

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 HOUSE BILL 2689

By: Shumate

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5
6 AS INTRODUCED

7 An Act relating to schools; amending 70 O.S. 2001,
8 Sections 625.1, 625.3, 625.5, as amended by Section
9 1, Chapter 80, O.S.L. 2004 and 625.9 (70 O.S. Supp.
10 2007, Section 625.5), which relate to the Oklahoma
11 Rural Medical Education Loan and Scholarship Fund;
12 changing the name of the Fund; expanding scholarships
13 to persons who agree to work in economically
14 distressed urban areas; deleting obsolete language;
15 clarifying statutory language; providing an effective
16 date; and declaring an emergency.

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

18 SECTION 1. AMENDATORY 70 O.S. 2001, Section 625.1, is
19 amended to read as follows:

20 Section 625.1 There is hereby established the Oklahoma ~~Rural~~
21 Medical Education Loan and Scholarship Fund. The fund shall be
22 administered by the Physician Manpower Training Commission under the
23 provisions of Section 625.9 of this title.

24 SECTION 2. AMENDATORY 70 O.S. 2001, Section 625.3, is
amended to read as follows:

1 Section 625.3 A. The terms and conditions governing the
2 scholarships shall be as prescribed and formulated by the Physician
3 Manpower Training Commission, but shall include the condition that
4 each recipient, upon completion of ~~his~~ a course of study, shall
5 repay ~~his~~ the scholarship by practicing ~~his~~ the profession of the
6 recipient in a rural community in Oklahoma having a population of
7 seven thousand five hundred (7,500) persons or less according to the
8 last preceding United States Decennial Census ~~and~~ having a need
9 ~~therefor~~ or in an economically depressed urban area having a need,
10 as determined by the Commission, for one (1) year for each one (1)
11 year the scholarship is financed; ~~provided, however, that the.~~ The
12 recipient ~~will~~ shall be given no credit for payment and reduction of
13 ~~said~~ the obligation by serving in the defined ~~rural~~ communities for
14 a period less than two (2) years.

15 B. ~~The terms of this subsection shall apply to recipients who~~
16 ~~accept assistance before July 1, 1993. The contract shall provide~~
17 ~~that in the event the recipient breaches the terms of the contract~~
18 ~~by not serving the designated community for the specified period of~~
19 ~~time he shall pay liquidated damages in an amount agreed upon by the~~
20 ~~Commission and the recipient and representing a reasonable estimate~~
21 ~~of the damage or loss to the community or the state. Said damages~~
22 ~~shall not exceed one hundred percent (100%) of the principal. After~~
23 ~~payment of the liquidated damages, repayment of the principal may be~~
24 ~~made in cash with interest at the rate of twelve percent (12%) per~~

1 ~~annum, said interest to accrue from the date each payment is made~~
2 ~~pursuant to the scholarship. No interest however shall accrue~~
3 ~~during any one period of time that the recipient thereof is required~~
4 ~~to serve in the Armed Forces of the United States or during any~~
5 ~~period of internship.~~

6 C. ~~The terms of this subsection shall apply to recipients who~~
7 ~~accept assistance on or after July 1, 1993. The contract shall~~
8 provide that in the event the recipient breaches the terms of the
9 contract by not serving the designated community for the specified
10 period of time, the Commission shall be entitled to recover an
11 amount equal to three times the principal disbursed, pursuant to the
12 contract, plus interest. Interest on all amounts paid to or on
13 behalf of the participant shall be computed at the current prime
14 rate plus one percent (1%) with said interest to accrue from the
15 date each payment is made, pursuant to the contract. The amount the
16 Commission is entitled to recover shall be paid within ninety (90)
17 days of the date the recipient becomes liable as determined by the
18 Commission.

19 SECTION 3. AMENDATORY 70 O.S. 2001, Section 625.5, as
20 amended by Section 1, Chapter 80, O.S.L. 2004 (70 O.S. Supp. 2007,
21 Section 625.5), is amended to read as follows:

22 Section 625.5 A. An applicant may be eligible for the award of
23 a scholarship upon demonstration that the applicant:
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- 1 1. Desires a scholarship to any accredited school of medicine
2 or school of osteopathic medicine in the United States of America;
- 3 2. Is a bona fide resident of Oklahoma;
- 4 3. Has personal financial resources such that, in the absence
5 of scholarship aid, will be unable to pursue the program of study
6 desired;
- 7 4. Is a person of good moral character;
- 8 5. Has successfully completed the program of instruction
9 prerequisite for admission to the program of study provided for in
10 Section 625.1 et seq. of this title and has applied for admission to
11 a medical school;
- 12 6. Has capacity to profit by the course of study for which the
13 applicant seeks aid;
- 14 7. Desires to practice medicine in a rural community in
15 Oklahoma or in an economically depressed urban area in Oklahoma; and
- 16 8. Submits proof that the applicant has not accepted or will
17 not accept any other scholarship assistance which has a conflicting
18 service obligation requirement.

19 In determining ~~an applicant's~~ the capacity of an applicant to
20 profit by the course of study desired, the Commission shall consider
21 the ~~applicant's~~ previous scholastic record of the applicant, the
22 results of examinations conducted under the provisions of Section
23 625.1 et seq. of this title, and the results of interviews and ~~such~~
24 any other tests or examinations which the Commission may deem

1 advisable. In establishing ~~an applicant's~~ the financial need of an
2 applicant, the Commission shall conduct a thorough and complete
3 investigation of the financial resources of the applicant and
4 family.

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

10 C. The method of payment of funds to each recipient of a
11 scholarship grant shall be in accordance with rules formulated by
12 the Commission governing the grants for each type of scholarship.

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

18 1. Has completed successfully the work of the preceding year
19 and presented evidence that the recipient is a student in good
20 standing;

21 2. Remains a resident of Oklahoma; and

22 3. Is in a financial situation that warrants the award of a
23 scholarship under the standards set forth in Section 625.1 et seq.
24 of this title.

1 E. The Commission shall make an annual report to the Governor
2 and Legislature on the activities of the Commission. This report
3 shall include the names of the recipients of the scholarships, the
4 amount of the scholarship awards, an accounting of the funds
5 expended on scholarships and on the administration of the program
6 and a budget requesting the funds necessary for the operation of the
7 Commission. The report shall also include an accounting of
8 repayments of scholarships, whether by services or in cash including
9 interest.

10 SECTION 4. AMENDATORY 70 O.S. 2001, Section 625.9, is
11 amended to read as follows:

12 Section 625.9 The administration of the Oklahoma ~~Rural~~ Medical
13 Education Loan and Scholarship Fund is hereby transferred to the
14 Physician Manpower Training Commission as established by law. All
15 the powers, duties, responsibilities, rules ~~and regulations~~, and
16 functions of the Board of Trustees of the Oklahoma Rural Medical
17 Education Scholarship Fund are hereby transferred to the Physician
18 Manpower Training Commission and The Board of Trustees of the
19 Oklahoma Rural Medical Education Scholarship Fund is hereby
20 abolished and terminated.

21 SECTION 5. This act shall become effective July 1, 2008.

22 SECTION 6. It being immediately necessary for the preservation
23 of the public peace, health and safety, an emergency is hereby
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1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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