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H.B. 67
133rd General Assembly

Bill Analysis

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Version: As Reported by House Commerce and Labor

Primary Sponsors: Reps. Brinkman and Kelly

Amanda George Goodman, Attorney

SUMMARY

- Creates the Veterinarian Student Debt Assistance Program (“program”), which allows the State Veterinary Medical Licensing Board (“Board”), by means of a contract, to agree to repay all or part of any educational loans taken out by a veterinarian while in veterinary college.
- Establishes eligibility requirements for program applicants, including a requirement that an applicant, prior to applying, must perform specified charitable veterinarian services.
- Requires the Board to select, via a lottery, applicants for participation in the program.
- Specifies requirements for veterinarians to apply to the program.
- Requires those veterinarians selected via the lottery to sign a letter of intent and then enter into a contract with the Board for participation in the two-year program.
- Provides funding for the program from amounts credited to the Occupational Licensing Regulatory Fund (the amount of funding is determined by a formula based on the Board’s revenue, expenditures, and appropriations during the previous biennium).
- Requires the Board to submit a report to the Governor and the General Assembly describing the operations of the program during the previous biennium.

DETAILED ANALYSIS

Veterinarian Student Debt Assistance Program

The bill creates the Veterinarian Student Debt Assistance Program (“program”), which allows the State Veterinary Medical Licensing Board (“Board”), by means of a contract, to agree to repay all or part of any educational loans taken out by a veterinarian while in veterinary

college.¹ It requires the Board to award debt assistance to those veterinarians chosen via a lottery system every odd-numbered calendar year (to coincide with each biennial state budget).²

Under the program, the Board may repay all or part of educational loans (including the principal and interest of a government or other educational loan) used to pay educational expenses. Educational expenses include the following expenses that were incurred while a veterinarian was enrolled, for a maximum of four years, in a veterinary college approved by the Board or accredited by the American Veterinary Medical Association:

1. Tuition;
2. Other educational expenses, such as fees, books, and laboratory expenses, for specific purposes and in amounts determined to be reasonable by the Board; and
3. Room and board, in an amount determined to be reasonable by the Board.³

Program eligibility

In order to be eligible to participate in the program, a veterinarian must meet all of the following requirements:

1. Prior to applying, the veterinarian must perform charitable veterinarian services in an amount determined by the Board in rules, which cannot be less than 12 hours.⁴ (Charitable veterinarian services include free spay and neutering services and any other services specified by the Board in rules. An applicant must complete charitable services with a nonprofit organization, a humane society, law enforcement agency, or a state, local, or federal government entity).⁵
2. The veterinarian is a U.S. citizen, U.S. national, or permanent resident of the U.S.;
3. The veterinarian is licensed and has been engaged in the practice or instruction of veterinary medicine in Ohio for more than six months prior to application;
4. The veterinarian has taken out an educational loan that was used for educational expenses incurred while the veterinarian was enrolled in a veterinary college;
5. The veterinarian is not a member of the Board at the time application is submitted;
6. The veterinarian is not an active program participant under contract with the Board; and

¹ R.C. 4741.50(B).

² R.C. 4741.51(B)(1) and 4741.53(B).

³ R.C. 4741.50(A) and (B).

⁴ R.C. 4741.51(B)(4) and (5).

⁵ R.C. 4741.51(B)(3).

7. The veterinarian has not been under contract as a program participant with the Board within a year prior to submitting an application.⁶

The bill requires the Board to include information regarding the program on application forms for both an initial veterinary license and a renewal of a veterinary license.⁷

Application requirements

A veterinarian must submit an application for participation in the program to the Board on a form that the Board prescribes. The veterinarian must submit the following information with an application:

1. The veterinarian's name, address, and telephone number;
2. The veterinary college the veterinarian attended and the dates of attendance;
3. A summary and verification of the educational expenses for which the veterinarian seeks reimbursement under the program;
4. Verification of the veterinarian's authorization to practice veterinary medicine in Ohio;
5. Verification that the veterinarian is a U.S. citizen, U.S. national, or a permanent resident of the U.S.;
6. A statement attesting that the veterinarian performed charitable veterinarian services in accordance with the Board's rules; and
7. Any other information the Board determines is necessary and appropriate.⁸

By June 1 of each odd-numbered calendar year, the Board must compile a list of all veterinarians who applied for participation in the program.⁹

Program selection and participation terms

Step 1: Lottery

The Board may approve an eligible veterinarian for participation in the program after selecting eligible applicants via a lottery system developed in rules adopted by the Board. The Board must conduct the lottery in each odd-numbered calendar year.¹⁰ The Board must grant all participants the same award amount in a given year that is between \$5,000 and \$10,000.¹¹

⁶ R.C. 4741.52(A).

⁷ R.C. 4741.51(B)(6).

⁸ R.C. 4741.52(B).

⁹ R.C. 4741.53(A).

¹⁰ R.C. 4741.51(B) and 4741.53(A) and (B).

¹¹ R.C. 4741.51(B).

Step 2: Letter of Intent

Once the Board makes a selection from the lottery system, the Board must notify the selected veterinarian and enter into discussions to determine if the veterinarian agrees to do both of the following:

1. Perform charitable veterinarian services in Ohio in an amount and for a duration of time established in rules; and
2. Reside in Ohio for a minimum duration of time established in rules, which cannot exceed two years.

If a veterinarian agrees to those terms, the veterinarian must deliver to the Board a signed letter of intent stipulating the agreed to terms. Once the Board receives the letter of intent, the veterinarian and the Board may enter into a contract for the veterinarian's participation in the program.

If the veterinarian does not deliver a signed letter of intent to the Board within 30 days of receiving notice that the veterinarian was chosen via the lottery, the veterinarian forfeits their acceptance into the program, and the Board must select another veterinarian for participation in the program.¹²

Step 3: Contract

The contract that the Board and the veterinarian enter into must include all of the following obligations (the contract also may include a lending institution as a party):

1. The veterinarian agrees to perform charitable veterinarian services in Ohio in a manner and for a time and duration specified in the contract.
2. The veterinarian agrees to continue to reside in Ohio for a duration of time specified in the contract, up to two years.
3. The Board agrees to repay all or part of an educational loan taken by the veterinarian in an amount and under terms specified in the contract (so long as the veterinarian performs the obligations agreed to above).
4. The veterinarian agrees to pay the Board damages in an amount specified in the contract, up to the amount the Board awarded the veterinarian, if the veterinarian fails to complete the obligations agreed to above.
5. An assignment to the Board of the veterinarian's duty to pay the principal and interest of a government or other educational loan taken by the veterinarian for educational expenses.
6. The terms of the assignment, which must set forth the total amount of principal and interest to be paid, an amortization schedule, and the amount of each payment to be made under the schedule.

¹² R.C. 4741.53(C) and (D) and 4741.54(A).

7. Any other terms agreed to by the parties.¹³

By January 31 each year, the Board must ensure the mailing of a statement to each veterinarian in the program. The Board must show on the statement the amount of principal and interest repaid by the Board in the preceding year pursuant to the contract. The Board must send the statement by ordinary mail with address correction and forwarding requested in the manner prescribed by the U.S. Postal Service.¹⁴

In addition, the bill requires the Board, when adopting rules governing the Veterinarian Student Debt Assistance Program, to require each recipient of veterinarian student debt assistance to submit information to the Board that details the charitable veterinarian services completed by the veterinarian.¹⁵

Veterinarian Student Debt Assistance Fund

The bill creates the Veterinarian Student Debt Assistance Fund to be used by the Board to pay for the loan repayments of veterinarians in the program and program administration. The fund consists of all of the following:

1. Money transferred into the fund from the Occupational Licensing Regulatory Fund;¹⁶
2. Money received from gifts, donations, and bequests;
3. Damages collected from program participants who fail to fulfill their service obligations; and
4. Any other money contributed to the fund.¹⁷

On August 1, 2021, and every two years after, the Board must certify to the Director of Budget and Management the amount resulting from the following formula:

$0.9 \times \{(\text{the Board's total revenue credited to Occupational Licensing and Regulatory Fund during the previous biennium}) - [(\text{the Board's amount of actual expenditures during the first fiscal year of the previous biennium}) + (\text{the amount appropriated to the Board during the second fiscal year of the previous biennium})]\}$.¹⁸

Here is an example of how the formula would have worked if the Board had to certify an amount on August 1, 2019:

¹³ R.C. 4741.54(A) through (C).

¹⁴ R.C. 4741.54(D).

¹⁵ R.C. 4741.51(B)(3).

¹⁶ R.C. 4743.05.

¹⁷ R.C. 4741.56, 4741.57, and 4743.05(D).

¹⁸ R.C. 4741.57.

Example of August 1, 2019 certification		
Variables	Formula	Calculation
Board's total revenue credited to the Occupational Licensing and Regulatory Fund during the previous biennium: FY 2018 = \$800,903.15 FY 2019 = \$329,150.00 Total Revenue = \$1,130,053.15	$0.9 \times \{(\text{the Board's total revenue credited to Occupational Licensing and Regulatory Fund during the previous biennium}) -$ $[(\text{the Board's amount of actual expenditures during the first fiscal year of the previous biennium}) + (\text{the amount appropriated to the Board during the second fiscal year of the previous biennium})]\}$	$0.9 \times \{(\$1,130,053.15) - (\$376,807 + \$439,369)\}$ $0.9 \times \{(\$1,130,053.15 - \$816,176)\}$ $0.9 \times \$313,877.15$
Board's amount of actual expenditures during the first fiscal year of the previous biennium: FY 2018 = \$376,807 ¹⁹		Certified amount = \$282,489.44
The amount appropriated to the Board during the second fiscal year of the previous biennium: FY 2019 = \$439,369 ²⁰		

On August 30, 2021, and every two years after, the Director of Budget and Management must transfer from the Occupational Licensing and Regulatory Fund to the Veterinary Student Debt Assistance Fund the amount certified to the Director by the Board.²¹ Under continuing law, all money received by the Board from veterinarian and veterinarian technician license fees are deposited into the Occupational Licensing and Regulatory Fund.

Board's report

The bill requires the Board to submit a report to the Governor and the General Assembly describing the operations of the program during the previous biennium. The Board must submit the report by September 1 of each odd-numbered calendar year and include all of the following information in the report:

¹⁹ <https://www.lsc.ohio.gov/documents/budget/133/MainOperating/greenbook/DVM.PDF> (see FY 2018 actual).

²⁰ <https://www.lsc.ohio.gov/documents/budget/documents/cobli/2017/DVM.PDF> (see FY 2019 appropriation).

²¹ R.C. 4743.05(D).

1. The total number of veterinarians who applied to participate in the program within the prior 24 months;
2. The total amount of money awarded to program participants within the prior 24 months;
3. The names of the program participants who entered into a contract with the Board within the prior 24 months; and
4. Any other information the Board determines to be pertinent.²²

HISTORY

Action	Date
Introduced	02-12-19
Reported, H. Commerce & Labor	06-01-20

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²² R.C. 4741.55.