

By: Powell

S.B. No. 2021

A BILL TO BE ENTITLED

AN ACT

relating to student loan forgiveness for certain public service employees or interns.

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

SECTION 1. Chapter 61, Education Code, is amended by adding Subchapter OO to read as follows:

SUBCHAPTER OO. PUBLIC SERVICE STUDENT LOAN FORGIVENESS PROGRAM

Sec. 61.9971. LOAN FORGIVENESS AUTHORIZED. The board shall provide, in accordance with this subchapter and board rules, loan forgiveness of eligible student loans for eligible public service employees.

Sec. 61.9972. ELIGIBILITY. To be eligible to receive loan forgiveness under this subchapter, a person must:

(1) have earned a baccalaureate degree at a public or private institution of higher education in this state;

(2) be employed or interning in this state with:

(A) a state agency or political subdivision of the state; or

(B) an organization exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, by being described as an exempt organization by Section 501(c)(3) of that code; and

(3) comply with any other requirement adopted by the board under this subchapter.

1 Sec. 61.9973. ELIGIBLE LOANS. The board may provide
2 forgiveness under this subchapter for the following amounts owed
3 for the cost of education at a public or private institution of
4 higher education:

5 (1) a loan made under Chapter 52;

6 (2) an amount owed in repayment of a scholarship
7 awarded under Subchapter FF; or

8 (3) a Texas B-On-time student loan made under former
9 Section 56.463.

10 Sec. 61.9974. AMOUNT OF FORGIVENESS; LIMITATIONS. (a)
11 Subject to Subsection (b), a person may receive loan forgiveness
12 under this subchapter for each year the person establishes
13 eligibility for the forgiveness in an amount not to exceed \$5,000
14 per year.

15 (b) A person may not receive loan forgiveness under this
16 subchapter for more than four years.

17 (c) The total amount of loan forgiveness provided under this
18 subchapter may not exceed \$10 million for a state fiscal biennium.

19 (d) If in any state fiscal biennium the amount of money
20 available for loan forgiveness under this subchapter is
21 insufficient to provide loan forgiveness to all eligible persons
22 for that biennium, the board shall prioritize awarding loan
23 forgiveness to eligible persons who are employed or interning with
24 health-care providers or other entities affected by the coronavirus
25 disease (COVID-19) pandemic, as determined by the board.

26 Sec. 61.9975. GIFTS, GRANTS, AND DONATIONS. The board may
27 solicit and accept gifts, grants, and other donations from any

1 public or private source for the purpose of this subchapter.

2 Sec. 61.9976. REPORT. Not later than December 1 of each
3 year, the board shall submit to the governor, the lieutenant
4 governor, and the speaker of the house of representatives a report
5 on the loan forgiveness program under this subchapter.

6 Sec. 61.9977. RULES. (a) The board shall adopt rules
7 necessary to administer this subchapter, including rules:

8 (1) establishing guidelines for qualifying employment
9 and internships, including requiring at least 20 hours of work per
10 week; and

11 (2) making any necessary adjustments to the qualifying
12 loan programs to account for loan forgiveness under this
13 subchapter.

14 (b) In adopting rules, the board shall consult with the
15 governor's office, the Texas Workforce Commission, the Texas
16 Association of Counties, the Texas Association of School Boards,
17 the Texas Municipal League, and the Texas Conference of Urban
18 Counties.

19 SECTION 2. The Texas Higher Education Coordinating Board
20 shall begin awarding loan forgiveness under Subchapter OO, Chapter
21 61, Education Code, as added by this Act, to eligible persons
22 beginning January 1, 2022.

23 SECTION 3. Not later than December 1, 2022, the Texas Higher
24 Education Coordinating Board shall submit the initial report
25 required by Section 61.9976, Education Code, as added by this Act.

26 SECTION 4. This Act takes effect September 1, 2021.