

SUBJECT: Removing the State Medical Education Board's statutory authorization

COMMITTEE: Higher Education — favorable, without amendment

VOTE: 9 ayes — Branch, Patrick, Alonzo, Clardy, Darby, Howard, Martinez, Murphy, Raney

0 nays

WITNESSES: None

DIGEST: HB 1061 would repeal the statutory authorization for the State Medical Education Board (SMEB) and the and the State Medical Education Fund (SMEF).

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2013.

SUPPORTERS SAY: HB 1061 would repeal the statute authorizing the obsolete SMEB and SMEF. They were ineffective in their day, and their functions have been transferred to the more efficient Texas Higher Education Coordinating Board and the Office of the Attorney General. The Legislative Budget Board (LBB) and the Sunset Advisory Commission recommended decades ago that they be abolished. HB 1061, along with voter approval of CSHJR 79 by Branch, would remove references to these defunct entities in state law and in the constitution.

Throughout its history, SMEB has had a troubled existence and an unimpressive track record. In 1952, voters amended the constitution to direct the Legislature to create the SMEB and the State Medical Scholarship Fund to issue loans to medical students who agreed to practice in rural areas of Texas. In 1973, the Legislature enacted HB 683 by Heatly, which created the board. In 1987, the LBB reported that only 11 percent of loan recipients since 1973 were practicing in rural Texas counties, and a mere 14 percent of those were in medically underserved areas.

Due to the program's ineffectiveness, no new loans have been issued since

January 1988. That same year, the Sunset Commission recommended that the SMEB be abolished and its functions transferred to the Texas Higher Education Coordinating Board. In 1989, the Legislature enacted SB 457, by C. Parker, which administratively attached the SMEB to the coordinating board. The board has since finished servicing existing loans and has turned all remaining loans over to the attorney general for default collection.

Lawmakers and the coordinating board now use loan repayment programs instead of direct loans to medical students as their primary method of attracting physicians to practice in rural Texas. These programs help already licensed physicians retire their student loan debt through annual payments in return for practicing in rural and medically underserved parts of the state. Unlike the SMEB's loan issuance programs, which often paid to educate students who never honored their agreements to practice in rural Texas, loan repayment programs have the advantage of paying for services already performed. Many of the loans issued by the SMEB have gone into default and have been deemed uncollectable, leaving taxpayers on the hook.

OPPONENTS
SAY:

No apparent opposition.

NOTES:

CSHJR 79 by Branch is related legislation that would propose an amendment to eliminate references to the SMEB and the SMEF from the Texas Constitution. It passed the House and was reported engrossed on April 17.