

SENATE AMENDMENTS

2nd Printing

By: Darby, Raney, González of El Paso,
Stucky, Rogers, et al.

H.B. No. 2026

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the Rural Veterinarian Incentive Program.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Sections 56.101(2) and (7), Education Code, are
5 amended to read as follows:

6 (2) "College" means a college of veterinary medicine
7 [~~located in this state and~~] accredited by the American Veterinary
8 Medical Association Council on Education.

9 (7) "Rural county" means a county in this state with a
10 population of less than 150,000 [~~100,000~~].

11 SECTION 2. Section 56.103(d), Education Code, is amended to
12 read as follows:

13 (d) The committee shall adopt rules:

14 (1) establishing criteria to determine whether a
15 person is an eligible participant as the committee considers
16 reasonable, including the person's:

17 (A) background and interest in rural practice;
18 and

19 (B) financial need;

20 (2) providing for requesting the distribution of money
21 from the account for the program;

22 (3) establishing the criteria necessary for a
23 community or political subdivision in a rural county to qualify as a
24 student sponsor under Section 56.105;

1 (4) governing agreements of financial support between
2 a rural sponsor and an eligible student;

3 (5) establishing preferential treatment in the
4 selection process for applicants who:

5 (A) are residents of this state;

6 (B) graduated from a high school located in this
7 state or general academic teaching institution located in this
8 state; or

9 (C) graduated from an accredited college of
10 veterinary medicine in this state; and

11 (6) [~~(5)~~] establishing other procedures necessary to
12 administer the program.

13 SECTION 3. Section 56.104, Education Code, is amended to
14 read as follows:

15 Sec. 56.104. ELIGIBLE VETERINARY STUDENT OR GRADUATE. A
16 [~~(a) Except as provided by Subsection (b), a~~] person is eligible to
17 participate in the program only if the person:

18 (1) is enrolled as a student of a [~~the~~] college or
19 applies to participate in the program on or before the fourth
20 anniversary of the date the person graduates from a [~~the~~] college;

21 (2) will receive or has received from a student loan at
22 least 50 percent of the funds for tuition and fees for one or more
23 academic years while enrolled in the college; and

24 (3) meets any additional qualifications adopted by the
25 committee.

26 [~~(b) A person enrolled as a student in an accredited college~~
27 of veterinary medicine located outside of this state may apply

1 ~~under Subsection (a) to participate in the program if the student~~
2 ~~graduated from a high school located in this state or a general~~
3 ~~academic teaching institution located in this state.]~~

4 SECTION 4. Section 56.105(b), Education Code, is amended to
5 read as follows:

6 (b) To participate as a sponsor in the program, the
7 community or political subdivision must enter into an agreement
8 with the eligible participant to provide financial support to the
9 eligible participant in an amount not less than the tuition and fees
10 required for a full academic year for a student enrolled in a ~~the~~
11 college in exchange for the eligible participant's agreement to
12 practice veterinary medicine in the sponsoring community or
13 political subdivision.

14 SECTION 5. Sections 56.106(a) and (b), Education Code, are
15 amended to read as follows:

16 (a) To participate in the program, an eligible participant
17 must enter into an agreement with the Texas Higher Education
18 Coordinating Board ~~[university system]~~ that:

19 (1) requires the participant to practice veterinary
20 medicine in a rural county for one calendar year for each academic
21 year for which the participant receives financial support under the
22 program;

23 (2) specifies the conditions the participant must
24 satisfy to receive financial support under the program;

25 (3) provides that any financial support the
26 participant receives under the program constitutes a loan until the
27 participant satisfies the conditions of the agreement; and

1 (4) requires the participant to sign a promissory note
2 acknowledging the conditional nature of the financial support
3 received under the program and promising to repay the amount of the
4 financial support, any applicable interest, and reasonable
5 collection costs if the participant does not satisfy the conditions
6 of the agreement.

7 (b) The financial support received by an eligible
8 participant under this subchapter must be used to retire student
9 loan debt or to pay tuition and fees to a college [~~the university~~
10 ~~system~~] while the eligible participant is enrolled in the college.

11 SECTION 6. This Act takes effect immediately if it receives
12 a vote of two-thirds of all the members elected to each house, as
13 provided by Section 39, Article III, Texas Constitution. If this
14 Act does not receive the vote necessary for immediate effect, this
15 Act takes effect September 1, 2023.

ADOPTED

MAY 18 2023

3rd Reading
Lately Davis
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY:

Morgan LaMont

1 Amend H.B. No. 2026 (senate committee printing) as follows:

2 (1) Strike SECTION 1 of the bill, amending Sections 56.101(2)
3 and (7), Education Code (page 1, lines 26 through 32), and
4 substitute the following appropriately numbered SECTION:

5 SECTION __. Section 56.101(7), Education Code, is amended to
6 read as follows:

7 (7) "Rural county" means a county in this state with a
8 population of less than 150,000 [~~100,000~~].

9 (2) In SECTION 2 of the bill, amending Section 56.103(d),
10 Education Code, strike Subdivision (5) (page 1, lines 49 through
11 56) and substitute the following:

12 (5) establishing preferential treatment in the
13 selection process for applicants who are residents of this state;
14 and

15 (3) Strike SECTION 3 of the bill, amending Section 56.104,
16 Education Code (page 1, line 59 through page 2, line 15).

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 19, 2023

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB2026** by Darby (Relating to the Rural Veterinarian Incentive Program.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend various Education Code provisions related to the Rural Veterinarian Incentive Program. It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 554 Animal Health Commission, 710 Texas A&M University System Administrative and General Offices, 781 Higher Education Coordinating Board

LBB Staff: JMc, CMA, MOc, GO, JSM

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 9, 2023

TO: Honorable Brandon Creighton, Chair, Senate Committee on Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2026 by Darby (Relating to the Rural Veterinarian Incentive Program.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend various Education Code provisions related to the Rural Veterinarian Incentive Program. It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 554 Animal Health Commission, 710 Texas A&M University System Administrative and General Offices, 781 Higher Education Coordinating Board

LBB Staff: JMc, MOc, GO, JSM, CMA

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 15, 2023

TO: Honorable John Kuempel, Chair, House Committee on Higher Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2026 by Darby (relating to the Rural Veterinarian Incentive Program.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend various Education Code provisions related to the Rural Veterinarian Incentive Program. It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 554 Animal Health Commission, 710 Texas A&M University System Administrative and General Offices, 781 Higher Education Coordinating Board

LBB Staff: JMc, MOc, GO, JSM, CMA

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION
Revision 1

April 5, 2023

TO: Honorable John Kuempel, Chair, House Committee on Higher Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2026 by Darby (Relating to the Rural Veterinarian Incentive Program.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend various Education Code provisions related to the Rural Veterinarian Incentive Program. It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 554 Animal Health Commission, 710 Texas A&M University System Administrative and General Offices, 781 Higher Education Coordinating Board

LBB Staff: JMc, MOc, JSM, GO, CMA

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 25, 2023

TO: Honorable John Kuempel, Chair, House Committee on Higher Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2026 by Darby (Relating to the Rural Veterinarian Incentive Program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2026, As Introduced : a negative impact of (\$866,368) through the biennium ending August 31, 2025.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2024	(\$438,933)
2025	(\$427,435)
2026	(\$300,313)
2027	(\$300,313)
2028	(\$300,313)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable (Cost) from General Revenue Fund 1	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$438,933)	4.0
2025	(\$427,435)	4.0
2026	(\$300,313)	3.0
2027	(\$300,313)	3.0
2028	(\$300,313)	3.0

Fiscal Analysis

The bill would amend various Education Code provisions related to the Rural Veterinarian Incentive Program. The bill would require a participant in the program to enter into an agreement with the Higher Education Coordinating Board. The agreement includes four provisions: (1) requires the participant to practice veterinary medicine in a rural county for one calendar year for each academic year for which the participant receives financial support under the program; (2) specifies the conditions the participant must satisfy to receive financial support under the program; (3) provides that any financial support the participant receives under the program constitutes a loan until the participant satisfies the conditions of the agreement; and (4) requires the participant to sign a promissory note acknowledging the conditional nature of the financial support received under the program and promising to repay the amount of the financial support, any applicable interest, and

reasonable collection costs if the participant does not satisfy the conditions of the agreement.

Methodology

The Higher Education Coordinating Board indicates that loan forgiveness programs are administratively complex for the agency because the agency has to track and verify with different entities that the borrower continues to meet the conditions or repays the loan. For loan forgiveness programs, all the business processes and computer programming required for a new loan program must be in place to track recipients over a period of years and to collect from borrowers who do not fulfill the service obligation. The Rural Veterinarian Incentive Program also involves a proposed engagement with the 30 veterinary colleges across the country. The agency indicates that engaging with out-of-state institutions adds another layer of complexity beyond the structures that the agency has implemented for financial aid programs in the past.

The Higher Education Coordinating Board has indicated that to transition the program to their agency would require the hiring of four FTEs to develop the necessary technology and operating structure to support the program. These four FTEs include a Project Manager in fiscal year 2024 and 2025 to oversee the creation of the new application needed to process and track applicants and recipients in the program. A Program Specialist, System Analyst VI and Customer Services Representative would also be hired beginning in fiscal year 2024. Costs for salaries and benefits total \$369,340 in fiscal year 2024 and fiscal year 2024. Other costs, which include overhead costs, such as technology purchases and office equipment, total \$69,593 in fiscal year 2024 and \$58,095 in fiscal year 2025.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 554 Animal Health Commission, 710 Texas A&M University System Administrative and General Offices, 781 Higher Education Coordinating Board

LBB Staff: JMc, JSM, GO, CMA