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AN ACT

RELATING TO HIGHER EDUCATION; ENACTING THE VETERINARY MEDICAL
LOAN REPAYMENT PROGRAM; PROVIDING POWERS AND DUTIES;
ESTABLISHING SELECTION CRITERIA AND ELIGIBILITY REQUIREMENTS;
PROVIDING FOR CONTRACTS BETWEEN RECIPIENTS AND THE HIGHER
EDUCATION DEPARTMENT; PROVIDING FOR RELEASE FROM CONTRACT OR
RECOUPMENT; CREATING A FUND; PRESCRIBING A PENALTY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. SHORT TITLE.--This act may be cited as the
"Veterinary Medical Loan Repayment Act".

SECTION 2. DEFINITIONS.--As used in the Veterinary
Medical Loan Repayment Act:

A. "award" means the loan repayment award granted
to a recipient;

B. "committee" means the veterinarian selection
committee;

C. "department" means the higher education
department;

D. "designated underserved area" means a
municipality or county designated by the committee that does
not have a sufficient number of food-animal veterinarians for
the needs of the veterinary medical service area;

E. "loan" means a grant of money to defray the
cost of tuition and fees for a veterinary medical education

1 under a contract between the federal government or a
2 commercial lender and a veterinary medical student requiring
3 repayment of principal and interest;

4 F. "recipient" means a veterinarian selected to
5 participate in the veterinary medical loan repayment program;
6 and

7 G. "veterinarian" means a person who graduated
8 from an accredited school of veterinary medicine and is
9 licensed as a veterinarian in New Mexico.

10 SECTION 3. DEPARTMENT--POWERS AND DUTIES--DESIGNATED
11 UNDERSERVED AREAS--COMMITTEE--ELIGIBILITY AND SELECTION--
12 APPLICANT QUALIFICATIONS.--

13 A. The department may:

14 (1) promulgate rules to implement the
15 provisions of the Veterinary Medical Loan Repayment Act,
16 including the factors to be used to identify designated
17 underserved areas of the state;

18 (2) delegate to other agencies or contract
19 for the performance of services required by the Veterinary
20 Medical Loan Repayment Act; and

21 (3) grant an award to repay loans to a
22 recipient on such terms and conditions as determined by rule
23 of the department.

24 B. The department, delegated agency or contractor
25 shall participate in any federal programs that support the

1 repayment of education loans incurred by veterinarians and
2 agree to the conditions of a federal program.

3 C. The department shall appoint an ongoing
4 "veterinarian selection committee" composed of the state
5 veterinarian, the New Mexico state university extension
6 veterinarian and the chair of the board of veterinary
7 medicine, who all serve ex officio. The committee shall:

8 (1) select up to ten qualified applicants
9 per year to participate in the veterinary medical loan
10 repayment program;

11 (2) designate food-animal veterinarian
12 underserved areas of the state and rank them as to need; and

13 (3) assist the department in determining
14 eligibility and selection criteria for applicants and
15 recipients.

16 D. An applicant shall be:

17 (1) a citizen or lawful permanent resident
18 of the United States;

19 (2) a resident of New Mexico;

20 (3) licensed as a veterinarian in
21 New Mexico; and

22 (4) employed full time in a private practice
23 providing food-animal veterinary medical services in a
24 designated underserved area.

25 E. The department, with the assistance of the

1 board of veterinary medicine, shall make a full and careful
2 investigation of the training, ability, character and other
3 pertinent qualifications of each applicant and determine
4 fitness to be a recipient.

5 F. The board of veterinary medicine shall maintain
6 a database of employment opportunities for veterinarians in
7 designated underserved areas.

8 SECTION 4. AWARD CRITERIA--CONTRACT--TERMS--PAYMENT--
9 PENALTY.--

10 A. Award criteria shall provide that:

11 (1) amounts are dependent on the location
12 and characteristics of the medical practice and the
13 applicant's total veterinary medical school indebtedness;

14 (2) preference in making awards shall be to
15 persons who have graduated from a post-secondary educational
16 institution that gives preferential enrollment to New Mexico
17 residents;

18 (3) award amounts may be modified based on
19 available funding or other special circumstances; and

20 (4) an award shall not exceed the total
21 veterinary medical education indebtedness of the recipient.

22 B. The following education debts are not eligible
23 for repayment pursuant to the Veterinary Medical Loan
24 Repayment Act:

25 (1) amounts incurred as a result of

1 participation in state loan-for-service programs or other
2 state financial aid programs that require that service be
3 provided in exchange for financial assistance;

4 (2) scholarships;

5 (3) personal loans from friends or
6 relatives; and

7 (4) loans that exceed individual standard
8 school expense levels.

9 C. The award shall be evidenced by a contract
10 between the recipient and the department acting on behalf of
11 the state. The general form of the contract required shall
12 be approved by the attorney general and signed by the
13 recipient and the department or the designated representative
14 of the department on behalf of the state.

15 D. The contract shall provide for the payment by
16 the state of a stated sum to the recipient's debtors and
17 shall state the obligations of the recipient under the
18 program, including a minimum four-year period of service,
19 quarterly reporting requirements and other rules established
20 by the department.

21 E. Recipients shall serve a complete year in order
22 to receive credit for that year. The annual award shall be
23 established by the department but shall not exceed fifteen
24 thousand dollars (\$15,000) for each of the first two years
25 and twenty-five thousand dollars (\$25,000) for each of the

1 second two years, for a total not to exceed eighty thousand
2 dollars (\$80,000).

3 F. If a recipient does not comply with the terms
4 of the contract, the department shall assess a penalty of up
5 to three times the amount of the award disbursed plus
6 eighteen percent interest, unless the department finds
7 acceptable extenuating circumstances, including those that
8 require release of contract, as to why the recipient cannot
9 serve or comply with the terms of the contract. If the
10 department does not find acceptable extenuating circumstances
11 for the recipient's failure to comply with the contract, the
12 department shall require immediate repayment plus the amount
13 of the penalty.

14 G. The department shall adopt rules to implement
15 the provisions of this section. The rules may provide for
16 the disbursement of awards to the lenders of recipients in
17 annual or other periodic installments.

18 SECTION 5. RELEASE FROM CONTRACT--CONTRACT
19 CANCELLATION--ENFORCEMENT.--

20 A. The department, with recommendation from the
21 committee, may cancel a contract made between the department
22 and a recipient for the recipient's failure to comply with
23 provisions of the contract, the Veterinary Medical Loan
24 Repayment Act, rules promulgated in accordance with that act
25 or any other reasonable cause deemed sufficient by the

1 department.

2 B. The department shall release a recipient from
3 the contract without penalty if:

4 (1) the recipient has completed the service
5 requirements of the contract;

6 (2) the recipient is unable to complete the
7 service requirements of the contract due to serious illness
8 or disability; or

9 (3) the recipient demonstrates extreme
10 hardship or other good cause to the department justifying the
11 release from contract.

12 C. A decision not to release a recipient from the
13 contract without penalty is a final agency decision and may
14 be appealed to the district court as provided in Section
15 39-3-1.1 NMSA 1978.

16 D. The department is vested with full and complete
17 authority and power to sue in its own name for the balance
18 due the state from any recipient on a loan repayment
19 contract.

20 SECTION 6. FUND CREATED.--The "veterinary medical loan
21 repayment fund" is created as a nonreverting fund in the
22 state treasury. The fund consists of appropriations, gifts,
23 grants, donations and income from investment of the fund.
24 Money in the fund shall be used to make awards to recipients
25 who are in compliance with the recipients' contracts, the

1 Veterinary Medical Loan Repayment Act and rules promulgated
2 in accordance with that act. Expenditures from the fund
3 shall be on warrant of the secretary of finance and
4 administration pursuant to vouchers signed by the secretary
5 of higher education or the secretary's authorized
6 representative.

7 SECTION 7. REPORTS.--The department shall make annual
8 reports to the governor and the legislature prior to each
9 regular legislative session of the department's activities,
10 including cohort data and annual and total program data that
11 shows:

12 A. the number and amount of awards given;

13 B. the completion rate of recipients in the
14 program, the number of recipients who completed the program
15 and stayed in New Mexico and the number of those recipients
16 who are practicing in a designated underserved area;

17 C. the amounts repaid and amounts owed on
18 educational loans and the total number and total amount of
19 penalties assessed against recipients who left the program;

20 D. the service locations of current and former
21 recipients in New Mexico;

22 E. for each designated underserved area in the
23 state, the number of recipients who are serving or have
24 served in the area and whether there are recipients who are
25 not employed or not employed full time in the area; and

F. other information determined by the department.

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