

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 2, 2019**

**TO:** Honorable Brandon Creighton, Chair, Senate 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 persons who agree to employment as full-time peace officers in this state.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB16, As Introduced: a negative impact of (\$22,824,131) 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2020	(\$7,647,792)
2021	(\$15,176,339)
2022	(\$22,668,516)
2023	(\$30,168,516)
2024	(\$37,668,516)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund</b>
2020	(\$7,647,792)
2021	(\$15,176,339)
2022	(\$22,668,516)
2023	(\$30,168,516)
2024	(\$37,668,516)

<b>Fiscal Year</b>	<b>Change in Number of State Employees from FY 2019</b>
2020	1.0

2021	3.0
2022	3.0
2023	3.0
2024	3.0

**Fiscal Analysis**

The bill would establish a loan repayment assistance program for certain persons who agree to employment as full-time peace officers in the state. Under provisions of the bill, a person is required to enter into an agreement with the Higher Education Coordinating Board and agree to complete four additional consecutive years as a full-time peace officer in the state. An eligible person that qualifies for loan repayment assistance is entitled to receive to receive an annual amount for each year of eligibility equal to 25 percent of the total amount stated in the person's agreement.

The bill would establish the Peace Officer Loan Repayment Program Assistance Fund to support the program. The fund is a dedicated account in the general revenue fund and consists of gifts, grants, and other donations received from public or private sources for the fund and interest earnings from the investment of the fund.

The Higher Education Coordinating Board is required to adopt rules for the peace officer loan repayment assistance program no later than December 1, 2019.

**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 \$7,500 per year beginning in fiscal year 2020. Based on these assumptions, the General Revenue cost for fiscal year 2020 is \$7,500,000. 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. Beginning in fiscal year 2021, the Higher Education Coordinating Board indicates they would need to hire three additional loan representatives to administer the program at an additional cost for salary and benefits at \$141,205 per year. 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:** 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, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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