

House File 2448 - Introduced

HOUSE FILE 2448
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HF 2350)

A BILL FOR

1 An Act establishing a rural veterinarian loan repayment
2 program for veterinary students and certain licensed
3 veterinarians and a rural veterinary care trust fund, and
4 making appropriations.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 261.120 Rural veterinarian loan
2 repayment program — fund — appropriations.

3 1. *Definitions.* For purposes of this section, unless the
4 context otherwise requires:

5 a. "*Eligible loan*" means the veterinarian's total federally
6 guaranteed Stafford loan amount under the federal family
7 education loan program or the federal direct loan program, or
8 the recipient's federal grad plus loans, including principal
9 and interest.

10 b. "*Practice of food supply veterinary medicine*" includes
11 corporate and private practices devoted to food animal
12 medicine, mixed animal medicine located in a rural area, food
13 safety, epidemiology, public health, animal health, and other
14 public and private practices that contribute to the production
15 of a safe and wholesome food supply.

16 c. "*Rural service commitment area*" means a city in Iowa
17 with a population of less than twenty-six thousand that is
18 located more than twenty miles from a city with a population of
19 fifty thousand or more and which provides a dollar contribution
20 equivalent to twelve and one-half percent of the veterinarian's
21 total eligible loan amount upon graduation for deposit in the
22 rural veterinary care trust fund.

23 d. "*Veterinary shortage area*" means a designated veterinary
24 service shortage situation in Iowa identified or nominated by
25 the state veterinarian, and recommended for designation in
26 accordance with the federal National Veterinary Medical Service
27 Act, 7 U.S.C. §3101 et seq., and published by the United States
28 department of agriculture.

29 2. *Program established.* A rural veterinarian loan
30 repayment program is established to be administered by the
31 college student aid commission for purposes of providing
32 loan repayments for individuals who agree to practice
33 as veterinarians in rural service commitment areas or in
34 veterinary shortage areas in Iowa for four years and meet the
35 requirements of this section. The commission shall adopt

1 rules pursuant to chapter 17A to administer this section.

2 The commission may accept gifts, grants, bequests, and other
3 private contributions, as well as state or federal moneys, for
4 deposit in the fund created under subsection 10.

5 3. *Eligibility.* An individual is eligible to apply to enter
6 into a program agreement with the commission if the individual
7 meets any of the following requirements:

8 a. Is enrolled in the final year of a veterinary degree
9 program at a college of veterinary medicine accredited by the
10 American veterinary medical association council on education.

11 b. Is a veterinarian licensed pursuant to chapter 169
12 who, within five years of applying for this program, received
13 a veterinary medicine degree from a college of veterinary
14 medicine accredited by the American veterinary medical
15 association council on education.

16 4. *Program agreements.* A program agreement shall be entered
17 into by an individual and the commission if the individual
18 meets the requirements of subsection 3. Under the agreement,
19 to receive loan repayments pursuant to subsection 6, the
20 individual shall fulfill all of the following requirements:

21 a. Receive or possess a doctor of veterinary medicine,
22 or the equivalent, from a college of veterinary medicine
23 accredited by the American veterinary medical association
24 council on education.

25 b. Possess, or apply for and obtain, a license to practice
26 veterinary medicine under chapter 169.

27 c. Secure an offer of employment or establish and maintain
28 a practice in a veterinary shortage situation or rural service
29 commitment area and engage in the full-time practice of
30 veterinary medicine for a period of four consecutive years
31 after entering into the agreement in the veterinary shortage
32 area or rural service commitment area, unless the loan
33 repayment recipient receives a waiver from the commission to
34 complete the years of practice required under the agreement in
35 another veterinary shortage area or rural service commitment

1 area pursuant to subsection 7.

2 5. *Priority to certain applicants.* The commission shall
3 give priority to applicants who graduated from a high school in
4 Iowa or completed private instruction under chapter 299A.

5 6. *Loan repayment amounts.*

6 a. Unless the agreement entered into under subsection
7 4 stipulates otherwise, the amount of loan repayment an
8 individual who enters into an agreement shall receive if in
9 compliance with obligations under the agreement shall not
10 exceed fifteen thousand dollars annually for an eligible
11 loan. Payments under this section may be made for each year
12 of eligible practice during a period of four consecutive years
13 and shall not exceed a total of sixty thousand dollars or the
14 amount of outstanding eligible loans, whichever amount is less.

15 b. Subject to the availability of funding for this
16 purpose, the commission shall enter into at least five program
17 agreements annually.

18 7. *Selection of rural service commitment area or veterinary*
19 *shortage area.* A loan repayment recipient shall notify the
20 commission of the recipient's rural service commitment area
21 or veterinary shortage area prior to beginning practice in
22 the area in accordance with subsection 4, paragraph "c". The
23 commission may waive the requirement that the loan repayment
24 recipient practice in the same rural service commitment area or
25 veterinary shortage area for all four years.

26 8. *Rural service commitment area or veterinarian shortage*
27 *area priority.*

28 a. When possible, the commission shall enter into agreements
29 under subsection 4 with individuals who agree to practice in
30 areas in the following priority order:

31 (1) Private practice food supply veterinary medicine in any
32 veterinary shortage area.

33 (2) Private practice food supply veterinary medicine in a
34 city in Iowa with a population of less than twenty-six thousand
35 that is located more than twenty miles from a city with a

1 population of fifty thousand or more, especially in remote or
2 economically depressed rural areas.

3 (3) Animal veterinary medicine in a rural service
4 commitment area.

5 *b.* Notwithstanding paragraph "a", the commission may consult
6 with the state veterinarian to determine prioritization in
7 accordance with this subsection.

8 9. *Postponement and satisfaction of service obligation.*

9 *a.* The obligation to engage in practice in accordance with
10 subsection 4 shall be postponed for the following purposes:

11 (1) Active duty status in the armed forces, the armed forces
12 military reserve, or the national guard.

13 (2) Service in volunteers in service to America.

14 (3) Service in the federal peace corps.

15 (4) A period of rural service commitment to the United
16 States public health service commissioned corps.

17 (5) A period of religious missionary work conducted by an
18 organization exempt from federal income taxation pursuant to
19 section 501(c)(3) of the Internal Revenue Code.

20 (6) Any period of temporary medical incapacity during which
21 the person obligated is unable, due to a medical condition, to
22 engage in full-time practice as required under subsection 4,
23 paragraph "c".

24 *b.* Except for a postponement under paragraph "a",
25 subparagraph (6), an obligation to engage in practice under an
26 agreement entered into pursuant to subsection 4 shall not be
27 postponed for more than two years from the time the full-time
28 practice was to have commenced under the agreement.

29 *c.* An obligation to engage in full-time practice under
30 an agreement entered into pursuant to subsection 4 shall be
31 considered satisfied when any of the following conditions are
32 met:

33 (1) The terms of the agreement are completed.

34 (2) The person who entered into the agreement dies.

35 (3) The person who entered into the agreement, due to

1 a permanent disability, is unable to practice veterinary
2 medicine.

3 (4) The commission waives the requirement that the person
4 who entered into the agreement fulfill the obligation to engage
5 in practice.

6 d. If a loan repayment recipient fails to fulfill
7 the obligation to engage in practice in accordance with
8 subsection 4, the recipient shall be subject to repayment to
9 the commission of the loan amount plus interest as specified
10 by rule. A loan repayment recipient who fails to meet the
11 requirements of the obligation to engage in practice in
12 accordance with subsection 4 may also be subject to repayment
13 of moneys advanced by the rural service commitment area as
14 provided in any agreement with the rural service commitment
15 area.

16 10. *Trust fund established.* A rural veterinary care trust
17 fund is created in the state treasury as a separate fund under
18 the control of the commission. The commission may accept
19 gifts, grants, bequests, and other private contributions, as
20 well as state or federal moneys, for deposit in the fund. The
21 commission shall remit all repayments made pursuant to this
22 section to the rural veterinary care trust fund. All moneys
23 deposited or paid into the trust fund are appropriated and
24 made available to the commission to be used for meeting the
25 requirements of this section and increasing the number of
26 veterinarians participating in the program. Moneys in the
27 fund up to the total amount that an eligible individual may
28 receive for an eligible loan in accordance with this section
29 and upon fulfilling the requirements of subsection 4, shall be
30 considered encumbered for the duration of the agreement entered
31 into pursuant to subsection 4. Notwithstanding section 8.33,
32 any balance in the fund on June 30 of each fiscal year shall not
33 revert to the general fund of the state, but shall be available
34 for purposes of this section and to increase the number of
35 veterinarians participating in the program in subsequent fiscal

1 years.

2

EXPLANATION

3

The inclusion of this explanation does not constitute agreement with
4 the explanation's substance by the members of the general assembly.

5

This bill establishes a rural veterinarian loan repayment
6 program in the college student aid commission to provide
7 loan repayments for individuals who agree to practice as
8 licensed veterinarians in rural service commitment areas or
9 in veterinary shortage areas in Iowa for four years, and
10 establishes in the state treasury a rural veterinary care trust
11 fund under the control of the commission.

12 "Rural service commitment area" means a city in Iowa with
13 a population of less than 26,000 that is located more than
14 20 miles from a city with a population of 50,000 or more
15 and which provides a contribution for deposit in the rural
16 veterinary care trust fund equivalent to 12.5 percent of the
17 veterinarian's total eligible loan amount upon graduation.

18 "Veterinary shortage area" means a designated veterinary
19 service shortage situation in Iowa identified or nominated by
20 the state veterinarian, and recommended for designation in
21 accordance with the federal National Veterinary Medical Service
22 Act, 7 U.S.C. §3101 et seq., and published by the United States
23 department of agriculture.

24 An individual is eligible to enter into an agreement with
25 the commission for loan repayment if the individual is either
26 enrolled in the final year of a veterinary degree program
27 at an accredited college of veterinary medicine or is a
28 licensed veterinarian who, within five years of applying for
29 the program, received a veterinary medicine degree from an
30 accredited college of veterinary medicine.

31 To receive loan repayments, in addition to being or becoming
32 a licensed veterinarian, the individual must secure an offer of
33 employment or establish and maintain a practice in a veterinary
34 shortage situation or rural service commitment area and engage
35 in the full-time practice of veterinary medicine for a period

1 of four consecutive years in the veterinary shortage area or
2 rural service commitment area.

3 The commission shall give priority to applicants who
4 graduated from an Iowa high school or completed private
5 instruction in Iowa. The bill also directs the commission,
6 when possible, to enter into agreements with individuals
7 who agree to practice in areas in the following priority
8 order: private practice food supply veterinary medicine in
9 any veterinary shortage area; private practice food supply
10 veterinary medicine in a city in Iowa with a population
11 of less than 26,000 located more than 20 miles from a city
12 with a population of 50,000 or more, especially in remote or
13 economically depressed rural areas; and animal veterinary
14 medicine in a rural service commitment area. However, the
15 commission may consult with the state veterinarian to determine
16 prioritization.

17 The bill defines "practice of food supply veterinary
18 medicine" to include corporate and private practices devoted to
19 food animal medicine, mixed animal medicine located in a rural
20 area, food safety, epidemiology, public health, animal health,
21 and other public and private practices that contribute to the
22 production of a safe and wholesome food supply.

23 Unless the agreement stipulates otherwise, the amount of
24 loan repayment shall not exceed \$15,000 annually and shall not
25 exceed a total of \$60,000 or the amount of outstanding eligible
26 loans, whichever amount is less.

27 Subject to funding, the commission must enter into at least
28 five program agreements annually.

29 The commission may waive the requirement that the loan
30 repayment recipient practice in the same veterinary shortage
31 area or rural service commitment area for all four years.

32 The bill establishes the conditions under which the service
33 obligation may be postponed and terms for satisfaction of the
34 service obligation. Except for a postponement for a medical
35 condition, the service obligation shall not be postponed for

1 more than two years. The commission is authorized to waive
2 the requirement that the person who entered into the agreement
3 fulfill the obligation to engage in practice.

4 If a loan repayment recipient fails to fulfill their
5 obligation, the recipient shall be subject to repayment of
6 moneys paid by the commission and may also be subject to
7 repayment of moneys advanced by the rural service commitment
8 area.

9 A rural veterinary care trust fund is created in the
10 state treasury as a separate fund under the control of the
11 commission. All moneys deposited or paid into the trust
12 fund are appropriated and made available to the commission
13 to be used for the program and to increase the number of
14 veterinarians in the program and do not revert to the general
15 fund of the state at the end of the fiscal year. The commission
16 may accept gifts, grants, bequests, and other private
17 contributions, as well as state or federal moneys, for deposit
18 in the fund.