

# HOUSE BILL REPORT

## SB 5287

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**As Passed House - Amended:**

April 13, 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: 3/6/95, 3/16/95 [DPA].

**Floor Activity:**

Amended.

Passed House: 4/13/95, 84-11.

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### HOUSE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** Do pass as amended. Signed by 7 members: Representatives Carlson, Chairman; Mulliken, Vice Chairman; Jacobsen, Ranking Minority Member; Mason, Assistant Ranking Minority Member; Blanton; Delvin and Sheahan.

**Minority Report:** Do not pass. Signed by 2 members: Representatives Benton and Goldsmith.

**Staff:** Marilee Scarbrough (786-7196).

**Background:** Washington State participates in the Western Interstate Commission on Higher Education (WICHE). WICHE is a compact formed to promote the sharing of higher education resources. The Professional Student Exchange Program (PSEP) is a WICHE program that allows 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.

Currently, Washington supports about 20 state residents enrolled in optometry in out of state schools. The State Health Professional Resource Plan recommended adding osteopathic medicine to the WICHE Professional Student Exchange program. The

recommendation is intended to meet the need for primary care with the state. The current PSEP does not guarantee that the student supported through a WICHE grant will return to Washington State after graduation.

**Summary of Bill:** The WICHE grant program is converted to a conditional loan program. The loan will be forgiven if the student completes service within the state. If the student fails to provide service, the entire loan must be repaid to the state. The board will adopt rules to implement the program. A fund is created for deposit of loan repayments. The expiration date for the Future Teachers Conditional Scholarship Program is deleted. An emergency clause is added to the act.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Bill:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** This bill will encourage individuals who receive funds to return and practice osteopathic medicine in Washington State. The Higher Education Coordinating Board could add osteopathy to the current grant program, however, this bill is necessary because the board cannot create a conditional loan program without legislative approval. Currently, there is no incentive for students to return to Washington state to practice. The board will require one year of service for one year of scholarship.

**Testimony Against:** None.

**Testified:** Senator Jeannette Wood, prime sponsor; and John Klacik, Higher Education Coordinating Board (in favor).