

1 AN ACT relating to the Kentucky rural veterinary student loan repayment program  
2 and making an appropriation therefor.

3 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO  
5 READ AS FOLLOWS:

6 (1) As used in this section:

7 (a) "Authority" means the Kentucky Higher Education Assistance Authority;

8 (b) "Eligible student loan" means a federally guaranteed student loan under  
9 the Federal Family Education Loan Program or Federal Direct Loan  
10 Program;

11 (c) "Livestock" has the same meaning as in KRS 321.181;

12 (d) "Livestock practitioner" means a veterinarian with a devoted practice in the  
13 Commonwealth in one (1) of the following service areas:

14 1. Dedicated food or fiber animal medicine;

15 2. Dedicated equine medicine;

16 3. Mixed animal medicine with a minimum of fifty percent (50%) of  
17 work dedicated to livestock in a veterinary shortage area; or

18 4. Mixed animal medicine with a minimum of thirty percent (30%) of  
19 work dedicated to livestock in an underserved rural area;

20 (e) "Program agreement" means a contract entered into by an eligible  
21 applicant for the purposes established in this section;

22 (f) "Underserved rural area" means an area of Kentucky, as designated by the  
23 state veterinarian, with a low ratio of practicing veterinarians to livestock in  
24 a city with a population of less than twenty-five thousand (25,000) and more  
25 than twenty (20) miles from a city having a population of more than fifty  
26 thousand (50,000);

27 (g) "Veterinarian" has the same meaning as in KRS 321.181;

1       (h) "Veterinary shortage area" means a designated veterinary service shortage  
2       area in Kentucky that is:

3               1. Identified by the Kentucky Board of Veterinary Examiners as having a  
4               shortage in access to services offered or species served according to  
5               data collected from registered veterinary facilities under KRS 321.203  
6               and 321.236;

7               2. Identified and nominated by the state veterinarian; or

8               3. Recommended for designation in accordance with the National  
9               Veterinary Medical Service Act, 7 U.S.C. sec. 3101 et seq., and  
10              published by the United States Department of Agriculture; and

11      (i) "Veterinary Student Loan Repayment Selection Committee" means a group  
12      of individuals whose membership shall be composed of:

13              1. The Commissioner of Agriculture, or his or her designee;

14              2. A representative of the Kentucky Farm Bureau;

15              3. A representative of the Kentucky Cattlemen's Association;

16              4. A representative of the Kentucky Veterinary Medical Association; and

17              5. A representative of the Kentucky Board of Veterinary Examiners.

18      (2) There is hereby established a Kentucky Rural Veterinary Medicine Student Loan  
19      Repayment Program for the purpose of providing student loan repayment for a  
20      livestock practitioner who engages in veterinary medicine in an underserved  
21      rural area or in a veterinary shortage area in Kentucky for five (5) consecutive  
22      years in accordance with the terms and conditions of this section.

23      (3) The authority shall administer the Kentucky Rural Veterinary Medicine Student  
24      Loan Repayment Program and shall promulgate administrative regulations in  
25      accordance with KRS Chapter 13A as may be needed for the administration of  
26      the program.

27      (4) To be considered eligible for the program, a livestock practitioner shall:

- 1       (a) Be a licensed veterinarian pursuant to KRS Chapter 321 who, within ten  
2       (10) years of applying to the program, has received a doctor of veterinary  
3       medicine degree from a college of veterinary medicine approved by the  
4       Kentucky Board of Veterinary Examiners and has an eligible student loan  
5       balance greater than seventy-five thousand dollars (\$75,000);  
6       (b) Not have participated in or received a loan repayment award through the  
7       veterinary medicine loan repayment program administered by the United  
8       States Department of Agriculture's National Institute of Food and  
9       Agriculture; and  
10      (c) Not be in default on any program under Title IV of the Higher Education  
11      Act of 1965, 20 U.S.C. sec. 1001 et seq., as amended, or any obligation to  
12      the authority under any program administered by the authority under KRS  
13      164.740 to 164.790, except that ineligibility for this reason may be waived by  
14      the authority for cause.  
15      (5) Subject to the availability of funds, the authority shall award loan repayment  
16      benefits to eligible applicants who are selected by the Veterinary Student Loan  
17      Repayment Selection Committee and who enter into a program agreement and  
18      comply with each of the following requirements while the program agreement is  
19      in force:  
20      (a) Maintains an active license to practice veterinary medicine in accordance  
21      with KRS Chapter 321 and is in good standing with the Kentucky Board of  
22      Veterinary Examiners;  
23      (b) Secures an offer of employment or establishes and maintains a practice in a  
24      veterinary shortage area or underserved rural area;  
25      (c) Provides service as a livestock practitioner in an underserved rural area or  
26      veterinary shortage area for a period of five (5) consecutive years after  
27      entering into a program agreement; and

1       (d) Provides veterinary medicine services an average of forty (40) hours per  
2       week for a minimum of forty-eight (48) weeks per calendar year.

3       (6) The authority shall pay loan repayment benefits once each fiscal year following  
4       the awardee's successful completion of each twelve (12) month employment  
5       period over a period of five (5) consecutive years, not to exceed a total of eighty-  
6       seven thousand five hundred dollars (\$87,500), or the amount of the outstanding  
7       eligible student loan balance, whichever is less.

8       (7) (a) The amount of annual loan repayment award shall not exceed:

- 9               1. Twelve thousand five hundred dollars (\$12,500) in year one (1);  
10              2. Fifteen thousand dollars (\$15,000) in year two (2);  
11              3. Seventeen thousand five hundred dollars (\$17,500) in year three (3);  
12              4. Twenty thousand dollars (\$20,000) in year four (4); and  
13              5. Twenty-two thousand five hundred dollars (\$22,500) in year five (5).

14       (b) If available funds are insufficient to fully fund all existing program  
15       agreements, then funding for the existing program agreements shall be  
16       prorated from the oldest to the newest.

17       (8) Following the end of each award period, the authority shall issue to each  
18       Kentucky Rural Veterinary Medicine Student Loan Repayment Program award  
19       recipient a statement showing the annual and total amount paid by the program.

20       (9) (a) The obligation to engage in practice in accordance with subsection (5) of  
21       this section shall be postponed for the following purposes:

- 22              1. Active-duty status in the Armed Forces of the United States, the  
23              military reserves, or the National Guard;  
24              2. Service in Volunteers in Service to America;  
25              3. Service in the federal Peace Corps;  
26              4. A period of rural service commitment to the United States Public  
27              Health Service Commissioned Corps;

- 1           5. A period of religious missionary work conducted by an organization  
2           exempt from federal income taxation pursuant to Section 501(c)(3) of  
3           the Internal Revenue Code; or
- 4           6. Any period of temporary medical incapacity during which the person  
5           obligated is unable, due to a medical condition, to engage in full-time  
6           practice as required in subsection (5)(d) of this section.
- 7           (b) Except for a postponement as referenced in paragraph (a) of this  
8           subsection, an obligation to engage in practice under a program agreement  
9           shall not be postponed for more than two (2) years from the time the full-  
10          time practice was to have commenced under the agreement.
- 11          (10) (a) The rural veterinary care trust fund is hereby created as a trust and agency  
12          account in the State Treasury to be administered by the authority for the  
13          purpose of providing loan repayment as described in this section.
- 14          (b) The fund shall consist of state general fund appropriations, gifts and grants  
15          from public and private sources, and federal funds. All moneys included in  
16          the fund shall be appropriated for the purposes set forth in this section.
- 17          (c) Any unallotted or unencumbered balances in the trust fund shall be  
18          invested as provided in KRS 42.500(9). Income earned from the investments  
19          shall be credited to the fund.
- 20          (d) Notwithstanding KRS 45.229, any fund balance at the close of the fiscal  
21          year shall not lapse but shall be carried forward to the next fiscal year and  
22          continuously appropriated only for the purpose specified in this section.
- 23          (11) By December 31 of each year, the Veterinary Student Loan Repayment Selection  
24          Committee shall report to the Legislative Research Commission for referral to the  
25          Interim Joint Committee on Appropriations and Revenue and the Interim Joint  
26          Committee on Agriculture the following information upon an awardee's  
27          completion of five (5) consecutive years of service:

- 1        (a) The number of awardees who remain in a veterinary shortage area for a  
2        period of three (3) years, including the awardee's type of practice; and  
3        (b) The number of awardees who remain in an underserved rural area for a  
4        period of three (3) years, including the awardee's type of practice.