

BILL ANALYSIS

Senate Research Center
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H.B. 2261
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Higher Education
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Physician Education Loan Repayment Program is designed to encourage new physicians to start their careers in underserved communities throughout Texas by helping them pay their student loans in return for a four-year practice commitment. In the past five years, the program has enrolled over 750 physicians who are now caring for patients in rural communities, urban centers, community health centers, and correctional facilities.

Funding has been inconsistent since 2010 as some of its dedicated funds have been diverted for other purposes. Last session the legislature cut the program by 25 percent, from \$33.8 million in FY 2016–FY17 to \$25.35 million.

Meanwhile, according to the Association of American Medical Colleges, 76 percent of medical students graduate with debt. In 2011, the average total educational debt for graduating medical students was \$173,000, and increased to \$190,000 by 2016. The average educational debt for physicians enrolled in the program has risen significantly. In each of the last five years, that average has been more than \$160,000, topping out at almost \$214,000 in 2017.

Currently, eligible physicians can receive up to \$160,000 to pay off their educational debt in return for a four-year practice commitment. H.B. 2261 increases the maximum amount available to each participating physician by \$20,000 for a total of up to \$180,000 in loan assistance. The program will pay up to \$30,000 in the physician's first year of service, \$40,000 in the second, \$50,000 in the third, and \$60,000 in the fourth.

H.B. 2261 amends current law relating to the physician education loan repayment program.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Higher Education Coordinating Board is modified in SECTION 1 (Section 61.538, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 61.538(a) and (c), Education Code, as follows:

(a) Authorizes a physician to receive repayment assistance under this subchapter (Repayment of Certain Physician Education Loans) in the amount determined by Texas Higher Education Coordinating Board rule, not to exceed the following amounts for each year for which the physician establishes eligibility for the assistance:

- (1) for the first year, \$30,000, rather than \$25,000;
- (2) for the second year, \$40,000, rather than \$35,000;
- (3) for the third year, \$50,000, rather than \$45,000; and
- (4) for the fourth year, \$60,000, rather than \$55,000.

(c) Prohibits the total amount of repayment assistance made under this subchapter to an individual physician from exceeding \$180,000, rather than \$160,000.

SECTION 2. Makes application of Section 61.538, Education Code, as amended by this Act, to a person who first establishes eligibility for loan repayment assistance under Subchapter J, Chapter 61, Education Code, as amended by this Act, on the basis of an application submitted on or after September 1, 2019, prospective.

SECTION 3. Effective date: September 1, 2019.