

By: Hancock, et al.

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 peace officers who agree to continued employment as full-time peace officers in this state for a specified period.

Sec. 61.9953. INITIAL ELIGIBILITY; AGREEMENT REQUIREMENTS.

(a) 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) 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

1 employment as a full-time peace officer in this state for at least  
2 four consecutive years and the person's current employment as a  
3 peace officer in this state as of the date of the application; and

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

6 (2) have completed an undergraduate or graduate  
7 program at a general academic teaching institution or a private or  
8 independent institution of higher education;

9 (3) be currently employed, and have completed at least  
10 four consecutive years of employment, as a full-time peace officer  
11 in this state;

12 (4) enter into an agreement with the board under  
13 Subsection (b); and

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

16 (b) To receive loan repayment assistance under this  
17 subchapter, a person must enter into an agreement with the board:

18 (1) under which the person:

19 (A) agrees to complete four additional  
20 consecutive years of employment as a full-time peace officer in  
21 this state in exchange for an amount of loan repayment assistance in  
22 each of those years as provided by Section 61.9956; and

23 (B) acknowledges the conditional nature of the  
24 loan repayment assistance; and

25 (2) that states the total amount of principal, accrued  
26 interest, fees, and other charges due on all outstanding eligible  
27 loans for which the person is applying for repayment assistance.

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

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

12       Sec. 61.9955. EXCEPTION TO CONSECUTIVE YEARS OF FULL-TIME  
13 EMPLOYMENT REQUIREMENT. The board shall excuse an otherwise  
14 eligible person from a requirement imposed by Section 61.9953 or  
15 61.9954 that the employment qualifying the person for loan  
16 repayment assistance be performed in consecutive years if the break  
17 in employment is a result of the person's:

18           (1) service on active duty as a member of the armed  
19 forces of the United States, including as a member of a reserve or  
20 National Guard unit called for active duty;

21           (2) temporary total disability for a period of not  
22 more than 36 months, as established by the affidavit of a qualified  
23 physician;

24           (3) inability to secure employment as required by  
25 Section 61.9953 or 61.9954 for a period not to exceed 12 months  
26 because of care required for a disabled spouse or child;

27           (4) inability, despite reasonable efforts, to secure

1 for a single period not to exceed 12 months employment as required  
2 by Section 61.9953 or 61.9954; or

3 (5) satisfaction of the provisions of any other  
4 exception adopted by the board for purposes of this section.

5 Sec. 61.9956. AWARD. (a) Except as provided by this  
6 section, an eligible person is entitled to receive an annual amount  
7 of loan repayment assistance payments under this subchapter payable  
8 to the holders of the eligible person's eligible loans for each year  
9 of eligibility approved by the board under Section 61.9953 or  
10 61.9954 in the following amounts, subject to the amount of  
11 available funding:

12 (1) the lesser of \$3,000 or 10 percent of the amount  
13 described in Section 61.9953(b)(2) for the first year of  
14 eligibility;

15 (2) the lesser of \$6,000 or 20 percent of the amount  
16 described in Section 61.9953(b)(2) for the second year of  
17 eligibility;

18 (3) the lesser of \$9,000 or 30 percent of the amount  
19 described in Section 61.9953(b)(2) for the third year of  
20 eligibility; and

21 (4) the lesser of \$12,000 or 40 percent of the amount  
22 described in Section 61.9953(b)(2) for the fourth year of  
23 eligibility.

24 (b) The total amount of repayment assistance provided under  
25 this subchapter to an eligible person may not exceed \$30,000.

26 (c) If in any year the amount of money available for loan  
27 repayment assistance under this subchapter is insufficient to

1 provide loan repayment assistance to cover all the payments for the  
2 year for all eligible loans of all eligible persons, the board shall  
3 establish criteria to determine the amount of available money to  
4 allocate to the holders of student loans of eligible persons as the  
5 board determines appropriate to further the purpose of this  
6 subchapter.

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

13 Sec. 61.9957. ELIGIBLE LOANS. (a) The board may provide  
14 loan repayment assistance under this subchapter for the repayment  
15 of any student loan received by an eligible person through any  
16 lender for the cost of attendance at an institution of higher  
17 education or a private or independent institution of higher  
18 education.

19 (b) If the loan is not a state or federal guaranteed student  
20 loan, the promissory note or other loan agreement document  
21 governing the terms of the loan must require all the loan proceeds  
22 to be used for expenses incurred by a person in attending a  
23 postsecondary educational institution.

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

1 Sec. 61.9958. PAYMENT OF LOAN REPAYMENT ASSISTANCE.

2 (a) The board shall pay any loan repayment assistance under this  
3 subchapter in a lump sum delivered on the eligible person's behalf  
4 directly to the holder of the loan.

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

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

10 Sec. 61.9959. PEACE OFFICER LOAN REPAYMENT ASSISTANCE  
11 PROGRAM INVESTMENT FUND. (a) In this section, "fund" means the  
12 peace officer loan repayment assistance program investment fund.

13 (b) The fund is a dedicated account in the general revenue  
14 fund and consists of:

15 (1) gifts, grants, and other donations received from  
16 any public or private source for the fund; and

17 (2) interest and other earnings from the investment of  
18 the fund.

19 (c) The fund may be used only to provide loan repayment  
20 assistance for the repayment of loans eligible under Section  
21 61.9957, including any related administrative costs.

22 (d) The fund is exempt from the application of Sections  
23 403.095 and 404.071, Government Code.

24 (e) The board may accept grants, gifts, and other donations  
25 from any public or private source for the purposes of this  
26 subchapter. All money received under this subchapter shall be  
27 deposited in the fund.

1       Sec. 61.9960. RULES. The board shall adopt rules necessary  
2 for the administration of this subchapter, including rules  
3 providing for:

4           (1) the manner in which a person may apply for loan  
5 repayment assistance; and

6           (2) a method of awarding loan repayment assistance  
7 under this subchapter that gives first priority to applicants who  
8 are renewing their applications for loan repayment assistance  
9 provided under this subchapter.

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

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