

SUBJECT: Revising the rural veterinarian incentive program

COMMITTEE: Higher Education — favorable, without amendment

VOTE: 9 ayes — Murphy, Pacheco, Cortez, Frullo, Muñoz, Ortega, Raney,
C. Turner, J. Turner

0 nays

2 absent — P. King, Parker

WITNESSES: For — Steven Golla, Texas Veterinary Medical Association; Kelsey Haile; Kristen White; Vanessa Marcano; (*Registered, but did not testify*: Kara Mayfield, Association of Rural Communities in Texas; Kaleb McLaurin, Texas and Southwestern Cattle Raisers Association; J. Pete Laney, Texas Association of Dairymen and Texas Quarter Horse Association; Charlie Leal, Texas Farm Bureau; Elizabeth Choate and Royce Poinsett, Texas Veterinary Medical Association)

Against — None

On — Brandon Dominguez, Texas A&M University; (*Registered, but did not testify*: Andy Schwartz, Texas Animal Health Commission)

BACKGROUND: The Legislature in 1999 created the rural veterinarian incentive program at the Texas A&M University System. This program, which is governed by provisions in Education Code ch. 88, is intended to provide eligible program participants with financial support if the participants enter into an agreement with the university to practice veterinary medicine in a rural county.

DIGEST: HB 1259 would transfer the administration of the rural veterinarian incentive program from Texas A&M University to the Texas Animal Health Commission and make revisions to the program. The bill would change the definition of a rural county from one with a population of less

than 50,000 to one with a population of less than 100,000.

Administration. The bill would add members to the committee that administers the program to include:

- the deans or a dean's designee of each accredited college of veterinary medicine in the state;
- a veterinarian with a mixed animal practice and a veterinarian with a large animal practice representing each university system in the state with an accredited college of veterinary medicine, as appointed by the boards of regents; and
- a practitioner of veterinary medicine who serves as a commissioner of the Texas Animal Health Commission as appointed by the chair of the commission.

The executive director of the Texas Animal Health Commission, rather than the dean of the Texas A&M University College of Veterinary Medicine, would serve as chair of the committee.

When the committee adopted rules related to the selection, submission, or certification of areas identified as having a veterinary shortage, the committee would have to consider any applicable federal regulations and the previous work of the Texas Animal Health Commission.

Eligibility criteria. The bill would extend the application deadline for person who wanted to participate in the program from the first anniversary to the fourth anniversary of the date the veterinary student graduated from college. A person enrolled as a student in an accredited college of veterinary medicine located outside of Texas could apply to participate in the program if the student graduated from a Texas high school or Texas general academic teaching institution. Consideration of an applicant's minimum grade point average would no longer be among the criteria for eligibility, while an applicant's background and interest in rural practice would be added.

Participation. HB 1259 would expand conditions for the agreement that

an eligible participant must enter into in order to participate in the program. Along with the current commitment to agree to practice veterinary medicine in a rural county for one calendar year for each academic year for which the participant receives financial support, and to use the financial support to retire student loan debt or to pay tuition and fees, under the bill the agreement also would have to:

- specify the conditions the participant would have to satisfy to receive financial support under the program;
- provide that any financial support received would constitute a loan until the participant satisfied the conditions of the agreement; and
- require the participant to sign a promissory note acknowledging the conditional nature of the financial support received and promising to repay the financial support plus any applicable interest and reasonable collection costs if the participant did not satisfy conditions of the agreement.

Financial support would have to be awarded as a lump sum payable to both the participant and the lender or other holder of the affected loan or directly to the lender or other holder of the affected loan on the participant's behalf.

Fund. HB 1259 would rename the fund for the program as the Rural Veterinarian Incentive Program Account and establish the account in the general revenue fund. The Texas Higher Education Coordinating Board would administer the account, which would be composed of legislative appropriations, gifts, grants, in-kind contributions, or real or personal property contributed from any individual, group, association, or corporation or the United States, as well as earnings on the principal of the account. The account also could receive money deposited from a community or political subdivision that qualified to become a sponsor of an eligible participant.

Account funds would have to be made available and payable as soon as practicable at the request of the Texas Animal Health Commission and could be used only for certain purposes, including to provide financial

support as a lump sum to an eligible participant, the lender or other holder of the participant's affected loan, or the participant's university system. The commission could request to use an amount of up to 7 percent of the account value to cover its administrative costs and an amount up to 3 percent of the account value to use as specifically required for the coordinating board for administration. Any unexpended balance would remain in the account at the end of a fiscal year subject to further appropriation.

Effective date. The bill would take effect September 1, 2021. On the effective date, any obligations, rights, contracts, records, real and personal property, funds, appropriations, and money of the incentive program would be transferred from the Texas A&M University System to the Texas Animal Health Commission.

**SUPPORTERS
SAY:**

HB 1259 would address the critical shortage of large animal veterinarians in rural areas of Texas by revising a program to provide tuition and student debt assistance to veterinary students and graduates who agree to practice in rural counties. While a program to address this issue was created in 1999, it has never received legislative appropriations.

A veterinary college education is expensive and rising student debt is a key driver of rural veterinary shortages. Many students and graduates would like to have a large animal or hybrid practice in a rural region, but their education costs often drive them to a small animal urban practice, where they typically can earn more. The Texas Higher Education Coordinating Board in 2009 published a report identifying a "serious shortage of food and fiber veterinarians," partially due to salary issues. The report recommended that Texas establish a targeted loan repayment program for students who practice in rural communities. The program envisioned by HB 1259 would pay for student loan forgiveness for each year of service in a rural area, meaning that a student could receive greater financial assistance the longer they agreed to serve in a rural county.

Doubling the size of an eligible rural county would allow the incentive program to serve areas of the state that may be near a growing metro area

yet still need greater access to veterinary services. The Texas Animal Health Commission is an appropriate agency to administer the program because it already is involved in identifying areas that are underserved by veterinarians for the U.S. Department of Agriculture. The transfer of authority from the Texas A&M veterinary college also recognizes that there are now two veterinary schools in the state.

While some say that taxpayer funds should not be used to attract veterinarians to rural areas, the state has an interest in protecting the health of food-producing animals. The bill would not expand an existing loan repayment program since the current program has never been funded or awarded any financial incentives.

The general appropriations act contains a \$2 million contingency rider in Article 11. If no legislative appropriations are adopted, the program could receive gifts, grants, or contributions of property for funding purposes. The bill also would allow a community or political subdivision to sponsor a student who wanted to return home to practice veterinary medicine.

**CRITICS
SAY:**

HB 1259 would expand an existing program that has the potential to use taxpayer subsidies to pay the debt of certain students who agree to become rural veterinarians. Similar incentive programs to attract professionals to underserved areas interfere with the free market principles that best determine where people live and work.