

SB 6187 - H COMM AMD

By Appropriations Subcommittee on Education

ADOPTED 03/06/2008

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that there is a
4 critical shortage of food animal veterinarians particularly in rural
5 areas of the state. The legislature finds that among the factors
6 contributing to this shortage is the need to repay student loans that
7 are taken out to pay for an extensive and high-cost education. To pay
8 these student loans, licensed graduates currently find it necessary to
9 take higher paying positions that provide service to companion and
10 small animals.

11 The legislature finds that the livestock industry provides a
12 critical component of the food supply. Providing adequate animal
13 health and disease diagnostic services is of high importance not only
14 to protect animal health, but also for the protection of our food
15 supply, the protection of public health from potential effects of
16 contagious diseases, and to provide an essential disease detection and
17 response capability.

18 The legislature intends to increase the supply of food animal
19 veterinarians by providing incentives to graduates of Washington State
20 University college of veterinary medicine to focus on food animal
21 health services to address this critical shortage.

22 NEW SECTION. **Sec. 2.** The definitions in this section apply
23 throughout this chapter unless the context clearly requires otherwise.

24 (1) "College" means the Washington State University college of
25 veterinary medicine.

26 (2) "Conditional scholarship" means a loan that is forgiven in
27 whole or in part if the recipient renders service as a food animal
28 veterinarian in this state.

1 (3) "Eligible student" means a student who is registered for at
2 least six credit hours or the equivalent, is making satisfactory
3 academic progress as defined by the college, has declared veterinary
4 medicine for his or her major, and has a declared intention to practice
5 veterinary medicine with an emphasis in food animal medicine in the
6 state of Washington.

7 (4) "Food animal" means any species commonly recognized as
8 livestock including, but not limited to, poultry, cattle, swine, and
9 sheep.

10 (5) "Food animal veterinarian" means a veterinarian licensed and
11 registered under chapter 18.92 RCW and engaged in general and food
12 animal practice as a primary specialty, who has at least fifty percent
13 of his or her practice time devoted to large production animal
14 veterinary practice.

15 (6) "Forgiven" or "to forgive" or "forgiveness" means to practice
16 veterinary medicine with an emphasis in food animal medicine in the
17 state of Washington in lieu of monetary repayment.

18 (7) "Participant" means an eligible student who has received a
19 conditional scholarship under this chapter.

20 (8) "Satisfied" means paid-in-full.

21 (9) "University" means Washington State University.

22 NEW SECTION. **Sec. 3.** The food animal veterinarian conditional
23 scholarship program is established. The program shall be administered
24 by the university. In administering the program, the university has
25 the following powers and duties:

26 (1) To select, in consultation with the college, up to two students
27 each year to receive conditional scholarships;

28 (2) To adopt necessary rules and guidelines;

29 (3) To publicize the program;

30 (4) To collect and manage repayments from students who do not meet
31 their obligations under this chapter; and

32 (5) To solicit and accept grants and donations from public and
33 private sources for the program.

34 NEW SECTION. **Sec. 4.** (1) The university shall select participants
35 based on an application process conducted by the university.

1 (2) The university shall establish a selection committee for
2 screening and selecting recipients of the conditional scholarships.
3 The selection committee shall include at least two representatives from
4 the college, at least one of whom is a faculty member teaching in food
5 animal veterinary medicine, and at least one representative from the
6 beef, dairy, or sheep industry.

7 (3) The selection criteria shall emphasize factors demonstrating a
8 sustained interest in food animals and serving the needs of
9 Washington's agricultural communities. The criteria shall also take
10 into account the need for food animal veterinarians in diverse areas of
11 the state and allocate funds in a manner designed to represent a
12 cross-section of geographic locations.

13 NEW SECTION. **Sec. 5.** To remain an eligible student and receive
14 continuing disbursements under the program, a participant must be
15 considered by the college to be making satisfactory academic progress.

16 NEW SECTION. **Sec. 6.** The university may award conditional
17 scholarships to eligible students from the funds appropriated to the
18 university for this purpose, or from any private donations, or any
19 other funds given to the university for this program. The amount of
20 the conditional scholarship awarded an individual may not exceed the
21 amount of resident tuition and fees at the college, as well as the cost
22 of room, board, laboratory fees and supplies, and books, incurred by an
23 eligible student and approved by a financial aid administrator at the
24 university. Participants are eligible to receive conditional
25 scholarships for a maximum of five years.

26 NEW SECTION. **Sec. 7.** (1) A participant in the conditional
27 scholarship program incurs an obligation to repay the conditional
28 scholarship, with interest, unless he or she is employed as a food
29 animal veterinarian in Washington state for each year of scholarship
30 received, under rules adopted by the university.

31 (2) The interest rate shall be determined annually by the
32 university.

33 (3) The minimum payment shall be set by the university. The
34 maximum period for repayment is ten years, with payments of principal
35 and interest accruing quarterly commencing six months from the date the

1 participant completes or discontinues the course of study, including
2 any internship or residency in food animal medicine and surgery.
3 Provisions for deferral of payment shall be determined by the
4 university.

5 (4) The entire principal and interest of each payment shall be
6 forgiven for each payment period in which the participant is employed
7 as a food animal veterinarian in this state until the entire repayment
8 obligation is satisfied. Should the participant cease to be employed
9 as a food animal veterinarian in this state before the participant's
10 repayment obligation is completed, payments on the unsatisfied portion
11 of the principal and interest shall begin the next payment period and
12 continue until the remainder of the participant's repayment obligation
13 is satisfied.

14 (5) The university is responsible for collection of repayments made
15 under this section and shall exercise due diligence in such collection,
16 maintaining all necessary records to ensure that maximum repayments are
17 made. Collection and servicing of repayments under this section shall
18 be pursued using the full extent of the law, including wage garnishment
19 if necessary. The university is responsible to forgive all or parts of
20 such repayments under the criteria established in this section and
21 shall maintain all necessary records of forgiven payments.

22 (6) Receipts from the payment of principal or interest or any other
23 subsidies to which the university as administrator is entitled, that
24 are paid by or on behalf of participants under this section, shall be
25 deposited in the food animal veterinarian conditional scholarship
26 account and shall be used to cover the costs of granting the
27 conditional scholarships, maintaining necessary records, and making
28 collections under subsection (5) of this section. The university shall
29 maintain accurate records of these costs, and all receipts beyond those
30 necessary to pay such costs shall be used to grant conditional
31 scholarships to eligible students.

32 (7) The university shall adopt rules to define the terms of
33 repayment, including applicable interest rates, fees, and deferments.

34 NEW SECTION. **Sec. 8.** (1) The food animal veterinarian conditional
35 scholarship account is created in the custody of the state treasurer.
36 No appropriation is required for expenditures of funds from the

1 account. The account is not subject to allotment procedures under
2 chapter 43.88 RCW except for moneys used for program administration.

3 (2) The university shall deposit into the account all moneys
4 received for the program. The account shall be self-sustaining and
5 consist of funds appropriated by the legislature for the food animal
6 veterinarian conditional scholarship program, private contributions to
7 the program, and receipts from participant repayments.

8 (3) Expenditures from the account may be used solely for
9 conditional scholarships to participants in the program established by
10 this chapter and costs associated with program administration by the
11 university.

12 (4) Disbursements from the account may be made only on the
13 authorization of the university.

14 **Sec. 9.** RCW 43.79A.040 and 2007 c 523 s 5, 2007 c 357 s 21, and
15 2007 c 214 s 14 are each reenacted and amended to read as follows:

16 (1) Money in the treasurer's trust fund may be deposited, invested,
17 and reinvested by the state treasurer in accordance with RCW 43.84.080
18 in the same manner and to the same extent as if the money were in the
19 state treasury.

20 (2) All income received from investment of the treasurer's trust
21 fund shall be set aside in an account in the treasury trust fund to be
22 known as the investment income account.

23 (3) The investment income account may be utilized for the payment
24 of purchased banking services on behalf of treasurer's trust funds
25 including, but not limited to, depository, safekeeping, and
26 disbursement functions for the state treasurer or affected state
27 agencies. The investment income account is subject in all respects to
28 chapter 43.88 RCW, but no appropriation is required for payments to
29 financial institutions. Payments shall occur prior to distribution of
30 earnings set forth in subsection (4) of this section.

31 (4)(a) Monthly, the state treasurer shall distribute the earnings
32 credited to the investment income account to the state general fund
33 except under (b) and (c) of this subsection.

34 (b) The following accounts and funds shall receive their
35 proportionate share of earnings based upon each account's or fund's
36 average daily balance for the period: The Washington promise
37 scholarship account, the college savings program account, the

1 Washington advanced college tuition payment program account, the
2 agricultural local fund, the American Indian scholarship endowment
3 fund, the foster care scholarship endowment fund, the foster care
4 endowed scholarship trust fund, the students with dependents grant
5 account, the basic health plan self-insurance reserve account, the
6 contract harvesting revolving account, the Washington state combined
7 fund drive account, the commemorative works account, the Washington
8 international exchange scholarship endowment fund, the developmental
9 disabilities endowment trust fund, the energy account, the fair fund,
10 the family leave insurance account, the food animal veterinarian
11 conditional scholarship account, the fruit and vegetable inspection
12 account, the future teachers conditional scholarship account, the game
13 farm alternative account, the GET ready for math and science
14 scholarship account, the grain inspection revolving fund, the juvenile
15 accountability incentive account, the law enforcement officers' and
16 fire fighters' plan 2 expense fund, the local tourism promotion
17 account, the produce railcar pool account, the regional transportation
18 investment district account, the rural rehabilitation account, the
19 stadium and exhibition center account, the youth athletic facility
20 account, the self-insurance revolving fund, the sulfur dioxide
21 abatement account, the children's trust fund, the Washington horse
22 racing commission Washington bred owners' bonus fund account, the
23 Washington horse racing commission class C purse fund account, the
24 individual development account program account, the Washington horse
25 racing commission operating account (earnings from the Washington horse
26 racing commission operating account must be credited to the Washington
27 horse racing commission class C purse fund account), the life sciences
28 discovery fund, the Washington state heritage center account, and the
29 reading achievement account. However, the earnings to be distributed
30 shall first be reduced by the allocation to the state treasurer's
31 service fund pursuant to RCW 43.08.190.

32 (c) The following accounts and funds shall receive eighty percent
33 of their proportionate share of earnings based upon each account's or
34 fund's average daily balance for the period: The advanced right of way
35 revolving fund, the advanced environmental mitigation revolving
36 account, the city and county advance right-of-way revolving fund, the
37 federal narcotics asset forfeitures account, the high occupancy vehicle

1 account, the local rail service assistance account, and the
2 miscellaneous transportation programs account.

3 (5) In conformance with Article II, section 37 of the state
4 Constitution, no trust accounts or funds shall be allocated earnings
5 without the specific affirmative directive of this section.

6 NEW SECTION. **Sec. 10.** Sections 1 through 8 of this act constitute
7 a new chapter in Title 28B RCW.

8 NEW SECTION. **Sec. 11.** If specific funding for the purposes of
9 this act, referencing this act by bill or chapter number, is not
10 provided by June 30, 2008, in the omnibus appropriations act, this act
11 is null and void."

12 Correct the title.

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