

By: Turner of Tarrant

H.B. No. 1325

A BILL TO BE ENTITLED

AN ACT

relating to the administration of the Texas B-On-time loan program to permit a portion of tuition set-asides to be used to fund tuition exemptions for veterans and other student financial assistance.

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

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

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

(c) If the amount of tuition set aside under Subsection (a) at an institution of higher education in an academic year exceeds the amount necessary to fund loans to students of the institution under the Texas B-On-time loan program in that academic year, the coordinating board shall permit the institution to retain the portion of the tuition set aside at the institution that exceeds the amount necessary to fund loans to students of the institution under the program. The institution is not required to deposit that portion of the tuition to the credit of the Texas B-On-time student loan account or to the interest and sinking fund established under

1 Section 52.91(b). Any amount retained by the institution under
2 this subsection may be used only to fund exemptions for veterans and
3 their family members under Section 54.341. If the amount retained
4 exceeds the amount necessary to fully fund those exemptions, the
5 institution shall use any remaining amount to provide financial
6 assistance to students of the institution in the same manner as
7 tuition set aside at the institution under Section 56.011.

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

13 SECTION 2. The change in law made by this Act to Section
14 56.465, Education Code, does not affect the application of that
15 section to tuition set aside under that section for any semester or
16 other academic term before the 2015 fall semester, and the former
17 law is continued in effect for purposes of the use of that amount
18 under the Texas B-On-time loan program.

19 SECTION 3. This Act takes effect immediately if it receives
20 a vote of two-thirds of all the members elected to each house, as
21 provided by Section 39, Article III, Texas Constitution. If this
22 Act does not receive the vote necessary for immediate effect, this
23 Act takes effect September 1, 2015.