

SUBJECT: Expanding medical school tuition set-asides for loan repayment program

COMMITTEE: Higher Education — favorable, with amendment

VOTE: 7 ayes — Morrison, F. Brown, Chavez, Giddings, J. Jones, Mercer

0 nays

2 absent — Nixon, Smithee

WITNESSES: None

BACKGROUND: The Texas Higher Education Coordinating Board administers the Physician Education Loan Repayment Program, which uses state funds to repay student loans for physicians who practice in economically depressed or rural, medically underserved areas of the state. Public medical schools are required to help fund the program by setting aside 2 percent of tuition charges for resident medical students. The funds are submitted to the Comptroller's Office and deposited into the general revenue fund, from which program funds are appropriated by the Legislature. The coordinating board is authorized to accept funding for the program from other sources, such as private donations.

DIGEST: HB 1420 would require public medical schools to set aside 2 percent of tuition charges for each student, including nonresidents, to fund the loan repayment program for physicians working in economically depressed or medically underserved areas of the state. The bill would apply to medical school tuition beginning with the 2003-04 academic year.

The comptroller would have to prepare an annual report on the number of medical students registered in each institution, the amount of tuition charges collected, the total amount of funds transferred to the treasury, and the total amount available for repayment of student loans.

The 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, 2003.

**SUPPORTERS
SAY:**

HB 1420 would strengthen efforts to attract doctors to economically distressed and medically underserved areas of the state, rural and otherwise, by making more funding available to help repay student loans for doctors who agreed to work in these communities. The loan repayment program offers a good incentive for doctors to work in underserved communities, but the demand for loan repayment currently exceeds available funds. Expanding the tuition set-aside would not increase costs for students, and it would help the state meet its objective of attracting more students to these underserved areas.

The bill also would make it easier for the coordinating board to determine collection amounts by requiring the comptroller to submit an annual report of revenue collected for the program.

**OPPONENTS
SAY:**

HB 1420 would chip away more funding from medical schools at a time when funding for medical education is already being cut in other areas.

NOTES:

The committee amendment would remove the reference to “rural” medically underserved areas and specify that the loan repayment program would apply to economically depressed or medically underserved areas as designated by the U.S. Department of Health and Human Services.