

BILL ANALYSIS

C.S.H.B. 2103
By: Kolkhorst
Corrections
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Texas Department of Criminal Justice (TDCJ) often has great difficulty in recruiting and retaining correctional officers (COs). CSHB 2103 will provide an additional tool for recruitment efforts, as well as improvement in employee morale and retention by establishing a pilot program for loan repayment assistance for COs.

The pilot program will offer a loan repayment plan to qualified individuals attending Sam Houston State University (SHSU) who agree to serve as COs for a certain amount of time.

RULEMAKING AUTHORITY

Rulemaking authority is expressly delegated to the Texas Higher Education Coordinating Board in SECTION ONE of this bill.

ANALYSIS

CSHB 2103 amends the Education Code by providing that the Texas Higher Education Coordinating Board (board) shall establish a pilot program to provide assistance with student loan repayment, using the correctional officer loan repayment assistance trust fund, for correctional officers who apply and qualify for the assistance. To qualify a correctional officer (CO) must have successfully completed a baccalaureate degree program at Sam Houston State University (SHSU) and must establish to the board that during their enrollment at SHSU they: were a Texas resident, had financial need as determined by the board, maintained good academic standing as determined by the board and were employed as a full-time CO in this state. Additionally, the CO must establish to the board that the repayment assistance will be used to repay any part of a student loan received by the CO to cover tuition and fees required for enrollment in junior-level or senior-level coursework in the baccalaureate degree program at SHSU, must complete at least one full year of employment as a full-time CO in this state within two years of graduation, and must comply with any additional requirements adopted by the board. The board may provide assistance for the repayment of any student loan received through any lender for the costs of tuition and fees at SHSU, and the board shall attempt, each fiscal biennium, to use all funds available in the trust fund for this program. The board may withhold repayment assistance for a student loan that is in default at the time of the CO's application. The bill also defines the terms "correctional officer" and "trust fund."

CSHB 2103 also provides that repayments shall be delivered in a lump sum payable to the lender of the student loan and the correctional officer, in accordance with any applicable federal law, and may be used for any amount due in connection with a loan. The board is allowed to grant prior conditional approval upon the CO's completion of all requirements, other than the term of service, for the loan repayment and may reserve money in the trust fund for disbursement upon a CO's completion of that requirement. The board shall adopt rules necessary to administer Subchapter EE, Chapter 61, Education Code, as added by this Act, and must distribute the adopted rules and other pertinent information, to the various entities enumerated in the bill. Consultation between the board and the Texas Department of Criminal Justice concerning the establishment of priorities among eligible correctional officers is allowable. The amount of the loan repayment for one year of post graduation full-time employment may not exceed the cost of 30 credit hours of junior or senior level coursework at SHSU. The total amount distributed by the board may not exceed the total amount of funds appropriated for repayment assistance by the legislature, accepted by the board in grants and gifts for repayment assistance, or other available funds.

The bill requires the board to award repayment assistance from the amount available in the trust fund. The trust fund will be held in trust by the comptroller but established outside the treasury. Money in the trust fund need not be appropriated, but must be spent on scholarships to fund the pilot program, and interest and income from the assets of the trust fund must be credited to and deposited in the trust fund. In each fiscal year, the board may spend from the trust fund to cover administrative costs no more than 2.5 percent of the total amount of money deposited in the fund in that fiscal year. The board is authorized to solicit and accept gifts and grants from any source, for the purposes of the program, and must deposit a gift or grant to the credit of the trust fund. Additionally, the legislature may appropriate money to the trust fund. The board may not award repayment assistance to pay the costs of enrollment in an academic year after the 2013-2014 academic year. The fund will be abolished on January 1, 2017, with any remaining money deposited into the general revenue fund. The board shall evaluate and report on the effectiveness of the program to the legislature by December 31 of each even-numbered year.

CSHB 2103 provides that the board shall adopt rules for repayment assistance under Subchapter EE, Chapter 61, Education Code, as added by this Act, no later than December 1, 2007.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The caption of the original bill read "relating to a pilot program to award scholarships to certain correctional officers enrolled at Sam Houston State University." The substitute caption reads "relating to a pilot program to provide student loan repayment assistance to certain correctional officers who graduate from Sam Houston State University."

The original bill required the Texas Higher Education Coordinating Board (board) to establish a pilot program to award scholarships to qualified correctional officers attending Sam Houston State University. The substitute requires the Texas Higher Education Coordinating Board to establish a pilot program for a student loan repayment program for qualified correctional officers attending Sam Houston State University and makes changes, accordingly, regarding the operation and requirements of the program.

The original bill required that for every 36 hours of financial assistance received via the scholarship, a recipient must agree to serve for one year as a full-time correctional officer after graduation. The substitute requires that for every 30 hours of loan repayment assistance received, the recipient must serve for one year as a full-time correctional officer after graduation.

The original bill contained provisions that the recipient must begin their service within 60 days of being awarded a baccalaureate degree by Sam Houston State University (SHSU), unless the board for good cause provides the recipient with additional time to fulfill that obligation. The substitute removes this language.

The original bill considered the scholarship a loan until all the conditions of the scholarship had been met and included requirements and procedures for its repayment in the case that a person did not satisfy all of the conditions. The substitute removes this language.

The original required the board to adopt rules for the administration of the scholarship program. The substitute changes this to apply to a loan repayment assistance program and changes the entities to which the rules must be distributed.

The substitute adds language, not in the original bill, which provides that the amount of the loan repayment for one year of post graduation full-time employment may not exceed the cost of 30 credit hours of junior or senior level coursework at SHSU. The substitute adds language, not in the original bill, which provides that the total amount distributed by the board may not exceed the total amount of funds appropriated for repayment assistance by the legislature, accepted by the board in grants and gifts for repayment assistance, or other available funds.

The substitute deletes language, not in the original bill, requiring the Texas Department of Criminal Justice to make reasonable efforts to notify all correctional officers of the pilot program. The substitute adds language, not in the original bill, allowing the board to consult with the Texas Department of Criminal Justice to assist the board in establishing priorities among eligible correctional officers for repayment assistance.

The original bill provides that the trust fund will be abolished on January 1, 2015, with any remaining money deposited into the general revenue fund. The substitute provides that the fund will be abolished on January 1, 2017, with any remaining money deposited into the general revenue fund.

The original bill contained a provision requiring the board to award the scholarships starting in the 2008-2009 academic year. The substitute removes this language.

The original bill would take effect on September 1, 2007. The substitute changes the effective date to upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.