

BILL ANALYSIS

Senate Research Center
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H.B. 1259
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Higher Education
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

A recent report by the United States Department of Agriculture designated 31 Texas counties as having a shortage of veterinarians during Fiscal Year 2021. The Texas Legislature has taken steps to address the longstanding problem, including by creating the rural veterinarian incentive program (RVIP) in 1999. The program was created to encourage veterinarians to practice in rural areas and was modeled after rural healthcare initiatives, which provide physicians with financial support toward their student loans in exchange for practicing medicine in rural areas.

However, since its inception RVIP has not received any funds nor had any participants. Additionally, the statutes creating RVIP were not written to reflect the possibility that Texas might one day have more than one veterinary school.

H.B. 1259 addresses the rural veterinarian shortage by amending existing statutes, including by transferring administration to the Texas Animal Health Commission, creating the parameters under which a veterinary student or graduate may be eligible for program funds, establishing a rural veterinarian incentive program account that would be administered by the Texas Higher Education Coordinating Board, and allowing for additional methods of funding for the program's account.

H.B. 1259 amends current law relating to the rural veterinarian incentive program.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the rural veterinary incentive program committee is modified in SECTION 2 (Section 56.103, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 56, Education Code, by adding Subchapter G and adding a heading to that subchapter, as follows:

SUBCHAPTER G. RURAL VETERINARIAN INCENTIVE PROGRAM

SECTION 2. Transfers Sections 88.621, 88.622, 88.623, 88.624, 88.625, and 88.626, Education Code, to Subchapter G, Chapter 56, Education Code, as added by this Act, redesignates them as Sections 56.101, 56.102, 56.103, 56.104, 56.105, and 56.106, Education Code, and amends them as follows:

Sec. 56.101. DEFINITIONS. Defines "account," "general academic teaching institution," and "university system." Redefines "college," "eligible participant," and "rural county." Deletes existing text defining "fund" and "university." Makes nonsubstantive changes.

Sec. 56.102. ADMINISTRATION OF PROGRAM. Requires the Texas Animal Health Commission (TAHC), rather than Texas A&M University (TAMU), to administer the rural veterinarian incentive program (program) in accordance with the rules adopted by the rural veterinarian incentive program committee (committee).

Sec. 56.103. RURAL VETERINARIAN INCENTIVE PROGRAM COMMITTEE; RULES. (a) Provides that the committee consists of:

(1) and (2) makes no changes to these subdivisions;

(3) the dean of each accredited college of veterinary medicine located in this state, or the dean's designee, rather than the dean of the TAMU College of Veterinary Medicine (college);

(4) a veterinarian with a mixed animal practice, representing each university system located in Texas with an accredited college of veterinary medicine, appointed by the board of regents of each university system, rather than a veterinarian with a mixed animal practice appointed by the board of regents of the TAMU System;

(5) a veterinarian with a large animal practice, representing each university system located in Texas with an accredited college of veterinary medicine, appointed by the board of regents of each university system, rather than a veterinarian with a large animal practice appointed by the board of regents of the TAMU System; and

(6) a practitioner of veterinary medicine who serves as a commissioner of TAHC, appointed by the chair of TAHC.

(b) Provides that the executive director of TAHC, rather than the dean of the college, serves as the presiding officer of the committee.

(c) Provides that an appointed member of the committee serves a term of two years.

(d) Requires the committee to adopt rules:

(1) establishing criteria to determine whether a person is an eligible participant as the committee considers reasonable, including the person's background and interest in rural practice, rather than the person's minimum grade point average, and the person's financial need;

(2) providing for requesting the distribution of money from the rural veterinarian incentive program account (account), rather than from the rural veterinarian incentive fund (fund), for the program;

(3) makes a conforming change to this subdivision; and

(4) and (5) makes no changes to these subdivisions.

(e) Requires the committee, in adopting rules under this section related to the selection, submission, or certification of areas identified as having a veterinary shortage for the purpose of this subchapter, to consider any applicable regulations adopted under 7 U.S.C. Section 3151a and previous work of TAHC

Sec. 56.104. ELIGIBLE VETERINARY STUDENT OR GRADUATE. (a) Creates this subsection from existing text. Provides that, except as provided by Subsection (b), a person is eligible to participate in the program only if the person is enrolled as a student of the college or applies to participate in the program on or before the fourth anniversary, rather than on or before the first anniversary, of the date the person graduates from the college. Makes a nonsubstantive change.

(b) Authorizes a person enrolled as a student in an accredited college of veterinary medicine located outside of this state to apply under Subsection (a) to participate

in the program if the student graduated from a high school located in this state or a general academic teaching institution located in this state.

Sec. 56.105. RURAL SPONSORS; AGREEMENT TO PROVIDE FINANCIAL SUPPORT. (a) and (b) Makes no changes to these subsections.

(c) Provides that financial support under this section is authorized to be provided in whole or part by a grant, scholarship, or fund provided by a private foundation, and is required to be deposited in the account fund for distribution to the eligible participant, rather than deposited in the fund for distribution to the eligible participant by TAMU.

Sec. 56.106. FINANCIAL SUPPORT; COMMITMENT TO PRACTICE IN RURAL COUNTY. (a) Requires an eligible participant, to participate in the program, to enter into an agreement with the university system that:

(1) requires the participant to practice veterinary medicine in a rural county for one calendar year for each academic year for which the participant, rather than the student, receives financial support under the program;

(2) specifies the conditions the participant is required to satisfy to receive financial support under the program;

(3) provides that any financial support the participant receives under the program constitutes a loan until the participant satisfies the conditions of the agreement; and

(4) requires the participant to sign a promissory note acknowledging the conditional nature of the financial support received under the program and promising to repay the amount of the financial support, any applicable interest, and reasonable collection costs if the participant does not satisfy the conditions of the agreement.

(b) Requires that the financial support received by an eligible participant under this subchapter be used to retire student loan debt or to pay tuition and fees to the university system while the eligible participant is enrolled in the college. Makes a conforming change.

(c) Requires that financial support from the account 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, rather than awarded in the form of grants. Makes a conforming change.

SECTION 3. Amends Chapter 61, Education Code, by adding Subchapter OO and adding a heading to that subchapter, as follows:

SUBCHAPTER OO. RURAL VETERINARIAN INCENTIVE PROGRAM ACCOUNT

SECTION 4. Transfers Section 88.627, Education Code, to Subchapter OO, Chapter 61, Education Code, as added by this Act, redesignates it as Section 61.9965, Education Code, and amends it as follows:

Sec. 61.9965. New heading: RURAL VETERINARIAN INCENTIVE PROGRAM ACCOUNT. (a) Requires the Texas Higher Education Coordinating Board (THECB) to administer the account in accordance with Subchapter G, Chapter 56 (Student Financial Assistance), to provide assistance in the repayment of student loans for eligible veterinarians who apply and qualify for the assistance under the rules of the committee.

(b) Creates this subsection from existing text. Provides that the rural veterinarian incentive program account is an account in the general revenue fund, rather than providing that the rural veterinarian incentive fund is a special fund in the state treasury outside the general revenue fund. Provides that the account is composed of:

(1) gifts, grants, in-kind contributions, or real or personal property contributed to the account from any individual, group, association, or corporation or the United States, subject to limitations or conditions set by law, for the purposes of this subchapter;

(2) earnings on the principal of the account: and

(3) other amounts deposited to the credit of the account, including:

(A) money deposited from a community or political subdivision that qualifies under the rules authorized by Section 56.105 to become a sponsor of an eligible participant under the program; and

(B) legislative appropriations deposited to the account.

Deletes existing text providing that the fund consists of certain sources of revenue deposited to the credit of the fund by TAMU. Makes conforming changes.

(c) Provides that money and resources in the account are required to be made available and payable as soon as practicable at the request of TAHC and are authorized to be used only for the following purposes:

(1) to provide financial support as a lump sum to an eligible participant under Subchapter G, Chapter 56, the lender or other holder of the participant's affected loan, or the participant's university system;

(2) a reasonable amount, not to exceed seven percent of the account value, to cover the costs of administration of the program; or

(3) a reasonable amount, not to exceed three percent of the account value, as specifically required for THECB for administration of the account.

(d) Provides that the unexpended balance of the account at the end of a fiscal year remains in the account subject to further appropriation for the purposes described by Subsection (c).

Deletes existing text requiring the fund to be administered by TAMU in accordance with rules adopted by the committee. Deletes existing text authorizing TAMU to use a portion of the money deposited to the credit of the fund, not to exceed 10 percent of that amount, for the administration of the program.

SECTION 5. Repealer: the heading to Subchapter I (Rural Veterinarian Incentive Program), Chapter 88, Education Code.

SECTION 6. Provides that, on the effective date of this Act, any obligations, rights, contracts, records, real and personal property, funds, appropriations, and money of the program are transferred from the TAMU System to TAHC.

SECTION 7. Effective date: September 1, 2021.