

SENATE BILL REPORT

SB 5287

As Passed Senate, February 15, 1995

Title: An act relating to student financial aid.

Brief Description: Providing school loan forgiveness in exchange for service within Washington state.

Sponsors: Senators Wood, Sheldon, Bauer, Kohl, Rasmussen and Hochstatter; by request of Higher Education Coordinating Board.

Brief History:

Committee Activity: Higher Education: 1/26/95, 2/6/95 [DP].
Passed Senate, 2/15/95, 45-0.

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass.

Signed by Senators Bauer, Chair; Kohl, Vice Chair; A. Anderson, McAuliffe, West and Wood.

Staff: Jean Six (786-7423)

Background: The Western Interstate Commission on Higher Education (WICHE) is a compact of the Western states formed 40 years ago to promote the sharing of higher education resources. One of the WICHE programs in which Washington participates is the Professional Student Exchange Program (PSEP). PSEP enables students from member states to enroll in specific professional programs not offered in the student's home state. The student's home state pays a predetermined support fee to help defray the student's cost of education.

Washington is a net importer of students under this program. In 1994-95 Washington schools will receive about \$890,000 in support from other states for about 80 students. In exchange, Washington supports about 20 state residents enrolled in optometry in out-of-state schools for a total cost of about \$146,000.

The state's health care plan has identified various health care shortage areas around the state. The plan has recommended that osteopathy students be supported through WICHE in order to help meet the need for primary care in these shortage areas. While the Higher Education Coordinating Board has the authority to add osteopathy as a supported program, the current program does not guarantee that the student supported through a WICHE grant will return to the state after graduation.

Summary of Bill: Washington students who participate in the Professional Student Exchange Program and enroll in out-of-state programs (optometry and osteopathy) not offered in Washington receive tuition assistance in the form of loans that may be forgiven

in exchange for the student's service within the state of Washington after graduation. The WICHE grant program is converted into a loan program for all new recipients named to the program after January 1, 1995. The Higher Education Coordinating Board is required to make rules outlining the terms and conditions of the loan and of the forgiveness provisions. The intent is that the entire amount of the loan is repaid to the state should the recipient fail to provide the required service in a designated shortage area within the state.

Appropriation: None.

Fiscal Note: Requested on January 18, 1995.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Providing a forgivable loan to students of optometry and osteopathy will encourage graduates to return to Washington to provide primary health care services in health care shortage areas.

Testimony Against: None.

Testified: PRO: Senator Jeannette Wood, prime sponsor; John Klacik, Assoc. Director and Grants Manager, Student Financial Aid, HECB; Jeff Larson, Washington Osteopathic Medical Assn.

House Amendment(s): An emergency clause is added. The expiration date in the future teacher conditional scholarship program is deleted.