

BILL ANALYSIS

C.S.S.B. 16
By: Hancock
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been suggested that incentives are needed to encourage the recruitment and retention of peace officers in Texas. C.S.S.B. 16 seeks to provide such an incentive by establishing a student loan repayment assistance program that would provide assistance over a five-year period for qualifying peace officers who have served one year in that capacity.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 of this bill.

ANALYSIS

C.S.S.B. 16 amends the Education Code to require the Texas Higher Education Coordinating Board to establish and administer a program to provide loan repayment assistance in the repayment of eligible loans for eligible persons who agree to continued employment as full-time peace officers in Texas for a specified period. The bill sets out eligibility requirements for receiving loan repayment assistance for the first year for which a person seeks the assistance, including application, education, and employment requirements. The bill makes a person eligible to continue to receive loan repayment assistance in a subsequent year after initially qualifying for the assistance on the condition that the person annually submit an application in the manner and on a form prescribed by coordinating board rule that requires employer verification of the person's continuous employment as a full-time peace officer in Texas for the year ending immediately before the application submission date. The bill limits the period during which a person may receive the assistance to five years.

C.S.S.B. 16 entitles an eligible person to receive an annual amount of loan repayment assistance payments payable to the holders of the person's eligible loans for each year of eligibility approved by the coordinating board in an amount equal to the lesser of \$4,000 or 20 percent of the total amount stated in the person's initial application, subject to the amount of available funding. The bill requires the coordinating board, if at the time an eligible person submits an initial application the payoff period for the person's total outstanding balance of eligible loans is less than five years, to make annual payments to the holders of the person's eligible loans in the amounts of the payments and accrued interest due for the applicable year. The bill caps the total amount of repayment assistance provided to an eligible person at \$20,000.

C.S.S.B. 16 requires the coordinating board, in any year in which the amount of money available for the loan repayment assistance program is insufficient to provide such assistance to cover all

the payments for the year for all eligible loans of all eligible persons, to establish criteria to determine the amount of available money to allocate to the holders of applicable loans as the board determines appropriate to further the purpose of the bill. The bill establishes that an eligible person whose annual loan repayment assistance is less than the amount necessary to cover the amount of principal and interest due on the person's eligible loans for that year is responsible for the payment of the remainder of the amount due and for otherwise preventing a default on the loan.

C.S.S.B. 16 sets out provisions relating to the criteria for an eligible loan and relating to the manner of payments made on behalf of an eligible person, the authorized application of such payments, and the allocation of program funds by the coordinating board. The bill authorizes the coordinating board to solicit and accept gifts, grants, and other donations from any public or private source for the purposes of the bill's provisions. The bill requires the coordinating board, not later than December 1, 2019, to adopt rules for the program, including rules necessary for the administration of the program. The bill requires the coordinating board to post on the coordinating board's website a copy of the adopted rules and information regarding the program.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 16 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The substitute revises the initial eligibility requirements for receiving the loan repayment assistance with regard to a person's level of completed postsecondary education and period of service as a full-time peace officer. The substitute does not include the following:

- a provision making a person's eligibility to receive loan repayment assistance contingent on entering into an agreement with the coordinating board to complete four additional consecutive years of employment as a full-time peace officer in Texas; and
- certain exceptions to a requirement that qualifying employment be performed in consecutive years.

The substitute increases from four years to five years the maximum period for which a person may receive loan repayment assistance, changes the annual amount of the assistance payment from an amount calculated according to a progressive schedule to the lesser of \$4,000 or 20 percent of the student loan amount stated in the person's program application, and lowers the cap on the total amount of assistance provided to an eligible person from \$30,000 to \$20,000.

The substitute makes certain revisions to the criteria for an eligible loan.

The substitute does not include provisions relating to the peace officer loan repayment assistance program investment fund.

The substitute includes a requirement for the coordinating board to post the adopted rules and information regarding the program on the coordinating board's website but does not include certain specifications regarding the subjects of the rules.