

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 500

BY EDUCATION COMMITTEE

AN ACT

1 RELATING TO THE PROFESSIONAL STUDIES PROGRAM; AMENDING SECTION 33-3720,
2 IDAHO CODE, TO REVISE LOAN PROVISIONS AND THE REPAYMENT THEREOF FROM THE
3 PROFESSIONAL STUDIES PROGRAM; AMENDING SECTION 33-3721, IDAHO CODE, TO
4 PROVIDE CORRECT TERMINOLOGY AND TO PROVIDE FOR INTEREST FOR REPAYMENT
5 OF LOANS TO BE RETAINED BY THE PROFESSIONAL STUDIES FUND; PROVIDING AN
6 EFFECTIVE DATE AND PROVIDING APPLICATION.
7

8 Be It Enacted by the Legislature of the State of Idaho:

9 SECTION 1. That Section 33-3720, Idaho Code, be, and the same is hereby
10 amended to read as follows:

11 33-3720. PROFESSIONAL STUDIES PROGRAM. (1) It is hereby declared
12 that it is in the public interest to assist Idaho citizens who wish to pur-
13 sue professional studies in the fields of medicine, dentistry, veterinary
14 medicine, and other health-related areas of study which are not available
15 within the state by (a) entering into compacts or contractual agreements
16 which make such courses of study available to Idaho citizens, and (b) pro-
17 viding a mechanism to provide funds for such Idaho citizens. It is further
18 declared that it is in the public interest to encourage Idaho residents par-
19 ticipating in such programs to return and practice their professions within
20 the state of Idaho, particularly in medically underserved areas, by imple-
21 menting a student loan forgiveness program.

22 (2) The state board of education is hereby authorized to enter into loan
23 agreements with qualified recipients to participate in qualified programs,
24 which agreements shall include provisions for repayment of the loan on terms
25 agreed to by the board and the qualified recipient~~7~~. Such repayment agree-
26 ments may shall include notice of the provisions for decreasing or delay-
27 ing or forgiving the repayment obligation in relationship to the recipient's
28 course of study or agreement of recipients who agree to return to Idaho to
29 practice professionally and who meet the requirements set forth in this sec-
30 tion.

31 (a) A qualified loan recipient shall be any Idaho student accepted into
32 a qualified program who meets the residency requirements imposed by
33 section 33-3717B, Idaho Code, and the rules of the state board of educa-
34 tion.

35 (b) A qualified program shall be a program enumerated in section
36 33-3717B(7), Idaho Code, and any other medical, dental, veterinary
37 medicine, or other health-related program in which participation by
38 Idaho residents has been authorized by the legislature and for which
39 funds have been obligated by the board pursuant to subsection (36) of
40 this section.

41 (3) Within nine (9) months of successfully completing a qualified pro-
42 gram and obtaining a professional license to practice, a loan recipient un-

1 der this section may apply to the state board of education for student loan
2 forgiveness. To be eligible, the applicant must actively engage in profes-
3 sional practice or other professional pursuits within the state of Idaho for
4 a period of at least sixty (60) months in a county with a population over sev-
5 enty thousand (70,000) persons or for a period of at least thirty-six (36)
6 months in a county with a population of seventy thousand (70,000) persons or
7 less.

8 (4) The board shall require repayment of all amounts expended by the
9 state of Idaho pursuant to this section on the student's education in the
10 form of service for the time required or in the form of monthly monetary
11 payments. The taking of a qualified residency program in the state shall
12 be credited toward the practice requirements at the rate of one-third (1/3)
13 year of practice for each year of service in the qualified residency program
14 in the state. Interest shall only be charged on the amount due if the student
15 does not return to work in Idaho within nine (9) months of obtaining a profes-
16 sional license, or if the student defaults on the monthly payments. Interest
17 shall also begin to accrue if the board finds that the student has withdrawn
18 from a professional school enumerated in section 33-3717B, Idaho Code, or is
19 otherwise not making satisfactory progress toward completion of the degree
20 or program. In the event that interest is charged, the money expended under
21 the provisions of this section shall accrue at an annual interest rate equal
22 to that charged for federal Stafford loans at the time interest begins to
23 accrue, which rate shall be adjusted annually to match the federal Stafford
24 loan rate. In no event shall the interest rate be greater than eight percent
25 (8%). In the event the student does not complete the program, the board may
26 prorate the amounts and interest to be repaid.

27 (5) An agreement entered into pursuant to this section shall be consid-
28 ered satisfied when any of the following conditions are met:

29 (a) The terms of the agreement are completed;

30 (b) The borrower who entered into the agreement dies;

31 (c) The borrower who entered into the agreement, due to a permanent dis-
32 ability, is unable to practice his or her profession; or

33 (d) The state board of education determines, on a case-by-case basis
34 and within the board's sole discretion, that the student's obligation
35 to repay the amounts, in whole or in part, constitutes an undue hard-
36 ship.

37 (6) Any moneys received by the state board of education pursuant to this
38 section shall be remitted to the professional studies fund. The state board
39 of education is hereby authorized to transfer, distribute or pay such moneys
40 as are available in the professional studies account to the school, program,
41 or compact providing the course of study pursuant to contracts, agreements,
42 or compacts entered into by the legislature or the state board of education.

43 (47) The state board of education is hereby authorized to adopt all nec-
44 essary rules, subject to the provisions of chapter 52, title 67, Idaho Code,
45 for the administration of the professional studies program.

46 (8) The state board of education shall report annually to the legisla-
47 ture of all repayment forgiveness they have granted and the reason for the
48 forgiveness pursuant to the provisions of this section.

49 SECTION 2. That Section 33-3721, Idaho Code, be, and the same is hereby
50 amended to read as follows:

1 33-3721. PROFESSIONAL STUDIES ~~ACCOUNT~~ FUND. (1) There is hereby cre-
2 ated in the ~~dedicated fund,~~ state treasury the professional studies ~~account~~
3 fund. The professional studies ~~account~~ fund shall be used to receive moneys
4 from private contributions, from gifts and grants, from repayment of loans,
5 including interest thereon, and from any other source, in support of medi-
6 cal, dental, veterinary, or other health-related professional programs of
7 study.

8 (2) Interest earned on investments from moneys in the ~~account~~ fund
9 shall be paid to the ~~account~~ fund.

10 (3) All moneys in the ~~account~~ fund are hereby appropriated to the state
11 board of education for the purposes of section 33-3720, Idaho Code.

12 SECTION 3. This act shall be in full force and effect on and after July
13 1, 2014, and shall apply to all students entering the professional studies
14 program and obtaining loans pursuant to the provisions of this act.