

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 1420
By: Hardcastle (Madla)
Subcommittee on Higher Education
5-20-2003
Committee Report (Substituted)

DIGEST AND PURPOSE

The 75th Legislature created the Physician Education Loan Repayment Program to address the shortage of physicians practicing in rural and medically underserved areas by offering state funds to help participating doctors repay education loans. Eligible doctors receive repayment after completing a year of practice in a health professional shortage area, or as an employee of the Texas Department of Health, the Texas Department of Mental Health and Mental Retardation, the Texas Youth Commission, or the Texas Criminal Justice System. Three out of four physicians participating in the program have continued to practice in an underserved area following the completion of the obligation to the program. Despite the program's success, it is facing a possible funding shortfall as a result of over-commitment of funds and restrictions on how a medical school is authorized to set aside money for the program. C.S.H.B. 1420 requires the governing boards of each medical unit of an institution of higher education to cause to be set aside two percent of tuition charges for each student, rather than resident students, and to transfer those funds to the comptroller of public accounts to be maintained in the state treasury for the sole purpose of repayment of student loans of physicians serving in a designated state agency or economically depressed or underserved areas of the state or in an area of the state that is economically depressed or that is a medically underserved area or health professional shortage area, as designated by the United States Department of Health and Human Services, that has a current shortage of physicians. This bill also sets forth reporting requirements.

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 Section 61.539, Education Code, as follows:

Sec. 61.539. MEDICAL SCHOOL TUITION SET ASIDE FOR CERTAIN LOAN REPAYMENTS. (a) Requires the governing boards of each medical unit of an institution of higher education to cause to be set aside two percent of tuition charges for each student, rather than resident students, registered in a medical branch, school, or college.

(b) Requires the amount set aside to be transferred to the comptroller of public accounts to be maintained in the state treasury for the sole purpose of repayment of student loans of a physician serving in a designated state agency or in an area of the state that is economically depressed or that is a medically underserved area or health professional shortage area, as designated by the United States Department of Health and Human Services, that has a current shortage of physicians. Deletes specification that a medically underserved area be rural and the specification that the area be specified by this subchapter. Provides that Section 403.095 (Use of Dedicated Revenue), Government Code, does not apply to the amount set aside by this section. Deletes a reference to Section 403.094(h), Government Code. Makes nonsubstantive changes.

(c) Requires the comptroller, as soon as practicable after each state fiscal year, to prepare a report for that fiscal year and sets forth the required content of the report. Requires the comptroller to deliver a copy of the report to the Texas

Higher Education Coordinating Board and to certain elected officials.

SECTION 2. Provides that the change in law made by this Act applies beginning with tuition fees charged to students registered in a medical branch, school, or college for the 2003-2004 academic year.

SECTION 3. Effective date: upon passage or September 1, 2003.