

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 5, 2019

TO: Honorable Chris Turner, Chair, House Committee on Higher Education

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB14 by Stucky (relating to a student loan repayment assistance program for certain full-time peace officers in this state.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB14, Committee Report 1st House, Substituted: a negative impact of (\$12,324,131) through the biennium ending August 31, 2021.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	(\$4,147,792)
2021	(\$8,176,339)
2022	(\$12,168,516)
2023	(\$16,168,516)
2024	(\$20,168,516)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2020	(\$4,147,792)
2021	(\$8,176,339)
2022	(\$12,168,516)
2023	(\$16,168,516)
2024	(\$20,168,516)

Fiscal Year	Change in Number of State Employees from FY 2019
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2020	1.0
2021	3.0
2022	3.0
2023	3.0
2024	3.0

Fiscal Analysis

The bill would create a higher education student loan repayment assistance program for peace officers. The program would be administered by the Higher Education Coordinating Board. A person that qualifies for the program could receive loan repayment assistance for up to five years. Under provisions of the bill, the total amount of loan repayment assistance may not exceed \$20,000.

Methodology

The Texas Commission for Law Enforcement reports 78,767 active peace officers in Texas. The Higher Education Coordinating Board estimates that 1,000 peace officers will enroll in the program each year and would receive loan repayment awards of \$4,000 per year beginning in fiscal year 2020. Based on these assumptions, the General Revenue cost for fiscal year 2020 is \$4,000,000. The General Revenue costs would increase in fiscal year 2021 through 2024 as new cohorts of peace officers are added to the program. The Higher Education Coordinating Board indicates they would need to hire a contractor in fiscal year 2020 to do the programming for the new loan program at an estimated one-time cost of \$84,375. The Higher Education Coordinating Board indicates they would need to hire a loan representative at a cost for salary and benefits at \$47,068 per year in fiscal year 2020. The agency indicates that they would need to hire two additional loan representatives beginning in fiscal year 2021 at a total cost for salaries and benefits of \$94,137 to process monthly loan repayments. Technology and other costs associated with the program are estimated at \$16,349 in fiscal year 2020 and \$35,134 in fiscal year 2021.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board

LBB Staff: WP, JGAn, DEH, GO