



**ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO 2005 ASSEMBLY BILL 976**

March 2, 2006 – Offered by Representatives MURSAU and WASSERMAN.

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 health  
3             professional shortage areas, requiring the exercise of rule-making authority,  
4             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 substitute amendment 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 School of Medicine

and Public Health 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 six years in a health professional shortage area, which is defined under current law as an area designated by the federal Department of Health and Human Services as having a shortage of medical care professionals. The maximum amount of a loan that a person may receive during any fiscal year is \$10,000 and the maximum amount that a person may receive under the program is \$50,000. After a loan recipient has completed his or her program of study, HEAB must forgive 10 percent of the loan’s principal and interest after the first full year, 10 percent of the loan’s principal and interest after the second full year, 10 percent of the loan’s principal and interest after the third full year, 10 percent of the loan’s principal and interest after the fourth full year, 20 percent of the loan’s principal and interest after the fifth full year, and 20 percent of the loan’s principal and interest after the sixth full year that the recipient has been employed full time as a doctor of medicine in a health professional shortage area.

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***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>
<b>20.235 Higher educational aids board</b>		
(1) STUDENT SUPPORT ACTIVITIES		
(cp) Loan program for physicians in		
shortage areas	GPR    A	-0-    450,000

8           **SECTION 2.** 20.235 (1) (cp) of the statutes is created to read:  
 9           20.235 (1) (cp) *Loan program for physicians in shortage areas.* The amounts  
 10 in the schedule for the loan program for physicians in shortage areas under s. 39.397.

11           **SECTION 3.** 39.397 of the statutes is created to read:  
 12           **39.397 Loan program for physicians in shortage areas.** (1) The board  
 13 shall establish a loan program to defray the cost of tuition, fees, and expenses for

1 residents of this state who are enrolled in a program at the University of  
2 Wisconsin-Madison School of Medicine and Public Health or at the Medical College  
3 of Wisconsin, Inc., leading to the degree of doctor of medicine and who agree to  
4 practice medicine for not less than 6 years in a health professional shortage area, as  
5 defined in s. 560.183 (1) (aj).

6 **(2)** The board shall make loans under sub. (1) from the appropriation account  
7 under s. 20.235 (1) (cp). The maximum amount of a loan that a person may receive  
8 during any fiscal year is \$10,000. The maximum amount that a person may receive  
9 under this section is \$50,000. The terms of a loan shall provide that the loan recipient  
10 is not required to repay the loan while the recipient is enrolled in a program described  
11 in sub. (1).

12 **(3)** After the recipient of a loan under sub. (1) has completed the program  
13 described in sub. (1), the board shall forgive 10 percent of the loan's principal and  
14 interest after the first full year, 10 percent of the loan's principal and interest after  
15 the 2nd full year, 10 percent of the loan's principal and interest after the 3rd full year,  
16 10 percent of the loan's principal and interest after the 4th full year, 20 percent of the  
17 loan's principal and interest after the 5th full year, and 20 percent of the loan's  
18 principal and interest after the 6th full year that the recipient has been employed full  
19 time as a doctor of medicine in an area described in sub. (1). The board may forgive  
20 loans on a prorated basis for persons who are employed less than full time.

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

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

24 **(END)**