

SUBJECT: Removing provisions for the SMEB from the constitution

COMMITTEE: Higher Education — committee substitute recommended

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

WITNESSES: For — (*Registered, but did not testify:* Michelle Romero, Texas Medical Association)
Against — None

DIGEST: CSHJR 79 would propose an amendment to remove provisions for the State Medical Education Board (SMEB) and the State Medical Education Fund (SMEF) from the Texas Constitution.

The proposal would be presented to the voters at an election on Tuesday, November 5, 2013. The ballot proposal would read: “The constitutional amendment eliminating an obsolete requirement for a State Medical Education Board and a State Medical Education Fund, neither of which is operational.”

SUPPORTERS SAY: CSHJR 79 would repeal the constitutional language 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 (THECB) and the Office of the Attorney General. The Legislative Budget Board (LBB) and the Sunset Advisory Commission recommended decades ago that they be abolished. The proposed amendment, along with the enactment of HB 1061 by Branch, would remove references to these defunct entities in the constitution and state law.

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 THECB. In 1989, the Legislature enacted SB 457 by C. Parker, which administratively attached the SMEB to the THECB. 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 THECB 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 agreement 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.

The cost associated with bringing a constitutional amendment to voters is minimal. In any off-year election, the Legislature places several constitutional amendments on the ballot, and the cost of adding one more amendment is negligible. Further, any effort to eliminate unnecessary provisions in the state's unwieldy constitution is worth the small fiscal note.

OPPONENTS
SAY:

No apparent opposition.

NOTES:

According to the LBB, the cost of publishing the proposed resolution would be \$108,921.

HB 1061 by Branch is related legislation that would repeal statutory authorization for the SMEB and the SMEF. It is set for the April 18 General State Calendar.

CSHJR 72 differs from the filed version of the bill by changing the proposed ballot language. The language in HJR 72 as introduced would have read “The constitutional amendment repealing the constitutional provision requiring the creation of a State Medical Education Board to administer a medical school loan program that is no longer funded.”