Rural Veterinarian Loan Repayment Program Bill
Senate File 2398

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

Fiscal Services Division
Legislative Services Agency

NOTES ON BILLS AND AMENDMENTS (NOBA)
Available online at www.legis.iowa.gov/publications/information/appropriationBillAnalysis
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NEW PROGRAMS, SERVICES, OR ACTIVITIES

Creates the Rural Veterinarian Loan Repayment Program to be administered by the College Student Aid Commission. The Program will provide loan repayments for veterinarians who agree to practice in rural service commitment areas or veterinary shortage areas for at least four years.

Specifies the amount of loan repayment for an individual cannot exceed $15,000 annually over a period of four consecutive years and cannot exceed a total of $60,000 or the amount of the outstanding eligible loan balance, whichever is less.

Creates a Rural Veterinary Care Trust Fund under the control of the College Student Aid Commission. The Commission may accept gifts, grants, bequests, and other private contributions, as well as State or federal moneys, for deposit in the Fund. All moneys in the Fund are appropriated and made available to the Commission to increase the number of veterinarians participating in the Program. Moneys in the Fund will not revert to the General Fund, but will remain available for expenditure in subsequent fiscal years.

FISCAL IMPACT: The Bill does not appropriate funding. Each award will require $60,000, with $15,000 issued to the recipient the first year and the remaining $45,000 set aside in the Rural Veterinary Care Trust Fund to provide for future annual payments to the recipient. An appropriation of $300,000 would be needed to make a total of five FY 2021 awards.
Senate File 2398 provides for the following changes to the Code of Iowa.

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Section 1. NEW SECTION 261.120 RURAL VETERINARIAN LOAN

REPAYMENT PROGRAM —— FUND —— APPROPRIATIONS.

1. DEFINITIONS. For purposes of this section, unless the
context otherwise requires:

a. "Eligible loan" means the veterinarian’s total federally
guaranteed Stafford loan amount under the federal family
education loan program or the federal direct loan program, or
the recipient’s federal grad plus loans, including principal
and interest.

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

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

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

2. PROGRAM ESTABLISHED. A rural veterinarian loan
repayment program is established to be administered by the
college student aid commission for purposes of providing
loan repayments for individuals who agree to practice
as veterinarians in rural service commitment areas or in
veterinary shortage areas in Iowa for four years and meet the
requirements of this section. The commission shall adopt
rules pursuant to chapter 17A to administer this section.
The commission may accept gifts, grants, bequests, and other
private contributions, as well as state or federal moneys, for
deposit in the fund created under subsection 10.

3. ELIGIBILITY.

a. An individual is eligible to apply to enter into a
Definitions "eligible loan" as the total of a recipient's federal guaranteed Stafford Loan amount under the Federal Family Education Loan Program or the Federal Direct Loan Program, or the recipient's federal Grad Plus loans, including principal and interest.
Definitions "practice of food supply veterinary medicine" as including corporate and private veterinary practices devoted to food animal medicine, mixed animal medicine located in a rural area, food safety, epidemiology, public health, animal health, and other public and private practices that contribute to the production of a safe and wholesome food supply.
Definitions "rural service commitment area" as a city in Iowa with a population of less than 26,000 that is located more than 20 miles from a city with a population of 50,000 or more and which provides matching funding equivalent to 12.50% of the veterinarian's total eligible loan amount upon graduation.
Definitions "veterinary shortage area" as a designated veterinary service shortage situation in Iowa identified and nominated by the State Veterinarian or recommended for designation in accordance with the federal National Veterinary Medical Services Act and published by the United States Department of Agriculture.
Establishes the Rural Veterinarian Loan Repayment Program to be administered by the College Student Aid Commission to provide loan repayments to veterinarians who agree to practice in rural service commitment areas or veterinary shortage areas in Iowa for four years. Requires the Commission to establish administrative rules for the implementation of the Program. Specifies that the Commission may accept, gifts, grants, bequests, and other private contributions, as well as State or federal funds, for deposit in the Rural Veterinary Care Trust Fund.
Specifies that an applicant for the Rural Veterinary Loan Repayment Program must meet one of the following requirements:
program agreement with the commission if the individual meets any of the following requirements:

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

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

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

4. PROGRAM AGREEMENTS. A program agreement shall be entered into by an individual and the commission if the individual meets the requirements of subsection 3. Under the agreement, to receive loan repayments pursuant to subsection 6, the individual shall fulfill all of the following requirements:

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

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

c. Secure an offer of employment or establish and maintain a practice in a veterinary shortage situation or rural service commitment area and engage in the full-time practice of veterinary medicine for a period of four consecutive years after entering into the agreement in the veterinary shortage area or rural service commitment area, unless the loan repayment recipient receives a waiver from the commission to complete the years of practice in another shortage area or service commitment area pursuant to subsection 7.

5. PRIORITY TO CERTAIN APPLICANTS. The commission shall give priority to applicants who graduated from a high school in Iowa or completed private instruction under chapter 299A.

6. LOAN REPAYMENT AMOUNTS.

a. Unless the agreement entered into under subsection 4 stipulates otherwise, the amount of loan repayment an individual who enters into an agreement shall receive if in

- Is enrolled in the final year of a veterinary degree program at an institution accredited by the American Veterinary Medical Association Council on Education.
- Is a licensed veterinarian who, within the last five years, received a veterinary medicine degree from an institution accredited by the American Veterinary Medical Association Council on Education.

Specifications that an individual who participated in and received loan repayment awards through the Veterinary Medicine Loan Repayment Program administered by the United States Department of Agriculture, National Institute of Food and Agriculture, is ineligible for this Program.

Specifications that a program agreement will require the loan repayment recipient to have earned a doctor of veterinary medicine or the equivalent, to have obtained a license to practice veterinary medicine, and to have secured an offer of employment or have established a practice in a veterinary shortage situation or a rural service commitment area. The recipient will be required to engage in full-time practice in the shortage area or service commitment area for four consecutive years after entering into the agreement, unless the recipient receives a waiver from the College Student Aid Commission to complete the years of practice in another shortage area or service commitment area.

Specifications that the College Student Aid Commission must give priority to applicants who graduated from an Iowa high school or completed private instruction as established in Iowa Code chapter 299A.

Specifications that the amount of loan repayment for an individual cannot exceed $15,000 annually over a period of four consecutive years and cannot exceed a total of $60,000 or the amount of the outstanding eligible loan balance, whichever is less. Specifies that the College
compliance with obligations under the agreement shall not exceed fifteen thousand dollars annually for an eligible loan. Payments under this section may be made for each year of eligible practice during a period of four consecutive years and shall not exceed a total of sixty thousand dollars or the amount of outstanding eligible loans, whichever amount is less. b. Subject to the availability of funding for this purpose, the commission shall enter into at least five program agreements annually.

7. SELECTION OF RURAL SERVICE COMMITMENT AREA OR VETERINARY SHORTAGE AREA. A loan repayment recipient shall notify the commission of the recipient's rural service commitment area or veterinary shortage area prior to beginning practice in the area in accordance with subsection 4, paragraph “c”. The commission may waive the requirement that the loan repayment recipient practice in the same rural service commitment area or veterinary shortage area for all four years.

8. RURAL SERVICE COMMITMENT AREA OR VETERINARIAN SHORTAGE AREA PRIORITY.

a. When possible, the commission shall enter into agreements with individuals who agree to practice in areas in the following priority order:

(1) Private practice food supply veterinary medicine in any veterinary shortage area.
(2) Private practice food supply veterinary medicine in a city in Iowa with population of less than twenty-six thousand that is located more than twenty miles from a city with a population of fifty thousand or more, especially in remote or economically depressed rural areas.
(3) Animal veterinary medicine in a rural service commitment area.

b. Notwithstanding paragraph “a”, the commission may consult with the state veterinarian to determine prioritization in accordance with this subsection.

9. POSTPONEMENT AND SATISFACTION OF SERVICE OBLIGATION.

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

(1) Active duty status in the armed forces, the armed forces military reserve, or the national guard.
(2) Service in volunteers in service to America.
(3) Service in the federal peace corps.
(4) A period of rural service commitment to the United States public health service commissioned corps.
(5) A period of religious missionary work conducted by an

Student Aid Commission will enter into at least five program agreements annually, subject to available funding.

Requires the loan repayment recipient to notify the College Student Aid Commission of the recipient's shortage area or service commitment area prior to beginning practice in the area. Specifies that the Commission may waive the requirement that the recipient practice in the area for all four years.

Specifies the priority order for entering into agreements by type of practice as follows:

1. Private practice food supply veterinary medicine in any shortage area.
2. Private practice food supply veterinary medicine in a city in Iowa with population of less than 26,000 that is located more than 20 miles from a city with population of 50,000 or more, especially in remote or economically depressed rural areas.
3. Animal veterinary medicine in a rural service commitment area.

Specifies that the Commission may consult with the State Veterinarian to determine prioritization.

Specifies acceptable reasons to postpone the recipient's obligation to engage in practice.
organization exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code.

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

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

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

1. The terms of the agreement are completed.
2. The person who entered into the agreement dies.
3. The person who entered into the agreement, due to a permanent disability, is unable to practice veterinary medicine.
4. The College Student Aid Commission waives the requirement to engage in practice.

d. If a loan repayment recipient fails to fulfill the obligation to engage in practice in accordance with subsection 4, the recipient shall be subject to repayment to the commission of the loan amount plus interest as specified by rule. A loan repayment recipient who fails to meet the requirements of the obligation to engage in practice in accordance with subsection 4 may also be subject to repayment of moneys advanced by the rural service commitment area.

10. TRUST FUND ESTABLISHED. A rural veterinary care trust fund is created in the state treasury as a separate fund under the control of the commission. The commission may accept gifts, grants, bequests, and other private contributions, as well as state or federal moneys, for deposit in the fund. The commission shall remit all repayments made pursuant to this section to the rural veterinary care trust fund. All moneys deposited or paid into the trust fund are appropriated and made available to the commission to be used for meeting the requirements of this section and increasing the number of veterinarians participating in the program. Moneys in the

Specifies that postponement of full-time practice for reasons other than those specified cannot exceed two years from the time that practice was to begin under the agreement.

Specifies that the obligation to engage in full-time practice under the agreement is satisfied when:

- The terms of the agreement are completed.
- The recipient of loan repayment dies.
- The recipient is unable to practice veterinary medicine due to a permanent disability.
- The College Student Aid Commission waives the requirement to engage in practice.

Specifies that a loan repayment recipient who fails to fulfill the obligation to engage in practice will be required to repay the College Student Aid Commission the amount of the loan repayment received plus interest as provided in administrative rule. Specifies that the recipient may also be required to repay funds advanced by the rural service commitment area.

Creates a Rural Veterinary Care Trust Fund under the control of the College Student Aid Commission. The Commission may accept gifts, grants, bequests, and other private contributions, as well as State or federal moneys, for deposit in the Fund. All moneys in the Fund shall not revert to the General Fund, but will remain available for expenditure in subsequent fiscal years.

FISCAL IMPACT: The Bill does not appropriate funding. Each award will require $60,000, with $15,000 issued to the recipient the first year
fund up to the total amount that an eligible individual may receive for an eligible loan in accordance with this section and upon fulfilling the requirements of subsection 4, shall be considered encumbered for the duration of the agreement entered into pursuant to subsection 4. Notwithstanding section 8.33, any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for purposes of this section and to increase the number of veterinarians participating in the program in subsequent fiscal years.

and the remaining $45,000 set aside in the Rural Veterinary Care Trust Fund to provide for future annual payments to the recipient. An appropriation of $300,000 would be needed to make a total of five FY 2021 awards. House File 2643 (Appropriations Omnibus Bill), if enacted, includes an FY 2021 General Fund appropriation of $300,000 for the Rural Veterinary Care Trust Fund.