

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0540-04  
Bill No.: Perfected SCS for SB 320  
Subject: Agriculture Dept.; Education, Higher; Veterinarians  
Type: Original  
Date: March 22, 2007

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Bill Summary: Creates the Large Animal Veterinary Student Loan Program and modifies the Large Animal Medicine Loan Repayment Program.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Veterinary Student Loan Payment Fund	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**\*Net of Revenues and Expenditures**

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
Veterinary Student Loan Payment Fund	0.5	0.5	0.5
<b>Total Estimated Net Effect on FTE</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### ASSUMPTION

Officials from the **Coordinating Board for Higher Education and Division of Insurance, Financial Institutions and Professional Registration** assume no fiscal impact to their agency.

Officials from the **University of Missouri - Columbia** would incur no additional costs as a result of the passage of this proposal.

Officials from the **Department of Agriculture (MDA)** assume this proposal requires MDA to develop, implement and administer the large animal veterinary student loan program and the large animal veterinary medicine loan repayment program. The department will need an additional 0.50 FTE and associated E&E as well as the capital costs necessary to repay student loans. Overall, by increasing the number of large animal veterinarians in the state, this initiative will significantly improve the department's ability to gather information about and control animal diseases.

Section 340.390 states that up to six qualified applicants per academic year may be awarded loans of up to \$80,000 per applicant. This translates into annual loan repayment costs of \$480,000 per year (6 applicants \* \$80,000 per applicant = \$480,000 loan costs).

0.50 FTE Fiscal and Administrative Manager (\$25,000 PS) will be needed to serve as the program manager and provide staff support to the MDA director and advisory panel, coordinate the development of rules and standards that guide the program, develop and administer contracts with individuals participating in the loan program, develop and administer agreements with the holder of loans for which repayments are made, and monitor loan payments, repayments, and any breeches of contract that may occur. There will also be on-going equipment and expense costs such as administrative supplies, hosting advisory council meetings, and associated travel.

**Oversight** assumes the initial cost of 0.5 FTE will be paid through the fund. Therefore there will be no direct impact and the initial cost will be \$0. Any additional FTE can be requested through the appropriation process. Also, the initial loan repayment costs are beyond the scope of this fiscal year period. Therefore these costs are not represented in this fiscal note.

Officials from the **State Treasurer's Office** assume that they only ensure the disbursements are made from a lawful appropriation and don't exceed the amount of the appropriation. They suggest the following wording change: "The state treasurer shall be custodian of the fund. In accordance with sections 30.1.170 and 30.180 RSMo., the state treasurer may approve disbursements".

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>VETERINARY STUDENT LOAN PAYMENT FUND</b>			
<u>Revenue</u> - Voluntary Contributions, Various Contributions, etc.	Unknown	Unknown	Unknown
<u>Expenses</u> - Student Loans, Administration of Fund, etc.	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON VETERINARY STUDENT LOAN PAYMENT FUND*</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

**\*Net of Revenues and Expenditures**

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

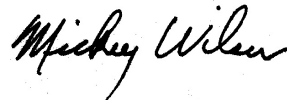
The proposed legislation creates the Large Animal Veterinary Student Loan Program and modifies the Large Animal Medicine Loan Repayment Program.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Agriculture  
Coordinating Board for Higher Education  
State Treasurer's Office  
University of Missouri - Columbia



Mickey Wilson, CPA  
Director  
March 22, 2007