

STATE OF OKLAHOMA

1st Session of the 43rd Legislature (1991)

SENATE BILL NO. 569

BY: HOBSON

AS INTRODUCED

AN ACT RELATING TO SCHOOLS; AMENDING 70 O.S. 1981, SECTIONS 625.3, AS AMENDED BY SECTION 3, CHAPTER 96, O.S.L. 1982 AND 625.5 (70 O.S. SUPP. 1990, SECTION 625.3), WHICH RELATE TO MEDICAL EDUCATION LOANS AND SCHOLARSHIPS; MODIFYING AREAS IN WHICH PROFESSION MAY BE PRACTICED TO REPAY CERTAIN SCHOLARSHIPS; INCREASING AMOUNTS OF CERTAIN SCHOLARSHIP GRANTS; CREATING PHYSICAL AND OCCUPATIONAL THERAPY STUDENT ASSISTANCE PROGRAM; SPECIFYING PURPOSE AND PROVIDING FOR ADMINISTRATION THEREOF; AUTHORIZING PHYSICIAN MANPOWER TRAINING COMMISSION TO ADOPT CERTAIN RULES; SPECIFYING ELIGIBILITY REQUIREMENT; SPECIFYING PROCEDURES IF RECIPIENT FAILS TO COMPLY WITH CONTRACT PROVISIONS; CREATING PHYSICAL AND OCCUPATIONAL THERAPY STUDENT ASSISTANCE FUND; PROVIDING FOR DEPOSIT TO AND APPROPRIATION AND EXPENDITURE OF MONIES IN FUND; PROVIDING FOR CODIFICATION; PROVIDING AN EFFECTIVE DATE; AND DECLARING AN EMERGENCY.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 70 O.S. 1981, Section 625.3, as amended by Section 3, Chapter 96, O.S.L. 1982 (70 O.S. Supp. 1990, Section 625.3), is amended to read as follows:

Section 625.3 The terms and conditions governing the scholarships shall be as prescribed and formulated by the Physician Manpower Training Commission, but shall include the condition that each recipient, upon completion of his course of study, shall repay his scholarship by practicing his profession in a rural community in Oklahoma having a population of seven thousand five hundred (7,500) persons or less according to the last preceding United States Decennial Census or in an underserved area as determined by the Commission and having a need therefor, as determined by the Commission, for one (1) year for each one (1) year the scholarship is financed; provided, however, that the recipient will be given no credit for payment and reduction of said obligation by serving in the defined rural communities for a period less than two (2) years. The contract shall provide that in the event the recipient breaches the terms of the contract by not serving the designated community for the specified period of time he shall pay liquidated damages in an amount agreed upon by the Commission and the recipient and representing a reasonable estimate of the damage or loss to the community or the state. Said damages shall not exceed one hundred percent (100%) of the principal. This provision will apply only to those new loan recipients who accept the assistance after July 1, 1977. After payment of the liquidated damages, repayment of the principal may be made in cash with interest at the rate of twelve percent (12%) per annum, said interest to accrue from the date each payment of funds pursuant to the scholarship is made. No interest however shall accrue during any one period of time that the recipient thereof is required to serve in the Armed Forces of the United States or during any period of internship.

SECTION 2. AMENDATORY 70 O.S. 1981, Section 625.5, is amended to read as follows:

Section 625.5 (a) An applicant may be eligible for the award of a scholarship when the following conditions are met:

(1) That he desires a scholarship to any accredited school of medicine or school of osteopathic medicine in the United States of America;

(2) That he is a bona fide resident of Oklahoma;

(3) That his personal financial resources are such that, in the absence of scholarship aid, he will be unable to pursue the program of study which he desires;

(4) That he is a person of good moral character;

(5) That he has successfully completed the program of instruction prerequisite for admission to the program of study provided for in this act and has applied for admission to a medical school;

(6) That he has capacity to profit by the course of study for which he seeks aid;

(7) That he desires to practice medicine in a rural community in Oklahoma; and

(8) That he submits proof that he has not accepted or will not accept any other scholarship assistance which has a conflicting service obligation requirement.

In determining an applicant's capacity to profit by the course of study he desires, the Commission shall consider his previous scholastic record, the results of examinations conducted under the provisions of this act, and the results of interviews and such other tests or examinations which the Commission may deem advisable. In establishing an applicant's financial need, the Commission shall conduct a thorough and complete investigation of the financial resources of the applicant and his family.

(b) The amount of each scholarship grant shall not exceed ~~Six Thousand Dollars (\$6,000.00)~~ Twelve Thousand Dollars (\$12,000.00) per academic year for students engaged in their first ~~or~~ second, third or fourth year of study, or equivalent number of terms completed in an education program in a given period of months, ~~and shall not exceed Eight Thousand Dollars (\$8,000.00) per academic year for students engaged in their third or fourth year of study or equivalent education period.~~

(c) The method of payment of funds to each recipient of a scholarship grant shall be in accordance with rules formulated by the Commission governing the grants for each type of scholarship.

(d) Each scholarship is renewable annually for the number of years required to complete the course of study in which the recipient is engaged. The Commission shall grant such an annual renewal only upon the recipient's application and upon the Commission's finding that:

(1) The recipient has completed successfully the work of the preceding year and presented evidence that he is a student in good standing;

(2) He remains a resident of Oklahoma; and

(3) His financial situation continues to warrant the award of a scholarship under the standards set forth in this act.

(e) The Commission shall make an annual report to the Governor and Legislature on the activities of the Commission. This report shall include the names of the recipients of the scholarships, the amount of the scholarship awards, an accounting of the funds expended on scholarships and on the administration of the program and a budget requesting the funds necessary for the operation of the Commission. The report shall also include an accounting of repayments of scholarships, whether by services or in cash including interest.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 697.20 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. There is hereby established the Physical and Occupational Therapy Student Assistance Program which shall be administered by the Physician Manpower Training Commission. The purpose of the program shall be to encourage persons to enter physical and occupational therapy education programs and to practice in areas of this state in which there are urgent needs for physical and occupational therapists' services or in agencies of this state which provide funds on a matching basis with the Commission for the support of physical and occupational therapy students. The Program shall be governed by this section and rules adopted by the Commission.

B. Only students who are residents of this state shall be eligible to participate in the Program.

C. If a person receiving Program funds fails to fully comply with the provisions of the contract for such funds, the person shall refund to the Commission all monies received by the person pursuant to the provisions of this contract plus interest at the rate of twelve percent (12%) from the date of disbursement of such funds and shall be liable for any other liquidated damages as specified in the contract.

D. There is hereby created in the State Treasury a revolving fund for the Physician Manpower Training Commission to be designated the "Physical and Occupational Therapy Student Assistance Fund." The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all nonappropriated monies, including community match money, all appropriated funds, grants, gifts and repayments of scholarships received by the Commission. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Commission for

such scholarships as may be provided pursuant to this section. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

SECTION 4. This act shall become effective July 1, 1991.

SECTION 5. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

43-1-715

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