

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 3, 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:** SB16 by Hancock (relating to a student loan repayment assistance program for certain full-time peace officers in this state.), **Committee Report 2nd House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB16, Committee Report 2nd House, Substituted: a negative impact of (\$4,265,715) 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	(\$147,792)
2021	(\$4,117,923)
2022	(\$8,114,012)
2023	(\$12,114,012)
2024	(\$16,114,012)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2020	(\$147,792)
2021	(\$4,117,923)
2022	(\$8,114,012)
2023	(\$12,114,012)
2024	(\$16,114,012)

Fiscal Year	Change in Number of State Employees from FY 2019
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2020	1.0
2021	2.0
2022	2.0
2023	2.0
2024	2.0

**Fiscal Analysis**

The bill would create a student loan repayment assistance program for certain full-time peace officers of the state. The program would be administered by the Higher Education Coordinating Board. The bill requires a person to be initially employed as a peace officer on or after September 1, 2019 (fiscal year 2020) and have completed at least one year of employment as full-time peace officer to receive loan repayment assistance. 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 2021, the first year initial awards can be made under provisions of the bill. Based on these assumptions, the General Revenue cost for fiscal year 2021 is \$4,000,000. The General Revenue costs would increase in fiscal year 2022 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 an additional loan representatives beginning in fiscal year 2021 at a total cost for salaries and benefits of \$47,068. Technology and other costs associated with the program are estimated at \$16,349 in fiscal year 2020 and \$23,786 in fiscal year 2021.

**Local Government Impact**

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

**Source Agencies:** 769 University of North Texas System Administration, 783 University of Houston System Administration, 304 Comptroller of Public Accounts, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board

**LBB Staff:** WP, GO, JGAn, DEH