



## 2005 ASSEMBLY BILL 976

February 2, 2006 - Introduced by Representatives MURSAU, RHOADES, AINSWORTH, ALBERS, BOYLE, DAVIS, FREESE, GIELOW, GRONEMUS, GUNDERSON, HAHN, HINES, HUNDERTMARK, JESKEWITZ, KRAWCZYK, F. LASEE, LEMAHIEU, LOEFFELHOLZ, MCCORMICK, MEYER, MOLEPSKE, MONTGOMERY, MUSSER, NISCHKE, OTT, OWENS, PETROWSKI, PETTIS, WOOD and VAN ROY, cosponsored by Senators ROESSLER, ERPENBACH, HANSEN and WIRCH. Referred to Committee on Public Health.

1     **AN ACT** *to create* 20.235 (1) (cp) and 39.397 of the statutes; **relating to:** a loan  
2             program for medical students who agree to practice medicine in rural areas,  
3             requiring the exercise of rule-making authority, and making an appropriation.

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### *Analysis by the Legislative Reference Bureau*

Under current law, the Higher Educational Aids Board (HEAB) administers various student loan programs under which certain percentages of the loans are forgiven for each year that a loan recipient is employed in certain professions after the completion of the recipient's program of study. Those programs include a program under which loans are forgiven after the recipient has been employed in this state as a nurse, a program under which loans are forgiven after the recipient has been employed as a teacher in the Milwaukee Public Schools, a program under which loans are forgiven after the recipient has been employed in this state as a teacher of visually impaired pupils or as an orientation and mobility instructor, and a program under which loans are forgiven after the recipient has been employed as a teacher in a school district in this state in which minority students constitute at least 29 percent of the membership of the school district.

This bill creates a loan program, to be administered by HEAB, to defray the cost of tuition, fees, and expenses for residents of this state who are enrolled in a program at the University of Wisconsin-Madison Medical School or at the Medical College of Wisconsin, Inc., leading to the degree of doctor of medicine and who agree to practice medicine for not less than two years in an area of the state outside a metropolitan statistical area, as defined by the federal Executive Office of Management and

**ASSEMBLY BILL 976**

Budget (rural area). The maximum amount of a loan that a person may receive during any fiscal year is \$3,000 and the maximum amount that a person may receive under the program is \$15,000. After a loan recipient has completed his or her program of study, HEAB must forgive 25 percent of the loan’s principal and interest after the first full year and 25 percent of the loan’s principal and interest after the second full year that the recipient has been employed full time as a doctor of medicine in a rural area.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert  
2 the following amounts for the purposes indicated:

	<b>2005-06</b>	<b>2006-07</b>
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4           **20.235 Higher educational aids board**

5           (1) STUDENT SUPPORT ACTIVITIES

6           (c) Loan program for rural physi-

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8           **SECTION 2.** 20.235 (1) (c) of the statutes is created to read:

9           20.235 (1) (c) *Loan program for rural physicians.* The amounts in the  
10 schedule for the loan program for rural physicians under s. 39.397.

11           **SECTION 3.** 39.397 of the statutes is created to read:

12           **39.397 Rural physicians loan program.** (1) The board shall establish a  
13 loan program to defray the cost of tuition, fees, and expenses for residents of this  
14 state who are enrolled in a program at the University of Wisconsin–Madison Medical  
15 School or at the Medical College of Wisconsin, Inc., leading to the degree of doctor of  
16 medicine and who agree to practice medicine for not less than 2 years in an area of

**ASSEMBLY BILL 976**

1 the state outside a metropolitan statistical area, as specified under 42 CFR 412.62  
2 (f) (1) (ii) (A).

3 **(2)** The board shall make loans under sub. (1) from the appropriation account  
4 under s. 20.235 (1) (cp). The maximum amount of a loan that a person may receive  
5 during any fiscal year is \$3,000. The maximum amount that a person may receive  
6 under this section is \$15,000. The terms of a loan shall provide that the loan recipient  
7 is not required to repay the loan while the recipient is enrolled in a program described  
8 in sub. (1).

9 **(3)** After the recipient of a loan under sub. (1) has completed the program  
10 described in sub. (1), the board shall forgive 25 percent of the loan's principal and  
11 interest after the first full year and 25 percent of the loan's principal and interest  
12 after the 2nd full year that the recipient has been employed full time as a doctor of  
13 medicine in an area described in sub. (1). The board may forgive loans on a prorated  
14 basis for persons who are employed less than full time.

15 **(4)** The board shall deposit in the general fund as general purpose revenue —  
16 earned all repayments of loans made under sub. (1) and the interest on those loans.

17 **(5)** The board shall promulgate rules to implement and administer this section.

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(END)