

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 2397-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Sprenger
Carrier – Senate: Sen. Girod**

Action: Do Pass the A-Engrossed Measure

Vote: 25 – 0 – 0

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant
– Nays:
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters
– Nays:
– Exc:

Prepared By: Bill McGee, Department of Administrative Services

Reviewed By: John Terpening, Legislative Fiscal Office

Meeting Date: June 10, 2011

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Oregon Health and Science University	--	--	2011-13
Department of Administrative Services			2011-13

Budget Summary*

	2009-11		2011-13		Committee Change from				
	Legislatively Approved Budget (1)		Current Service Level	Governor's Budget	2009-11 Leg Approved				
					\$ Change	% Change			
<u>Oregon Health and Science University</u>									
General Fund	\$	0	\$	0	\$	525,000	\$	525,000	0.0%

Summary of Revenue Changes

The Primary Health Care Loan Forgiveness Program is funded with a General Fund appropriation.

Summary of Education Subcommittee Action

House Bill 2397 creates the Primary Health Care Loan Forgiveness Program in the Office of Rural Health at the Oregon Health Sciences University (OHSU) for eligible primary care practitioners who commit to practicing in rural areas of the state. The bill establishes eligibility and repayment requirements and sets a maximum loan amount of \$35,000 to each participant. Loan recipients who fail to complete their medical training or residencies are required to repay their loans plus 10 percent interest. Recipients who fail to complete their rural practice commitments are required to pay 25 percent penalties plus 10 percent interest on their loans. OHSU is allowed to give preference to a practitioner who agrees to practice in a community that contributes funds to the program.

Loan payments are deposited into the Primary Health Care Loan Forgiveness Program Fund and any participant defaults are collected by the Department of Revenue or a collection agency retained by OHSU and deposited into the fund.

The bill establishes the Primary Health Care Loan Forgiveness Program Fund separate and distinct from the General Fund, continuously appropriates moneys in the fund to the Department of Administrative Services for distribution to the Office of Rural Health, and credits interest earned back to the fund. The measure appropriates \$525,000 of General Fund for the 2011-2013 biennium.

OHSU anticipates the need for a 0.20 FTE position, at an estimated cost of \$36,400 in 2011-13, to administer the program, with the remainder distributed as loans to qualified applicants. With the remainder of the funds available, and assuming the maximum of \$35,000 to each participant, OHSU anticipates approximately 13 loans to be distributed in 2011-13. OHSU will pursue donations from communities to provide more funding for the program; however the number of donations and the amounts are unknown.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 2397-A

Oregon Health and Science University
 Bill McGee 503-378-2078

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011 *	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	0.00
2011-13 ORBITS printed Current Service Level (CSL)*	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	0.00
2011-13 Governor's Recommended Budget*	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	0.00
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
SCR 002: Education and General/Hospitals & Clinics/CDRC Special Payments									
6085 Other Special Payments	\$ 525,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 525,000	0	0.00
TOTAL ADJUSTMENTS	<u>\$ 525,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 525,000</u>	<u>0</u>	<u>0.00</u>
SUBCOMMITTEE RECOMMENDATION *	<u><u>\$ 525,000</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 525,000</u></u>	<u><u>0</u></u>	<u><u>0.00</u></u>
% Change from 2009-11 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Change from 2011-13 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Change from 2011-13 Gov's Recommended Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

*Excludes Capital Construction Expenditures