

MAINE STATE LEGISLATURE

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Date: 5-28-09

(Filing No. S-258)

EDUCATION AND CULTURAL AFFAIRS

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STATE OF MAINE

SENATE

124TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 116, L.D. 352, Bill, "An Act To Encourage Veterinary Practice in Maine"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 20-A MRSA §12103, sub-§1, as amended by PL 1997, c. 765, §1, is further amended to read:

1. Positions. The Access to Medical Education Program is established under this section. Under this program, the chief executive officer shall secure up to 21 20 positions annually for Maine students at schools of allopathic, or osteopathic or veterinary medical education up to an aggregate of 84 positions. Five positions are for students of osteopathic medicine, and 15 positions are for students of allopathic medicine and one position is for students of veterinary medicine. If there is an insufficient number of qualified applicants for positions in either allopathic or osteopathic medicine, the chief executive officer may increase or decrease the number of positions available in either discipline. The allopathic and osteopathic medicine positions are available only to eligible students commencing professional education on or after January 1, 1993. The veterinary medicine position is available to a student commencing medical education on or after January 1, 1999.

Sec. 2. 20-A MRSA §12103, sub-§2, as amended by PL 1997, c. 765, §1, is further amended to read:

2. Application process. Students shall apply directly to an institution of allopathic, or osteopathic or veterinary medical education with which the authority has a contract to secure positions.

Sec. 3. 20-A MRSA §12103, sub-§3, as amended by PL 1997, c. 765, §1, is further amended to read:

3. Requirements. Each student obtaining a position in an institution of allopathic or osteopathic medical education shall enter into an agreement with the authority by which the student agrees during the student's medical education to complete clinical education in

COMMITTEE AMENDMENT

1 rural areas and health professional shortage areas of this State as provided in the contract
2 between the institutions of medical education and the authority. ~~Each student obtaining a~~
3 ~~position in an institution of veterinary medical education shall enter into an agreement~~
4 ~~with the authority by which the student agrees during the student's medical education to~~
5 ~~complete clinical education in an area determined to have insufficient veterinary services~~
6 ~~as provided in the contract between the institutions of veterinary medicine and the~~
7 ~~authority.~~

8 **Sec. 4. 20-A MRSA §12105, sub-§1**, as amended by PL 2001, c. 479, §1, is
9 further amended to read:

10 **1. Fund created.** A nonlapsing, interest-earning, revolving fund under the
11 jurisdiction of the authority is created to carry out the purposes of this chapter and chapter
12 426-A. Any unexpended balance in the fund carries over for continued use under this
13 chapter and chapter 426-A. The authority may receive, invest and expend, on behalf of
14 the fund, money from gifts, grants, bequests and donations, or other sources in addition to
15 money appropriated or allocated by the State. Loan repayments under this chapter and
16 chapter 426-A or other repayments to the authority must be invested by the authority, as
17 provided by law, with the earned income to be added to the fund. Money received by the
18 authority on behalf of the fund, except interest income, must be used for such purposes;
19 interest income may be used for such purposes or to pay student financial assistance
20 administrative costs incurred by the authority.

21 **Sec. 5. 20-A MRSA §12105, sub-§2**, as enacted by PL 1991, c. 830, §4 and c.
22 832, §10, is amended to read:

23 **2. Separate account authorized.** The authority may divide the fund into separate
24 accounts it determines necessary or convenient for implementing this chapter and chapter
25 426-A, including, but not limited to, accounts reserved for the purchase of positions and
26 accounts reserved for loans.

27 **Sec. 6. 20-A MRSA §12105, sub-§3**, as enacted by PL 1991, c. 830, §4 and c.
28 832, §10, is amended to read:

29 **3. Allocation of repayments.** The authority may allocate a portion of the annual
30 loan repayments for the purpose of recruiting primary health care physicians for
31 designated health professional shortage areas or veterinarians in areas of insufficient
32 veterinary services. That portion may be used:

33 A. To generate additional matching funds for recruitment of physicians for
34 designated health professional shortage areas; ~~or~~

35 B. In accordance with criteria established by the authority, to encourage primary
36 health care physicians to practice medicine in health professional shortage areas; ~~or~~

37 C. To recruit veterinarians to areas with insufficient veterinary services as
38 determined under chapter 426-A.

39 **Sec. 7. 20-A MRSA c. 426-A** is enacted to read:

40 **CHAPTER 426-A**

41 **MAINE VETERINARY MEDICINE LOAN PROGRAM**

1 **§12311. Definitions**

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

4 **1. Authority.** "Authority" means the Finance Authority of Maine.

5 **2. Chief executive officer.** "Chief executive officer" means the Chief Executive
6 Officer of the Finance Authority of Maine.

7 **3. Insufficient veterinary services.** "Insufficient veterinary services" means an
8 insufficient number of practitioners of veterinary medicine in a veterinary specialty
9 related to livestock, as determined by the Commissioner of Agriculture, Food and Rural
10 Resources.

11 **4. Maine resident.** "Maine resident" means a person who has been a resident of the
12 State for a minimum of 2 years for purposes other than education at the time of the
13 person's entry to a school of veterinary medicine as determined by rule of the authority. In
14 determining residency, the authority shall consider:

15 A. Length of residence in the State for other than tuition purposes;

16 B. Secondary school attended;

17 C. Legal residence of parents;

18 D. Place of voting registration, if registered to vote;

19 E. Place where taxes are paid; and

20 F. Other indicators established by the authority.

21 **5. Program.** "Program" means the Maine Veterinary Medicine Loan Program.

22 **§12312. Maine Veterinary Medicine Loan Program**

23 **1. Establishment.** The Maine Veterinary Medicine Loan Program, referred to in
24 this chapter as "the program," is established. The authority shall administer the program.
25 Beginning January 1, 2010, the chief executive officer shall award up to 2 loans annually
26 up to an aggregate of 8. Loans are available to Maine residents enrolled in a school of
27 veterinary medicine.

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

30 **3. Eligibility.** To be eligible to participate in the program, a person must be a Maine
31 resident, be enrolled in a school of veterinary medicine and meet additional eligibility
32 criteria established in rules adopted under section 12314. In selecting recipients, priority
33 must be given to a student who:

34 A. Previously received a loan pursuant to this section;

35 B. Exhibits financial need; and

36 C. Demonstrates an interest in practicing in an area with insufficient veterinary
37 services.

1 4. Maximum amount. The maximum loan amount available under the program to
2 each participant is \$25,000 per year for a period of up to 4 years.

3 5. Loan agreement; forgiveness. A student selected as a loan recipient shall enter
4 into a loan agreement as set out in this subsection.

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

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

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

12 (2) A loan recipient who, upon conclusion of the loan recipient's professional
13 education, including any fellowships, elects to serve as a veterinarian in an area
14 with insufficient veterinary services is forgiven 25% of the original outstanding
15 indebtedness for each year of that practice. A loan recipient who practices in an
16 area with insufficient veterinary services less than full time may receive prorated
17 loan forgiveness. A loan recipient who devotes less than 50% of the recipient's
18 practice to the care of livestock may receive prorated loan forgiveness.

19 (3) A loan recipient must make a commitment to undertake specific training,
20 including clinical experiences in livestock medicine.

21 B. Loans must be repaid over a term no longer than 10 years, except that the chief
22 executive officer may extend an individual's term as necessary to ensure repayment
23 of the loan. Repayment must commence within 6 months of when the loan recipient
24 completes, withdraws from or otherwise fails to continue veterinary medical
25 education.

26 C. Any veterinarian requesting forgiveness or an interest rate reduction under this
27 section shall report annually to the Department of Agriculture, Food and Rural
28 Resources on the portion of the veterinarian's practice dedicated to livestock.

29 6. Default. A loan recipient under the program who agrees to practice in an area
30 with insufficient veterinary services in the State and who fails to complete the period of
31 service required to pay off the loan is liable to the authority for an amount equal to the
32 sum of the total amount paid by or on behalf of the authority to or on behalf of the
33 recipient under the agreement plus interest at a rate determined by the authority. Credit
34 for practicing in an area with insufficient veterinary services is awarded for each
35 consecutive 12-month period served. Exceptions may be made by the authority in
36 accordance with subsection 7.

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

§12313. Selection committee for students of veterinary medicine

The chief executive officer shall annually convene a selection committee of not fewer than 3 members to advise the authority in developing application materials designed to identify students likely to practice livestock veterinary medicine in the State and to make recommendations to the authority regarding the priority of applicants for loans to students of veterinary medicine. The selection committee must include the state veterinarian and a representative of a statewide association of veterinarians.

§12314. Rules

The authority shall establish rules necessary to implement this chapter. The Commissioner of Agriculture, Food and Rural Resources shall adopt rules to establish criteria for determining areas of insufficient veterinary services for livestock, a definition of livestock and a method for determining the percent of a practice that is devoted to livestock. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 8. Appropriations and allocations. The following appropriations and allocations are made.

FINANCE AUTHORITY OF MAINE

Student Financial Assistance Programs 0653

Initiative: Provides funds for the Maine Veterinary Medicine Loan Program established within the Finance Authority of Maine for the administrative costs as well as funding for one loan per year.

GENERAL FUND	2009-10	2010-11
All Other	\$6,000	\$30,000
GENERAL FUND TOTAL	\$6,000	\$30,000

SUMMARY

This amendment replaces the bill while preserving its intent. It establishes the Maine Veterinary Medicine Loan Program. The program would establish 2 forgivable loans per year for veterinary students through the Finance Authority of Maine. The program would promote veterinarian practice for livestock in areas that are insufficiently served. The amendment deletes references to veterinarian positions in the Access to Medical Education Program. The amendment also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)



124th MAINE LEGISLATURE

LD 352

LR 342(02)

An Act To Encourage Veterinary Practice in Maine

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

	2009-10	2010-11	Projections 2011-12	Projections 2012-13
Net Cost (Savings)				
General Fund	\$6,000	\$30,000	\$55,000	\$80,000
Appropriations/Allocations				
General Fund	\$6,000	\$30,000	\$55,000	\$80,000

Fiscal Detail and Notes

This bill includes General Fund appropriations of \$6,000 in fiscal year 2009-10 and \$30,000 in fiscal year 2010-11 for the Student Financial Assistance program within the Finance Authority of Maine (FAME) to fund the Maine Veterinary Medicine Loan Program.

This legislation provides that FAME award up to 2 loans per year to eligible Maine residents, up to an aggregate of 8 loans. It includes funding for 1 loan per year, with \$25,000 being provided in fiscal year 2010-11 to fund the first year cost of one loan. FAME will require additional General Fund appropriations of \$50,000 in fiscal year 2011-12, \$75,000 in fiscal year 2012-13, and \$100,000 in fiscal year 2013-14 to fund the cost of one additional loan per year. Additionally, the Finance Authority of Maine has indicated that one loan per year can be funded within the existing resources of the Access to Medical Education program and the Health Professions Loan Program. The \$6,000 in fiscal year 2009-10 is for the initial costs to implement the loan program and \$5,000 per year beginning in fiscal year 2010-11 is for the ongoing cost of administering the program.

Additional costs to the Department of Agriculture, Food and Rural Resources associated with rulemaking and determination of areas of insufficient livestock veterinary services can be absorbed within existing budgeted resources.