

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2639 - A**

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

Prepared by: John Terpening
Reviewed by: Monica Brown
Date: 2/25/2011

Measure Description:

Creates Veterinary Loan Repayment Program.

Government Unit(s) Affected:

Oregon Student Assistance Commission (OSAC)

Summary of Expenditure Impact: See Analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The measure establishes the Veterinary Loan Repayment Program to be administered by the Oregon Student Assistance Commission. The measure defines eligible participants of the program and stipulates that participants must agree to practice in veterinary resource shortage areas for at least four years following initial licensure or the execution of the repayment agreement. For up to four years that the veterinarian serves the resource shortage area, the Commission is directed to pay annually to the veterinarian whichever is less: \$15,000 or the balance of the qualifying loans. The measure allows the Commission to collect 100% of any payments made and additionally assess a 25% penalty if the veterinarian does not complete the stipulations of the repayment agreement.

The measure establishes the Veterinary Loan Repayment Program Fund, separate and distinct from the General Fund, continuously appropriates the moneys in the fund to the Commission and credits interest earned back to the fund. The measure is operative January 1, 2012 and is effective on passage.

The fiscal impact is indeterminate. The source and amount of funds to be awarded are not identified in the measure. The Commission will utilize existing staff to establish rules for the program and wait until a source and amount of funds are determined before implementing the program.

Once funding has been identified, in order to implement the scholarship program, the Commission would allocate the anticipated workload to three existing positions for the administration of the program, including start-up system development, recruit and review applicants eligibility, process payments and receipts, and collection of payments if necessary.

The Legislative Fiscal Office notes that the demand of the individual loans to be awarded are indeterminate and that excessive demand may require additional staff to administer the program. Depending on the cumulative workload requirements added this session or possible budget reductions, the legislature may need to review staffing requirements in the future should this legislation pass.