

CHAPTER 517

S.B. No. 1341

An Act relating to the repayment of student loans of physicians practicing for certain state agencies or in economically depressed or rural medically underserved areas and psychologists employed by certain state agencies; making the program subject to the Texas Sunset Act (Article 5429k, Vernon's Texas Civil Statutes); amending the Education Code, as amended, by adding Subchapter J to Chapter 61 and by amending Subsections (a) and (e) of Section 52.40.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Chapter 61, Education Code, as amended, is amended by adding Subchapter J to read as follows:

"SUBCHAPTER J. REPAYMENT OF CERTAIN STUDENT LOANS

"Section 61.531. REPAYMENT AUTHORIZED. The coordinating board may provide, using funds appropriated for that purpose and in accordance with this subchapter and rules of the board, assistance in the repayment of student loans for physicians who apply and qualify for the assistance.

"Section 61.532. ELIGIBILITY. (a) To be eligible to receive repayment assistance, a physician must apply to the coordinating board and have completed at least one year of medical practice:

"(1) in private practice in an economically depressed or rural medically underserved area of the state; or

"(2) for one of the following state agencies:

"(A) Texas Department of Health;

"(B) Texas Department of Mental Health and Mental Retardation;

"(C) Texas Department of Corrections; or

"(D) Texas Youth Commission.

"(b) The coordinating board may by rule provide for repayment assistance on a pro rata basis for physicians practicing part-time for a state agency specified in Subsection (a) of this section.

"Section 61.533. **LIMITATION.** A physician may receive repayment assistance grants for each of not more than five years.

"Section 61.534. **ELIGIBLE LOANS.** (a) The coordinating board may provide repayment assistance for the repayment of any student loan for education at an institution of higher education, including loans for undergraduate education, received by a physician through a lender in Texas.

"(b) The coordinating board may not provide repayment assistance for a student loan that is in default at the time of the physician's application.

"Section 61.535. **REPAYMENT.** (a) The coordinating board shall deliver any repayment made under this subchapter in a lump sum directly to the lender.

"(b) A repayment made under this subchapter may be applied only to the principal amount of the loan.

"Section 61.536. **ADVISORY COMMITTEES.** The coordinating board may appoint advisory committees from outside the board's membership to assist the board in performing its duties under this subchapter.

"Section 61.537. **RULES.** (a) The coordinating board shall adopt rules necessary for the administration of this subchapter, including a rule that sets a maximum amount of repayment assistance that may be received by a physician in one year.

"(b) The coordinating board shall distribute to each medical unit and appropriate state agency and professional association copies of the rules adopted under this section and pertinent information in this subchapter."

SECTION 2. Subsections (a) and (e), Section 52.40, Education Code, as amended, are amended to read as follows:

"(a) The board may cancel the repayment of a loan received by a student who earns [~~a professional doctor of medicine degree or~~] a doctorate of psychology degree and who is employed by the Texas Youth Commission [~~Council~~], Texas Department of Human Resources [~~State Department of Public Welfare~~], Texas Department of Corrections, or Texas Department of Mental Health and Mental Retardation prior to the date on which repayment of the loan is to commence."

"(e) The board shall publicize the availability of the loan cancellation procedures provided in this section at all institutions of higher education which offer a teacher education program or graduate programs in [~~medicine or~~] psychology."

SECTION 3. This program is subject to the Texas Sunset Act (Article 5429k, Vernon's Texas Civil Statutes) and unless continued in existence as provided by that Act the program is abolished effective September 1, 1997.

SECTION 4. This Act takes effect September 1, 1985.

SECTION 5. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed the Senate on April 22, 1985, by a viva-voce vote; Senate concurred in House amendment on May 20, 1985, by a viva-voce vote; passed the House, with amendment, on May 17, 1985, by a non-record vote.

Approved: June 12, 1985

Effective: September 1, 1985