
HOUSE BILL 2432

State of Washington

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By Representatives Haigh, Kretz, Hailey, Blake, Ross, Barlow, Warnick, Grant, Newhouse, Linville, Chandler, Moeller, VanDeWege, Kenney, and Campbell

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1 AN ACT Relating to conditional scholarships for food animal
2 veterinarians; reenacting and amending RCW 43.79A.040; and adding a new
3 chapter to Title 28B RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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

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

1 The legislature intends to increase the supply of food animal
2 veterinarians by providing incentives to graduates of Washington State
3 University college of veterinary medicine to focus on food animal
4 health services to address this critical shortage.

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

7 (1) "College" means the Washington State University college of
8 veterinary medicine.

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

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

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

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

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

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

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

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

33 NEW SECTION. **Sec. 3.** The food animal veterinarian conditional
34 scholarship program is established. The program shall be administered
35 by the university. In administering the program, the university has
36 the following powers and duties:

- 1 (1) To select, in consultation with the college, up to two students
- 2 each year to receive conditional scholarships;
- 3 (2) To adopt necessary rules and guidelines;
- 4 (3) To publicize the program;
- 5 (4) To collect and manage repayments from students who do not meet
- 6 their obligations under this chapter; and
- 7 (5) To solicit and accept grants and donations from public and
- 8 private sources for the program.

9 NEW SECTION. **Sec. 4.** (1) The university shall select participants

10 based on an application process conducted by the university.

11 (2) The university shall establish a selection committee for

12 screening and selecting recipients of the conditional scholarships.

13 The selection committee shall include at least two representatives from

14 the college, at least one of whom is a faculty member teaching in food

15 animal veterinary medicine, and at least one representative from the

16 beef, dairy, or sheep industry.

17 (3) The selection criteria shall emphasize factors demonstrating a

18 sustained interest in food animals and serving the needs of

19 Washington's agricultural communities. The criteria shall also take

20 into account the need for food animal veterinarians in diverse areas of

21 the state and allocate funds in a manner designed to represent a

22 cross-section of geographic locations.

23 NEW SECTION. **Sec. 5.** To remain an eligible student and receive

24 continuing disbursements under the program, a participant must be

25 considered by the college to be making satisfactory academic progress.

26 NEW SECTION. **Sec. 6.** The university may award conditional

27 scholarships to eligible students from the funds appropriated to the

28 university for this purpose, or from any private donations, or any

29 other funds given to the university for this program. The amount of

30 the conditional scholarship awarded an individual may not exceed the

31 amount of resident tuition and fees at the college, as well as the cost

32 of room, board, laboratory fees and supplies, and books, incurred by an

33 eligible student and approved by a financial aid administrator at the

34 university. Participants are eligible to receive conditional

35 scholarships for a maximum of five years.

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

6 (2) The interest rate shall be determined annually by the
7 university.

8 (3) The minimum payment shall be set by the university. The
9 maximum period for repayment is ten years, with payments of principal
10 and interest accruing quarterly commencing six months from the date the
11 participant completes or discontinues the course of study, including
12 any internship or residency in food animal medicine and surgery.
13 Provisions for deferral of payment shall be determined by the
14 university.

15 (4) The entire principal and interest of each payment shall be
16 forgiven for each payment period in which the participant is employed
17 as a food animal veterinarian in this state until the entire repayment
18 obligation is satisfied. Should the participant cease to be employed
19 as a food animal veterinarian in this state before the participant's
20 repayment obligation is completed, payments on the unsatisfied portion
21 of the principal and interest shall begin the next payment period and
22 continue until the remainder of the participant's repayment obligation
23 is satisfied.

24 (5) The university is responsible for collection of repayments made
25 under this section and shall exercise due diligence in such collection,
26 maintaining all necessary records to ensure that maximum repayments are
27 made. Collection and servicing of repayments under this section shall
28 be pursued using the full extent of the law, including wage garnishment
29 if necessary. The university is responsible to forgive all or parts of
30 such repayments under the criteria established in this section and
31 shall maintain all necessary records of forgiven payments.

32 (6) Receipts from the payment of principal or interest or any other
33 subsidies to which the university as administrator is entitled, that
34 are paid by or on behalf of participants under this section, shall be
35 deposited in the food animal veterinarian conditional scholarship
36 account and shall be used to cover the costs of granting the
37 conditional scholarships, maintaining necessary records, and making
38 collections under subsection (5) of this section. The university shall

1 maintain accurate records of these costs, and all receipts beyond those
2 necessary to pay such costs shall be used to grant conditional
3 scholarships to eligible students.

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

6 NEW SECTION. **Sec. 8.** (1) The food animal veterinarian conditional
7 scholarship account is created in the custody of the state treasurer.
8 No appropriation is required for expenditures of funds from the
9 account. The account is not subject to allotment procedures under
10 chapter 43.88 RCW except for moneys used for program administration.

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

16 (3) Expenditures from the account may be used solely for
17 conditional scholarships to participants in the program established by
18 this chapter and costs associated with program administration by the
19 university.

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

22 **Sec. 9.** RCW 43.79A.040 and 2007 c 523 s 5, 2007 c 357 s 21, and
23 2007 c 214 s 14 are each reenacted and amended to read as follows:

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

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

31 (3) The investment income account may be utilized for the payment
32 of purchased banking services on behalf of treasurer's trust funds
33 including, but not limited to, depository, safekeeping, and
34 disbursement functions for the state treasurer or affected state
35 agencies. The investment income account is subject in all respects to

1 chapter 43.88 RCW, but no appropriation is required for payments to
2 financial institutions. Payments shall occur prior to distribution of
3 earnings set forth in subsection (4) of this section.

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

7 (b) The following accounts and funds shall receive their
8 proportionate share of earnings based upon each account's or fund's
9 average daily balance for the period: The Washington promise
10 scholarship account, the college savings program account, the
11 Washington advanced college tuition payment program account, the
12 agricultural local fund, the American Indian scholarship endowment
13 fund, the foster care scholarship endowment fund, the foster care
14 endowed scholarship trust fund, the students with dependents grant
15 account, the basic health plan self-insurance reserve account, the
16 contract harvesting revolving account, the Washington state combined
17 fund drive account, the commemorative works account, the Washington
18 international exchange scholarship endowment fund, the developmental
19 disabilities endowment trust fund, the energy account, the fair fund,
20 the family leave insurance account, the food animal veterinarian
21 conditional scholarship account, the fruit and vegetable inspection
22 account, the future teachers conditional scholarship account, the game
23 farm alternative account, the GET ready for math and science
24 scholarship account, the grain inspection revolving fund, the juvenile
25 accountability incentive account, the law enforcement officers' and
26 fire fighters' plan 2 expense fund, the local tourism promotion
27 account, the produce railcar pool account, the regional transportation
28 investment district account, the rural rehabilitation account, the
29 stadium and exhibition center account, the youth athletic facility
30 account, the self-insurance revolving fund, the sulfur dioxide
31 abatement account, the children's trust fund, the Washington horse
32 racing commission Washington bred owners' bonus fund account, the
33 Washington horse racing commission class C purse fund account, the
34 individual development account program account, the Washington horse
35 racing commission operating account (earnings from the Washington horse
36 racing commission operating account must be credited to the Washington
37 horse racing commission class C purse fund account), the life sciences
38 discovery fund, the Washington state heritage center account, and the

1 reading achievement account. However, the earnings to be distributed
2 shall first be reduced by the allocation to the state treasurer's
3 service fund pursuant to RCW 43.08.190.

4 (c) The following accounts and funds shall receive eighty percent
5 of their proportionate share of earnings based upon each account's or
6 fund's average daily balance for the period: The advanced right of way
7 revolving fund, the advanced environmental mitigation revolving
8 account, the city and county advance right-of-way revolving fund, the
9 federal narcotics asset forfeitures account, the high occupancy vehicle
10 account, the local rail service assistance account, and the
11 miscellaneous transportation programs account.

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

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

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