SYNOPSIS

Provides loan redemption for certain veterinarians who work at approved site for five years; annually appropriates $500,000.

CURRENT VERSION OF TEXT

As reported by the Assembly Agriculture Committee on June 9, 2021, with amendments.
AN ACT concerning loan redemption for certain veterinarians and
supplementing chapter 71C of Title 18A of the New Jersey
Statutes.

BE IT ENACTED by the Senate and General Assembly of the State
of New Jersey:

1. "a. There is established a Veterinary Medicine Loan
Redemption Program within the Higher Education Student Assistance
Authority to provide for the redemption of eligible qualifying loan
expenses of program participants who work in the State for five years
of service at an approved site in the State.

b. The Secretary of Agriculture, in consultation with the New
Jersey Horse Council, the New Jersey Association of Equine
Practitioners, and the New Jersey Farm Bureau, shall annually
establish a list of State designated veterinary underserved areas. The
Secretary of Agriculture shall transmit the list of State designated
veterinary underserved areas to the authority by January 1 of each
year, except that the first list shall be transmitted not later than 90 days
after the effective date of this act.

2. As used in this act:
"Approved site" means a site located within a State designated
veterinary underserved area or within five miles of a State designated
veterinary underserved area.
"Authority" means the Higher Education Student Assistance
Authority.
"Eligible qualifying loan expenses" means the cumulative
outstanding balance of student loans covering the cost of attendance in
an undergraduate degree program of an institution of higher education
and a graduate degree program of an accredited school of veterinary
medicine, including the following: tuition; educational expenses and
fees; and room and board. Interest paid or due on qualifying loans that
an applicant has taken out for use in paying the cost of attendance in
an undergraduate degree program of an institution of higher education
and a graduate degree program of an accredited school of veterinary
medicine shall be considered "an" eligible "qualifying loan expense" for reimbursement under the program.
"Executive director" means the executive director of the Higher
Education Student Assistance Authority.
"Full-time" means a minimum of 40 hours per week for a
minimum of 45 weeks per year.
"Half-time" means a minimum of 20 hours per week, not to exceed
39 hours per week, for a minimum of 45 weeks per year.

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is
not enacted and is intended to be omitted in the law.
Matter underlined thus is new matter.
Matter enclosed in superscript numerals has been adopted as follows:
Assembly AAN committee amendments adopted June 9, 2021.
"Loan redemption benefits" mean any benefits provided to a program participant under the Veterinary Medicine Loan Redemption Program established pursuant to this act.¹

"Program", "Loan redemption program" or "program"² means the Veterinary Medicine Loan Redemption Program established pursuant to this act.

"Program participant" means a veterinarian who contracts with the authority to engage in the practice of veterinary medicine, a majority of which activity is dedicated to the protection and enhancement of large animal health and productivity, at an approved site in exchange for the redemption of eligible qualifying loan expenses provided under the program.

"State designated veterinary underserved area" means a geographic area designated in this State by the Secretary of Agriculture, in consultation with the New Jersey Horse Council, the New Jersey Association of Equine Practitioners, and the New Jersey Farm Bureau, pursuant to subsection b. of section 1 of this act,¹ on the basis of a large animal veterinarian shortage affecting the area.¹ The Secretary of Agriculture shall annually establish a list of State designated veterinary underserved areas. The Secretary of Agriculture shall transmit the list of State designated veterinary underserved areas to the authority by January 1 of each year, except that the first list shall be transmitted not later than 90 days after the effective date of this act.¹

"Total and permanent disability" means a physical or mental disability that is expected to continue indefinitely or result in death and renders a participant in the program unable to perform that person's service obligation, as determined by the executive director or the executive director’s designee.

3. To be eligible to participate in the program, a program participant shall:
   a. be a resident of the State;
   b. be a graduate of an accredited school of veterinary medicine approved by the State Board of Veterinary Medical Examiners for the purpose of licensure and receive a recommendation from the school’s veterinary medicine staff concerning participation in the loan redemption program;
   c. be a veterinarian licensed to practice in this State; and
   d. agree to practice at an approved site.

Nothing in this section shall prohibit a program participant from initiating the program’s application process and identifying and committing to employment at an approved site prior to the establishment of State residency or being issued a State veterinary license.

4. a. In administering the program, the authority or its designated agent shall contract only with a veterinarian.
b. The contract shall require a program participant to serve at least a five-year period at an approved site in the full-time or half-time service of a veterinary medicine practice, of which a majority of the service at that practice is dedicated to the protection and enhancement of large animal health and productivity.

c. The contract shall also specify the applicant's dates of required service, the total amount of eligible qualifying loan expenses to be redeemed by the State in return for service, and the schedule of payments for the term of the contract.

5. Maximum redemption of a loan under the loan redemption program shall be 100 percent of the eligible qualifying loan expenses for full-time service and 50 percent of the eligible qualifying loan expenses for half-time service in return for five years of service at an approved site, except that the amount of eligible qualifying expenses which may be redeemed for a participant under the program shall not exceed $20,000 in any year for full-time service or $10,000 in any year for half-time service. No amount of eligible qualifying loan expenses shall be redeemed for services performed for less than a full year.

b. The principal and interest that are eligible qualifying loan expenses shall be reimbursed as follows:

1. [a.] (1) With respect to full-time service:
   (1) first year of service, 12 percent of principal and interest;
   (2) second year of service, 20 percent of principal and interest;
   (3) third year of service, 20 percent of principal and interest;
   (4) fourth year of service, 24 percent of principal and interest;
   (5) fifth year of service, 24 percent of principal and interest;

2. [b.] (1) With respect to half-time service:
   (1) first year of service, six percent of principal and interest;
   (2) second year of service, 10 percent of principal and interest;
   (3) third year of service, 10 percent of principal and interest;
   (4) fourth year of service, 12 percent of principal and interest;
   (5) fifth year of service, 12 percent of principal and interest.
6. The executive director or the executive director’s designee, in consultation with the Secretary of Agriculture, shall match program participants to State designated veterinary underserved areas. Nothing in this section shall prohibit a program applicant or participant from identifying an approved site for consideration and approval of designation as a State designated veterinary underserved area under the program.

7. The executive director or the executive director’s designee shall select the program participants from among those applicants who meet the eligibility criteria established pursuant to section 3 of this act, subject to available funds and available approved sites. The executive director or the executive director’s designee shall accord priority to applicants in the following manner:
   a. first, to any applicant who is willing to fill openings at an approved site with the most significant veterinary medicine shortages;
   b. second, to any applicant whose residence in the State at the time of initiating application was within a State designated veterinary underserved area or within five miles of a State designated veterinary underserved area; and
   c. third, to any applicant who graduated from a high school or institution of higher education located in New Jersey.

In the event that there are more applicants who have the same priority than there are program positions, the executive director or the executive director’s designee shall select program participants by means of a lottery or other form of random selection.

8. a. A program participant, as a condition of participation, shall be required to adhere to performance standards established by the executive director or the executive director’s designee. The standards shall include, but not be limited to, requirements that a participant:
   (1) maintain residency in the State;
   (2) maintain a license or certification to practice veterinary medicine in the State;
   (3) remain current with payments on student loans;
   (4) enter into a mutually acceptable contract with an approved site;
   (5) maintain satisfactory performance of services rendered at an approved site; and
   (6) report to the authority or its designee, on a form and in a manner prescribed by the authority or its designee, on the program participant's performance of services rendered at an approved site prior to repayment of the annual amount eligible for redemption.

9. A program participant who has previously entered into a contract with the authority may nullify the agreement by notifying the authority in writing and reassuming full responsibility for the
remaining outstanding balance of the loan debt. In no event shall
service at an approved site for less than the full calendar year of
each period of service entitle the program participant to any benefits
under the program. A program participant seeking to nullify the
contract before completing the fifth full year of service shall be
required to pay 50 percent of the redeemed portion of indebtedness
in not more than one year following nullification of the agreement.

10. In the case of a program participant's death or total and
permanent disability, the authority or its designee shall nullify the
service obligation of the program participant. The nullification
shall terminate the authority's obligations under the loan redemption
contract. In the event of a program participant's death or total and
permanent disability, the authority shall not require repayment of
the prior redeemed portion of indebtedness.

11. A person who knowingly or willfully furnishes any false or
misleading information for the purpose of receiving loan
redemption benefits under the program is guilty of a crime of the
fourth degree.

12. a. The executive director or the executive director's designee
is authorized to terminate the program participant's service in the
program in the case of:
(1) a program participant's conviction of a crime or an act of gross
negligence in the performance of service obligations;
(2) suspension or revocation of the program participant's license or
certification to practice; or
(3) a program participant's breach of the performance standards
established pursuant to section 8 of this act.

b. A program participant who fails to repay an amount due the
authority under the program may be subject to actions initiated by the
authority or its designee, which may include, but are not limited to
recovery of the amount due by an action brought in a court of
competent jurisdiction or through the offset of State tax refunds or
rebates:
(1) making this information available to credit reporting agencies
(2) exclusion from eligibility for any student assistance benefits
administered by the authority;
(3) action by the federal government, to the extent that any loan
redemption benefits are federally funded, to recover any amount due it
as permitted by federal law.

In any action brought by the authority or its designee in a
court of competent jurisdiction pursuant to [this] subsection b. of this
section, the program participant shall be liable for:
the debt incurred.
interest on the debt at the maximum legal prevailing rate as
determined by the United States Treasurer and
the administrative and court costs associated with collection
of the debt.

13. A veterinarian who is participating in the federally
administered Veterinary Medicine Loan Repayment Program,
established pursuant to section 1415a of the National Veterinary
Medical Services Act (7 U.S.C. s.3151a), shall not be eligible to
participate simultaneously in the Veterinary Medicine Loan
Redemption Program under established pursuant to this act.

14. a. In Fiscal Year 2022 and each fiscal year
thereafter, there is appropriated from the General Fund to the Higher
Education Student Assistance Authority the sum of $500,000 to
effectuate the purposes of this act.

b. The Higher Education Student Assistance Authority shall
accept and use exclusively for the program any donation of monies
from private or nonprofit organizations.

15. This act shall take effect immediately and shall first apply to
Fiscal Year 2020, except that the Higher Education Student
Assistance Authority and the Secretary of Agriculture may take such
anticipatory administrative action in advance as shall be necessary for
the implementation of the act.