

- SUBJECT:** Establishing a rural veterinary educational loan repayment program
- COMMITTEE:** Agriculture and Livestock — committee substitute recommended
- VOTE:** 9 ayes — Gonzalez Toureilles, Anderson, B. Brown, Crabb, Hardcastle, Heflin, Kleinschmidt, Rios Ybarra, Swinford
- 0 nays
- WITNESSES:** For — Donald Davis, Texas Deer Association; Joshua Nicholson; Bob Turner, Texas Veterinary Medical Association; (*Registered, but did not testify*: Ken Hodges, Texas Farm Bureau; Jason Skaggs, Texas and Southwestern Cattle Raisers Association; Ronald Stried, Texas Veterinary Medical Association)
- Against — None
- On — (*Registered, but did not testify*: Bob Hillman DVM, Texas Animal Health Commission; Charlie Stone, Office of Rural Community Affairs)
- DIGEST:** CSHB 1684 would create the Rural Veterinarian Loan Repayment Program, administered by the Office of Rural Community Affairs (ORCA), to provide loan repayment assistance to veterinarians who agreed to practice on livestock or deer in rural areas. One year of loans would be repaid for each full year a veterinarian spent practicing in a rural area for up to four years. ORCA would determine the amount of repayment assistance provided each year.
- The program would receive half of the balance of the fund dedicated to the rural communities healthcare investment program. The bill also would authorize ORCA to solicit additional private or public funding for the program.
- Veterinarians would be required to enter into a written agreement with ORCA detailing the terms of the loan repayment. The written agreement would specify that loan repayments were loans until the requirements of the program were met. Veterinarians who did not complete their terms of service in rural areas would be required to repay ORCA the amount of loan repayment assistance received, with interest. These payments to

ORCA would be deposited into the rural communities health care investment program fund.

Eligible loans would include loans from any veterinary program that met Texas requirements. ORCA would repay both loans and interest, but would not repay defaulted loans. ORCA would be required to adopt rules to administer the program, and these rules would be distributed to all veterinary schools in Texas.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.

**SUPPORTERS  
SAY:**

CSHB 1684 would address the scarcity of large animal veterinarians in Texas rural areas. Although Texas has more cattle, horse, sheep, and goats than any other state, the state lags behind the national average in the number of veterinarians available to care for them. Nationwide, the demand for veterinarians is steadily increasing, but the number of students graduating from veterinary programs has stayed the same for more than 20 years. The Texas College of Veterinary Medicine estimates that only 3.6 percent of veterinarians in Texas practice in rural areas compared to 10.4 percent nationally. By establishing an educational loan repayment program, HB 1684 would encourage more veterinarians to practice on farm animals.

The primary challenge to attracting more students into rural veterinary medicine is not lack of interest, but rather rising tuition costs. Many students enter the veterinary medicine program at Texas A&M University with the expectation of practicing on large animals in rural areas upon graduation, but are diverted from this path when they realize the magnitude of their student loan debt. The American Veterinary Medical Association estimates that the average veterinary graduate now graduates with an excess of \$106,000 in student loan debt. Because starting salaries for pet veterinarians are typically \$20,000 higher than those for large animal vets, more veterinarians opt to practice on pets in order to be able to afford loan repayment.

Large animal veterinarians in rural areas protect the safety of our food supply. These veterinarians are trained to identify and intercept disease outbreaks that can be detrimental to animal or human health, like foot-and-mouth-disease and mad cow disease. It is crucial that Texas has an

adequate number of veterinarians to care for its population of 20 million cattle, which produce meat and milk products for human consumption.

**OPPONENTS  
SAY:**

A contingent appropriation of \$2.79 million to ORCA's rural communities health care investment program fund has been placed in Article 11 of the House-passed version of SB 1, the general appropriations bill. Encouraging veterinarians to practice on livestock and deer is a worthy cause, but the state cannot afford a new program during a period of fiscal constraint.

**NOTES:**

The committee substitute differs from the bill as filed in that it would dedicate half of the balance of the rural communities health care investment program fund to the rural veterinarian loan repayment program.

The companion bill, SB 1667 by Estes, was considered by the Senate Agriculture and Rural Affairs Committee in public hearings on March 30 and April 15 and left pending.