

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Encourage Veterinary Practice in Maine

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA §12004-I, sub-§7-D is enacted to read:

7-D.

Education

Not Authorized

20-A MRSA §12314

Advisory Committee
on Veterinary Medical
Education

Sec. 2. 20-A MRSA c. 426-A is enacted to read:

CHAPTER 426-A

MAINE SCHOOL OF VETERINARY MEDICINE LOAN PROGRAM

§ 12311. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

- 1. Authority.** "Authority" means the Finance Authority of Maine.
- 2. Chief executive officer.** "Chief executive officer" means the Chief Executive Officer of the Finance Authority of Maine.
- 3. Maine resident.** "Maine resident" means a person who has been a resident of the State for a minimum of 2 years for purposes other than education at the time of the person's entry to a school of veterinary medicine as determined by rule of the authority. In determining residency, the authority shall consider:
 - A. Length of residence in the State for other than tuition purposes;**
 - B. Secondary school attended;**
 - C. Legal residence of parents;**
 - D. Place of voting registration, if registered to vote;**
 - E. Place where taxes are paid; and**
 - F. Other indicators established by the authority.**

4. Program. "Program" means the Maine School of Veterinary Medicine Loan Program.

5. Underserved specialty. "Underserved specialty" means a veterinary medical specialty related to large animals in which there are insufficient practitioners either throughout the State or within a designated geographical area of the State as determined by rule of the Commissioner of Agriculture, Food and Rural Resources.

§ 12312. Maine School of Veterinary Medicine Loan Program

1. Establishment. The Maine School of Veterinary Medicine Loan Program is established. The authority shall administer the program. Under this program, beginning in fiscal year 2010-11, the chief executive officer shall award up to 3 loans or loan repayment agreements annually up to an aggregate of 12. As provided in subsection 3:

A. Loans are available to Maine residents enrolled in a school of veterinary medicine; or

B. A loan repayment agreement is available to a person who is eligible for licensure as a veterinarian in the State and who has outstanding school of veterinary medicine loans.

2. Application process. Application for participation in the program must be made directly to the authority.

3. Eligibility. The following persons are eligible to participate in the program:

A. Applicants under subsection 1, paragraph A who meet eligibility criteria established by rule of the authority, which at a minimum must require:

(1) That the student be a Maine resident;

(2) That the student be enrolled in a school of veterinary medicine; and

(3) That priority be given to a student:

(a) Who previously received a loan pursuant to this section;

(b) Who exhibits financial need; and

(c) Who demonstrates an interest in practicing an underserved specialty; and

B. Applicants under subsection 1, paragraph B who meet eligibility criteria established by rule of the authority, which at a minimum must require:

(1) That the applicant be eligible for licensure to practice veterinary medicine in the State;

(2) That the applicant have outstanding school of veterinary medicine loans; and

(3) That the applicant be willing to practice an underserved specialty.

4. Maximum amount. The maximum loan or loan repayment amount available under the program to each participant is \$20,000 per year for a period of up to 4 years.

5. Loan agreement; forgiveness. A student applying under subsection 1, paragraph A shall enter into a loan agreement as set out in this subsection.

A. Upon completion of professional education, the student shall repay the loan in accordance with this paragraph.

(1) A loan recipient who does not obtain loan forgiveness pursuant to subparagraph (2) shall repay the entire principal of the loan plus simple interest at a rate to be determined by rule of the authority.

Interest does not begin to accrue until the loan recipient completes veterinary medical education.

(2) A loan recipient who, upon conclusion of the recipient's professional education, including any fellowships, elects to serve as a veterinarian in an underserved specialty is forgiven 25% of the original outstanding indebtedness for each year of that practice.

B. Loans must be repaid over a term no longer than 10 years, except that the chief executive officer may extend an individual's term as necessary to ensure repayment of the loan. Repayment must commence when the loan recipient completes, withdraws from or otherwise fails to continue veterinary medical education.

6. Loan repayment agreement. An applicant under subsection 1, paragraph B receives payment from the authority on the applicant's outstanding indebtedness for veterinary medical education at a rate of \$20,000 per year of service for up to 4 years as long as the applicant continues to serve as a practitioner of veterinary medicine in an underserved specialty.

7. Default. A loan recipient under the program who agrees to practice an underserved specialty in the State and who fails to complete the period of service required to pay off the loan is liable to the authority for an amount equal to the sum of the total amount paid by or on behalf of the authority to

or on behalf of the recipient under the agreement plus interest at a rate determined by the authority. Credit for practicing in an underserved specialty is awarded for each consecutive 12-month period served. Exceptions may be made by the authority in accordance with subsection 8.

A loan recipient may be granted permission to default without penalty from an agreement to practice an underserved specialty by petitioning the authority. Grounds for permission to default without penalty include, but are not limited to, catastrophic circumstances that prevent the recipient from remaining in an underserved specialty for the required period of time. The recipient receives credit for the number of months served, and the remaining financial obligation plus interest must be repaid to the authority in cash under the terms of the original agreement.

8. Deferments. Deferments on the repayment of a loan under the program may be granted for causes established by rule of the authority. Interest at a rate to be determined by rule of the authority must be assessed during the deferment. The student's total debt to the authority, including principal and interest, must be repaid either through return service or cash payments. The chief executive officer shall make determinations of deferment on a case-by-case basis. The decision of the chief executive officer is final.

§ 12313. Nonlapsing fund

1. Fund created. A nonlapsing, interest-earning, revolving fund under the jurisdiction of the authority is created to carry out the purposes of this chapter. Any unexpended balance in the fund carries over for continued use under this chapter. The authority may receive, invest and expend, on behalf of the fund, money from gifts, grants, bequests and donations in addition to money appropriated or allocated by the State. Loan repayments under this chapter or other repayments to the authority must be invested by the authority, as provided by law, with the earned income to be added to the fund. Money received by the authority on behalf of the fund, except interest income, must be used for the designated purpose; interest income may be used for the designated purpose or to pay student financial assistance administrative costs incurred by the authority for the operation of the program.

2. Allocation of repayments. The authority may reallocate a portion of the annual loan repayments under the program for the purpose of recruiting veterinarians to practice underserved specialties. That portion may be used:

- A. In accordance with criteria established by the authority, to encourage veterinarians to practice in underserved specialties; or
- B. To repay education loans for the veterinary medical education of licensed veterinarians pursuant to section 12312, subsection 6.

§ 12314. Advisory Committee on Veterinary Medical Education

1. Committee. The Advisory Committee on Veterinary Medical Education, established pursuant to Title 5, section 12004-I, subsection 7-D, referred to in this section as "the committee," shall assist the chief executive officer in evaluating and improving the program.

2. Members. The committee consists of:

A. Eight voting members appointed by the President of the Senate and the Speaker of the House:

(1) One member appointed by the President of the Senate who represents a school of veterinary medicine in the State;

(2) One member appointed by the President of the Senate who represents the Department of Agriculture, Food and Rural Resources;

(3) One Senator appointed by the President of the Senate;

(4) Two members appointed by the Speaker of the House who represent a major statewide organization representing veterinarians;

(5) One member appointed by the Speaker of the House who represents a major statewide organization representing farmers;

(6) One member appointed by the Speaker of the House who represents a major statewide organization dedicated to large animal rescue; and

(7) One member of the House of Representatives appointed by the Speaker of the House.

The chief executive officer may submit recommendations for appointees under this paragraph to the President of the Senate and the Speaker of the House; and

B. One nonvoting member, representing the authority, appointed by the Speaker of the House.

3. Vacancies. In the case of a vacancy or resignation on the committee, an appointment must be made as for a new member to fill the vacancy until the expiration of the term.

4. Terms. The term of office for all appointees on the committee is 2 years.

§ 12315. Rules

The authority shall establish rules necessary to implement this chapter. The Commissioner of Agriculture, Food and Rural Resources shall develop rules for determining underserved specialties related to large animals. The rules authorized by this section must be adopted in accordance with Title 5, chapter 375, subchapter 2. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

SUMMARY

This bill establishes the Maine School of Veterinary Medicine Loan Program, similar to the Maine Dental Education Loan Program. The program would create 3 slots per year for veterinary students or persons eligible for licensure as a veterinarian to apply for a loan repayment program through the Finance Authority of Maine. The program would promote veterinarian practice for large animals. The bill creates the Advisory Committee on Veterinary Medical Education to work with the Chief Executive Officer of the Finance Authority of Maine to evaluate and improve the program.