

BILL ANALYSIS

C.S.H.B. 14
By: Stucky
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been noted that law enforcement agencies across Texas are experiencing shortages in qualified individuals for positions as peace officers. C.S.H.B. 14 seeks to bring additional qualified individuals to the field by providing for the establishment of a student loan repayment assistance program for certain peace officers.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 14 amends the Education Code to require the Texas Higher Education Coordinating Board to establish and administer a program to provide repayment assistance for eligible loans for eligible persons who agree to continued employment as full-time peace officers in Texas for a specified period. The bill authorizes the coordinating board to solicit and accept gifts, grants, and other donations from any public or private source for the purposes of administering the program.

C.S.H.B. 14 requires a person to satisfy the following requirements to be eligible to receive loan repayment assistance for the first year for which a person seeks that assistance under the program:

- submit to the coordinating board an initial application that meets certain criteria;
- be a Texas resident as determined by coordinating board rule;
- have earned at least 60 semester credit hours or the equivalent at a public, private, or independent institution of higher education before the person's initial employment as a peace officer;
- be currently employed, and have completed at least one year of employment, as a full-time peace officer in Texas;
- not be in default on any other educational loan; and
- comply with any additional requirement adopted by the coordinating board under the bill's provisions.

The bill provides for a person who initially qualifies for loan repayment assistance to continue receiving that assistance for up to five years, contingent on the person reapplying annually to the

coordinating board and providing employer verification of continuous employment as a full-time peace officer in Texas for the preceding year.

C.S.H.B. 14 authorizes the coordinating board to provide loan repayment assistance for the repayment of any student loan received by an eligible person through any lender for the cost of attendance at a public or private nonprofit postsecondary educational institution for a semester or other term that ended in the five years immediately preceding the person's initial employment as a peace officer. The bill provides for the circumstances under which repayment assistance is prohibited and sets out requirements relating to repayment assistance for a loan that is not a state or federal guaranteed student loan.

C.S.H.B. 14 entitles an eligible person to receive an annual amount of loan repayment assistance payments payable to the holders of the person's eligible loans for each year of eligibility approved by the coordinating board in an amount equal to the lesser of \$4,000 or 20 percent of the total amount stated in the person's application, subject to available funding, and caps the total amount of repayment assistance provided to an eligible person at \$20,000. If the payoff period for an eligible person's total outstanding balance of eligible loans is less than five years at the time of initial application for repayment assistance, the coordinating board is required to make payments to the eligible holders of those loans in the amounts of the payments and accrued interest as those payments become due.

C.S.H.B. 14 provides for the manner in which the loan repayment assistance is paid and applied to the loan. The bill requires the coordinating board, each state fiscal biennium, to attempt to allocate all money available to the coordinating board for the purpose of providing loan repayment assistance under the program. If in any year the amount of money available for loan repayment assistance is insufficient to provide such assistance to cover all the payments for the year for all eligible loans of all eligible persons, the coordinating board must establish criteria to determine the amount of available money to allocate to the holders of student loans of eligible persons as the coordinating board determines appropriate. The bill makes an eligible person whose annual loan repayment assistance is less than the amount necessary to cover the amount of principal and interest due on the person's eligible loans for that year responsible for the payment of the remainder of the amount due and for otherwise preventing a default on the loan.

C.S.H.B. 14 requires the coordinating board, not later than December 1, 2019, to adopt rules as necessary to administer the loan repayment assistance program. The bill requires the coordinating board to post on its website a copy of the rules and information regarding the program.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 14 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute changes the persons for whom loan repayment assistance is authorized from peace officers employed by state agencies or political subdivisions to persons who agree to continued employment as full-time peace officers in Texas for a specified period.

The substitute provides for a period of initial eligibility for repayment assistance on initial application to the coordinating board and for continued eligibility contingent on annual reapplication and approval, with the total period of eligibility capped at five years, instead of a single application after which a qualifying peace officer may receive the repayment assistance

for up to five years. The substitute sets out application requirements and makes certain other revisions relating to eligibility.

The substitute does not include a provision capping the annual amount of repayment assistance that a person may receive at 20 percent of the peace officer's total amount of eligible loans. The substitute specifies instead that the annual payment amount is the lesser of that percentage or \$4,000 and provides for an alternative payment amount if the payoff period is less than five years at the time the initial application is submitted. The substitute specifies that repayment assistance payments are payable to the holders of the eligible loans.

The substitute does not include provisions capping the total amount of repayment assistance provided under the program at the total amount of funds available for the repayment assistance.

The substitute includes a provision providing for the development of criteria to determine how to spend available funds should the funds available be insufficient to provide repayment assistance for all eligible loans for all eligible persons.

The substitute includes a provision making a recipient of repayment assistance whose loan payment exceeds the amount of repayment assistance responsible for the remainder of the amount due and for otherwise preventing default.

The substitute revises the criteria for loans eligible for repayment assistance and the circumstances under which repayment assistance is prohibited.

The substitute includes a requirement for the coordinating board to attempt each state fiscal biennium to allocate all money available to the coordinating board for the purpose of providing the loan repayment assistance.

The substitute changes the deadline by which the coordinating board is required to adopt the rules regarding the program. The substitute does not include a requirement for the coordinating board to distribute copies of those rules and information regarding the program to certain entities but does include a requirement for the coordinating board to post those rules and that information on its website.

The substitute does not include language providing for the bill to take immediate effect if it receives the necessary vote.