



**Colorado
Legislative
Council
Staff**

HB17-1282

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0991

Date: August 7, 2017

Prime Sponsor(s): Rep. Ginal
Sen. Sonnenberg

Bill Status: Signed into Law

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BILL TOPIC: RURAL VETERINARY EDUCATION LOAN REPAYMENT PROGRAM

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021
State Revenue	<u>\$0</u>	Potential gifts, grants, and donations.		
<i>State transfer</i>				
General Fund	(140,000)			
Cash Funds	140,000			
State Expenditures	<u>\$20,000</u>	<u>\$30,000</u>	<u>\$40,000</u>	<u>\$50,000</u>
Cash Funds	20,000	30,000	40,000	50,000
Appropriation Required: None. See State Appropriations Section.				
Future Year Impacts: Ongoing workload and potential revenue increase.				

Summary of Legislation

The bill creates the Veterinary Education Loan Repayment Program in Colorado State University (CSU). The program provides financial incentives through education loan repayment to licensed veterinarians to practice in rural areas with a shortage of veterinarians.

The bill also creates the Veterinary Education Loan Repayment Council to administer the loan repayment program and sets the membership and appointment procedures for the council. Members do not receive compensation, but may be reimbursed for necessary expenses. The council must:

- determine eligibility criteria for the program;
- identify areas with veterinary shortages that will participate in the program;
- establish priority ranking for the designated areas based on level of need;
- determine the amount of loan repayment money for each selected applicant; and
- enter into a contract with selected applicants and the designated area with which the applicant has been matched.

Up to four applicants may be selected annually to participate in the program. The bill specifies the eligibility criteria and the factors that the council must consider in evaluating applications. An applicant selected for the program is eligible for an amount that correlates to his or her outstanding loans, up to \$70,000, and must contract with the council to provide services in a designated shortage area for up to four years. The amount is distributed to selected applicants as follows:

- \$10,000 upon completion of six months of the first year;
- an additional \$15,000 upon completion of the second year;
- an additional \$20,000 upon completion of the third year; and
- an additional \$25,000 upon completion of the fourth year.

The bill creates the Veterinary Education Loan Repayment Fund and moneys in the fund are continuously appropriated. The council may receive and expend gifts, grants, and donations for the program, including endowment funds, and may contract with a public or private entity. If an entity donates money for the placement of a veterinarian in a specific shortage area, that entity must commit to provide the full amount required for placement of a selected applicant for four years.

Background

Federal program. The federal Veterinary Education Loan Repayment Program provides \$25,000 per year in loan repayment to selected individuals who commit to working in areas with veterinary shortages for three years. In FY 2014-15, 48 veterinarians received awards and were working in 26 states. Although none were placed in Colorado in FY 2014-15, two veterinarians were placed in Colorado in FY 2015-16. For the federal program, eight shortage areas in Colorado were identified.

State Revenue

The bill transfers funds and may increase state revenue, as discussed below.

State transfers. The bill transfers \$140,000 from the General Fund to the Veterinary Education Loan Repayment Fund on September 1, 2017.

Gifts, grants, and donations. The bill may increase state cash fund revenue from gifts, grants, and donations to the fund. No sources have been identified at this time. Revenue from gifts, grants, and donations is exempt from TABOR.

State Expenditures

Beginning in FY 2017-18, the bill increases state cash fund expenditures by \$140,000 for Colorado State University. The bill also increases the workload for the Department of Agriculture, as discussed below.

Colorado State University. The bill increases costs and workload for CSU to implement the veterinary education loan repayment program. The \$140,000 identified in the bill fully funds the loan repayment for two selected individuals, based on the four-year loan repayment schedule identified in the bill. The fiscal note assumes that the \$140,000 will be spent over four years, through FY 2020-21, as the funds are continuously appropriated. Should the council obtain

additional funding through gifts, grants, or donations, up to two additional applicants may be selected for the program. The administrative costs of implementing the program can be accomplished within CSU's existing state appropriations.

Department of Agriculture. The bill increases the workload for the Department of Agriculture by a minimal amount to have a representative serve on the council, which will seek gifts, grants, and donations, and provide program oversight. No change in appropriations is required.

Effective Date

The bill was signed into law by the Governor and took effect on June 5, 2017.

State Appropriation

The bill does not require an appropriation, as funding in the Veterinary Education Loan Repayment Fund is continuously appropriated to Colorado State University.

State and Local Government Contacts

Agriculture

Higher Education

Information Technology