

**ONE HUNDREDTH LEGISLATURE - SECOND SESSION -
2008**

COMMITTEE STATEMENT

LB1172

Hearing Date: February 19, 2008

Committee On: Agriculture

Introducer(s): (Dierks)

Title: Adopt the Food Supply Animal Veterinary Incentive Program Act

Roll Call Vote - Final Committee Action:

Placed on General File with Amendments

Vote Results:

7 Yes Senators Dierks, Dubas, Erdman, Karpisek,
 McDonald, Preister, Wallman

0 No

1 Absent Senators Chambers

0 Present, not voting

Proponents:

Senator Dierks
Larry Williams
David Hardin
Korby Gilbertson
Bruce Brodersen
Pete McClymont
Susan Landenburger

Representing:

Introducer
Nebraska Veterinary Medical Association
University of Nebraska
Tyson Foods
Nebraska Veterinary Medical Association
Nebraska Cattlemen
Nebraska Farm Bureau

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or change:

The primary substantive provisions of LB 1172 are found in sections 3 – 5 of the bill. Section 3 assigns a duty to the Department of Agriculture to annually select 4 veterinarians from among applicants eligible for up to 4 years of direct incentive payments. The terms of eligibility are set forth in section 4 of the bill to require that eligible individuals:

- are graduates of an approved veterinary program,
- are licensed to practice in Nebraska,
- contract to provide veterinary services in a rural mixed animal practice in approved rural communities. “Rural Mixed animal practice” is a defined term in section 2 of the bill meaning one where a substantial portion of the practice is in provision of food supply animal veterinary service. The Department is instructed to give preference in approving communities served by participants to communities located in shortage areas as designated by the American Veterinary Medical Association; and
- attain federal food animal veterinary accreditation:

Section 5 of the bill prescribes the maximum amount of annual stipends that may be paid to participating veterinarians of \$15,000 in each of the first two years of eligible practice, and \$25,000 in each of the 3rd and 4th years of practice. The amount of stipend is prorated in the event of partial year of practice.

Conditions allowing participating veterinarians to be released from contract obligations to serve in an eligible practice are set forth in section 6. These conditions include completion of performance of the contract, physical disability, extreme hardship or death or if subject to a licensure discipline or loss of federal accreditation.

The bill creates the Food Supply Animal Veterinary Incentive Fund for receipt and expenditure of funds and grants rule and regulation authority to carry out the act. The bill states legislative intent that the stipend program be funded by general funds.

Explanation of amendments, if any:

The Committee amendment (AM2305) largely makes a number of clarifying and technical revisions to the bill and implementing details. Specifically, the committee amendment effects the following changes:

- Revises various provisions to allow the state’s obligation to provide stipend incentives for eligible veterinary services to be commensurate with resources actually made available to the program to avoid an unfunded obligation or potentially pledging the credit of the state. Specifically, the amendment revises section 3 to direct the Department to select “up to” 4 individuals to participate and further adds funding availability as an event triggering proration of annual stipend payments made to participants.
- Clarifies subsection 4(2) designating food animal veterinary shortage areas for purposes of determining eligible communities served by participating veterinarians. The Committee amendments assign the duty of determining shortage areas to the Department but allow the Department to initially utilize the American Veterinary Medical Association’s designation. The amendment also allows flexibility not provided in the introduced bill for the Department to update designations as circumstances warrant.
- Makes a clarifying change reflecting the bill’s intent that contracts to provide veterinary practice eligible for the stipend incentive are made with the Department, as inferred from the remainder of the bill. A further clarifying revision is made to provide that eligible practice may be through a dedicated food supply animal practice in addition to a rural mixed animal veterinary practice.
- Adds a recapture provision as new subsection 6(2)(b) in the event a veterinarian is unable to perform further veterinary service due to a license discipline for cause as defined in referenced

sections of the Veterinary Practice Act. Existing provision of subsection 6(2) releasing a veterinarian from contract obligations upon loss of licensure or federal accreditation are clarified to release the veterinarian from further provision of veterinary services but not necessarily releasing from contract terms that may facilitate recapture.

- Revises section 7 creating the cash fund to insert additional clarifying text as to the receipt and expenditure of funds to and from the cash fund. A companion revision is made in the new recapture provisions to provide that any recaptured funds are returned to the Food Supply Animal Veterinary Incentive Fund.
- Strikes Section 9

Senator Philip Erdman, Chairperson