

# MAINE STATE LEGISLATURE

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SMC  
PL 95

L.D. 352

Date: 2-10-10

(Filing No. S-368)

**EDUCATION AND CULTURAL AFFAIRS**

Reproduced and distributed under the direction of the Secretary of the Senate.

**STATE OF MAINE**

**SENATE**

**124TH LEGISLATURE**

**SECOND REGULAR SESSION**

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

Amend the bill by striking out the title and substituting the following:

**'An Act To Encourage Veterinary Practice in Maine and Make Revisions to Related Medical Education Programs Administered by the Finance Authority of 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 §12102**, as enacted by PL 1991, c. 830, §4 and c. 832, §10, is amended to read:

**§12102. Comprehensive programs**

The chief executive officer shall administer the comprehensive programs established in this chapter and chapter 424-A to address the shortage of primary health care professionals and veterinarians in ~~underserved areas~~ of the State. With the assistance of the Advisory Committee on Medical Education, established by Title 5, section 12004-I, subsection 7, the chief executive officer shall plan, evaluate and update the programs to ensure that Maine residents have access to medical education and veterinary education and that Maine residents have access to primary health care and to veterinary care for their animals.

**Sec. 2. 20-A MRSA §12103, sub-§1**, as amended by PL 2009, c. 410, §2, 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 positions annually for Maine students at schools of allopathic, osteopathic or veterinary medical education up to an aggregate of 84 positions. Five positions are for students of osteopathic medicine, 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

**COMMITTEE AMENDMENT**

1 executive officer may increase or decrease the number of positions available in either  
2 discipline. The allopathic and osteopathic medicine positions are available only to  
3 eligible students commencing professional education on or after January 1, 1993 and on  
4 or before September 30, 2009. The veterinary medicine positions are available only to  
5 eligible students commencing professional education on or after January 1, 1999 and on  
6 or before September 30, 2010. Commencing January 1, 2010, the chief executive officer  
7 may not secure any new positions for students at schools of allopathic or osteopathic  
8 medicine and shall secure only the number of positions necessary to allow students  
9 already occupying such positions as of January 1, 2010 to complete their remaining  
10 medical education, up to 3 years, at the institution. Commencing January 1, 2011, the  
11 chief executive officer may not secure a new position for a student at a school of  
12 veterinary medicine and shall secure only the number of positions necessary to allow  
13 students occupying such positions as of January 1, 2011 to complete their remaining  
14 medical education, up to 3 years, at the institution. Commencing July 1, 2013, the chief  
15 executive officer may not secure any further positions at schools of allopathic or  
16 osteopathic medicine under this section. ~~The veterinary medicine position is available to~~  
17 ~~a student commencing medical education on or after January 1, 1999.~~ Commencing July  
18 1, 2014, the chief executive officer may not secure any further positions at a school of  
19 veterinary medicine under this section.

20 **Sec. 3. 20-A MRSA §12104, sub-§1**, as enacted by PL 1991, c. 830, §4 and c.  
21 832, §10, is amended to read:

22 **1. Eligibility.** Loans are available to Maine residents pursuing allopathic,  
23 osteopathic, ~~optometric~~, veterinary and dentistry education ~~who~~ and to Maine residents  
24 obtaining a first loan under this section for the pursuit of an education in optometry prior  
25 to January 1, 2011. To be eligible for a loan under this section, a person must meet  
26 eligibility criteria, established by rule of the authority, which at a minimum must require:

27 A. That the student show financial need for a loan; and

28 B. That priority be given to students:

29 (1) Who have previously received a loan pursuant to this section and who exhibit  
30 financial need as determined by the authority; or

31 (2) Who are participants in the ~~access to medical education program~~ Access to  
32 Medical Education Program established in ~~this chapter~~ section 12103; or

33 (3) Who are participants in the Maine Veterinary Medicine Loan Program  
34 established in chapter 424-A.

35 ~~Loans under this section are available only to eligible students on or after January 1,~~  
36 ~~1993.~~

37 **Sec. 4. 20-A MRSA §12104, sub-§2**, as enacted by PL 1991, c. 830, §4 and c.  
38 832, §10, is repealed.

39 **Sec. 5. 20-A MRSA §12104, sub-§2-A**, as enacted by PL 2009, c. 410, §4, is  
40 amended to read:

41 **2-A. Access to Medical Education Program students.** As long as the student is  
42 otherwise eligible, a student occupying a position at a school of allopathic or osteopathic

1 medicine pursuant to section 12103 that was secured by the chief executive officer on or  
2 before ~~June 30, 2009~~ January 1, 2010 continues to be eligible for loans under the program  
3 under this section through June 30, ~~2012~~ 2013. As long as the student is otherwise  
4 eligible, a student occupying a position at a school of veterinary medicine pursuant to  
5 section 12103 that was secured by the chief executive officer on or before January 1,  
6 2011 continues to be eligible for loans under the program under this section through June  
7 30, 2014.

8 **Sec. 6. 20-A MRSA §12104, sub-§4**, as enacted by PL 1991, c. 830, §4 and c.  
9 832, §10, is repealed.

10 **Sec. 7. 20-A MRSA §12104, sub-§5**, as amended by PL 1995, c. 117, Pt. D, §2  
11 and affected by §3 and amended by PL 2003, c. 689, Pt. B, §6, is further amended to  
12 read:

13 **5. Loan agreement for students obtaining first program loans prior to January**  
14 **1, 2010 or January 1, 2011.** This subsection applies to allopathic and osteopathic  
15 students under section 12103 who obtained their first program loan prior to January 1,  
16 2010 and to all other students who obtained their first program loan prior to January 1,  
17 2011. The student shall enter into a loan agreement that provides for the following.

18 A. Upon completion of professional education the student shall repay the loan in  
19 accordance with the following schedule.

20 (1) A loan recipient who does not obtain loan forgiveness pursuant to this section  
21 shall repay the entire principal portion of the loan plus simple interest at a rate to  
22 be determined by rule of the authority. Interest does not begin to accrue until the  
23 loan recipient completes medical education, including residency and internship.  
24 The authority may establish differing interest rates to encourage loan recipients to  
25 practice primary health care medicine in the State.

26 (2) Primary health care physicians and dentists practicing in a designated health  
27 professional shortage area, any physician practicing in an underserved specialty  
28 or any physician providing services to a designated underserved group are  
29 forgiven the larger of 25% of the original outstanding indebtedness plus any  
30 accrued interest or \$7,500 for each year of practice.

31 Primary health care physicians and dentists practicing in the State, but not  
32 practicing in a designated health professional shortage area, are forgiven the  
33 larger of 12.5% of the original outstanding indebtedness plus any accrued interest  
34 or \$3,750 for each year of practice.

35 (3) Veterinarians providing services to Maine residents with insufficient  
36 veterinary services are forgiven the larger of 25% of the original outstanding  
37 indebtedness plus any accrued interest or \$7,500 for each year of practice.

38 (4) Any student completing an entire residency at any primary health care  
39 residency program in the State is forgiven 50% of the original outstanding  
40 indebtedness for each year of practice in a designated health professional  
41 shortage area, as a physician practicing in an underserved specialty or as a  
42 physician providing services to an underserved group or 25% of the original

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1 outstanding indebtedness for each year of primary health care practice in the  
2 State.

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

7 C. ~~Any~~ The Department of Health and Human Services may require a loan recipient  
8 requesting forgiveness or an interest rate reduction benefit under this section,  
9 excluding veterinarians, shall to report annually to the Department of Health and  
10 Human Services, Office of Rural Health office of rural health and primary care the  
11 following:

- 12 (1) The number of Medicaid patients served by the loan recipient and the  
13 percentage of the loan recipient's overall service provided to Medicaid patients;
- 14 (2) The number of instances in which a loan recipient accepted a Medicare  
15 assignment and the number of and basis for any rejections during the period of  
16 the report; and
- 17 (3) The amount of time devoted by the loan recipient to practice in a public  
18 health clinic during the period of the report.

19 ~~The Department of Health and Human Services, Office of Rural Health and the~~  
20 ~~Finance Authority of Maine shall determine whether the level of service provided by~~  
21 ~~the loan recipient to Medicaid and Medicare patients and in public health clinics was~~  
22 ~~reasonable. If the Office of Rural Health and the Finance Authority of Maine~~  
23 ~~determine~~ office of rural health and primary care determines that the level of service  
24 provided was not reasonable or if the loan recipient fails to provide the report by the  
25 date required, the loan recipient is not entitled to any loan forgiveness or interest rate  
26 ~~reduction benefit~~ under this section for the year of the report.

27 **Sec. 8. 20-A MRSA §12104, sub-§5-A is enacted to read:**

28 **5-A. Loan agreement for students obtaining first program loans after January**  
29 **1, 2010 or January 1, 2011.** This subsection applies to students who are not eligible for  
30 loan agreements under subsection 5. The student shall enter into a loan agreement that  
31 provides for the following.

32 A. Upon completion of professional education the student shall repay the entire  
33 principal portion of the loan plus simple interest at a rate that may range from 0% up  
34 to a maximum to be determined by rule of the authority and depending upon the type  
35 and location of medical practice undertaken by the loan recipient. Interest does not  
36 begin to accrue until the loan recipient completes medical education, including  
37 residency and internship. The authority may establish differing interest rates to  
38 encourage loan recipients to provide primary health care or dentistry in certain areas  
39 of the State, or to certain underserved groups, to practice in underserved specialties or  
40 to provide veterinary services in areas of the State with insufficient veterinary  
41 services as defined in chapter 424-A.

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

5           C. The Department of Health and Human Services may require a loan recipient  
6           requesting an interest rate benefit under this section, excluding veterinarians, to report  
7           annually to the Department of Health and Human Services, office of rural health and  
8           primary care the following:

9                   (1) The number of Medicaid patients served by the loan recipient and the  
10                   percentage of the loan recipient's overall service provided to Medicaid patients;

11                   (2) The number of instances in which a loan recipient accepted a Medicare  
12                   assignment and the number of and basis for any rejections during the period of  
13                   the report; and

14                   (3) The amount of time devoted by the loan recipient to practice in a public  
15                   health clinic during the period of the report.

16           If the Department of Health and Human Services, office of rural health and primary care  
17           determines that the level of service provided was not reasonable or if the loan recipient  
18           fails to provide the report by the date required, the loan recipient is not entitled to any  
19           interest rate benefit under this section for the year of the report.

20           **Sec. 9. 20-A MRSA §12104, sub-§6**, as enacted by PL 1991, c. 830, §4 and c.  
21           832, §10, is amended to read:

22           **6. Deferments.** Deferments may be granted for causes established by rule of the  
23           authority. Interest at a rate to be determined by rule of the authority must be assessed  
24           during the deferment. The student's total debt to the authority, including principal and  
25           interest, must be repaid either through return service, if eligible, or cash payments. The  
26           chief executive officer shall make determinations of deferment on a case-by-case basis.  
27           The decision of the chief executive officer is final.

28           **Sec. 10. 20-A MRSA §12105, sub-§1**, as amended by PL 2009, c. 410, §5, is  
29           repealed and the following enacted in its place:

30           **1. Fund created.** A nonlapsing, interest-earning, revolving fund under the  
31           jurisdiction of the authority is created to carry out the purposes of this chapter and chapter  
32           424-A. The fund may be used only for the following purposes:

33                   A. Prior to July 1, 2013, to secure positions under section 12103 and make loans  
34                   under section 12104 for allopathic and osteopathic medical students;

35                   B. Prior to July 1, 2014, to secure positions under section 12103 and make loans  
36                   under section 12104 for veterinary students;

37                   C. Beginning January 1, 2011, to make loans under the Maine Veterinary Medicine  
38                   Loan Program established in chapter 424-A;

39                   D. Prior to July 1, 2014, to make loans under section 12104 to students who are not  
40                   occupying positions secured under section 12103 and who obtain their first loan  
41                   under section 12104 prior to January 1, 2011; and

1 E. Beginning January 1, 2011, to make loans under section 12104 to students who  
2 have not received a loan under section 12104 prior to January 1, 2011.

3 Beginning July 1, 2009, the authority shall use any unexpended balance of funds  
4 previously designated for the purchase of positions of allopathic or osteopathic medicine  
5 under section 12103 to fund scholarships awarded under section 12103-A. Any  
6 unexpended balance in the fund after the unused portion is redesignated to support the  
7 scholarships described in section 12103-A carries over for use under section 12104.

8 The authority may receive, invest and expend, on behalf of the fund, money from gifts,  
9 grants, bequests and donations, or other sources in addition to money appropriated or  
10 allocated by the State. Loan repayments under this chapter or chapter 424-A or other  
11 repayments to the authority under section 12103 or 12104 must be invested by the  
12 authority, as provided by law, with the earned income to be added to the fund. Money  
13 received by the authority on behalf of the fund, except interest income, must be used for  
14 such purposes; interest income may be used for such purposes or to pay student financial  
15 assistance administrative costs incurred by the authority.

16 **Sec. 11. 20-A MRSA §12105, sub-§2**, as amended by PL 2009, c. 410, §6, is  
17 further amended to read:

18 **2. Separate account authorized.** The authority may divide each of the funds under  
19 subsection 1 and section 12103-A, subsection 6 into separate accounts it determines  
20 necessary or convenient for implementing this chapter or chapter 424-A, including, but  
21 not limited to, accounts reserved for the purchase of positions and accounts reserved for  
22 loans under this chapter or chapter 424-A and accounts reserved for scholarships under  
23 this chapter.

24 **Sec. 12. 20-A MRSA §12105, sub-§3**, as amended by PL 2009, c. 410, §7, is  
25 further amended to read:

26 **3. Allocation of repayments.** The authority may allocate a portion of the annual  
27 loan repayments received under section 12104 for the purpose of recruiting primary  
28 health care physicians for designated health professional shortage areas and a portion of  
29 any loan repayments received under chapter 424-A for the purpose of recruiting  
30 veterinarians to areas of the State with insufficient veterinary services as defined in  
31 chapter 424-A. ~~That portion~~ Those portions may be used:

32 A. To generate additional matching funds for recruitment of physicians for  
33 designated health professional shortage areas or veterinarians to areas with  
34 insufficient veterinary services as defined in chapter 424-A; 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 to  
37 encourage veterinarians to practice in areas of the State with insufficient veterinary  
38 services as defined in chapter 424-A, as applicable.

39 **Sec. 13. 20-A MRSA §12106, sub-§2**, as amended by PL 2001, c. 417, §§21 to  
40 24 and PL 2003, c. 689, Pt. B, §7, is further amended to read:

41 **2. Members.** The Advisory Committee on Medical Education consists of the  
42 following 49 members:

1 A. Nine members appointed by the chief executive officer and subject to approval by  
2 the joint standing committee of the Legislature having jurisdiction over education  
3 matters. Of these members:

4 (1) One must be a representative of a major statewide agency representing  
5 allopathic physicians;

6 (2) One must be a representative of a major statewide agency representing  
7 osteopathic physicians;

8 (3) One must be a representative of a major statewide agency representing  
9 family physicians;

10 (4) One must be a member of the major statewide agency representing hospitals;

11 (5) One must be a representative of the major statewide agency representing  
12 community health centers;

13 (7) One must be a representative of an association of commercial health  
14 insurance companies doing business in the State;

15 (8) One must be a representative of a statewide area health education center  
16 program; and

17 (9) Two must be at-large members;

18 B. The Commissioner of Health and Human Services or the commissioner's  
19 designee;

20 D. Three at-large members from areas of the State lacking reasonable access to  
21 health care: one appointed by the Governor; one appointed by the President of the  
22 Senate; and one appointed by the Speaker of the House of Representatives, all of  
23 whom are subject to approval by the joint standing committee of the Legislature  
24 having jurisdiction over education matters; and

25 E. ~~Six~~ The following members appointed by the chief executive officer and subject  
26 to approval by the joint standing committee of the Legislature having jurisdiction  
27 over education matters. ~~These members must include:~~

28 (1) A chief executive of a family practice residency in the State;

29 ~~(2) A representative of an institution of allopathic medical education at which  
30 the authority secures positions for students;~~

31 ~~(3) A representative of an institution of osteopathic medical education at which  
32 the authority secures positions for students;~~

33 (4) A Maine student, resident or practicing physician who has obtained a  
34 position secured by the authority at an institution of allopathic medical education  
35 under section 12103 or who has obtained a scholarship under section 12103-A;

36 (5) A Maine student, resident or practicing physician who has obtained a  
37 position secured by the authority at an institution of osteopathic medical



1 education under section 12103 or who has obtained a scholarship under section  
2 12103-A; and

3 (6) A representative of a major teaching hospital in the State each qualifying  
4 Maine-based medical school program with students receiving scholarships under  
5 section 12103-A.

6 Sec. 14. 20-A MRSA c. 424-A is enacted to read:

7 **CHAPTER 424-A**

8 **MAINE VETERINARY MEDICINE LOAN PROGRAM**

9 **§12121. Definitions**

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

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

13 **2. Chief executive officer.** "Chief executive officer" means the Chief Executive  
14 Officer of the Finance Authority of Maine.

15 **3. Insufficient veterinary services.** "Insufficient veterinary services" means an  
16 insufficient number of practitioners of veterinary medicine in a veterinary specialty  
17 related to livestock, as determined by the Commissioner of Agriculture, Food and Rural  
18 Resources.

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

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

24 **B. Secondary school attended;**

25 **C. Legal residence of parents;**

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

27 **E. Place where taxes are paid; and**

28 **F. Other indicators established by the authority.**

29 **5. Program.** "Program" means the Maine Veterinary Medicine Loan Program  
30 established under section 12122.

31 **§12122. Maine Veterinary Medicine Loan Program**

32 **1. Establishment.** The Maine Veterinary Medicine Loan Program is established.  
33 The authority shall administer the program. Beginning January 1, 2011, the chief  
34 executive officer shall, as resources allow, award up to 2 loans annually up to an  
35 aggregate of 8. Loans are available to Maine residents enrolled in a school of veterinary  
36 medicine.

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

3           **3. Eligibility.** To be eligible to participate in the program, a person must be a Maine  
4 resident, be enrolled in a school of veterinary medicine and meet additional eligibility  
5 criteria established in rules adopted under section 12124. In selecting recipients, priority  
6 must be given to a student who:

- 7           A. Previously received a loan pursuant to this section;
- 8           B. Exhibits financial need; and
- 9           C. Demonstrates an interest in practicing in an area of the State with insufficient  
10 veterinary services.

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

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

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

17           (1) A loan recipient who does not obtain loan forgiveness pursuant to  
18 subparagraph (2) shall repay the entire principal of the loan plus simple interest at  
19 a rate to be determined by rule of the authority. Interest does not begin to accrue  
20 until the loan recipient completes veterinary medical education.

21           (2) A loan recipient who, upon conclusion of the loan recipient's professional  
22 education, including any fellowships, elects to serve as a veterinarian in an area  
23 of the State with insufficient veterinary services is forgiven 25% of the original  
24 outstanding indebtedness for each year of that practice. A loan recipient who  
25 practices in an area of the State with insufficient veterinary services less than full  
26 time may receive prorated loan forgiveness. A loan recipient who devotes less  
27 than 50% of the recipient's practice to the care of livestock may receive prorated  
28 loan forgiveness.

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

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

36           C. A veterinarian requesting forgiveness or an interest rate benefit under this section  
37 shall report annually to the Department of Agriculture, Food and Rural Resources on  
38 the portion of the veterinarian's practice dedicated to livestock.

39           **6. Default.** A loan recipient under the program who agrees to practice in an area of  
40 the State with insufficient veterinary services and who fails to complete the period of  
41 service required to pay off the loan is liable to the authority for an amount equal to the

# COMMITTEE AMENDMENT

2 of 3

1 sum of the total amount paid by or on behalf of the authority to or on behalf of the  
2 recipient under the agreement plus interest at a rate determined by the authority. Credit  
3 for practicing in an area with insufficient veterinary services is awarded for each  
4 consecutive 12-month period served. Exceptions may be made by the authority in  
5 accordance with subsection 7.

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

12 **§12123. Selection committee for students of veterinary medicine**

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

19 **§12124. Rules**

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

26 **SUMMARY**

27 This amendment incorporates changes to the Health Professions Loan Program and  
28 the Access to Medical Education Program and makes revisions to the proposed veterinary  
29 medicine loan program. The changes to the Health Professions Loan Program convert it  
30 from a program that provided forgivable loans for medical, veterinary and dental  
31 education and loans for optometry education to a program that provides loans for  
32 medical, veterinary and dental education to be repaid at varying interest rates depending  
33 upon the nature and location of the practice. The amendment eliminates loans for  
34 optometry students. The amendment conforms certain effective dates to legislation  
35 enacted in 2009 creating the Doctors for Maine's Future Scholarship Program. The  
36 amendment eliminates new access seats for veterinary education beginning in 2011 in  
37 anticipation of the creation of the Maine Veterinary Medicine Loan Program. The  
38 amendment makes changes to the Advisory Committee on Medical Education to reflect  
39 the changing nature of the programs.

FISCAL NOTE REQUIRED  
(See attached)



# 124th MAINE LEGISLATURE

LD 352

LR 342(04)

## An Act To Encourage Veterinary Practice in Maine

**Fiscal Note for Bill as Amended by Committee Amendment "B"****Committee: Education and Cultural Affairs****Fiscal Note Required: Yes**

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### Fiscal Note

Potential future biennium savings - Veterinary Medicine Loan Program

#### Fiscal Detail and Notes

This bill creates the Maine Veterinary Medicine Loan Program to be administered by the Finance Authority of Maine (FAME) and provides that, beginning January 1, 2011, the Authority may award up to 2 loans per year up to an aggregate of 8 loans depending on the availability of resources. The maximum loan amount for each eligible participant is set at \$25,000 per year for up to 4 years. 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. Additional funding will be required from General Fund appropriations or other sources to support the costs of providing a second loan each year. Because this legislation provides that loans be awarded only if funds are available, no General Fund appropriations are required. FAME has indicated that the costs of administering the loan program can be absorbed within existing budgeted resources.

Changing the Health Professions Loan Program from a forgivable loan program to a program that provides loans at varying interest rates as well as eliminating loans from this program to optometry students will result in more funds being available for loans to eligible students in the future. The amount can not be determined at this time.

Additional costs to the Department of Agriculture, Food and Rural Resources associated with rulemaking can be absorbed within existing budgeted resources. The impact of changes to the Department of Health and Human Services' role in evaluating requests for loan forgiveness or an interest rate benefit are expected to be minor and can be absorbed by the department utilizing existing budgeted resources.