

By: Villarreal, Rose

H.B. No. 3940

Substitute the following for H.B. No. 3940:

By: Castro

C.S.H.B. No. 3940

A BILL TO BE ENTITLED

1 AN ACT

2 relating to student loan repayment assistance for certain employees
3 of the legislative branch.

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

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

SUBCHAPTER FF. LEGISLATIVE EMPLOYEE LOAN REPAYMENT

ASSISTANCE PROGRAM

9 Sec. 61.9781. DEFINITION. In this subchapter, "legislative
10 employee" means an employee of the senate, the house of
11 representatives, or any department, commission, board, office, or
12 other agency in the legislative branch of state government. The
13 term:

16 (2) does not include a senator or a representative.

17 Sec. 61.9782. REPAYMENT AUTHORIZED. The board shall
18 establish a program to provide, using funds appropriated for that
19 purpose and in accordance with this subchapter and rules of the
20 board, assistance in the repayment of student loans for full-time
21 legislative employees who apply and qualify for the assistance.

22 Sec. 61.9783. ELIGIBILITY. To be eligible to receive
23 repayment assistance, a person:

24 (1) must apply for the assistance in the manner

1 prescribed by the board;
2 (2) must be currently employed full time as a
3 legislative employee;
4 (3) must enter into a written agreement with the board
5 under which the person:
6 (A) agrees to a continuous five-year employment
7 obligation in the legislative branch; and
8 (B) acknowledges the conditional nature of the
9 repayment assistance;
10 (4) may not be receiving loan repayment assistance
11 from any other source; and
12 (5) must comply with any other requirements adopted by
13 board rule under this subchapter.

14 Sec. 61.9784. EXCEPTION TO CONSECUTIVE YEARS OF EMPLOYMENT
15 REQUIREMENT. The board shall excuse an otherwise eligible person
16 from the requirement imposed by Section 61.9783(3)(A) that the
17 employment be performed in consecutive years if the break in
18 employment is a result of the person's:

19 (1) service on active duty as a member of the armed
20 forces of the United States;
21 (2) temporary total disability for a period of not
22 more than 36 months as established by the affidavit of a qualified
23 physician;
24 (3) inability to maintain the person's full-time
25 employment for a period not to exceed 12 months because the person
26 is caring for the person's disabled spouse or child; or
27 (4) satisfaction of the provisions of any other

1 exception adopted by the board for purposes of this section.

2 Sec. 61.9785. ELIGIBLE LOANS. (a) The board may provide
3 repayment assistance for the repayment of any student loan for
4 education at an institution of higher education or a private or
5 independent institution of higher education in this state,
6 including loans for undergraduate education, received by an
7 eligible person through any lender.

8 (b) The board may not provide repayment assistance for a
9 student loan that is in default at the time of the person's
10 application.

11 (c) In each state fiscal biennium, the board shall attempt
12 to use for loan repayment assistance under this subchapter all
13 funds appropriated to the board for that purpose.

14 Sec. 61.9786. REPAYMENT. (a) For the first year of
15 legislative employment for which a person is eligible to receive
16 repayment assistance under this subchapter and each following
17 consecutive year of legislative employment, as described by Section
18 61.9783(3)(A), not to exceed a total of five years, the board shall
19 provide assistance for the repayment of a portion of an eligible
20 person's eligible loans. The board shall reduce the amount of a
21 single assistance payment or refrain from making an assistance
22 payment to an eligible person as necessary to avoid making total
23 payments under this section to the person in an amount greater than
24 the total amount of principal and interest due on the person's
25 eligible loans.

26 (b) The board shall deliver any repayment under this
27 subchapter in a lump sum:

1 (1) payable to both the legislative employee and the
2 lender or other holder of the affected loan; or
3 (2) delivered on the legislative employee's behalf
4 directly to the lender or other holder of the loan.

5 (c) A repayment under this subchapter may be applied to any
6 amount due in connection with the loan.

7 Sec. 61.9787. AMOUNT OF REPAYMENT ASSISTANCE. The total
8 amount of repayment assistance distributed by the board under this
9 subchapter may not exceed the total amount of gifts and grants
10 accepted by the board for repayment assistance, legislative
11 appropriations for repayment assistance, and other funds available
12 to the board for purposes of this subchapter.

13 Sec. 61.9788. RULES. (a) The board shall adopt rules
14 necessary to administer this subchapter.

15 (b) The board shall distribute to the senate, the house of
16 representatives, and any department, commission, board, office, or
17 other agency in the legislative branch of state government copies
18 of the rules adopted under this section and other pertinent
19 information relating to this subchapter.

20 Sec. 61.9789. SOLICITATION AND ACCEPTANCE OF FUNDS. The
21 board may solicit and accept gifts and grants from any public or
22 private source for the purposes of this subchapter.

23 SECTION 2. The Texas Higher Education Coordinating Board
24 shall adopt the rules for repayment assistance under Subchapter FF,
25 Chapter 61, Education Code, as added by this Act, not later than
26 December 1, 2009.

27 SECTION 3. This Act takes effect immediately if it receives

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1 a vote of two-thirds of all the members elected to each house, as
2 provided by Section 39, Article III, Texas Constitution. If this
3 Act does not receive the vote necessary for immediate effect, this
4 Act takes effect September 1, 2009.