

BILL ANALYSIS

C.S.H.B. 1684
By: Brown, Betty
Agriculture & Livestock
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Legislation was previously enacted to provide reimbursement for debt accumulated by veterinary students who agree to practice large animal medicine in rural areas of the state, but the program was never funded. The purpose of that legislation was to address the scarcity of large animal practitioners in rural parts of Texas, which left owners of large animals without access to veterinary care. The lack of veterinarians is due to several factors, not the least of which is the debt that veterinary students incur. With student debt averaging close to \$100,000 upon graduation, there is a great deal of financial pressure on recent graduates to choose positions based primarily on pay. Further, small animal clinics located in suburban areas tend to pay higher salaries. Many veterinary students who indicated, when entering school, a desire to practice large animal medicine in a rural community have ended up accepting higher-paying jobs in large cities due to the financial strain.

The need for large animal veterinarians across Texas has never been greater, especially compared to the situation in other agricultural states. Texas has more cattle, horses, sheep, and goats than any other state in the nation. However, according to a report from the Texas A&M College of Veterinary Medicine, the percentage of large animal veterinarians in Texas, at only 3.6 percent, is well below the national average of 10.4 percent and is declining. Of even greater concern is the fact that only 1.4 percent of Texas veterinarians practice bovine medicine exclusively, which makes providing veterinary services to the state's 19.8 million cattle very challenging. As stated in the Texas A&M study, "The livestock industry contributes greatly to the State of Texas, and a deficiency of large animal veterinarians could pose future negative connotations on Texas' economy, public health and biosecurity."

In addition to the lack of veterinarians serving the livestock industry, the state's deer breeding industry is experiencing a need for large animal practitioners who are also familiar with cervid (deer) medicine and protocols. According to a May 2007 report by the Texas A&M University Agriculture and Food Policy Center, the Texas deer breeding industry contributes about \$650 million to the Texas economy and supports more than 7,300 jobs in Texas, most of which are in rural areas. Reasonable access to veterinary care is crucial for the continued maintenance and health of these animals and for the optimal support of this growing industry.

C.S.H.B. 1684 addresses this growing problem by providing for loan repayment assistance to veterinarians who agree to practice veterinary medicine on livestock or deer in a designated rural area.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the board of the Office of Rural Community Affairs in SECTIONS 4 and 5 of this bill.

ANALYSIS

C.S.H.B. 1684 amends the Government Code to require the Office of Rural Community Affairs to establish and administer a program to provide repayment assistance to veterinarians who agree to practice veterinary medicine on livestock or deer in a designated rural area. The bill defines "designated rural area" as a rural geographical area that the board of the Office of Rural Community Affairs by rule designates as rural for purposes of the loan repayment program. The bill authorizes the board to provide repayment assistance to a veterinarian for up to four years, in an annual amount determined by the board. The bill sets forth eligibility requirements for a veterinarian. The bill authorizes the office to provide repayment assistance to repay any education loan received by the veterinarian through any lender for education at any veterinary school that awards a degree that satisfies the veterinary study required to obtain a license to practice veterinary medicine in Texas. The bill prohibits the office from providing assistance for an education loan that is in default at the time of the veterinarian's application.

C.S.H.B. 1684 sets forth the required components of the written agreement a person must enter into with the board to qualify for the program. The bill requires the agreement to specify the conditions the person must satisfy to receive repayment assistance and to require the person to practice veterinary medicine on livestock or deer for one full year in a designated rural area for each year the person receives loan repayment assistance. The bill requires the agreement to specify that the repayment assistance the person receives constitutes a loan until the person completes the year of practice and satisfies other conditions of the agreement.

C.S.H.B. 1684 provides that the agreement also must require the person to sign a promissory note acknowledging the conditional nature of the repayment assistance and promising to repay the amount of that assistance plus applicable interest and reasonable collection costs if the person does not satisfy the conditions. The bill requires the office to determine the terms of the promissory note, which to the extent practicable must be the same as those applicable to state or federally guaranteed student loans made at the same time. The bill requires office to deliver the loan repayment assistance in a lump sum payable to the lender and veterinarian and allows such assistance to be applied to the loan principal and interest.

C.S.H.B. 1684 requires amounts recovered under a promissory note to be deposited in the permanent endowment fund for the rural communities health care investment program. The bill makes a conforming change to provisions specifying the composition of that fund.

C.S.H.B. 1684 adds to the purposes for which amounts from that fund may be appropriated, to include the provision of loan repayment assistance with respect to veterinarians practicing veterinary medicine on livestock or deer in a dedicated rural area. The bill requires, of the amount available for distribution from the fund not used to pay the expenses of fund management, one-half to be appropriated for such loan repayment assistance and one-half to be appropriated for loan reimbursement and stipend programs to assist communities in recruiting health professionals to practice in medically underserved areas.

C.S.H.B. 1684 authorizes the office, in addition to legislative appropriations, to solicit and accept grants, gifts, and donations from any public or private source for purposes of the rural veterinarian loan repayment program. The bill requires such gifts and grants to be deposited in the permanent endowment fund for the rural communities health care investment program. The bill requires the board, not later than December 31, 2009, to adopt rules to administer the program, and the bill requires the office to distribute a copy of those rules to each veterinary school in Texas.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1684 adds provisions not in the original requiring amounts recovered under a promissory note to be deposited in the permanent endowment fund for the rural communities health care investment program. The substitute adds an amendment to provisions relating to the permanent endowment fund for the rural communities health care investment program, to specify that such program consists also of amounts recovered under a promissory note under the rural veterinarian loan repayment program. The substitute adds provisions allowing use of that fund for rural veterinarian loan repayment assistance. The substitute adds provisions to require that, of the amount available from that fund that is not used to pay the expenses of fund management, one-half be appropriated for rural veterinarian loan repayment assistance and one-half be appropriated for loan reimbursement and stipend programs to assist communities in recruiting health professionals to practice in medically underserved areas.

C.S.H.B. 1684 makes a technical change to the original, relating to qualification for loan repayment assistance, to refer to the applicable Government Code subchapter, rather than the Government Code section as in the original.

C.S.H.B. 1684 adds provisions requiring that gifts and grants received for purposes of the rural veterinarian loan repayment program be deposited in the permanent endowment fund for the rural communities health care investment program.