

By: Ellis

S.B. No. 869

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 use
4 B-On-time tuition set-asides to provide financial assistance to
5 students of the institution.

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

7 SECTION 1. Section 56.459, Education Code, is amended by
8 adding Subsection (g) to read as follows:

9 (g) An eligible institution that elects to retain the total
10 amount of tuition set aside for the Texas B-On-time loan program
11 under Section 56.465(a) shall determine the amount of each Texas
12 B-On-time loan awarded at that institution, not to exceed the
13 amount determined under Subsection (a), and shall use the money the
14 institution allocates to award Texas B-On-time loans to eligible
15 students enrolled at the institution according to financial need.

16 SECTION 2. Subchapter Q, Chapter 56, Education Code, is
17 amended by adding Section 56.4601 to read as follows:

18 Sec. 56.4601. PROMOTING UNIFORM STUDENT PARTICIPATION IN
19 PROGRAM. (a) The coordinating board shall examine the
20 administration of the Texas B-On-time loan program at institutions
21 of higher education to identify the reasons for different rates of
22 student participation in the program at those institutions and
23 shall develop strategies for achieving more uniform student
24 participation among those institutions.

1 (b) The coordinating board shall assist the financial aid
2 office of each institution of higher education with a student
3 participation rate in the Texas B-On-time loan program that is less
4 than the average statewide student participation rate in the
5 program for institutions of higher education to develop and
6 implement strategies to improve student participation at the
7 institution, including strategies to better inform students and
8 prospective students about the program and to assist students to
9 qualify for and achieve maximum benefits under the program.

10 SECTION 3. Section 56.465(b), Education Code, is amended to
11 read as follows:

12 (b) Except as provided by Section 56.466, the [The] amount
13 of tuition set aside under Subsection (a) shall be deposited to the
14 credit of the Texas B-On-time student loan account established
15 under Section 56.463 or to the interest and sinking fund
16 established by the coordinating board under Section 52.91(b) in
17 accordance with the resolution of the board establishing such fund.

18 SECTION 4. Subchapter Q, Chapter 56, Education Code, is
19 amended by adding Section 56.466 to read as follows:

20 Sec. 56.466. OPTIONAL RETENTION OF TUITION SET ASIDE FOR
21 FINANCIAL AID. (a) Notwithstanding the other provisions of this
22 subchapter, not later than January 1 preceding an academic year,
23 the governing board of an eligible institution, other than a
24 private or independent institution of higher education, may elect
25 to retain all or a stated portion of the amount of tuition to be set
26 aside by students of the institution under Section 56.465(a) in the
27 following academic year. The institution shall promptly notify the

1 coordinating board of its election for each academic year.

2 (b) An eligible institution that under Subsection (a)
3 elects to retain an amount of tuition set aside at the institution
4 in an academic year may use that amount only to:

5 (1) provide Texas B-On-time loans to eligible students
6 of the institution; or

7 (2) provide financial assistance to students of the
8 institution in the same manner as the institution may use tuition
9 set aside at the institution under Section 56.011.

10 (b-1) An eligible institution may retain tuition set aside
11 at the institution under this section beginning with the tuition
12 set aside under Section 56.465 in the 2016-2017 academic year. This
13 subsection expires January 1, 2018.

14 (c) An eligible student enrolled at an institution that
15 elects to retain tuition under this section in an academic year may
16 not be awarded a Texas B-On-time loan in that academic year that is
17 funded from the Texas B-On-time student loan account unless the
18 eligible institution uses the entire amount of the tuition withheld
19 in that academic year to award Texas B-On-time loans to other
20 students of the institution.

21 (d) The coordinating board may prohibit institutions from
22 retaining tuition under Subsection (a) if that action would have a
23 direct adverse impact on the repayment of any bonds issued on or
24 before September 1, 2015, to provide funding to support the Texas
25 B-On-time loan program.

26 SECTION 5. (a) The change in law made by this Act to Section
27 56.459, Education Code, applies beginning with the 2016-2017

1 academic year.

2 (b) The changes in law made by this Act to Subchapter Q,
3 Chapter 56, Education Code, do not affect the application of that
4 subchapter to tuition set aside under that subchapter for any
5 semester or other academic term before the 2016-2017 academic year,
6 and the former law is continued in effect for purposes of the use of
7 that amount under the Texas B-On-time loan program.

8 SECTION 6. This Act takes effect immediately if it receives
9 a vote of two-thirds of all the members elected to each house, as
10 provided by Section 39, Article III, Texas Constitution. If this
11 Act does not receive the vote necessary for immediate effect, this
12 Act takes effect September 1, 2015.