

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; or*

16 *3. Mixed animal medicine with a minimum of fifty percent (50%) of*  
17 *work dedicated to livestock;*

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

20 *(f) "Underserved rural area" means an area of Kentucky, as designated by the*  
21 *state veterinarian, with a low ratio of practicing veterinarians to livestock in*  
22 *a fifty (50) mile coverage area based on the United States Department of*  
23 *Agriculture's National Agricultural Statistics Service data as of January 1*  
24 *of each year;*

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

26 *(h) "Veterinary shortage area" means a designated veterinary service shortage*  
27 *area in Kentucky that is:*

- 1            1. Identified by the Kentucky Board of Veterinary Examiners as having a  
2            shortage in access to services offered or species served according to  
3            data collected from registered veterinary facilities under KRS 321.203  
4            and 321.236;
- 5            2. Identified and nominated by the state veterinarian; or  
6            3. Recommended for designation in accordance with the National  
7            Veterinary Medical Service Act, 7 U.S.C. sec. 3101 et seq., and  
8            published by the United States Department of Agriculture; and
- 9            (i) "Veterinary Student Loan Repayment Selection Committee" means a group  
10           of individuals whose membership shall be composed of:
- 11           1. The Commissioner of Agriculture, or his or her designee;  
12           2. A representative of the Kentucky Farm Bureau;  
13           3. A representative of the Kentucky Cattlemen's Association;  
14           4. A representative of the Kentucky Veterinary Medical Association; and  
15           5. A representative of the Kentucky Board of Veterinary Examiners.
- 16           (2) There is hereby established a Kentucky Rural Veterinary Medicine Student Loan  
17           Repayment Program for the purpose of providing student loan repayment for a  
18           livestock practitioner who engages in veterinary medicine in an underserved  
19           rural area or in a veterinary shortage area in Kentucky for five (5) consecutive  
20           years in accordance with the terms and conditions of this section.
- 21           (3) The authority shall administer the Kentucky Rural Veterinary Medicine Student  
22           Loan Repayment Program and shall promulgate administrative regulations in  
23           accordance with KRS Chapter 13A as may be needed for the administration of  
24           the program.
- 25           (4) To be considered eligible for the program, a livestock practitioner shall:
- 26           (a) Be a licensed veterinarian pursuant to KRS Chapter 321 who, within ten  
27           (10) years of applying to the program, has received a doctor of veterinary

- 1           medicine degree from a college of veterinary medicine approved by the  
2           Kentucky Board of Veterinary Examiners and has an eligible student loan  
3           balance greater than seventy-five thousand dollars (\$75,000);
- 4           (b) Not have participated in or received a loan repayment award through the  
5           veterinary medicine loan repayment program administered by the United  
6           States Department of Agriculture's National Institute of Food and  
7           Agriculture; and
- 8           (c) Not be in default on any program under Title IV of the Higher Education  
9           Act of 1965, 20 U.S.C. sec. 1001 et sec., as amended, or any obligation to the  
10           authority under any program administered by the authority under KRS  
11           164.740 to 164.790, except that ineligibility for this reason may be waived by  
12           the authority for cause.
- 13           (5) Subject to the availability of funds, the authority shall award loan repayment  
14           benefits to eligible applicants who are selected by the Veterinary Student Loan  
15           Repayment Selection Committee and who enter into a program agreement and  
16           comply with each of the following requirements while the program agreement is  
17           in force:
- 18           (a) Maintains an active license to practice veterinary medicine in accordance  
19           with KRS Chapter 321 and is in good standing with the Kentucky Board of  
20           Veterinary Examiners;
- 21           (b) Secures an offer of employment or establishes and maintains a practice in a  
22           veterinary shortage area or underserved rural area;
- 23           (c) Provides service as a livestock practitioner in an underserved rural area or  
24           veterinary shortage area for a period of five (5) consecutive years after  
25           entering into a program agreement; and
- 26           (d) Provides veterinary medicine services an average of forty (40) hours per  
27           week for a minimum of forty-eight (48) weeks per calendar year.

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

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

7 1. Twelve thousand five hundred dollars (\$12,500) in year one (1);

8 2. Fifteen thousand dollars (\$15,000) in year two (2);

9 3. Seventeen thousand five hundred dollars (\$17,500) in year three (3);

10 4. Twenty thousand dollars (\$20,000) in year four (4); and

11 5. Twenty-two thousand five hundred dollars (\$22,500) in year five (5).

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

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

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

20 1. Active-duty status in the Armed Forces of the United States, the  
21 military reserves, or the National Guard;

22 2. Service in Volunteers in Service to America;

23 3. Service in the federal Peace Corps;

24 4. A period of rural service commitment to the United States Public  
25 Health Service Commissioned Corps;

26 5. A period of religious missionary work conducted by an organization  
27 exempt from federal income taxation pursuant to Section 501(c)(3) of

- 1                   *the Internal Revenue Code; or*
- 2                   *6. Any period of temporary medical incapacity during which the person*
- 3                   *obligated is unable, due to a medical condition, to engage in full-time*
- 4                   *practice as required in subsection (5)(d) of this section.*
- 5                   *(b) Except for a postponement as referenced in paragraph (a) of this*
- 6                   *subsection, an obligation to engage in practice under a program agreement*
- 7                   *shall not be postponed for more than two (2) years from the time the full-*
- 8                   *time practice was to have commenced under the agreement.*
- 9                   *(10) (a) The rural veterinary care trust fund is hereby created as a trust and agency*
- 10                   *account in the State Treasury to be administered by the authority for the*
- 11                   *purpose of providing loan repayment as described in this section.*
- 12                   *(b) The fund shall consist of state general fund appropriations, gifts and grants*
- 13                   *from public and private sources, and federal funds. All moneys included in*
- 14                   *the fund shall be appropriated for the purposes set forth in this section.*
- 15                   *(c) Any unallotted or unencumbered balances in the trust fund shall be*
- 16                   *invested as provided in KRS 42.500(9). Income earned from the investments*
- 17                   *shall be credited to the fund.*
- 18                   *(d) Notwithstanding KRS 45.229, any fund balance at the close of the fiscal*
- 19                   *year shall not lapse but shall be carried forward to the next fiscal year and*
- 20                   *continuously appropriated only for the purpose specified in this section.*