2007 ASSEMBLY BILL 291


AN ACT to create 20.235 (1) (cp) and 39.397 of the statutes; relating to: a loan program for veterinary medicine students who agree to provide veterinary medical services to food-producing animals in this state, requiring the exercise of rule-making authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, the Higher Educational Aids Board (HEAB) administers various student loan programs under which certain percentages of the loans are forgiven for each year that a loan recipient is employed in certain professions after the completion of the recipient’s program of study. Those programs include programs under which loans are forgiven after the recipient has been employed as a nurse in this state, as a teacher in the Milwaukee Public Schools, as a teacher of visually impaired pupils or as an orientation and mobility instructor in this state, and as a teacher in a school district in this state in which minority students constitute at least 29 percent of the membership of the school district.

This bill creates a loan program, to be administered by HEAB, to defray a portion of the cost of tuition, fees, and expenses for persons who are enrolled at an accredited school of veterinary medicine in this state in a curriculum leading to a doctor of veterinary medicine degree and who agree to engage full time in this state for not less than six years in a veterinary medicine practice in which not less than 75 percent of the revenue produced by the loan recipient is derived from providing veterinary medical services to animals that are raised to produce food for human consumption (food-producing animal veterinary practice). The maximum amount
of a loan that a person may receive during any fiscal year is $12,500 and the maximum amount that a person may receive under the program is $50,000. After a loan recipient has completed his or her curriculum of study, HEAB must forgive 10 percent of the loan’s principal and interest after the first full year, 10 percent of the loan’s principal and interest after the second full year, 10 percent of the loan’s principal and interest after the third full year, 10 percent of the loan’s principal and interest after the fourth full year, 20 percent of the loan’s principal and interest after the fifth full year, and 20 percent of the loan’s principal and interest after the sixth full year that the recipient has been employed full time in this state in a food-producing animal veterinary practice.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>2007-08</th>
<th>2008-09</th>
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<tbody>
<tr>
<td>20.235</td>
<td>125,000</td>
<td>250,000</td>
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</tbody>
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20.235 Higher educational aids board

(1) Student support activities

(cp) Loan program for veterinarians

of food-producing animals  GPR  A 125,000 250,000

SECTION 2. 20.235 (1) (cp) of the statutes is created to read:

20.235 (1) (cp) Loan program for veterinarians of food-producing animals. The amounts in the schedule for the loan program for veterinarians of food-producing animals under s. 39.397.

SECTION 3. 39.397 of the statutes is created to read:

39.397 Loan program for veterinarians of food-producing animals. (1)

The board shall establish a loan program to defray a portion of the cost of tuition, fees, and expenses for persons who are enrolled at an accredited school of veterinary
medicine in this state in a curriculum leading to a doctor of veterinary medicine degree and who agree to engage full time in this state for not less than 6 years in a veterinary medicine practice in which not less than 75 percent of the revenue produced by the loan recipient is derived from providing veterinary medical services to food–producing animals, as defined in s. 453.02 (4m).

(2) The board shall make loans under sub. (1) from the appropriation account under s. 20.235 (1) (cp). The maximum amount of a loan that a person may receive during any fiscal year is $12,500. The maximum amount that a person may receive under this section is $50,000. The terms of a loan shall provide that the loan recipient is not required to repay the loan while the recipient is enrolled in the curriculum described in sub. (1) or during any period of loan deferment authorized by the board under rules promulgated under sub. (5).

(3) After the recipient of a loan under sub. (1) has completed the curriculum described in sub. (1), the board shall forgive 10 percent of the loan’s principal and interest after the first full year, 10 percent of the loan’s principal and interest after the 2nd full year, 10 percent of the loan’s principal and interest after the 3rd full year, 10 percent of the loan’s principal and interest after the 4th full year, 20 percent of the loan’s principal and interest after the 5th full year, and 20 percent of the loan’s principal and interest after the 6th full year that the recipient has been employed full time in this state in a veterinary medicine practice described in sub. (1). The board may forgive loans on a prorated basis for persons who are employed less than full time. If a loan recipient ceases employment in this state in a veterinary medicine practice described in sub. (1) during the the time period allowed for forgiveness or if after the end of that time period there remains any unpaid balance on the loan, the
loan recipient shall repay the unpaid balance of the loan plus interest at a rate
determined by the board by rule promulgated under sub. (5).

(4) The board shall deposit in the general fund as general purpose revenue —
earned all repayments of loans made under sub. (1) and the interest on those loans.

(5) The board shall promulgate rules to implement and administer this section,
including all of the following:

(a) Rules relating to verification that a person has been employed as required
under sub. (3).

(b) Rules providing circumstances under which the board may defer repayment
of a loan.

(c) Rules establishing an interest rate for loans that are not forgiven and must
be repaid.

SECTION 4. Effective date.

(1) This act takes effect on the day after publication, or on the 2nd day after
publication of the 2007–09 biennial budget act, whichever is later.