

By: Hancock

S.B. No. 16

A BILL TO BE ENTITLED

AN ACT

relating to a student loan repayment assistance program for certain persons who agree to employment as 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. DEFINITIONS. In this subchapter:

(1) "General academic teaching institution" and "private or independent institution of higher education" have the meanings assigned by Section 61.003.

(2) "Peace officer" means a person elected, employed, or appointed as a peace officer under Article 2.12, Code of Criminal Procedure, or other law.

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 over a four-year period of the total outstanding balance, plus interest, of a peace officer's 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.

1 (a) To be eligible to receive loan repayment assistance under this
2 subchapter for the first year for which the person seeks loan
3 repayment assistance, a person must:

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

7 (A) employer verification of the person's
8 employment as a full-time peace officer in this state for at least
9 four consecutive years and the person's current employment as a
10 peace officer in this state as of the date of the application; and

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

13 (2) have completed an undergraduate or graduate
14 program at a general academic teaching institution or a private or
15 independent institution of higher education;

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

19 (4) not be in default on any other education loan;

20 (5) enter into an agreement with the board under
21 Subsection (b); and

22 (6) comply with any other requirement adopted by the
23 board under this subchapter.

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

26 (1) under which the person:

27 (A) agrees to complete four additional

1 consecutive years of employment as a full-time peace officer in
2 this state in exchange for an amount of loan repayment assistance in
3 each of those years as provided by Section 61.9956; and

4 (B) acknowledges the conditional nature of the
5 loan repayment assistance; and

6 (2) which states the total amount of principal,
7 accrued interest, fees, and other charges due on all outstanding
8 eligible loans for which the person is applying for repayment
9 assistance.

10 Sec. 61.9954. CONTINUING ELIGIBILITY. After initially
11 qualifying for loan repayment assistance under Section 61.9953, a
12 person may continue to receive loan repayment assistance in a
13 subsequent year only if the person annually submits an application,
14 in the manner and on a form prescribed by board rule, that requires
15 employer verification of the person's continuous employment as a
16 full-time peace officer in this state for the year ending
17 immediately before the date the application is submitted under this
18 section.

19 Sec. 61.9955. EXCEPTION TO CONSECUTIVE YEARS OF FULL-TIME
20 EMPLOYMENT REQUIREMENT. The board shall excuse an otherwise
21 eligible person from a requirement imposed by Section 61.9953 or
22 61.9954 that the employment qualifying the person for loan
23 repayment assistance be performed in consecutive years if the break
24 in employment is a result of the person's:

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

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

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

7 (4) inability, despite reasonable efforts, to secure
8 for a single period not to exceed 12 months employment as required
9 by Section 61.9953 or 61.9954; or

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

12 Sec. 61.9956. AWARD. (a) An eligible person is entitled to
13 receive an annual amount of loan repayment assistance payments
14 under this subchapter payable to the holders of the eligible
15 person's eligible loans for each year of eligibility approved by
16 the board under Section 61.9953 or 61.9954 in an amount equal to 25
17 percent of the total amount stated in the person's agreement under
18 Section 61.9953(b)(2) and any interest that accrues on that amount
19 during that year, subject to the amount of available funding and
20 other relevant considerations.

21 (b) Notwithstanding Subsection (a), if at the time an
22 eligible person initially enters an agreement with the board under
23 this subchapter the payoff period for the person's total
24 outstanding balance of eligible loans is less than four years, the
25 board shall make payments under this subchapter to the eligible
26 holders of the person's eligible loans in the amounts of the
27 payments and accrued interest as those payments become due.

1 (c) The total amount of loan repayment assistance paid by
2 the board under this subchapter may not exceed the total amount of
3 money available in the fund under Section 61.9959 and any other
4 money that the board is legally authorized to use for purposes of
5 this subchapter.

6 (d) If in any year the amount of money available for loan
7 repayment assistance under this subchapter is insufficient to
8 provide loan repayment assistance to cover all the payments for the
9 year for all eligible loans of all eligible persons:

10 (1) the board shall establish criteria to determine
11 the amount of eligible money to allocate to the holders of student
12 loans of eligible persons as the board determines appropriate to
13 further the purpose of this subchapter; and

14 (2) an eligible person whose annual loan repayment
15 assistance allocation under Subdivision (1) is less than the amount
16 necessary to cover the amount of principal and interest due on the
17 person's eligible loans for that year is responsible for the
18 payment of the remainder of the amount due and for otherwise
19 preventing a default on the loan.

20 Sec. 61.9957. ELIGIBLE LOANS. (a) The board may provide
21 loan repayment assistance under this subchapter for the repayment
22 of any student loan that:

23 (1) is for education at a postsecondary educational
24 institution; and

25 (2) is received by an eligible person through an
26 eligible lender.

27 (b) If the loan is not a state or federal guaranteed student

1 loan, the promissory note or other loan agreement document
2 governing the terms of the loan must require all the loan proceeds
3 to be used for expenses incurred by a person in attending a
4 postsecondary educational institution.

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

9 Sec. 61.9958. PAYMENT OF LOAN REPAYMENT ASSISTANCE. (a)
10 The board shall pay any loan repayment assistance under this
11 subchapter in a lump sum delivered on the eligible person's behalf
12 directly to the holder of the loan.

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

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

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

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

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

25 (2) interest and other earnings from the investment of
26 the fund.

27 (c) The fund may be used only to provide loan repayment

1 assistance for the repayment of loans eligible under Section
2 61.9957, including any related administrative costs.

3 (d) The fund is exempt from the application of Sections
4 403.095 and 404.071, Government Code.

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

9 Sec. 61.9960. RULES. The board shall adopt rules necessary
10 for the administration of this subchapter, including rules
11 providing for:

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

14 (2) a method of awarding loan repayment assistance
15 under this subchapter that gives first priority to applicants who
16 are renewing their applications for loan repayment assistance
17 provided under this subchapter.

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

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