

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1031H.011  
 Bill No.: HB 403  
 Subject: Agriculture; Veterinarians; Department of Higher Education and Workforce  
 Development; Education, Higher  
 Type: Original  
 Date: February 24, 2023

Bill Summary: This proposal modifies the Large Animal Veterinary Student Loan Program.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>  |            |            |            |
|--|------------|------------|------------|
| FUND AFFECTED  | FY 2024    | FY 2025    | FY 2026    |
|  |            |            |            |
|  |            |            |            |
|  |            |            |            |
| <b>Total Estimated Net Effect on General Revenue</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>              |                              |                              |                              |
|---|------------------------------|------------------------------|------------------------------|
| FUND AFFECTED   | FY 2024                      | FY 2025                      | FY 2026                      |
| Lottery Proceeds Fund (0291)                                  | Up to<br>(\$240,000)         | Up to<br>(\$240,000)         | Up to<br>(\$240,000)         |
| Veterinary Student Loan Payment Fund (0803)*                  | \$0                          | \$0                          | \$0                          |
|   |                              |                              |                              |
| <b>Total Estimated Net Effect on <u>Other</u> State Funds</b> | <b>Up to<br/>(\$240,000)</b> | <b>Up to<br/>(\$240,000)</b> | <b>Up to<br/>(\$240,000)</b> |

\*Transfer In (from Lottery Proceeds Fund) and additional expenditures net to zero.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2024</b> | <b>FY 2025</b> | <b>FY 2026</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 2024</b> | <b>FY 2025</b> | <b>FY 2026</b> |
|   |                |                |                |
|   |                |                |                |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>0</b>       | <b>0</b>       | <b>0</b>       |

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2024</b> | <b>FY 2025</b> | <b>FY 2026</b> |
|  |                |                |                |
| <b>Local Government</b>                    | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Missouri Department of Agriculture (MDA)** assume the proposal will have no fiscal impact on their organization. MDA notes six students have been awarded \$20,000 each (per academic year) for the past three years.

**Oversight** notes this proposal increases the number of students awarded from six to 12 per academic year. In addition, the proposal increases the amount of award from \$20,000 per academic year to \$30,000 per academic year, not to exceed \$120,000 total (per student). Oversight assumes MDA may award the maximum number of students allowed; therefore, Oversight will reflect an increased cost to MDA of \$240,000 ((6 new x \$30,000) + (6 existing x (\$30,000 - \$20,000)) per year.

Oversight notes this proposal allows MDA to award more than 12 applicants if additional moneys from private grants, gifts, donations, devises, or bequests of moneys, funds, real or personal property, or other assets are deposited in the Veterinary Student Loan Payment Fund; therefore, Oversight will reflect the increase as “Could exceed \$240,000”.

Oversight notes there was a \$5 balance in the Veterinary Student Loan Payment Fund (0803) as of January 31, 2023.

Oversight notes actual expenditures for this program over the past three years have been:

|         | Expenditures | Applicants | Recipients |
|---------|--------------|------------|------------|
| FY 2021 | \$116,400    | 13         | 6          |
| FY 2020 | \$116,348    | 11         | 6          |
| FY 2019 | \$116,318    | 12         | 6          |

Oversight notes this program has a transfer from the Lottery Proceeds Fund to fund the program. With the small balance of the Veterinary Student Loan Payment Fund, Oversight will assume the additional proceeds needed for a program expansion will be transferred in from the Lottery Proceeds Fund (0291).

| <u>FISCAL IMPACT – State Government</u>  | FY 2024<br>(10 Mo.)          | FY 2025                      | FY 2026                      |
|--|------------------------------|------------------------------|------------------------------|
| <b>LOTTERY PROCEEDS FUND<br/>(0291)</b>  |                              |                              |                              |
| <u>Transfer Out</u> – to the Veterinary Student Loan Payment Fund for expansion of the program | Up to<br>(\$240,000)         | Up to<br>(\$240,000)         | Up to<br>(\$240,000)         |
| <b>ESTIMATED NET EFFECT TO<br/>THE LOTTERY PROCEEDS FUND</b>                                   | <b>Up to<br/>(\$240,000)</b> | <b>Up to<br/>(\$240,000)</b> | <b>Up to<br/>(\$240,000)</b> |
| <b>VETERINARY STUDENT LOAN<br/>PAYMENT FUND (0803)</b>   |                              |                              |                              |
| <u>Transfer In</u> – from the Lottery Proceeds fund  | Up to<br>(\$240,000)         | Up to<br>(\$240,000)         | Up to<br>(\$240,000)         |
| <u>Income</u> – MDA – private grants, gifts, donations, devises or bequests                    | \$0 or Unknown               | \$0 or Unknown               | \$0 or Unknown               |
| <u>Cost</u> – MDA – increase in number and amount of awards for veterinary students            | Could exceed<br>(\$240,000)  | Could exceed<br>(\$240,000)  | Could exceed<br>(\$240,000)  |
| <b>ESTIMATED NET EFFECT ON<br/>THE VETERINARY STUDENT<br/>LOAN PAYMENT FUND</b>                | <b><u>\$0</u></b>            | <b><u>\$0</u></b>            | <b><u>\$0</u></b>            |

| <u>FISCAL IMPACT – Local Government</u> | FY 2024<br>(10 Mo.) | FY 2025           | FY 2026           |
|---|---------------------|-------------------|-------------------|
|   |                     |                   |                   |
|   | <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

This bill renames the "Dr. Merrill Townley Large Animal Veterinary Student Loan Program" to the "Dr. Merrill Townley and Dan Brown Large Animal Veterinary Student Loan Program".

This bill expands the sources of funding for the Veterinary Student Loan Payment Fund to include any private grant, gift, donation, devise, or bequest of moneys, funds, real or personal property, or other asset.

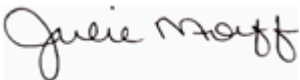
This bill increases the number of qualified applicants who may be awarded loans under the Large Animal Veterinary Student Loan Program from six to 12 per academic year and provides that the Department of Agriculture may increase this number beyond 12 if the amount of any additional moneys from private grants, gifts, donations, devises, or bequests of moneys, funds, real or personal property, or other assets deposited in the Fund allows the full funding of such increase in the number of applicants.

Further, the loan amount each student may receive is increased from \$20,000 to \$30,000 for each academic year, and from \$80,000 to \$120,000 in total.

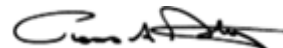
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Department of Agriculture



Julie Morff  
Director  
February 24, 2023



Ross Strobe  
Assistant Director  
February 24, 2023