87R1567 KJE-D

By:  Powell S.B. No. 2021

A BILL TO BE ENTITLED

AN ACT

relating to student loan forgiveness for certain public service employees or interns.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Chapter 61, Education Code, is amended by adding Subchapter OO to read as follows:

SUBCHAPTER OO. PUBLIC SERVICE STUDENT LOAN FORGIVENESS PROGRAM

Sec. 61.9971.  LOAN FORGIVENESS AUTHORIZED. The board shall provide, in accordance with this subchapter and board rules, loan forgiveness of eligible student loans for eligible public service employees.

Sec. 61.9972.  ELIGIBILITY. To be eligible to receive loan forgiveness under this subchapter, a person must:

(1)  have earned a baccalaureate degree at a public or private institution of higher education in this state;

(2)  be employed or interning in this state with:

(A)  a state agency or political subdivision of the state; or

(B)  an organization exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, by being described as an exempt organization by Section 501(c)(3) of that code; and

(3)  comply with any other requirement adopted by the board under this subchapter.

Sec. 61.9973.  ELIGIBLE LOANS. The board may provide forgiveness under this subchapter for the following amounts owed for the cost of education at a public or private institution of higher education:

(1)  a loan made under Chapter 52;

(2)  an amount owed in repayment of a scholarship awarded under Subchapter FF; or

(3)  a Texas B-On-time student loan made under former Section 56.463.

Sec. 61.9974.  AMOUNT OF FORGIVENESS; LIMITATIONS. (a) Subject to Subsection (b), a person may receive loan forgiveness under this subchapter for each year the person establishes eligibility for the forgiveness in an amount not to exceed $5,000 per year.

(b)  A person may not receive loan forgiveness under this subchapter for more than four years.

(c)  The total amount of loan forgiveness provided under this subchapter may not exceed $10 million for a state fiscal biennium.

(d)  If in any state fiscal biennium the amount of money available for loan forgiveness under this subchapter is insufficient to provide loan forgiveness to all eligible persons for that biennium, the board shall prioritize awarding loan forgiveness to eligible persons who are employed or interning with health-care providers or other entities affected by the coronavirus disease (COVID-19) pandemic, as determined by the board.

Sec. 61.9975.  GIFTS, GRANTS, AND DONATIONS. The board may solicit and accept gifts, grants, and other donations from any public or private source for the purpose of this subchapter.

Sec. 61.9976.  REPORT. Not later than December 1 of each year, the board shall submit to the governor, the lieutenant governor, and the speaker of the house of representatives a report on the loan forgiveness program under this subchapter.

Sec. 61.9977.  RULES. (a) The board shall adopt rules necessary to administer this subchapter, including rules:

(1)  establishing guidelines for qualifying employment and internships, including requiring at least 20 hours of work per week; and

(2)  making any necessary adjustments to the qualifying loan programs to account for loan forgiveness under this subchapter.

(b)  In adopting rules, the board shall consult with the governor's office, the Texas Workforce Commission, the Texas Association of Counties, the Texas Association of School Boards, the Texas Municipal League, and the Texas Conference of Urban Counties.

SECTION 2.  The Texas Higher Education Coordinating Board shall begin awarding loan forgiveness under Subchapter OO, Chapter 61, Education Code, as added by this Act, to eligible persons beginning January 1, 2022.

SECTION 3.  Not later than December 1, 2022, the Texas Higher Education Coordinating Board shall submit the initial report required by Section 61.9976, Education Code, as added by this Act.

SECTION 4.  This Act takes effect September 1, 2021.