

By: Thierry

H.B. No. 3908

A BILL TO BE ENTITLED

AN ACT

relating to the allocation of funds remaining in the B-On-Time student loan account following the abolition of that account.

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

SECTION 1. Section [56.0092](#), Education Code, is amended to read as follows:

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

(1) gifts and grants;

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

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

(4) bond proceeds deposited under Section [52.91](#)(a);

and

(5) any other money in the account on September 1, 2015.

(b) Money in the Texas B-On-time student loan account may be

1 used ~~only~~ to pay any costs of the coordinating board related to  
2 loans awarded under the Texas B-On-time student loan program as  
3 provided by Subsection (c) for a semester or term occurring before  
4 the 2020 fall semester or for purposes of Subsection (e).

5 (c) Beginning with the 2015 fall semester, the coordinating  
6 board may not award an initial Texas B-On-time student loan under  
7 the Texas B-On-time student loan program. The coordinating board  
8 may award, for a semester or term occurring before the 2020 fall  
9 semester, a subsequent Texas B-On-time student loan to an eligible  
10 student who received an initial Texas B-On-time student loan before  
11 the 2015-2016 academic year. For Texas B-On-time student loans to  
12 be awarded as described by this subsection:

13 (1) students may qualify and establish continued  
14 eligibility, as applicable, under Subchapter Q as that subchapter  
15 existed immediately before September 1, 2015; and

16 (2) the coordinating board may make loans using any  
17 money available for the purposes of the former Texas B-On-time  
18 student loan program.

19 (d) On September 1, 2021~~0~~, the Texas B-On-time student loan  
20 account is abolished, and any remaining money in the account may be  
21 appropriated only to eligible institutions in the manner provided  
22 by Subsection (e).

23 (e) An appropriation under Subsection (d) must be made in  
24 accordance with a performance-based methodology that allocates  
25 funding among eligible institutions based on a three-year average  
26 of the number of bachelor's degrees conferred on at-risk student.  
27 ~~formula, adopted by coordinating board rule, that the coordinating~~

1 ~~board determines fairly allocates the appropriated amount to those~~  
2 ~~eligible institutions at which the Texas B-On-time student loan~~  
3 ~~program was underutilized. For purposes of this subsection, the~~  
4 ~~Texas B-On-time student loan program is considered to have been~~  
5 ~~underutilized by students of an institution in any period if the~~  
6 ~~institution's percentage of the total amount of tuition set aside~~  
7 ~~by all institutions under the program during the period was greater~~  
8 ~~than the institution's percentage of all students who received a~~  
9 ~~Texas B-On-time student loan under the program for the same period.~~  
10 ~~The coordinating board shall base the coordinating board's~~  
11 ~~determination on a period of academic years occurring before the~~  
12 ~~2015-2016 academic year that the coordinating board considers~~  
13 ~~representative of eligible institutions' student participation in~~  
14 ~~the Texas B-On-time student loan program.~~

15 (f) In this section, "eligible institution" means a general  
16 academic teaching institution described by Section 56.451(2)(A) or  
17 a medical and dental unit described by Section 56.451(2)(B), as  
18 those paragraphs existed immediately before September 1, 2015.

19 (g) In this section, "at-risk student" means an  
20 undergraduate student of an institution of higher education:

21 (1) whose score on the Scholastic Assessment Test  
22 (SAT) or the American College Test (ACT), excluding the optional  
23 essay component, is less than the national mean score of students'  
24 scores on that test; or

25 (2) who has previously received a grant under the  
26 federal Pell Grant program or met the Expected Family Contribution  
27 (EFC) criterion for a grant under that program.

1           SECTION 2. This Act takes effect immediately if it receives  
2 a vote of two-thirds of all the members elected to each house, as  
3 provided by Section 39, Article III, Texas Constitution. If this  
4 Act does not receive the vote necessary for immediate effect, this  
5 Act takes effect September 1, 2019.