3-19 the 2015-2016 academic year. For Texas B-On-time student loans to
 3-20 be awarded as described by this subsection:

3-21 (1) students may qualify and establish continued
 3-22 eligibility, as applicable, under Subchapter Q as that subchapter
 3-23 existed immediately before September 1, 2015; and

3-24 (2) the coordinating board may make loans using any
 3-25 money available for the purposes of the former Texas B-On-time
 3-26 student loan program.

3-27 (d) On September 1, 2020, the Texas B-On-time student loan
 3-28 account is abolished, and any remaining money in the account may be
 3-29 appropriated only to eligible institutions in the manner provided
 3-30 by Subsection (e).

3-31 (e) An appropriation under Subsection (d) must be made in
 3-32 accordance with a formula, adopted by coordinating board rule, that
 3-33 the coordinating board determines fairly allocates the
 3-34 appropriated amount to those eligible institutions at which the
 3-35 Texas B-On-time student loan program was underutilized. For
 3-36 purposes of this subsection, the Texas B-On-time student loan
 3-37 program is considered to have been underutilized by students of an
 3-38 institution in any period if the institution's percentage of the
 3-39 total amount of tuition set aside by all institutions under the
 3-40 program during the period was greater than the institution's
 3-41 percentage of all students who received a Texas B-On-time student
 3-42 loan under the program for the same period. The coordinating board
 3-43 shall base the coordinating board's determination on a period of
 3-44 academic years occurring before the 2015-2016 academic year that
 3-45 the coordinating board considers representative of eligible
 3-46 institutions' student participation in the Texas B-On-time student
 3-47 loan program.

3-48 (f) In this section, "eligible institution" means a general
 3-49 academic teaching institution described by Section 56.451(2)(A) or
 3-50 a medical and dental unit described by Section 56.451(2)(B), as
 3-51 those paragraphs existed immediately before September 1, 2015.

3-52 SECTION 7. Section 56.011(a), Education Code, is amended to
 3-53 read as follows:

3-54 (a) The governing board of each institution of higher
 3-55 education shall cause to be set aside not less than 15 [20] percent
 3-56 of any amount of tuition charged to a resident undergraduate
 3-57 student under Section 54.0513 in excess of \$46 per semester credit
 3-58 hour. The funds set aside under this section by an institution
 3-59 shall be used to provide financial assistance for resident
 3-60 undergraduate students enrolled in the institution.

3-61 SECTION 8. The following provisions of the Education Code
 3-62 are repealed:

- 3-63 (1) Sections 52.89(c-1) and 52.91(b);
- 3-64 (2) Section 56.307(1); and
- 3-65 (3) Subchapter Q, Chapter 56.

3-66 SECTION 9. (a) Notwithstanding any other law, Subchapter
 3-67 Q, Chapter 56, Education Code, as that subchapter existed
 3-68 immediately before the effective date of this Act, is continued in
 3-69 effect solely for the purposes of:

4-1 (1) awarding Texas B-On-time student loans as provided
4-2 by Section 56.0092(c), Education Code, as added by this Act; and

4-3 (2) discharging any other remaining obligations under
4-4 the former Texas B-On-time student loan program.

4-5 (b) The repeal by this Act of Section 56.465, Education
4-6 Code, applies beginning with tuition charged for the 2015 fall
4-7 semester.

4-8 SECTION 10. Section 56.011(a), Education Code, as amended
4-9 by this Act, applies beginning with tuition charged for the 2015
4-10 fall semester. Tuition charged for an academic period before that
4-11 term or semester is covered by the law in effect immediately before
4-12 the effective date of this Act, and the former law is continued in
4-13 effect for that purpose.

4-14 SECTION 11. This Act takes effect September 1, 2015.

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