

## **BILL ANALYSIS**

Senate Research Center

H.B. 2750  
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Intergovernmental Relations  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

H.B. 2750 requires public employers to provide written notice regarding the availability of the Public Service Loan Forgiveness Program (program) to newly hired employees.

The program is a federal financial aid program that forgives the remaining balance of student loans received under the William D. Ford Federal Direct Loan Program after 120 qualifying monthly payments are made under a qualifying repayment plan while working full-time for a government organization or 501c(3) non-profit organization.

Requiring public employers to notify newly hired employees of this federal program will provide an incentive for educated employees to seek out long-term employment with a governmental organization while also helping to address the national epidemic of growing student loan debt.

Excessive student loan debt is one the greatest challenges that Americans currently face. Americans owe nearly \$1.3 trillion in student loan debt, distributed among an estimated 44 million borrowers.

H.B. 2750 amends current law relating to requiring a public employer to give notice to new employees of the ability of certain employees to participate in the Public Service Loan Forgiveness Program.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subtitle A, Title 6, Government Code, by adding Chapter 620, as follows:

#### **CHAPTER 620. NOTICE OF PUBLIC SERVICE LOAN FORGIVENESS PROGRAM**

Sec. 620.001. DEFINITION. Defines "public employer."

Sec. 620.002. NOTICE OF PUBLIC SERVICE LOAN FORGIVENESS PROGRAM. Requires the employer, not later than the 30th day after the date on which an employee begins employment with a public employer, to provide written notice to the employee of the ability of eligible employees of the employer to participate in the Public Service Loan Forgiveness Program administered by the United States Department of Education. Authorizes a public employer to deliver a written notice under this section to an employee by hand delivery, mail, e-mail, or other form of electronic communication commonly used by the employer to communicate with employees.

SECTION 2. (a) Provides that, except as provided by Subsection (b) of this section, Chapter 620, Government Code, as added by this Act, applies to an employee who begins employment on or after the effective date of this Act.

(b) Requires a public employer, as defined by Section 620.001, Government Code, as added by this Act, to provide the written notice described by Section 620.002, Government Code, as added by this Act, to an employee employed by the employer on the effective date of this Act not later than September 11, 2017.

SECTION 3. Effective date: September 1, 2017.