

2010 Special Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 3639 **STATUS:** Original
SUBJECT: Primary Care Provider Loan Repayment Program
GOVERNMENT UNIT AFFECTED: Oregon Student Assistance Commission
PREPARED BY: John Terpening
REVIEWED BY: Monica Brown
DATE: February 3, 2010

EXPENDITURES: See analysis

EFFECTIVE DATE: January 1, 2011

INTERIM JOINT COMMITTEE ON WAYS AND MEANS: The budgetary impact of this bill was not reviewed and approved by the Interim Joint Committee on Ways and Means Committee and is not included in the omnibus budget bill to be introduced by the committee.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: The measure creates the Primary Care Provider Loan Repayment Program administered by the Oregon Student Assistance Commission (OSAC); establishes eligibility requirements for participants; outlines payment plan guidelines of the lesser of \$10,000 or 20% to eligible primary care providers; allows for an annual cost-of-living increase to the \$10,000 maximum award allowed; establishes the Primary Care Student Loan Repayment Fund in the State Treasury separate from the General Fund and continuously appropriates money to the fund.

The fiscal impact is indeterminate. The number of eligible participants, the amount of money to be awarded to participants, and the funding source for the program are all unknown.

In addition, the Legislative Fiscal Office notes the following issues:

- There is no maximum value on the number of awards to be issued to participants.
- There is no limit to the number of eligible participants; including participants that may receive funding from OSAC's two other loan repayment programs.
- There are no time constraints for payments made to eligible participants other than the life of the qualifying loan or the failure to meet eligibility requirements.
- It is unknown to whom the loan payments are made, the individual or loan provider, and the eligibility of loan types to be repaid, i.e. federal student loans, federal Health Professional Loans, private alternative loans, etc. are not defined.
- The eligibility requirements do not stipulate that participants must remain current on eligible loans.

Although the number of participants is unknown, the Oregon Student Assistance Commission anticipates that the rule making and administration functions of the new loan repayment program could be accomplished within existing staff resources, if the total number of applicants is not prohibitive.