

2007 SENATE BILL 155

April 19, 2007 – Introduced by Senators LASSA, HARSDORF, KREITLOW, OLSEN, ROESSLER, SCHULTZ, VINEHOUT and PLALE, cosponsored by Representatives HINES, A. OTT, ALBERS, BENEDICT, BERCEAU, GRONEMUS, GUNDERSON, HIXSON, MOLEPSKE, MONTGOMERY, MURSAU, MUSSER, OWENS, TOWNSEND, VAN ROY and WASSERMAN. Referred to Committee on Agriculture and Higher Education.

1 **AN ACT** *to create* 20.235 (1) (cp) and 39.397 of the statutes; **relating to:** a loan
2 program for veterinary medicine students who agree to provide veterinary
3 medical services to food-producing animals in this state, requiring the exercise
4 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

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1 medicine in this state in a curriculum leading to a doctor of veterinary medicine
2 degree and who agree to engage full time in this state for not less than 6 years in a
3 veterinary medicine practice in which not less than 75 percent of the revenue
4 produced by the loan recipient is derived from providing veterinary medical services
5 to food-producing animals, as defined in s. 453.02 (4m).

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

13 **(3)** After the recipient of a loan under sub. (1) has completed the curriculum
14 described in sub. (1), the board shall forgive 10 percent of the loan's principal and
15 interest after the first full year, 10 percent of the loan's principal and interest after
16 the 2nd full year, 10 percent of the loan's principal and interest after the 3rd full year,
17 10 percent of the loan's principal and interest after the 4th full year, 20 percent of the
18 loan's principal and interest after the 5th full year, and 20 percent of the loan's
19 principal and interest after the 6th full year that the recipient has been employed full
20 time in this state in a veterinary medicine practice described in sub. (1). The board
21 may forgive loans on a prorated basis for persons who are employed less than full
22 time. If a loan recipient ceases employment in this state in a veterinary medicine
23 practice described in sub. (1) during the the time period allowed for forgiveness or
24 if after the end of that time period there remains any unpaid balance on the loan, the

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1 loan recipient shall repay the unpaid balance of the loan plus interest at a rate
2 determined by the board by rule promulgated under sub. (5).

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

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

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

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

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

13 **SECTION 4. Effective date.**

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

16 (END)