



Texas B-ON-TIME Loan Program

The purpose of the Texas B-On-Time Loan program is to provide eligible Texas students no-interest loans to attend colleges and universities in Texas. If the student meets specified goals, the entire loan amount can be forgiven (meaning, you do not have to pay it back) upon graduation.

Eligibility Requirement

Applicants must:

- Have completed a FAFSA and be eligible to receive federal financial aid
- Be enrolled full time in an undergraduate degree or certificate program at an eligible institution
- Be a Texas resident or be entitled to pay resident tuition rates as a dependent child of a member of the U.S. armed forces
- Have graduated in the 2002-2003 academic year or later from a high school operated by the U.S. Department of Defense or under the recommended high school program from a public or accredited private high school in Texas, OR
Have earned an associate's degree from an eligible institution no earlier than May 1, 2005

A Texas B-ON-TIME Loan shall be forgiven

if the student receives an undergraduate degree or certificate from an eligible institution and the student either:

- graduated with a cumulative GPA of at least a 3.0 on a four-point scale, within:
 1. 4 calendar years after the date the student initially enrolled in an eligible institution,
 2. 5 calendar years after the date the student initially enrolled in an eligible institution, if the degree is in architecture, engineering, or any other program determined by the board to require more than 4 years to complete; OR2 calendar years after the date the student initially enrolled in a public or private 2-year institution;

OR

- graduated with a cumulative GPA of at least 3.0 on a 4.0 scale, with a total number of credit hours (including transfer hours and hours earned exclusively by examination) that is no more than 6 hours beyond what is required to complete the degree or certificate.

B-ON-TIME Loan Program at Texas Southern University (TSU)

Since 2008, TSU has remitted payments to Texas Higher Education Coordination Board (THECB) in the amount of \$1,795,349.60. The funds were collected under Texas Education Code, section 56.001 (The



Student Financial Assistance Act of 1975, amended 2003). Section 56.465 - **Texas B-On-Time Student Loan Program:** 5-percent of the amount of designated tuition charged to a resident undergraduate student in excess of \$46 per semester credit hours. This amount is netted from the total discussed above in Resident Undergraduate Student Assistance and remitted to the state per instructions by the State Comptroller.

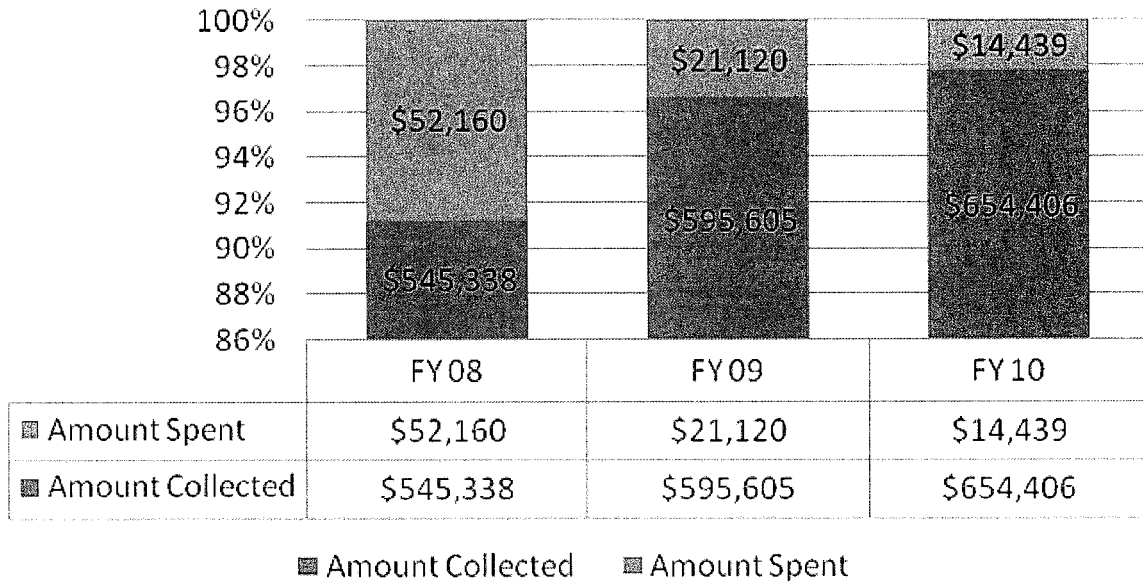
Fiscal Year	Amount
FY 08	\$545,338.45
FY 09	\$595,604.96
FY 10*	\$654,406.28
Total	\$1,795,349.60
*Additional fund is anticipated for summer 2010	

During 2008-2010, TSU has been able to make the following Be-On-Time Loan awards to the students:

Fiscal Year	Total Funds Awarded	Number of Awards
FY 08**	\$52,160.00	13
FY 09**	\$21,120.00	5
FY 10	\$14,439.00	3
Total	\$87,719.00	21
**During the academic years from 2007 - 2008 thru 2008 - 2009, the Texas Higher Education Coordinating Board did not allow colleges and universities to make any Initial Year Be-On-Time Loan awards for first-time incoming Freshman. During those years, awards could only be made for continuing students that still had eligibility remaining. Beginning in 2009 - 2010, the Texas Higher Education Coordinating Board resumed the funding of Initial Year (IY) Be-On-Time Loan awards and provided institutions with a yearly allocation to fund these new awards.		



B-ON-TIME LOAN Program at TSU



The chart above demonstrates the challenges that we counter at TSU. During the three years period, TSU has collected and remitted 1,795,349.60 to THECB but was only able to disburse \$87,719.00 to eligible students. This means that the net loss to student at TSU over the three years period was 1,707,630.60.



TEXAS GRANT Program at Texas Southern University

During 2008-2010, TSU has received the following allocation for TEXAS GRANT Program.

Fiscal Year	Amount
FY 08	\$1,760,230.00
FY 09	\$2,476,320.00
FY 10	\$3,429,120.00
Total	\$7,665,670.00

For 1st time, full-time, degree seeking freshman, the following profile is related to their financial aid need:

	Total Enrollment Fall 2008	% of Students Receiving Financial Aid From All Sources	% of Students Receiving Title IV Aid
Texas Southern University	9,102	92%	83%
Data Source: National Center for Education Statistics http://nces.ed.gov/collegenavigator			



Conclusion:

For the 2009 - 2010 academic years, Texas Southern University was allocated **\$3,429,120.00 in TEXAS GRANT Program**. The Initial Year (IY) funds awarded to incoming, first-time freshmen were as follows:

Student Type	Amount Paid	Number of Students	% of Total
Student with EFC<4000	\$ 2,900,222.00	520	91%
Student with EFC>4000	\$ 264,480.00	45	8%
Student who were admitted under House Bill 1403	\$ 24,320.00	5	1%
EFC= Expected Family Contribution	\$ 3,189,022.00	570	100%

Therefore, \$240,098.00 of the allocated amount was not awarded due to the fact that there were no more eligible students enrolled to fully utilize all of these funds.

During the 2009 - 2010 academic year, the number of qualified first-time students did not adequately increase along with the increase in funding for the TEXAS GRANT Program. Before any Be-On-Time Loan funds are awarded, the institution *should* first utilize all Texas Grant funds due to the fact the both programs share the same eligibility criteria.

Although 92% of 1st time, full time, degree seeking students at TSU received financial aid, most of the money that was collected from those students via the B-ON-TIME Program was not distributed back to those students. As stated earlier, TSU has remitted \$1,795,349.60 to THECB, but has only been able to use \$87,719.00 for its students. This is less than 5% of the funds contributed by TSU students for the B-ON-Time Program.