By:  Hancock, et al. S.B. No. 16

(Stucky)

Substitute the following for S.B. No. 16:

By:  Stucky C.S.S.B. No. 16

A BILL TO BE ENTITLED

AN ACT

relating to a student loan repayment assistance program for certain full-time peace officers in this state.

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

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

SUBCHAPTER NN. PEACE OFFICER LOAN REPAYMENT ASSISTANCE PROGRAM

Sec. 61.9951.  DEFINITION. In this subchapter, "peace officer" has the meaning assigned by Article 2.12, Code of Criminal Procedure.

Sec. 61.9952.  LOAN REPAYMENT ASSISTANCE AUTHORIZED; PURPOSE. The board shall establish and administer a program to provide, in accordance with this subchapter and board rules, loan repayment assistance in the repayment of eligible loans for eligible persons who agree to continued employment as full-time peace officers in this state for a specified period.

Sec. 61.9953.  INITIAL ELIGIBILITY. To be eligible to receive loan repayment assistance under this subchapter for the first year for which the person seeks loan repayment assistance, a person must:

(1)  be initially employed as a peace officer on or after September 1, 2019;

(2)  submit to the board an initial application for the loan repayment assistance, in the manner and on a form prescribed by board rule, that requires:

(A)  employer verification of the person's employment as a full-time peace officer in this state for at least one year and the person's current employment as a peace officer in this state as of the date of the application;

(B)  a transcript of the person's postsecondary course work; and

(C)  a statement of the total amount of principal, accrued interest, fees, and other charges due on all outstanding eligible loans for which the person is applying for repayment assistance;

(3)  have earned at least 60 semester credit hours or the equivalent at an institution of higher education or a private or independent institution of higher education before the person's initial employment as a peace officer;

(4)  be currently employed, and have completed at least one year of employment, as a full-time peace officer in this state; and

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

Sec. 61.9954.  CONTINUING ELIGIBILITY. (a) Except as provided by Subsection (b), after initially qualifying for loan repayment assistance under Section 61.9953, a person may continue to receive loan repayment assistance in a subsequent year only if the person annually submits an application, in the manner and on a form prescribed by board rule, that requires employer verification of the person's continuous employment as a full-time peace officer in this state for the year ending immediately before the date the application is submitted under this section.

(b)  A person may not receive loan repayment assistance under this subchapter for more than five years.

Sec. 61.9955.  AWARD. (a) Except as provided by this section, an eligible person is entitled to receive an annual amount of loan repayment assistance payments under this subchapter payable to the holders of the eligible person's eligible loans for each year of eligibility approved by the board under Section 61.9953 or 61.9954 in an amount equal to the lesser of $4,000 or 20 percent of the total amount stated in the person's application under Section 61.9953, subject to the amount of available funding.

(b)  If at the time an eligible person submits an initial application under Section 61.9953 the payoff period for the person's total outstanding balance of eligible loans is less than five years, the board shall make annual payments under this subchapter to the holders of the person's eligible loans in the amounts of the payments and accrued interest due for the applicable year.

(c)  The total amount of repayment assistance provided under this subchapter to an eligible person may not exceed $20,000.

(d)  If in any year the amount of money available for loan repayment assistance under this subchapter is insufficient to provide loan repayment assistance to cover all the payments for the year for all eligible loans of all eligible persons, the board shall establish criteria to determine the amount of available money to allocate to the holders of student loans of eligible persons as the board determines appropriate to further the purpose of this subchapter.

(e)  An eligible person whose annual loan repayment assistance under this section is less than the amount necessary to cover the amount of principal and interest due on the person's eligible loans for that year is responsible for the payment of the remainder of the amount due and for otherwise preventing a default on the loan.

Sec. 61.9956.  ELIGIBLE LOANS. (a) The board may provide loan repayment assistance under this subchapter for the repayment of any student loan received by an eligible person through any lender for the cost of attendance at an institution of higher education or a private or independent institution of higher education for a semester or other term that ended in the five years immediately preceding the person's initial employment as a peace officer.

(b)  If the loan is not a state or federal guaranteed student loan, the promissory note or other loan agreement document governing the terms of the loan must require all the loan proceeds to be used for expenses incurred by a person in attending an institution of higher education or a private or independent institution of higher education.

(c)  The board may not provide loan repayment assistance under this subchapter for an eligible loan that is in default on the date the person's application for loan repayment assistance is submitted under Section 61.9953 or 61.9954.

Sec. 61.9957.  PAYMENT OF LOAN REPAYMENT ASSISTANCE. (a) The board shall pay any loan repayment assistance under this subchapter in a lump sum delivered on the eligible person's behalf directly to the holder of the loan.

(b)  Loan repayment assistance provided under this subchapter may be applied to any amount due on the loan.

(c)  Each state fiscal biennium, the board shall attempt to allocate all money available to the board for the purpose of providing loan repayment assistance under this subchapter.

Sec. 61.9958.  GIFTS, GRANTS, AND DONATIONS. The board may solicit and accept gifts, grants, and other donations from any public or private source for the purposes of this subchapter.

Sec. 61.9959.  RULES; POSTING REQUIRED. (a) The board shall adopt rules necessary for the administration of this subchapter.

(b)  The board shall post on the board's Internet website a copy of the rules adopted under this subchapter and information regarding the program established under this subchapter.

SECTION 2.  The Texas Higher Education Coordinating Board shall adopt rules for the peace officer loan repayment assistance program under Subchapter NN, Chapter 61, Education Code, as added by this Act, not later than December 1, 2019.

SECTION 3.  This Act takes effect September 1, 2019.