

SB 127 INTRODUCED BY HAMMOND, PINSONEAULT, REGAN
REQUIRE STUDENT IN PROGRAM OF INTERSTATE COMPACT
PROFESSIONAL EDUCATION, SUCH AS WICHE OR
WAMI, TO REPAY STATE; PROVIDING REPAYMENT
METHODS

1/17 INTRODUCED
1/17 REFERRED TO EDUCATION & CULTURAL RESOURCES
1/18 FISCAL NOTE REQUESTED
1/26 HEARING
1/27 FISCAL NOTE RECEIVED
2/16 STATEMENT OF INTENT ADOPTED
2/16 COMMITTEE REPORT--BILL PASSED AS AMENDED
2/18 2ND READING DO NOT PASS MOTION FAILED 23 26
2/18 2ND READING PASSED 26 24
2/20 3RD READING PASSED 26 24

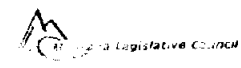
TRANSMITTED TO HOUSE
2/23 REFERRED TO EDUCATION & CULTURAL RESOURCES
3/11 HEARING
3/20 COMMITTEE REPORT--BILL CONCURRED
3/27 2ND READING NOT CONCURRED AS AMENDED 52 43
3/27 RETURNED TO SENATE NOT CONCURRED
AS AMENDED

1 ~~SENATE~~ BILL NO. ~~127~~
 2 INTRODUCED BY ~~Sen. Hammond~~ *[Signature]*
 3 *[Signature]*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING A STUDENT
 5 PARTICIPATING IN A PROGRAM OF INTERSTATE COMPACT
 6 PROFESSIONAL EDUCATION, SUCH AS THE WICHE, WAMI, OR
 7 MINNESOTA RURAL DENTISTRY PROGRAM, TO REPAY 25 PERCENT OF
 8 STATE SUPPORT FEES PAID BY THE STATE ON HIS BEHALF;
 9 EXEMPTING STUDENTS CURRENTLY PARTICIPATING IN SUCH PROGRAMS;
 10 PROVIDING REPAYMENT SCHEDULES; PROVIDING AN INTEREST RATE ON
 11 UNREPAID MONEY; PROVIDING ADMINISTRATION BY THE COMMISSIONER
 12 OF HIGHER EDUCATION; AND PROVIDING AN IMMEDIATE EFFECTIVE
 13 DATE."

14
 15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 16 Section 1. Partial repayment of state payments --
 17 conditions -- administration. (1) A student supported by the
 18 state pursuant to an interstate compact for a professional
 19 education program shall repay to the state 25% of the
 20 support fees paid by the state on the student's behalf to a
 21 receiving out-of-state institution.
 22 (2) Only those fees paid by the state after [the
 23 effective date of this act] are subject to the repayment
 24 provisions of this section.
 25 (3) Students who are participating in an interstate

1 compact professional education program on [the effective
 2 date of this act] and who continue uninterrupted
 3 participation are not required by this section to repay the
 4 amount provided in subsection (1). Students who enter or
 5 reenter study after [the effective date of this act] shall
 6 repay the portion of their support required by this section.
 7 (4) (a) Repayment must begin within 1 year after the
 8 date on which the student has:
 9 (i) left the program;
 10 (ii) graduated; or
 11 (iii) completed the minimum professional residency
 12 requirements necessary to begin professional practice.
 13 (b) Repayment must be completed within 10 years from
 14 the date on which the repayment begins. Interest is charged
 15 and computed at a simple annual rate of 5%.
 16 (5) The commissioner of higher education may implement
 17 the provisions of this section through the adoption of such
 18 rules and policies as may be necessary for its proper
 19 administration.
 20 Section 2. Effective date. This act is effective on
 21 passage and approval.

-End-



-2- INTRODUCED BILL
 SB-127

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB127, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act requiring a student participating in a program of interstate compact professional education, such as the WICHE, WAMI, or Minnesota Rural Dentistry Program, to repay 25 percent of state support fees paid by the state on his behalf; exempting students currently participating in such programs; providing repayment schedules.

ASSUMPTIONS:

1. The payback program must be implemented in FY88 and will be administered by the existing staff in the Commissioner of Higher Education's Office.
2. In order to protect the integrity of the program and to assure legal authority to collect the loan, proper and legal forms which provide adequate terms and disclosures to the borrower must be developed. The cost of developing and printing the appropriate forms and the cost of obtaining proper legal opinion would cost up to \$10,000.
3. Creation and maintenance of an account on the data is \$7.00 per account.
4. Servicing an in-school account is \$1.90 per month per account.
5. Fifty-one new students enter the WICHE/WAMI and related programs per year.

FISCAL IMPACT:

	<u>1988</u>	<u>1989</u>
<u>Expenditures:</u>	\$11,520	\$ 2,683
 General Fund	 \$11,520	 \$ 2,683

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

None.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

The service payback program will reach maturity in the year 2004. At that time, it will cost approximately \$23,000 a year to service the accounts of the students in these programs. There will be no significant revenue generated from payback for approximately seven years (1994).

David L. Hunter DATE 1/22/87
 DAVID L. HUNTER, BUDGET DIRECTOR
 Office of Budget and Program Planning

Sweede Hammond DATE 1/26/87
 SWEDE HAMMOND, PRIMARY SPONSOR

Fiscal Note for SB127, as introduced.

: SB 127

APPROVED BY COMM. ON EDUCATION
AND CULTURAL RESOURCES

1 STATEMENT OF INTENT

2 SENATE BILL 127

3 Senate Education and Cultural Resources Committee

4

5 A statement of intent is required for this bill because
6 rulemaking authority is granted to the commissioner of
7 higher education in section 1. Although the provisions of
8 the Montana Administrative Procedure Act do not apply to the
9 board of regents or the university system, 5-4-404 requires
10 a statement of intent whenever a bill delegates authority.
11 Since this bill delegates authority, a statement of intent
12 is attached.

13 It is intended that the commissioner administer the
14 repayment provisions to the greatest benefit to the state,
15 which includes the encouragement of professional training
16 for its citizens as well as a partial payback of some of the
17 state's investment. The commissioner shall explicitly define
18 the interstate compact programs involved, with the
19 legislature intending that WICHE, WAMI, and the Minnesota
20 rural dentistry programs be covered. The commissioner shall
21 have the ability to alter the rules to cover the status of
22 the compacts. It is not intended that the commissioner pick
23 and choose among defined programs--all must be covered
24 equally.

25 It is also intended that administrative procedures

1 relating to payback and enforcement of payback be covered.

SENATE BILL NO. 127

INTRODUCED BY HAMMOND, PINSONEAULT, REGAN

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING A STUDENT PARTICIPATING IN A PROGRAM OF INTERSTATE COMPACT PROFESSIONAL EDUCATION, SUCH AS THE WICHE, WAMI, OR MINNESOTA RURAL DENTISTRY PROGRAM, TO REPAY 25-PERCENT-OF STATE SUPPORT FEES PAID BY THE STATE ON HIS BEHALF; EXEMPTING STUDENTS CURRENTLY PARTICIPATING IN SUCH PROGRAMS; PROVIDING REPAYMENT SCHEDULES METHODS; PROVIDING AN INTEREST RATE ON UNREPAID MONEY; PROVIDING ADMINISTRATION BY THE COMMISSIONER OF HIGHER EDUCATION; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Partial repayment of state payments -- conditions -- administration. (1) A student supported by the state pursuant to an interstate compact for a professional education program shall repay to the state 25%--of FOR the support fees paid by the state on the student's behalf to a receiving out-of-state institution.

(2) Only those fees paid by the state after [the effective date of this act] are subject to the repayment provisions of this section.

(3) Students who are participating in an interstate

compact professional education program on [the effective date of this act] and who continue uninterrupted participation are not required by this section to repay the amount AS provided in subsection (1). Students who enter or reenter study after [the effective date of this act] shall repay the-portion-of-their-support IN THE MANNER required by this section.

(4) A STUDENT MAY CHOOSE TO REPAY EITHER BY THE PRACTICE OF THE FINANCED PROFESSION IN THE STATE FOR A PERIOD OF 3 YEARS OR BY REPAYMENT OF 25% OF THE STATE SUPPORT PAID ON THE STUDENT'S BEHALF.

(5) (a) Repayment OF MONEY OR PRACTICE OF THE PROFESSION must begin within 1-year 3 YEARS after the date on which the student has:

- (i) left the program;
(ii) graduated; or
(iii) completed the minimum professional residency requirements necessary to begin professional practice THAT ARE IN ADDITION TO THE 1-YEAR INTERNSHIP REQUIRED BY 37-3-305.

(b) Repayment OF MONEY must be completed within 10 years from the date on which the repayment begins MUST BEGIN PURSUANT TO SUBSECTION (5)(A). Interest is charged and computed at a simple annual rate of 5% FROM THE DATE ON WHICH REPAYMENT MUST BEGIN PURSUANT TO SUBSECTION (5)(A).

1 †5†(6) The commissioner of higher education may
2 implement the provisions of this section through the
3 adoption of such rules and policies as may be necessary for
4 its proper administration.

5 Section 2. Effective date. This act is effective on
6 passage and approval.

-End-