

**Senate File 2398 - Introduced**

SENATE FILE 2398

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SF 2176)

**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.