



2009 SENATE BILL 497

January 25, 2010 – Introduced by Senators LASSA, OLSEN, HARSDORF and TAYLOR, cosponsored by Representatives TAUCHEN, VRUWINK, MOLEPSKE JR., BENEDICT, CLARK, GUNDERSON, MONTGOMERY, NERISON, A. OTT, RIPP, SMITH, SPANBAUER, STEINBRINK, SUDER, TOWNSEND, ZEPNICK, ZIGMUNT and PASCH. Referred to Committee on Agriculture and Higher Education.

- 1 **AN ACT to create** 20.285 (1) (dm), 20.285 (1) (jd) and 36.63 of the statutes;
2 **relating to:** creating a food animal veterinarian loan assistance program,
3 granting rule-making authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill authorizes the Board of Regents of the University of Wisconsin (UW) System to repay up to \$50,000 in educational loans obtained by a food animal veterinarian for education leading to a doctor of veterinary medicine degree from an accredited school of veterinary medicine. The veterinarian must agree to practice in this state for at least 35 hours per week and to devote at least 50 percent of those hours, for four years, to food animals. (Food animals are animals raised to produce food for human consumption.) Loans are repaid by the board over the four-year period.

Under the bill, loan repayments are funded from general purpose revenue (although the bill does not provide general purpose revenue for the current biennium) and from contributions from local governments and private entities. If funds are insufficient to repay the loans of all eligible applicants, the board must establish priorities based upon the following:

1. The likelihood that the veterinarian will remain in this state.
2. Whether the veterinarian graduated from the UW-Madison School of Veterinary Medicine and practices with a private agriculture producer.
3. The geographic distribution of veterinarians in the program.
4. The total educational debt level of the veterinarian.

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The bill authorizes the board to establish penalties to be assessed against veterinarians who violate their agreements.

The bill sunsets the loan repayment program after the 2019-2020 fiscal year.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
2 the following amounts for the purposes indicated:

| | | |
|--|----------------|----------------|
| | 2009-10 | 2010-11 |
|--|----------------|----------------|

4 **20.285 University of Wisconsin System**

5 (1) UNIVERSITY EDUCATION, RESEARCH AND PUBLIC
6 SERVICE

| | | | | | |
|--|-----|---|-----|-----|--|
| 7 (dm) Food animal veterinarian loan | | | | | |
| 8 assistance program | GPR | B | -0- | -0- | |

9 **SECTION 2.** 20.285 (1) (dm) of the statutes is created to read:

10 20.285 (1) (dm) *Food animal veterinarian loan assistance program.* Biennially,
11 the amounts in the schedule for loan repayments under s. 36.63.

12 **SECTION 3.** 20.285 (1) (jd) of the statutes is created to read:

13 20.285 (1) (jd) *Food animal veterinarian loan assistance program;*
14 *contributions and penalties.* All moneys received under s. 36.63, to be used for loan
15 repayments under s. 36.63 and costs associated with the repayments.

16 **SECTION 4.** 36.63 of the statutes is created to read:

17 **36.63 Food animal veterinarian loan assistance program. (1)**

18 DEFINITIONS. In this section:

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1 (a) “Food animal” means an animal that is raised to produce food for human
2 consumption.

3 (b) “Veterinarian” means a veterinarian, as defined in s. 453.02 (7), who is
4 licensed under ch. 453 and who practices veterinary medicine.

5 **(2) ELIGIBILITY.** The board may repay, on behalf of a food animal veterinarian,
6 up to \$50,000 in educational loans obtained by the veterinarian from a public or
7 private lending institution for education leading to a doctor of veterinary medicine
8 degree from an accredited school of veterinary medicine.

9 **(3) AGREEMENT.** (a) The board shall enter into a written agreement with the
10 veterinarian, in which the veterinarian agrees to practice veterinary medicine in this
11 state for at least 35 hours per week and to devote at least 50 percent of those hours,
12 for 4 years, to food animals in a production agriculture setting.

13 (b) The agreement shall specify that the responsibility of the board to make the
14 payments under the agreement is subject to the availability of funds in the
15 appropriations under s. 20.285 (1) (dm) and (jd).

16 **(4) LOAN REPAYMENT.** Principal and interest due on loans, exclusive of any
17 penalties, may be repaid by the board at the following rate:

18 (a) Up to 10 percent of the principal of the loan or \$10,000, whichever is less,
19 during the first year of participation in the program under this section.

20 (b) Up to an additional 10 percent of the principal of the loan or \$10,000,
21 whichever is less, during the 2nd year of participation in the program under this
22 section.

23 (c) Up to an additional 15 percent of the principal of the loan or \$15,000,
24 whichever is less, during the 3rd year of participation in the program under this
25 section.

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1 (d) Up to an additional 15 percent of the principal of the loan or \$15,000,
2 whichever is less, during the 4th year of participation in the program under this
3 section.

4 **(5) AVAILABILITY OF FUNDS; RIGHT OF ACTION AGAINST STATE.** (a) The obligation of
5 the board to make payments under an agreement entered into under sub. (3) (b) is
6 subject to the availability of funds in the appropriations under s. 20.285 (1) (dm) and
7 (jd).

8 (b) If the cost of repaying the loans of all eligible applicants, when added to the
9 cost of loan repayments scheduled under existing agreements, exceeds the total
10 amount in the appropriations under s. 20.285 (1) (dm) and (jd), the board shall
11 establish priorities among the eligible applicants based upon the following
12 considerations:

13 1. The likelihood that a veterinarian will remain in this state.

14 2. Whether the veterinarian graduated from the University of
15 Wisconsin–Madison School of Veterinary Medicine and practices veterinary
16 medicine with a private agriculture producer.

17 3. The geographic distribution of the veterinarians who have entered into loan
18 repayment agreements under this section.

19 4. The total educational debt level of the veterinarian.

20 (c) An agreement under sub. (3) does not create a right of action against the
21 state on the part of the veterinarian or lending institution for failure to make the
22 payments specified in the agreement.

23 **(6) LOCAL PARTICIPATION.** The board shall encourage contributions to the
24 program under this section by counties, cities, villages, towns, and private entities.

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1 Funds received under this subsection shall be credited to the appropriation account
2 under s. 20.285 (1) (jd).

3 **(7) PENALTIES.** (a) The board shall, by rule, establish penalties to be assessed
4 by the board against veterinarians who breach agreements entered into under sub.
5 (3). The rules shall do all of the following:

6 1. Specify what actions constitute a breach of the agreement.

7 2. Provide specific penalty amounts for specific breaches.

8 3. Provide exceptions for certain actions, including breaches resulting from
9 death or disability.

10 (b) Any penalties assessed and collected under this subsection shall be credited
11 to the appropriation account under s. 20.285 (1) (jd).

12 **(8) ADMINISTRATION.** The board shall do all of the following:

13 (a) Publicize the program under this section to veterinarians.

14 (b) Assist veterinarians who are interested in applying for the program under
15 this section.

16 (c) Assist communities in obtaining food animal veterinarians' services
17 through the program under this section.

18 (d) Make recommendations to the governor on all of the following:

19 1. Ways to help communities evaluate and utilize the linkage between rural
20 veterinary medical services, public health, and economic development.

21 2. Coordination of state and federal programs available to assist the delivery
22 of rural veterinary medical services.

23 3. Strengthening coordination and maintenance of rural services and delivery
24 system.

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1 4. Development of mechanisms to reduce shortages of food animal
2 veterinarians in rural areas.

3 **(9)** **EVALUATION AND REPORT.** The legislative audit bureau is requested to
4 perform a performance evaluation audit of the program under this section. If the
5 legislative audit bureau performs the audit, it shall file its report as described under
6 s. 13.94 (1) (b) by July 1, 2013.

7 **(10)** **SUNSET.** No payments may be made under this section after June 30, 2020.

8 **(END)**