

SUBJECT: Creating the peace office student loan repayment assistance program

COMMITTEE: Higher Education — committee substitute recommended

VOTE: 10 ayes — C. Turner, Stucky, Button, Frullo, Howard, E. Johnson,
Pacheco, Smithee, Walle, Wilson

1 nay — Schaefer

WITNESSES: For — Frederick Frazier, Dallas Police Association; Ray Hunt, Houston Police Officers Union; (*Registered, but did not testify*: Chris Jones, Combined Law Enforcement Associations of Texas; David Sinclair, Game Warden Peace Officers Association; Jessica Anderson, Houston Police Department; Gary Tittle, Richardson Police Department and Texas Police Chiefs Association; Jimmy Rodriguez, San Antonio Police Officers Association; Micah Harmon and Brian Hawthorne, Sheriffs' Association of Texas; Noel Johnson, Texas Municipal Police Association)

Against — None

On — (*Registered, but did not testify*: Chad Puls, Higher Education Coordinating Board)

DIGEST: CSHB 14 would create the peace officer student loan repayment assistance program, which would provide loan repayment assistance for eligible peace officers who agreed to continued full-time employment in the state for a specified period. The program would be administered by the Texas Higher Education Coordinating Board (THECB).

Eligible persons. A person would be eligible for assistance under the program if the person:

- was a resident of the state;
- had earned at least 60 semester credit hours or the equivalent at an institution of higher education before the person's initial employment as a peace officer;

- was employed as a full-time peace officer in the state and had been employed for at least a year;
- was not in default on any other educational loan; and
- complied with any other requirement adopted by the board for this program.

Applicants for participation in the program would have to submit an application in a manner determined by THECB. The application would include an employer verification of the applicant's employment as a full-time peace officer in the state for at least one year and the applicant's current employment, a transcript of the applicant's postsecondary course work, and a statement of the total amount of principal, accrued interest, and other charges due on all eligible loans for which the applicant was applying for repayment assistance.

After initially qualifying for loan repayment assistance, a person could continue to receive assistance only if the person annually submitted an application that included employer verification of the person's continuous employment as a full-time peace officer in the state.

Eligible loans. THECB could provide repayment assistance for any student loan received by an eligible person through any lender for the cost of attendance at a public or private nonprofit postsecondary educational institution for a semester or other term that ended in the five years immediately preceding the person's initial employment as a peace officer.

If the loan was not a state or federal guaranteed student loan, the promissory note or other agreement governing the terms of the loan would have to require that all the loan proceeds were used for expenses incurred by a person in attending a postsecondary educational institution.

The board could not provide loan repayment assistance for an eligible loan that was in default on the day a person's application for assistance in repaying the loan was submitted.

Awards. An eligible person would be entitled to an annual amount of loan

repayment assistance payable to the holders of the person's loans. The assistance would be equal to either \$4,000 or 20 percent of the total amount stated in the person's application, whichever was less, and would be subject to the amount of available funding. The total amount of repayment assistance provided to a person could not exceed \$20,000, and a person could not receive repayment assistance for more than five years.

Any loan repayment assistance provided by THECB under this program would be delivered in a lump sum directly to the holder of the loan.

THECB would have to attempt to allocate all money available to the board for the purpose of providing loan repayment assistance under the program. If in any year the amount of money available for assistance was insufficient to cover all the payments for all eligible persons for the year, the board would have to establish criteria to determine the amount of available money to allocate to the holds of the loans of eligible persons.

An eligible person whose annual loan repayment assistance was less than the amount necessary to cover the amount of principal and interest due for that year would be responsible for the balance due and for otherwise preventing a default on the loan.

Other provisions. THECB could solicit and accept gifts, grants, and other donations from any public or private source for the purposes of funding this program.

The board would have to adopt rules necessary for the administration of this program no later than December 1, 2019. The rules and information regarding the program would have to be posted on the board's website.

Effective date. This bill would take effect on September 1, 2019.

SUPPORTERS
SAY:

CSHB 14 would provide a valuable tool to address the recruitment problem faced by many municipal police departments. Police departments in Texas cities are currently experiencing staffing shortages, with some municipal police forces being understaffed by several hundred people.

The program created by the bill would address this problem by paying new officers' student loans for five years, creating an incentive for recent graduates to consider a career in law enforcement.

**OPPONENTS
SAY:**

CSHB 14 would allow the state to use taxpayer dollars to subsidize student debt payments for favored classes of people. Individuals, even peace officers, should have to meet their own obligations, and the state should not place that burden on others.

NOTES:

The Legislative Budget Board estimates that CSHB 14 would result in a negative impact of \$12.3 million in general revenue related funds for the biennium ending August 31, 2021.