



**Colorado
Legislative
Council
Staff**

HB17-1282

**REVISED
FISCAL NOTE**

(replaces fiscal note dated April 6, 2017)

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

Drafting Number: LLS 17-0991

Date: April 21, 2017

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

Bill Status: Senate Agriculture

Fiscal Analyst: Anna Gerstle (303-866-4375)

BILL TOPIC: RURAL VETERINARY EDUCATION LOAN REPAYMENT PROGRAM

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue Cash Funds	Potential gifts, grants, and donations.	
State Expenditures Cash Funds	Workload increase. See State Expenditures section.	
Appropriation Required: None.		
Future Year Impacts: Ongoing workload and potential revenue increase.		

Summary of Legislation

The **reengrossed** 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, should funding be obtained through gifts, grants, and donations.

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. To the extent that sufficient gifts, grants, or donations are secured to cover loan repayments, 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 increases state cash fund revenue from gifts, grants, and donations to the Veterinary Education Loan Repayment 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 costs and workload for Colorado State University, as well as workload for the Department of Agriculture, as discussed below.

Colorado State University. The bill increases costs and workload for CSU if funding is secured for the program. Providing administrative support for the council and implementing the program can be accomplished within CSU's existing resources; however, implementation of the program is contingent upon the council securing gifts, grants, and donations to fund the loan repayments. To fully fund the program, \$40,000 in FY 2017-18 and \$100,000 in FY 2018-19 is required. Costs for loan repayments in future years will fluctuate based on the number of individuals participating in the program. No change in appropriations is required.

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 takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Agriculture Higher Education Information Technology