

THE HOUSE OF REPRESENTATIVES  
Thursday, March 6, 2008

Committee Substitute for  
House Bill No. 2689

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 2689 - By: SHUMATE of the House and EASON MCINTYRE of the Senate.

( Schools – Oklahoma Urban Medical Education Loan and Scholarship Program Act – eligibility criteria – codification – effective date – emergency )

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

1 SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma  
2 Statutes as Section 625.21 of Title 70, unless there is created a duplication in numbering,  
3 reads as follow:

4 This act shall be known and may be cited as the “Oklahoma Urban Medical  
5 Education Loan and Scholarship Program Act”.

6 SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma  
7 Statutes as Section 625.22 of Title 70, unless there is created a duplication in numbering,  
8 reads as follows:

9 A. There is hereby established the Oklahoma Urban Medical Education Loan and  
10 Scholarship Program. The purpose of the Program is to encourage persons to enter  
11 medical education programs and to practice in urban medically underserved areas of this  
12 state.

1 B. The Program shall be administered by the Physician Manpower Training  
2 Commission pursuant to the provisions of the Oklahoma Urban Medical Education Loan  
3 and Scholarship Program Act. The Commission shall promulgate rules as may be  
4 necessary to administer the Program.

5 SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma  
6 Statutes as Section 625.23 of Title 70, unless there is created a duplication in numbering,  
7 reads as follows:

8 A. The terms and conditions governing the scholarships awarded under the  
9 Oklahoma Urban Medical Education Loan and Scholarship Program shall be as  
10 prescribed and formulated by the Physician Manpower Training Commission. The  
11 scholarship shall include the condition that each recipient, upon completion of a course of  
12 study, shall repay the scholarship by practicing one (1) year in an urban medically  
13 underserved area for each one (1) year the scholarship is financed, as determined by the  
14 Commission. The recipient shall not be given credit for payment and reduction of the  
15 obligation by serving in the defined area for a period less than two (2) years.

16 B. The contract shall provide that in the event the recipient breaches the terms of  
17 the contract by not serving the designated area for the specified period of time, the  
18 Commission shall be entitled to recover an amount equal to three times the principal  
19 disbursed, pursuant to the contract, plus interest. Interest on all amounts paid to or on  
20 behalf of the participant shall be computed at the current prime rate plus one percent  
21 (1%) with interest to accrue from the date each payment is made, pursuant to the

1 contract. The amount the Commission is entitled to recover shall be paid within ninety  
2 (90) days of the date the recipient becomes liable as determined by the Commission.

3 SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma  
4 Statutes as Section 625.24 of Title 70, unless there is created a duplication in numbering,  
5 reads as follows:

6 A. To be eligible for a scholarship award under the Oklahoma Urban Medical  
7 Education Loan and Scholarship Program an applicant shall:

- 8 1. Desire a scholarship to any accredited school of medicine or school of osteopathic  
9 medicine in the United States of America;
- 10 2. Be a resident of Oklahoma;
- 11 3. Have personal financial resources such that, in the absence of scholarship aid,  
12 the applicant will be unable to pursue the program of study desired;
- 13 4. Be a person of good moral character;
- 14 5. Have successfully completed the program of instruction prerequisite for  
15 admission to the program of study and have applied for admission to a medical school;
- 16 6. Have capacity to profit by the course of study for which the applicant seeks aid;
- 17 7. Desire to practice medicine in an urban medically underserved area; and
- 18 8. Submit proof that the applicant has not accepted or will not accept any other  
19 scholarship assistance which has a conflicting service obligation requirement.

20 B. The Physician Manpower Training Commission shall consider the scholastic  
21 record of the applicant, the results of required examinations, the results of interviews,  
22 and any other tests or examinations which the Commission may deem advisable. In

1 establishing the financial need of an applicant, the Commission shall conduct a thorough  
2 and complete investigation of the financial resources of the applicant and family.

3 C. The amount of each scholarship award shall not exceed Fifteen Thousand  
4 Dollars (\$15,000.00) per academic year for students engaged in their first, second, third  
5 or fourth year of study, or equivalent number of terms completed in an education  
6 program in a given period of months.

7 D. The method of payment of funds to each recipient of a scholarship shall be in  
8 accordance with rules promulgated by the Commission.

9 E. Each scholarship shall be renewable annually for the number of years required  
10 to complete the course of study in which the recipient is engaged. The Commission shall  
11 grant a renewal on application of the recipient and on finding that the recipient:

12 1. Has completed successfully the work of the preceding year and presented  
13 evidence of good standing;

14 2. Remains a resident of Oklahoma; and

15 3. Is in a financial situation that warrants the award of a scholarship.

16 F. The Commission shall file an annual report with the Governor, the Speaker of  
17 the Oklahoma House of Representatives, and the President Pro Tempore of the Senate  
18 on the activities of the Commission. The report shall include the names of the recipients  
19 of the scholarships, the amount of the scholarship awards, an accounting of the funds  
20 expended on scholarships and on administration of the Program, and a budget requesting  
21 the funds necessary for the operation of the Commission. The report shall also include  
22 an accounting of repayments of scholarships.

1 G. Each applicant, before being granted a scholarship, shall enter into a contract  
2 with the Commission agreeing to the terms and conditions upon which the scholarship  
3 shall be granted. The Commission is hereby vested with full and complete authority and  
4 power to sue in its own name any applicant for any balance due the Commission on any  
5 contract. The Commission shall have authority to cancel any contract made between it  
6 and any recipient of a scholarship upon cause deemed sufficient by the Commission.

7 SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma  
8 Statutes as Section 625.25 of Title 70, unless there is created a duplication in numbering,  
9 reads as follows:

10 There is hereby created in the State Treasury a revolving fund for the Physician  
11 Manpower Training Commission to be designated the "Oklahoma Urban Medical  
12 Education Loan and Scholarship Program Revolving Fund". The Fund shall be a  
13 continuing fund, not subject to fiscal year limitations and shall consist of all payments  
14 received by the Commission as authorized pursuant to the Oklahoma Urban Medical  
15 Education Loan and Scholarship Program. All monies accruing to the credit of the Fund  
16 are hereby appropriated and may be budgeted and expended by the Physician Manpower  
17 Training Commission for any expenses incurred in the implementation of the Oklahoma  
18 Urban Medical Education Loan and Scholarship Program. Expenditures from the Fund  
19 shall be made upon warrants issued by the State Treasurer against claims filed as  
20 prescribed by law with the Director of State Finance for approval and payment.

21 SECTION 6. This act shall become effective July 1, 2008.

1           SECTION 7. It being immediately necessary for the preservation of the public  
2 peace, health and safety, an emergency is hereby declared to exist, by reason whereof  
3 this act shall take effect and be in full force from and after its passage and approval.  
4 COMMITTEE REPORT BY: COMMITTEE ON EDUCATION, dated 03-05-08 - DO  
5 PASS, As Amended and Coauthored.