

BILL ANALYSIS

H.B. 1420
By: Hardcastle
Higher Education
Committee Report (Amended)

BACKGROUND AND PURPOSE

In 1998, the legislature created the Physician Education Loan Repayment Program (PELRP) to help address the growing shortage of physicians practicing in rural and medically under served areas by offering state funds to help participating physicians repay education loans. Despite PELRP's success in recruiting and retaining physicians to practice in rural and under served areas, it is facing a possible funding shortfall because of such factors as the over commitment of funds and restrictions on how medical schools may set aside money for PELRP. HB 1420 requires that a portion of the tuition of all medical school students be set aside for student loan repayment assistance for certain physicians and provides for the preparation of an annual report on PELRP.

RULEMAKING AUTHORITY

It is the opinion of the this committee that this bill does not expressly delegate any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

HB 1420 amends Section 61.539, Education Code, to require the governing boards of each medical unit of an institution of higher education to set aside two percent of tuition charges for each student, rather than each resident student, registered in a medical branch, school, or college to be used for the repayment of student loans of physicians serving in certain state agencies or medically under served areas. The bill requires the comptroller of public accounts, as soon as practicable after each state fiscal year, to prepare a report for that fiscal year of the number of students registered in a medical branch, school, or college, the total amount of tuition charges collected by each institution of higher education and transferred to the state treasury under this provision, and the total amount available for the repayment of student loans of physicians. The bill requires the comptroller to deliver a copy of the report to the Governor, Lieutenant Governor, speaker of the House of Representatives, and the Texas Higher Education Coordinating Board not later than January 1 following the end of the fiscal year covered by the report.

EFFECTIVE DATE

This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

EXPLANATION OF AMENDMENTS

Committee Amendment No. 1 changes the definition of designated areas in which a physician can serve to be eligible for assisted student loan repayment.