

By: Hancock

S. B. No. 16

A BILL TO BE ENTITLED

# 1 AN ACT

2 relating to a student loan repayment assistance program for certain  
3 persons who agree to employment as full-time peace officers in this  
4 state.

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

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

8 SUBCHAPTER NN. PEACE OFFICER LOAN REPAYMENT ASSISTANCE PROGRAM

9           Sec. 61.9951. DEFINITIONS. In this subchapter:

16 Sec. 61.9952. LOAN REPAYMENT ASSISTANCE AUTHORIZED;

17 PURPOSE. The board shall establish and administer a program to

18 provide, in accordance with this subchapter and board rules, loan

19 repayment assistance in the repayment over a four-year period of

20 the total outstanding balance, plus interest, of a peace officer's

21 eligible loans for eligible peace officers who agree to continued

22 employment as full-time peace officers in this state for a

23 specified period.

24 Sec. 61.9953. INITIAL ELIGIBILITY; AGREEMENT REQUIREMENTS.

1       (a) To be eligible to receive loan repayment assistance under this  
2       subchapter for the first year for which the person seeks loan  
3       repayment assistance, a person must:

4               (1) submit to the board an initial application for the  
5       loan repayment assistance, in the manner and on a form prescribed by  
6       board rule, that requires:

7                       (A) employer verification of the person's  
8       employment as a full-time peace officer in this state for at least  
9       four consecutive years and the person's current employment as a  
10      peace officer in this state as of the date of the application; and

11                       (B) a transcript of the person's postsecondary  
12      course work;

13               (2) have completed an undergraduate or graduate  
14      program at a general academic teaching institution or a private or  
15      independent institution of higher education;

16               (3) be currently employed, and have completed at least  
17      four consecutive years of employment, as a full-time peace officer  
18      in this state;

19               (4) not be in default on any other education loan;

20               (5) enter into an agreement with the board under  
21      Subsection (b); and

22               (6) comply with any other requirement adopted by the  
23      board under this subchapter.

24               (b) To receive loan repayment assistance under this  
25      subchapter, a person must enter into an agreement with the board:

26               (1) under which the person:

27                       (A) agrees to complete four additional

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1 consecutive years of employment as a full-time peace officer in  
2 this state in exchange for an amount of loan repayment assistance in  
3 each of those years as provided by Section 61.9956; and

10 Sec. 61.9954. CONTINUING ELIGIBILITY. After initially  
11 qualifying for loan repayment assistance under Section 61.9953, a  
12 person may continue to receive loan repayment assistance in a  
13 subsequent year only if the person annually submits an application,  
14 in the manner and on a form prescribed by board rule, that requires  
15 employer verification of the person's continuous employment as a  
16 full-time peace officer in this state for the year ending  
17 immediately before the date the application is submitted under this  
18 section.

19                   Sec. 61.9955. EXCEPTION TO CONSECUTIVE YEARS OF FULL-TIME  
20                   EMPLOYMENT REQUIREMENT. The board shall excuse an otherwise  
21                   eligible person from a requirement imposed by Section 61.9953 or  
22                   61.9954 that the employment qualifying the person for loan  
23                   repayment assistance be performed in consecutive years if the break  
24                   in employment is a result of the person's:

1                   (2) temporary total disability for a period of not  
2                   more than 36 months, as established by the affidavit of a qualified  
3                   physician;

4                   (3) inability to secure employment as required by  
5                   Section 61.9953 or 61.9954 for a period not to exceed 12 months  
6                   because of care required by a disabled spouse or child;

7                   (4) inability, despite reasonable efforts, to secure  
8                   for a single period not to exceed 12 months employment as required  
9                   by Section 61.9953 or 61.9954; or

10                   (5) satisfaction of the provisions of any other  
11                   exception adopted by the board for purposes of this section.

12                   Sec. 61.9956. AWARD. (a) An eligible person is entitled to  
13                   receive an annual amount of loan repayment assistance payments  
14                   under this subchapter payable to the holders of the eligible  
15                   person's eligible loans for each year of eligibility approved by  
16                   the board under Section 61.9953 or 61.9954 in an amount equal to 25  
17                   percent of the total amount stated in the person's agreement under  
18                   Section 61.9953(b)(2) and any interest that accrues on that amount  
19                   during that year, subject to the amount of available funding and  
20                   other relevant considerations.

21                   (b) Notwithstanding Subsection (a), if at the time an  
22                   eligible person initially enters an agreement with the board under  
23                   this subchapter the payoff period for the person's total  
24                   outstanding balance of eligible loans is less than four years, the  
25                   board shall make payments under this subchapter to the eligible  
26                   holders of the person's eligible loans in the amounts of the  
27                   payments and accrued interest as those payments become due.

1        (c) The total amount of loan repayment assistance paid by  
2        the board under this subchapter may not exceed the total amount of  
3        money available in the fund under Section 61.9959 and any other  
4        money that the board is legally authorized to use for purposes of  
5        this subchapter.

6        (d) If in any year the amount of money available for loan  
7        repayment assistance under this subchapter is insufficient to  
8        provide loan repayment assistance to cover all the payments for the  
9        year for all eligible loans of all eligible persons:

10        (1) the board shall establish criteria to determine  
11        the amount of eligible money to allocate to the holders of student  
12        loans of eligible persons as the board determines appropriate to  
13        further the purpose of this subchapter; and

14        (2) an eligible person whose annual loan repayment  
15        assistance allocation under Subdivision (1) is less than the amount  
16        necessary to cover the amount of principal and interest due on the  
17        person's eligible loans for that year is responsible for the  
18        payment of the remainder of the amount due and for otherwise  
19        preventing a default on the loan.

20        Sec. 61.9957. ELIGIBLE LOANS. (a) The board may provide  
21        loan repayment assistance under this subchapter for the repayment  
22        of any student loan that:

23        (1) is for education at a postsecondary educational  
24        institution; and

25        (2) is received by an eligible person through an  
26        eligible lender.

27        (b) If the loan is not a state or federal guaranteed student

1 loan, the promissory note or other loan agreement document  
2 governing the terms of the loan must require all the loan proceeds  
3 to be used for expenses incurred by a person in attending a  
4 postsecondary educational institution.

5       (c) The board may not provide loan repayment assistance  
6 under this subchapter for an eligible loan that is in default on the  
7 date the person's application for loan repayment assistance is  
8 submitted under Section 61.9953 or 61.9954.

9       Sec. 61.9958. PAYMENT OF LOAN REPAYMENT ASSISTANCE. (a)  
10 The board shall pay any loan repayment assistance under this  
11 subchapter in a lump sum delivered on the eligible person's behalf  
12 directly to the holder of the loan.

13       (b) Loan repayment assistance provided under this  
14 subchapter may be applied to any amount due on the loan.

15       (c) Each state fiscal biennium, the board shall attempt to  
16 allocate all money available to the board for the purpose of  
17 providing loan repayment assistance under this subchapter.

18       Sec. 61.9959. PEACE OFFICER LOAN REPAYMENT ASSISTANCE  
19 PROGRAM INVESTMENT FUND. (a) In this section, "fund" means the  
20 peace officer loan repayment assistance program investment fund.

21       (b) The fund is a dedicated account in the general revenue  
22 fund and consists of:

23           (1) gifts, grants, and other donations received from  
24 any public or private source for the fund; and

25           (2) interest and other earnings from the investment of  
26 the fund.

27       (c) The fund may be used only to provide loan repayment

1 assistance for the repayment of loans eligible under Section  
2 61.9957, including any related administrative costs.

3 (d) The fund is exempt from the application of Sections  
4 403.095 and 404.071, Government Code.

5 (e) The board may accept grants, gifts, and other donations  
6 from any public or private source for the purposes of this  
7 subchapter. All money received under this subchapter shall be  
8 deposited in the fund.

9 Sec. 61.9960. RULES. The board shall adopt rules necessary  
10 for the administration of this subchapter, including rules  
11 providing for:

12 (1) the manner in which a person may apply for loan  
13 repayment assistance; and

14 (2) a method of awarding loan repayment assistance  
15 under this subchapter that gives first priority to applicants who  
16 are renewing their applications for loan repayment assistance  
17 provided under this subchapter.

18 SECTION 2. The Texas Higher Education Coordinating Board  
19 shall adopt rules for the peace officer loan repayment assistance  
20 program under Subchapter NN, Chapter 61, Education Code, as added  
21 by this Act, not later than December 1, 2019.

22 SECTION 3. This Act takes effect September 1, 2019.