Regulatory Analysis

Notice of Intended Action to be published: Iowa Administrative Code 283—Chapter 27
"Rural Veterinarian Loan Repayment Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 256.178 and 256.226
State or federal law(s) implemented by the rulemaking: Iowa Code section 256.226

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

September 10, 2024 11 a.m.	ICN Room Grimes State Office Building Des Moines, Iowa

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis. Written comments in response to this Regulatory Analysis must be received by the College Student Aid Commission no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

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Bureau of Iowa College Aid
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Des Moines, Iowa 50319
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Purpose and Summary

The Commission plans to rescind and adopt a new Chapter 27 pursuant to Executive Order 10. New Chapter 27 is proposed to ensure the Commission meets the requirements set forth in law by adopting rules for the administration of the Rural Iowa Veterinarian Loan Repayment Program. The proposed rulemaking establishes the eligibility criteria and awarding of funds for the program; describes the process of awarding funds and tracking obligations; and illustrates the role of the Commission, applicants, and employers in the awarding process. The rulemaking also provides definitions for use under the program.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

- Classes of persons that will bear the costs of the proposed rulemaking:

In general, the proposed rulemaking does not impose requirements that would add an administrative burden beyond the provisions already established in law. The rulemaking defines the processes that will be utilized to ensure eligible applicants receive awards and articulates the awarding of funds and general provisions of eligibility. Employers will need to verify completion of employment obligations under the program before a loan repayment award is paid.

- Classes of persons that will benefit from the proposed rulemaking:

Eligible applicants, service commitment areas, and the Commission will benefit from the rulemaking since it clarifies the processes by which Iowans will apply for and qualify for the loan repayment award.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:

- Quantitative description of impact:

The rulemaking does not impose measurable costs beyond those imposed by law.

- Qualitative description of impact:

Employers are required to verify completion of the employment obligation. While this requirement is not specifically established in law, an alternative data source that could effectively replace the employer's timely verification of employment has yet to be found. The Commission has implemented similar requirements for employers in other programs and does not anticipate the administrative burden of the requirement to result in measurable cost. Ensuring the timely payment of the loan repayment award is a critical part of the effective operation of the program, and this cannot be done without the assistance of employers.

3. Costs to the State:

- Implementation and enforcement costs borne by the agency or any other agency:

The agency would incur minimal costs to implement and enforce the rules.

- Anticipated effect on state revenues:

The proposed rulemaking is not anticipated to have any effect on state revenues beyond that of the legislation it is intended to implement.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

The benefit of the proposed rulemaking is to publicly illustrate the process that will be used to consistently administer and award loan repayment funds and to articulate criteria and general provisions of eligibility.

The cost of inaction would be confusion in the process and criteria to be used in the application and awarding of funds under the program. In addition, the program could not be administered without employer verification of completed obligations of the eligible applicants.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

The rulemaking proposes an efficient administrative method of collecting applications and disbursing funding, reducing any administrative burden that otherwise might be introduced. The administrative method proposed for this program is the most cost-efficient method utilized by the Commission in the administration of state financial aid programs.

6. Alternative methods considered by the agency:

- Description of any alternative methods that were seriously considered by the agency:

No other methods were seriously considered by the Commission since the method proposed is the most cost-efficient and seamless for all entities involved.

- Reasons why alternative methods were rejected in favor of the proposed rulemaking:

The alternative methods were rejected because they would lead to additional burden on applicants, eligible institutions, and the Commission.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

The proposed rulemaking is not expected to have an impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 283—Chapter 27 and adopt the following **new** chapter in lieu thereof:

CHAPTER 27
RURAL VETERINARIAN LOAN REPAYMENT PROGRAM

283—27.1(256) Definitions.

"Eligible applicant" means an individual who meets the criteria of Iowa Code sections 256.226(3) and 256.226(4), agrees to sign a program agreement, agrees to begin employment under the obligation within one year of signing a program agreement, and agrees to complete the obligation. The eligible applicant completes applications on or before the date established by the commission and does not meet a condition in 283—subrule 10.3(1).

1. The program agreement specifies the obligation and other details pertaining to the program.
2. The obligation is considered fulfilled or may be postponed pursuant to Iowa Code section 256.226(9). Progression toward completion of the obligation is verified annually.

"Eligible loan" means the same as defined in Iowa Code section 256.226(1). Only the outstanding portion of a federal consolidation loan that was used to repay an eligible loan qualifies as an eligible loan.

"Food supply veterinary medicine" means the same as "practice of food supply veterinary medicine" defined in Iowa Code section 256.226(1).

"Rural service commitment area" means the same as defined in Iowa Code section 256.226(1). An eligible applicant who signs a program agreement to serve in a service commitment area will contract with the service commitment area to ensure the service commitment area provides a nonrefundable contribution equivalent to 12.5 percent of the eligible applicant's eligible loan balance, at the time the program agreement is signed, for deposit in the rural veterinarian trust fund. Payment of the nonrefundable contribution to the trust fund can be made by but is not limited to the following organizations: community agencies, medical groups, municipalities, community foundations, local government entities, or other community entities. Locations and distances between cities will be consistently measured and verified by calculating the shortest travel distance on paved roads.

"Veterinary shortage area" means the same as defined in Iowa Code section 256.226(1).

283—27.2(256) Awarding of funds.

27.2(1) *Selection criteria.* All eligible applicants will be considered for an award.

27.2(2) *Extent of award and maximum award.* Eligible applicants may receive up to $60,000 upon completion of the obligation. The loan repayment award will not exceed the outstanding balance of the eligible applicant's eligible loans.

27.2(3) *Priority for awards.* New awards will be made in the order of the following priority categories if funding is insufficient to award all eligible applicants. An eligible applicant selected for an award under a priority category will continue to meet the provisions of that category to maintain eligibility.

a. Eligible applicants who will be employed in a private practice providing food supply veterinary medicine in a veterinary shortage area and have graduated from an Iowa high school or

completed private instruction under Iowa Code chapter 299A, by date of application; followed by eligible applicants who will be employed in a private practice providing food supply veterinary medicine in a veterinary shortage area and have not graduated from an Iowa high school or completed private instruction under Iowa Code chapter 299A, by date of application.

b. Eligible applicants who will be employed in a private practice providing food supply veterinary medicine in a service commitment area and have graduated from an Iowa high school or completed private instruction under Iowa Code chapter 299A, by date of application; followed by eligible applicants who will be employed in a private practice providing food supply veterinary medicine in a service commitment area and have not graduated from an Iowa high school or completed private instruction under Iowa Code chapter 299A, by date of application.

c. Eligible applicants who will practice as a veterinarian in a service commitment area and have graduated from an Iowa high school or completed private instruction under Iowa Code chapter 299A, by date of application; followed by eligible applicants who will practice as veterinarians in a service commitment area and have not graduated from an Iowa high school or completed private instruction under Iowa Code chapter 299A, by date of application.

27.2(4) *Awarding process.*

a. The commission will provide notice of the eligibility criteria and the application process annually.

b. The commission will designate eligible applicants for awards and notify all applicants of their eligibility.

c. The commission will track eligible applicants selected to receive awards through completion of their obligation. Completion of the obligation will be verified by the eligible applicant's employer. An obligation is satisfied pursuant to Iowa Code section 256.226(9).

d. The commission will pay the loan repayment award directly to the holder of the eligible applicant's eligible loan.

283—27.3(256) Failure to fulfill obligation. An eligible applicant who fails to fulfill the obligation pursuant to Iowa Code section 256.226(9) will be subject to repayment of any loan repayment awards paid under this chapter toward the eligible applicant's eligible loans as specified in the program agreement.

These rules are intended to implement Iowa Code chapter 256.