

## CHAPTER 10. OKLAHOMA MEDICAL EDUCATION AND SCHOLARSHIP FUND

**Section**

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[**Authority:** 70 O.S. Supp. 625.1 through 625.9, and 625.13]

[**Source:** Codified 11-21-91]

**540:1-1-1. Purpose**

*The Physician Manpower Training Commission shall be authorized and empowered under Section 625.2 of 70 O.S. 1981, to grant scholarships to qualified students who are bona fide residents of the State of Oklahoma and who would not otherwise have funds necessary to finance the cost of a program of study leading to the Degree of Doctor of Medicine, or to the Degree of Doctor of Osteopathic Medicine, to be granted by an accredited and recognized college of medicine or college of osteopathic medicine. [70:625.2]*

**540:1-1-2. Statutory administration of fund**

The Oklahoma Rural Medical Education Loan and Scholarship Fund shall be administered by the Physician Manpower Training Commission under the provisions of Section 625.9 of 70. O.S. 1981.

**540:1-1-3 Terms and conditions of scholarships**

- (a) *The terms and conditions governing the scholarship shall be as prescribed and formulated by the Physician Manpower Training Commission, but shall include the condition that each recipient, upon completion of his course of study, shall repay his scholarship by practicing his profession in a rural community in Oklahoma having a population of 7,500 persons or less according to the last preceding United States Decennial Census and having a need therefore, as determined by the Commission, for one year for each one year the scholarship is financed, provided, however, that the recipient will be given no credit for payment and*

- reduction of said obligation by serving in the defined rural communities for a period less than two years.
- (b) The terms of this subsection shall apply to recipients who accept assistance before July 1, 1993. The contract shall provide that, in the event the recipient breaches the terms of the contract by not designated community for the specified period of time, he shall pay liquidated damages in an amount agreed upon by the Commission and the recipient and representing a reasonable estimated of the damage or loss to the community or the state. Said damages shall not exceed 100% of the principal. After payment of the liquidated damages of the principal made in cash with interest at the rate of 12% per annum, said interest to accrue from the date each payment is made pursuant to the scholarship. No interest, however, shall accrue during any one period of time that the recipient thereof is required to serve in the armed Forces of the United States, including any one period of voluntary enlistment or during any period of internship and residency.
- (c) The terms of this subsection shall apply to recipients who accept assistance on or after July 1, 1993. The contract shall provide that I the event the recipient breaches the terms of the contract by not serving the designated community for the specified period of time, the Commission shall be entitled to recover an amount equal to three times the principal disbursed, pursuant to the contract, plus interest. Interest on all amounts paid to or on behalf of the participant shall be computed at the current prime rate plus one percent (1%) with said interest to accrue from the date each payment is made, pursuant to the contract. The amount the Commission is entitled to recover shall be paid within ninety (90) days of the state the recipient becomes liable as determined by the Commission. [70:625.3]

**540:10-1-4. Eligibility; amount; method of payment; renewal**

- (a) An applicant may be eligible for the award of a scholarship upon demonstration that the applicant:
- (1) Desires a scholarship to any accredited school of medicine or school of osteopathic medicine in the United States of America;
  - (2) Is a bona fide resident of Oklahoma;
  - (3) Has personal financial resources such that, in the absence of scholarship aid, will be unable to pursue the program of study desired;
  - (4) Is a person of good moral character;
  - (5) Has successfully completed the program of instruction pre-requisite for admission to the program of study

*provided for in Section 625.1 et seq. of this title and has applied for admission to a medical school;*

*(6) Has capacity to profit by the course of study for which the applicant seeks aid;*

*(7) Desires to practice medicine in a rural community in Oklahoma, and;*

*(8) Submits proof that the applicant has not accepted or will not accept any other scholarship assistance which has a conflicting service obligation requirement.*

*[70:625.5(s)(1)-(8)]*

*(b) The amount of each scholarship grant shall not exceed \$15,000.00 per academic year for students engaged in their first second, third or fourth year of study, or equivalent number of terms completed in an education program in a given period of months. [70:625.5(b)]*

*(c) The method of payment of funds to each recipient of a scholarship grant shall be in accordance with rules formulated by the Commission governing the grants for each type of scholarship. [70:625.5(c)]*

*(d) Each scholarship is renewable annually for the number of years required to complete the course of study in which the recipient is engaged. The Commission shall grant such annual renewal only upon the recipient's application and upon the Commission's finding that the recipient:*

*(1) Has completed successfully the work of the preceding year and presented evidence that the recipient is a student in good standing;*

*(2) Remains a resident of Oklahoma; and*

*(3) Is in a financial situation that warrants the award of a scholarship under the standards set forth in Section 625.1 et. seq. of this title. [70:625.5(d)]*

*(e) In addition to the above requirements, an applicant must attend a medical school in the continental United States accredited by either the Liaison Committee on Medical Education of the American Medical Association or the Association of American Medical Colleges and Bureau of Professional Education through the American Osteopathic Association.*

**[SOURCE:** Amended at 15 Ok Reg 1770, eff 5-11-98; Amended at 22 Ok Reg 1687, eff 5-10-05 (emergency); Amended at 23 Ok Reg 1105, eff 5-11-06]

**540:10-1-5. Procedures for administering scholarships**

The Commission shall promulgate and adopt procedures as may be necessary to carry out the administration of the scholarship program. The Commission shall delineate the following procedures:

(1) **Promulgation of information concerning scholarships.** Each medical and osteopathic student being trained in the State of Oklahoma shall, by March first of each school year, be notified concerning the availability of scholarships.

(2) **Applications.** All interested students shall file an application with the Physician Manpower Training Commission. The deadline for submitting applications shall be March 30 of each year. Applications shall be reviewed by a Screening Committee appointed by the Chairperson of the Commission. The criteria to be used by the Screening Committee are delineated in 540:10-1-4(a). (A copy of the application is available in the office of the Physician Manpower Training Commission).

(3) **Approval of scholarships by the Commission.** The Scholarship Screening Committee shall recommend those scholarship applicants selected for funding to the Physician Manpower Training Commission at one of its meetings prior to June 30. A student not selected by the Screening Committee may appeal to the Commission for a hearing at any scheduled Commission meeting. If approved, funding for each scholarship shall become effective on July 1 of that particular year.

(4) **Renewal of contracts.** The original scholarship shall be guaranteed for the initial year. Renewal contracts will be mailed to each student by May 1 of each year to be signed and returned no later than June 30 of that same year. See 540:10-1-4(d) for additional information concerning renewals.

[Source: Amended at 15 Ok Reg 1770, eff 5-11-98]

**540:10-1-6. Repayment of scholarship loan**

*Monies received by the Commission in repayment of scholarships granted from appropriated funds shall be deposited with the State Treasurer who shall place the same to the credit of the Commission in a depository fund. All monies so collected and deposited in the State Treasury as aforesaid shall constitute a continuing fund, shall not be subject to fiscal limitations, and the unexpended balance shall at all times be available for expenditures for the purpose and in the manner and form provided by this act. All funds and property, and income therefrom, received by the Commission through the acceptance of gifts, grants, bequests or devise shall be held by the Commission in trust, and may be sold, transferred, invested and reinvested by the Commission in accordance with the provisions of the Oklahoma Trust Act, and all such funds and property, and*

*income therefrom, shall be used by the Commission in fulfilling and accomplishing the conditions and purposes of the Physician Manpower Training Commission. [70:625.4]*

[**Source:** Amended at 15 Ok Reg 1770, eff 5-11-98]

**540:10-1-7. Annual reports to Governor and Legislature**

*The Commission shall make an annual report to the Governor and Legislature on the activities of the Commission. This report shall include the names of the recipients of the scholarships, the amount of the scholarship award, an accounting of the funds expended on scholarships and on the administration of the program and a budget requesting the funds necessary for the operation of the Commission. The report shall also include an accounting of repayments of scholarships whether by services or in cash including interest. [70:625.5(e)]*

**540:10-1-8. Applicant contracts**

*Each applicant, before being granted a scholarship, shall enter into a contract with the Commission agreeing to the terms and conditions upon which the scholarship shall be granted to him. Said contract shall include such terms and provisions as will carry out the full purpose and intent of the Oklahoma Rural Medical Education Loan and Scholarship Fund; the form thereof shall be prepared and approved by the Attorney General. Said contracts shall be signed by the Executive Director on behalf of the Commission and by the applicants. The Commission, under Section 625.6 of 70 O.S. 1981, is hereby vested with full and complete authority and power to sue in its own name any applicant for any balance due the Commission on any contract. The Commission shall have authority to cancel and contract made between it and any recipient of a scholarship upon cause deemed sufficient by the Commission. [70.625.6] Copies of the Oklahoma Rural Medical Education Loan and Scholarship Fund contracts are available in the office of the Physician Manpower Training Commission.*