

Title 4 Agriculture
Part 2 Texas Animal Health Commission
Chapter 42 Rural Veterinarian Incentive Program

The Rural Veterinarian Incentive Program Committee (Committee) proposes new rules to add Chapter 42, titled "Rural Veterinarian Incentive Program," to Title 4, Texas Administrative Code.

BACKGROUND AND SUMMARY OF PROPOSED RULES

House Bill 1259 of the 87th Legislature, effective September 1, 2021, transferred administration of the Rural Veterinarian Incentive Program (Program) to the Texas Animal Health Commission (Commission) and established the Rural Veterinarian Incentive Program Committee (Committee). Texas Education Code §56.103(d) mandated that the Committee adopt rules to select participants of the Program, provide for the request to distribute money from the account for the Program, establish criteria necessary for qualification as a rural sponsor, govern agreements of financial support between the rural sponsor and an eligible participant, and other rules and procedures necessary to administer the Program.

Rule 42.1 sets out the authority to establish procedures to administer the Program and states that the purpose of the Program is to encourage veterinary students and recent graduates to practice veterinary medicine in rural counties in Texas.

Rule 42.3 specifies the administrative duties of Commission and the Texas Higher Education Coordinating Board.

Rule 42.5 sets out the definitions used in the rules.

Rule 42.7 specifies the Commission's role in publishing information about the Program and directs the Commission to publish applications for the Program on its website.

Rule 42.9 enumerates the eligibility requirements under the Program.

Rule 42.11 directs the Commission to screen each application for eligibility and completeness.

Rule 42.13 specifies the Program application evaluation criteria and specifies the process the Committee uses to score, rank, and select participants.

Rule 42.15 enumerates the instances where an application can be denied. The rule also allows for the voluntary withdrawal of an application and the opportunity for applicants to reapply in future application rounds.

Rule 42.17 provides the eligibility requirements to be a rural community sponsor under the Program.

Rule 42.19 sets out the requirements for an eligible loan under the Program.

Rule 42.21 specifies the amount of financial support that may be awarded under the Program and explains that the amount of financial support is contingent on available funding.

Rule 42.23 sets the required terms for the financial agreement a participant must enter to receive financial support as part of the Program.

FISCAL NOTE

Ms. Jeanine Coggeshall, General Counsel of the Texas Animal Health Commission, has determined that for the first five years the new rules are in effect, there will be no fiscal implications for state or local governments as a result of enforcing or administering the rules. There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rule. There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rules.

PUBLIC BENEFIT NOTE

Ms. Coggeshall has also determined that for the first five years the new rules are in effect, the public benefit anticipated as a result of administering these rules is to establish the standards and procedures for administration of the Rural Veterinarian Incentive Program. The Program will encourage veterinary students and recent graduates to practice veterinary medicine in rural counties in Texas.

SMALL BUSINESS, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT ANALYSIS

There is no adverse economic effect on small businesses, micro businesses, and rural communities.

LOCAL EMPLOYMENT IMPACT STATEMENT

There is no anticipated impact on local employment.

GOVERNMENT GROWTH IMPACT STATEMENT

1. The proposed rules will not create or eliminate a government program.
2. Implementation of the proposed rules will not require the creation or elimination of employee positions.
3. Implementation of the proposed rules will not require an increase or decrease in future legislative appropriations.
4. The rules will not require an increase or decrease in fees paid to the Commission.
5. The proposed rules will create new rules.
6. The proposed rules will not expand, limit, or repeal an existing rule.
7. The proposed rules will not change the number of individuals subject to the rule.
8. The proposed rules will not adversely affect the state's economy. These rules positively affect the state's economy by providing the process to administer the Rural Veterinarian Incentive Program, which will encourage veterinary students and recent graduates to practice veterinary medicine in rural counties in Texas.

REQUEST FOR COMMENT

Comments regarding the proposed amendments may be submitted to Amanda Bernhard, Texas Animal Health Commission, 2105 Kramer Lane, Austin, Texas 78758, by fax at (512) 719-0719, or by e-mail to comments@tahc.texas.gov. Comments must be received no later than thirty (30) days from the date of publication of this proposal in the *Texas Register*. When faxing or emailing comments, please indicate "Comments on Chapter 42 Rural Veterinarian Incentive Program" in the subject line.

STATUTORY AUTHORITY

The rules are proposed under the Texas Education Code, §56.103, which requires the Committee to adopt rules to select participants of the Program, provide for the

request to distribute money from the account for the Program, establish criteria necessary for qualification as a rural sponsor, govern agreements of financial support between the rural sponsor and an eligible participant, and other rules and procedures necessary to administer the Program.

The proposed new rules implement the Texas Education Code, §§56.101-56.106.

This agency hereby certifies that this proposal has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

No other statutes, articles, or codes are affected by this proposal.

<rule>

§42.1. Authority and Purpose

(a) Authority. Authority for this chapter is provided in the Texas Education Code, Chapter 56, Subchapter G, Rural Veterinarian Incentive Program. These rules establish procedures to administer the subchapter as prescribed in the Texas Education Code §§56.101-56.106.

(b) Purpose. The purpose of the Rural Veterinarian Incentive Program (program) is to encourage veterinary students and recent graduates to practice veterinary medicine in rural counties in Texas by providing educational loan repayment assistance or payment of tuition and fees.

§42.3. Administration

(a) Administration of the Program. Under Texas Education Code, Subchapter G, §56.102, the Texas Animal Health Commission (commission) shall administer the Rural Veterinarian Incentive Program in accordance with rules adopted by the Rural Veterinarian Incentive Program Committee (committee) under this chapter.

(1) Administration of the program for participants without a rural community sponsor. For each year that funding for the program is available for distribution to participants without a rural community sponsor, the commission shall:

(A) create an application that requires an applicant to provide information on eligibility and the evaluation criteria established by the rules in this chapter and applicable law;

(B) disseminate information about the program in accordance with §42.7 of this chapter;

(C) set a deadline to submit the application;

(D) create instructions on how to complete and submit the application;

(E) select the method of submission for the application;

(F) create a scoring rubric for the application that includes standardized scoring for each evaluation criteria;

(G) notify applicants who are selected to be participants under the program;

(H) facilitate all required steps for a participant to receive loan repayment assistance or payment of tuition and fees under the program; and

(I) complete any reporting as required by law.

(2) Administration of the program for participants with a rural community sponsor. For each instance when a rural community sponsor requests to participate in the program, the commission shall:

(A) collect information from the rural community sponsor to determine the sponsor's eligibility by the rules in this chapter or applicable law;

(B) determine if the rural community sponsor is eligible to participate under the program;

(C) collect information from the rural community sponsor's selected participant to determine the participant's eligibility by the rules in this chapter and applicable law; and

(D) determine if the rural community sponsor's selected participant is eligible to participate under the program.

(b) Administration of the Account. Under Texas Education Code, Chapter 61, Subchapter OO, §61.9965, the Texas Higher Education Coordinating Board (board) administers the rural veterinarian incentive program account (account).

§42.5. Definitions

The following words and terms, when used in this chapter, have the following meanings unless the context clearly indicates otherwise.

- (1) Account -- The rural veterinarian incentive program account authorized under Texas Education Code, Chapter 61, Subchapter OO, §61.9965.
- (2) Applicant -- A person applying to the Rural Veterinarian Incentive Program.
- (3) Application Round -- Means the period beginning on the date the commission begins accepting applications and continuing until all participants are selected from the applications.
- (4) Board -- Texas Higher Education Coordinating Board.
- (5) Commission -- The Texas Animal Health Commission, or its designee.
- (6) Committee -- The rural veterinarian incentive program committee established by Texas Education Code, Chapter 56, Subchapter G.
- (7) Eligible Education Loan -- A qualifying loan under this program as prescribed by §42.19 of this chapter.
- (8) Full-Time Veterinary Medical Services -- An average of at least 32 hours of veterinary care per week during the obligated service period.
- (9) Licensed Veterinarian -- A person licensed by the Texas Board of Veterinary Medical Examiners under Texas Occupations Code, Chapter 801, to practice veterinary medicine.
- (10) Obligated Service Period -- A period equal to 12 consecutive months in which a participant agrees to provide full-time veterinary medical services in a rural county or counties under the Rural Veterinarian Incentive Program.
- (11) Program -- The Rural Veterinarian Incentive Program established by Texas Education Code, Subchapter G §§56.101-56.106.
- (12) Participant -- A person who is selected to receive loan repayment assistance or payment of tuition and fees from the Rural Veterinarian Incentive Program.
- (13) Qualifying Disability -- A person is considered to have a qualifying disability if the person:
 - (A) cannot work and engage in substantial gainful activity because of their medical condition;
 - (B) cannot perform work done previously or adjust to other work because of their medical condition; or
 - (C) has a long-term condition or terminal illness.

(14) Rural county -- Has the same meaning defined by Texas Education Code, Subchapter G §56.101(7).

§42.7. Dissemination of Information

(a) As part of its administration, the commission shall disseminate information about the program to schools of veterinary medicine in this state, appropriate state agencies, interested professional associations, and the public.

(b) At least 30 calendar days before the deadline to submit an application, the commission shall publish on its website:

(1) the application and any forms required to be completed as part of the application;

(2) the deadline for an applicant to submit the application;

(3) instructions to applicants on how to complete and submit the application;

(4) the method(s) of submission for the application; and

(5) a copy of the scoring rubric for the application.

§42.9. Eligibility

To be eligible for the Rural Veterinarian Incentive program, an applicant must:

(1) be an eligible veterinary student or graduate in accordance with Texas Education Code §56.104 at the time the applicant submits their application;

(2) be a U.S. citizen or a Legal Permanent Resident;

(3) not be currently fulfilling another obligation to provide veterinary medical services as part of a scholarship agreement, an educational loan agreement, or another educational loan repayment agreement;

(4) have received an eligible education loan for at least 50 percent of the funds for tuition and fees for one or more academic years while enrolled in an accredited school of veterinary medicine;

(5) specify the county or counties in which the applicant is practicing or intends to practice veterinary medicine full-time to qualify for the loan repayment assistance or payment of tuition and fees;

(6) be otherwise eligible to receive payment from the funding source; and

(7) if an applicant is a graduate at the time of application, the applicant must be a licensed veterinarian.

§42.11. Application Review for Initial Screening

Each application shall be screened by the commission for eligibility and completeness.

§42.13. Application Evaluation and Selection Process

(a) Evaluation Criteria. The following criteria will be used to evaluate applicants:

(1) a personal statement indicating a background and interest in rural veterinary practice;

(2) a personal statement regarding future intent and goals in veterinary medical practice;

(3) experience in an active veterinary medical practice in a rural county;

(4) experience as a licensed veterinarian in Texas;

(5) relevant work or volunteer experience related to rural veterinary medicine;

(6) involvement in professional or educational activities relating to rural veterinary medicine;

(7) if the applicant is a student at the time of application, whether they are in good academic standing;

(8) if the applicant is a graduate at the time of application, whether they are licensed in good standing;

(9) letters of recommendation; and

(10) financial need.

(b) Evaluation of applications for each application round.

(1) After the deadline for applications, the presiding officer will select three committee members to evaluate each application.

(2) The evaluators will individually score eligible applications using the scoring rubric published with the application.

(3) The average score of the evaluators will be the applicant's final score.

- (4) Applicants will be ranked based on their final scores.
- (c) Final selection for each application round. The committee will select participants from the ranked applicants. The number of participants selected and the loan repayment assistance or payment of tuition and fees offered is contingent on available funding for each application round. Available funds will be distributed on a priority basis based on ranking.
- (d) Following final selection, the commission will:
 - (1) notify the participants selected by the committee;
 - (2) provide information to the participants on the conditions of loan repayment assistance or payment of tuition and fees and additional steps the participant must take to receive loan repayment assistance or payment of tuition and fees; and
 - (3) inform the participant of any deadlines to complete the additional steps.
- (e) If a participant voluntarily withdraws their application after final selection or fails to complete the requirements to participate in the program by a specified deadline, the committee shall consider the participant's application denied for the application round and that participant will no longer be able to participate in the program during the application round.

§42.15. Denial of an Application

- (a) As part of its administration, the commission may reject an application if:
 - (1) the application is received after the established deadline;
 - (2) the application is incomplete; or
 - (3) the applicant does not meet the eligibility criteria.
- (b) Applications rejected by the commission are considered denied by the committee.
- (c) Applicants may voluntarily withdraw their application after submission. If withdrawn, the application is considered denied by the committee.
- (d) Denial of an application during an application round does not prevent the applicant from submitting an application in a future application round.

§42.17. Rural Community Sponsors

- (a) A rural community sponsor is:
- (1) a community or political subdivision or group of such entities located in a rural county; or
 - (2) a non-profit entity governed by council members, commissioners, or a board of trustees that:
 - (A) is responsible to and serves a community located in a rural county; and
 - (B) is legally authorized to raise funds or accept grants or financial gifts.
- (b) To qualify to participate in the program, the rural community sponsor must:
- (1) notify the executive director of the commission in writing of its desire to participate in the program;
 - (2) agree to provide an amount of not less than the tuition and fees required for a full academic year for a student enrolled in a school of veterinary medicine in exchange for the eligible participant's agreement to practice veterinary medicine in the sponsor's rural county for one year;
 - (3) have selected a participant who is eligible to participate under the program; and
 - (4) provide information requested by the commission to determine the rural community sponsor's eligibility under the program.
- (c) The agreement between the rural community sponsor and the selected participant must include, but is not limited to, the following provisions:
- (1) the rural community sponsor will provide financial support to the participant in an amount not less than the tuition and fees required for a full academic year of study for a student enrolled in a school of veterinary medicine in exchange for the participant practicing veterinary medicine in the rural community for one calendar year; and
 - (2) the participant sets their charges at the prevailing rate for the area.

§42.19. Eligible Lender and Eligible Education Loan

- (a) The board retains the right to determine the eligibility of educational loan providers to which payments may be made. An eligible lender or holder shall, in general, make or hold education loans made to individuals for purposes of

undergraduate or veterinary medical education and shall not be any private individual. An eligible lender or holder may be, but is not limited to, a bank, savings and loan association, credit union, institution of higher education, secondary market, governmental agency, or private foundation.

(b) To be eligible for repayment, an education loan must:

(1) be evidenced by a promissory note for loans to pay for the cost of attendance for veterinary medical education;

(2) not have been made to cover costs incurred after completion of veterinary school;

(3) not be in default at the time of the application;

(4) not have an existing obligation to provide service for loan forgiveness through another program;

(5) not be subject to repayment through another educational loan repayment or loan forgiveness program or repayment assistance provided by the applicant's employer while the applicant is participating in the program;

(6) if the loan was consolidated with other loans, the applicant must provide documentation of the portion of the consolidated debt that was originated to pay for the cost of attendance for the applicant's veterinary medical education; and

(7) not be an education loan made to oneself from one's own insurance policy or pension plan or from the insurance policy or pension plan of a spouse or other relative.

§42.21. Amount of Loan Repayment Assistance or Payment of Tuition and Fees

(a) The committee will determine the total obligated service periods for each participant, with a minimum of one obligated service period and maximum of four obligated service periods.

(b) For each obligated service period the participant may receive loan repayment assistance or payment of tuition and fees of up to \$45,000 or the total amount of the participant's qualifying loans, whichever is less.

(c) Loan repayment assistance or payment of tuition and fees is contingent on available funding. If at any time the amount of money available for loan repayment assistance or payment of tuition and fees is insufficient to award the maximum

annual award amount to all participants, the committee may reduce award amounts to assist a greater number of participants.

§42.23. Conditions of Loan Repayment Assistance or Payment of Tuition and Fees

(a) To receive loan repayment assistance or payment of tuition and fees, a participant must execute an agreement in accordance with Texas Education Code, Subchapter G, §56.106 that includes the following terms:

(1) the participant agrees to provide veterinary medical services in a rural county for one calendar year for each academic year for which the recipient receives financial support under the program; and

(2) the participant signs a promissory note acknowledging the conditional nature of the financial support received under the program and promises to repay the amount of the financial support, any applicable interest, and reasonable collection costs if the recipient does not satisfy the conditions of the agreement.

(b) The participant must comply with applicable federal law, state law, program requirements, and agreement requirements, including but not limited to the following:

(1) provide full-time veterinary medical service in the qualifying county or counties for the duration of the obligated service period;

(2) cooperate with the commission and the committee if information relevant to the program is requested;

(3) provide a 30-day written notice to the commission, committee, board, and promissory note holder of any change in address, lender, or other relevant contact information during the agreement term;

(4) submit periodic statements to the commission certifying compliance with program and contractual requirements, in accordance with reporting timelines provided in the agreement; and

(5) the committee retains discretion to grant forbearance for good cause.

(c) All obligations under the program are satisfied when any of the following conditions are met:

(1) All terms of the agreement are met;

(2) the participant who entered into the agreement, due to death or qualifying disability, is unable to meet the requirements of the program; or

(3) the participant who entered into the agreement has no remaining eligible education loan balance to repay.