

House File 2615 - Introduced

HOUSE FILE 2615

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 2448)

(SUCCESSOR TO HF 2350)

(COMPANION TO SF 2398 BY

COMMITTEE ON APPROPRIATIONS)

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 and nominated
25 by the state veterinarian, or 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.*

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

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

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

17 b. An individual who participated in and received loan
18 repayment awards through the veterinary medicine loan repayment
19 program administered by the United States department of
20 agriculture, national institute of food and agriculture,
21 is ineligible to enter into a program agreement under this
22 section.

23 4. *Program agreements.* A program agreement shall be entered
24 into by an individual and the commission if the individual
25 meets the requirements of subsection 3. Under the agreement,
26 to receive loan repayments pursuant to subsection 6, the
27 individual shall fulfill all of the following requirements:

28 a. Receive or possess a doctor of veterinary medicine,
29 or the equivalent, from a college of veterinary medicine
30 accredited by the American veterinary medical association
31 council on education.

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

34 c. Secure an offer of employment or establish and maintain
35 a practice in a veterinary shortage situation or rural service

1 commitment area and engage in the full-time practice of
2 veterinary medicine for a period of four consecutive years
3 after entering into the agreement in the veterinary shortage
4 area or rural service commitment area, unless the loan
5 repayment recipient receives a waiver from the commission to
6 complete the years of practice required under the agreement in
7 another veterinary shortage area or rural service commitment
8 area pursuant to subsection 7.

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

12 6. *Loan repayment amounts.*

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

22 b. Subject to the availability of funding for this
23 purpose, the commission shall enter into at least five program
24 agreements annually.

25 7. *Selection of rural service commitment area or veterinary*
26 *shortage area.* A loan repayment recipient shall notify the
27 commission of the recipient's rural service commitment area
28 or veterinary shortage area prior to beginning practice in
29 the area in accordance with subsection 4, paragraph "c". The
30 commission may waive the requirement that the loan repayment
31 recipient practice in the same rural service commitment area or
32 veterinary shortage area for all four years.

33 8. *Rural service commitment area or veterinarian shortage*
34 *area priority.*

35 a. When possible, the commission shall enter into agreements

1 under subsection 4 with individuals who agree to practice in
2 areas in the following priority order:

3 (1) Private practice food supply veterinary medicine in any
4 veterinary shortage area.

5 (2) Private practice food supply veterinary medicine in a
6 city in Iowa with a population of less than twenty-six thousand
7 that is located more than twenty miles from a city with a
8 population of fifty thousand or more, especially in remote or
9 economically depressed rural areas.

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

12 *b.* Notwithstanding paragraph "a", the commission may consult
13 with the state veterinarian to determine prioritization in
14 accordance with this subsection.

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

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

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

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

21 (3) Service in the federal peace corps.

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

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

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

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

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

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

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

7 (3) The person who entered into the agreement, due to
8 a permanent disability, is unable to practice veterinary
9 medicine.

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

13 d. If a loan repayment recipient fails to fulfill
14 the obligation to engage in practice in accordance with
15 subsection 4, the recipient shall be subject to repayment to
16 the commission of the loan amount plus interest as specified
17 by rule. A loan repayment recipient who fails to meet the
18 requirements of the obligation to engage in practice in
19 accordance with subsection 4 may also be subject to repayment
20 of moneys advanced by the rural service commitment area as
21 provided in any agreement with the rural service commitment
22 area.

23 10. *Trust fund established.* A rural veterinary care trust
24 fund is created in the state treasury as a separate fund under
25 the control of the commission. The commission may accept
26 gifts, grants, bequests, and other private contributions, as
27 well as state or federal moneys, for deposit in the fund. The
28 commission shall remit all repayments made pursuant to this
29 section to the rural veterinary care trust fund. All moneys
30 deposited or paid into the trust fund are appropriated and
31 made available to the commission to be used for meeting the
32 requirements of this section and increasing the number of
33 veterinarians participating in the program. Moneys in the
34 fund up to the total amount that an eligible individual may
35 receive for an eligible loan in accordance with this section

1 and upon fulfilling the requirements of subsection 4, shall be
2 considered encumbered for the duration of the agreement entered
3 into pursuant to subsection 4. Notwithstanding section 8.33,
4 any balance in the fund on June 30 of each fiscal year shall not
5 revert to the general fund of the state, but shall be available
6 for purposes of this section and to increase the number of
7 veterinarians participating in the program in subsequent fiscal
8 years.

9 EXPLANATION

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

12 This bill establishes a rural veterinarian loan repayment
13 program in the college student aid commission to provide
14 loan repayments for individuals who agree to practice as
15 licensed veterinarians in rural service commitment areas or
16 in veterinary shortage areas in Iowa for four years, and
17 establishes in the state treasury a rural veterinary care trust
18 fund under the control of the commission.

19 "Rural service commitment area" means a city in Iowa with
20 a population of less than 26,000 that is located more than
21 20 miles from a city with a population of 50,000 or more
22 and which provides a contribution for deposit in the rural
23 veterinary care trust fund equivalent to 12.5 percent of the
24 veterinarian's total eligible loan amount upon graduation.

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

31 An individual is eligible to enter into an agreement with
32 the commission for loan repayment if the individual is either
33 enrolled in the final year of a veterinary degree program
34 at an accredited college of veterinary medicine or is a
35 licensed veterinarian who, within five years of applying for

1 the program, received a veterinary medicine degree from an
2 accredited college of veterinary medicine. An individual is
3 ineligible to enter into a program agreement if the individual
4 participated in and received loan repayment awards through the
5 veterinary medicine loan repayment program administered by the
6 U.S. department of agriculture, national institute of food and
7 agriculture.

8 To receive loan repayments, in addition to being or becoming
9 a licensed veterinarian, the individual must secure an offer of
10 employment or establish and maintain a practice in a veterinary
11 shortage situation or rural service commitment area and engage
12 in the full-time practice of veterinary medicine for a period
13 of four consecutive years in the veterinary shortage area or
14 rural service commitment area.

15 The commission shall give priority to applicants who
16 graduated from an Iowa high school or completed private
17 instruction in Iowa. The bill also directs the commission,
18 when possible, to enter into agreements with individuals
19 who agree to practice in areas in the following priority
20 order: private practice food supply veterinary medicine in
21 any veterinary shortage area; private practice food supply
22 veterinary medicine in a city in Iowa with a population
23 of less than 26,000 located more than 20 miles from a city
24 with a population of 50,000 or more, especially in remote or
25 economically depressed rural areas; and animal veterinary
26 medicine in a rural service commitment area. However, the
27 commission may consult with the state veterinarian to determine
28 prioritization.

29 The bill defines "practice of food supply veterinary
30 medicine" to include corporate and private practices devoted to
31 food animal medicine, mixed animal medicine located in a rural
32 area, food safety, epidemiology, public health, animal health,
33 and other public and private practices that contribute to the
34 production of a safe and wholesome food supply.

35 Unless the agreement stipulates otherwise, the amount of

1 loan repayment shall not exceed \$15,000 annually and shall not
2 exceed a total of \$60,000 or the amount of outstanding eligible
3 loans, whichever amount is less.

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

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

9 The bill establishes the conditions under which the service
10 obligation may be postponed and terms for satisfaction of the
11 service obligation. Except for a postponement for a medical
12 condition, the service obligation shall not be postponed for
13 more than two years. The commission is authorized to waive
14 the requirement that the person who entered into the agreement
15 fulfill the obligation to engage in practice.

16 If a loan repayment recipient fails to fulfill their
17 obligation, the recipient shall be subject to repayment of
18 moneys paid by the commission and may also be subject to
19 repayment of moneys advanced by the rural service commitment
20 area.

21 A rural veterinary care trust fund is created in the
22 state treasury as a separate fund under the control of the
23 commission. All moneys deposited or paid into the trust
24 fund are appropriated and made available to the commission
25 to be used for the program and to increase the number of
26 veterinarians in the program and do not revert to the general
27 fund of the state at the end of the fiscal year. The commission
28 may accept gifts, grants, bequests, and other private
29 contributions, as well as state or federal moneys, for deposit
30 in the fund.