

**UNITED STATES DEPARTMENT OF AGRICULTURE
Regulatory Review Workplan**

National Institute of Food and Agriculture

Workplan X
OMB Review _____
Date 12/28/2009

DESIGNATION OF SIGNIFICANCE: (Under/Asst. Secy)		Special Handling Requirements
<input checked="" type="checkbox"/> NON-SIGNIFICANT <input type="checkbox"/> SIGNIFICANT <input type="checkbox"/> ECONOMICALLY SIGNIFICANT <input type="checkbox"/> MAJOR - (Public Law 103-354) – ORACBA <input type="checkbox"/> MAJOR - (Public Law 104-121) – SBREFA		Cleared OMB: Designation: _____ Date: _____
Signature: (Under/Asst. Secy)	Date	RIN # 0524-AA43
		Work Plan # _____ Date: _____

Descriptive Title

Veterinary Medicine Loan Repayment Program (VMLRP).

Description of Proposed Action: *(Attach additional sheet if necessary)*

The Interim Rule was published on July 9, 2009 [74 FR 32788-32798] with a 60-day comment period to establish processes and procedures for (a) designating veterinarian shortage situations and (b) administration for the VMLRP. Comments were required to be received by September 8, 2009. We received thirty-eight sets of comments from individuals, including practicing veterinarians, farmers, and students, and several veterinary professional associations and organizations.

We considered all comments received in the development of the final rule and updated the timeline for implementing the program in the final rule. Additionally, the AVMA and AAVMC offered many suggestions on how to administer the program and many of their recommendations were adopted in this regulation. The comments from the students and veterinarians were useful in that they provided valuable information on how the loan repayment program should be structured in order to appeal enough for a student to practice or specialize in food supply veterinarian medicine.

Three commentors expressed concern about the exclusion of education loans other than those obtained for the Doctorate of Veterinary Medicine (or equivalent) from the VMLRP. A commenter contends that a veterinary student's undergraduate education is an integral component of their academic veterinary career. Because the NVMSA legislation specifically states that loan repayments provided under this section may consist of payments on behalf of participating individuals of the principal, interest, and related expenses on government and commercial loans received by the individual for attendance of the individual at an accredited college of veterinary medicine resulting in a degree of Doctor of Veterinary Medicine or the equivalent, we are making no changes in response to these comments.

Seven commentors observed that disqualifying individuals who consolidated their undergraduate student loans with veterinary school loans would unfairly cause a large group of highly qualified veterinarians ineligible for the VMLRP. We agree and will allow individuals who consolidated their veterinary school loans with other educational loans (e.g. undergraduate) to apply for the VMLRP; however, only the eligible portion of the consolidation will be repaid by the VMLRP, thus Parts 3431.9(b)(3) and 3431.15(b)(4) have been removed from the final regulations.

Three commentors requested clarification on the definition for “accredited college of veterinary medicine” as there are multiple accreditation bodies that could be included in the definition. Two of the three commentors recommended that the definition be modified to specify accreditation by the AVMA Council on Education, a specialized accrediting agency recognized and authorized by the U.S. Department of Education. We agree and have modified the definition to specify that a veterinarian must have attended a college of veterinary medicine accredited by the AVMA Council on Education to be eligible to apply to the VMLRP.

One commentor asked NIFA to give serious consideration to including U.S. citizens who are studying to become veterinarians in veterinary schools in the Caribbean basin. We welcome veterinarians that studied abroad to obtain their Doctorate in Veterinary Medicine degree (or equivalent) to apply for the VMLRP as long as the professional veterinary medicine degree was obtained from a college of veterinary medicine accredited by the AVMA Council on Education, a list that includes fourteen schools outside the United States as of October 21, 2009.

Two commentors recommended adding “animal health” to the definition of “practice of food supply veterinary medicine” and the areas that have food supply veterinarian shortages. We agree and have added “Animal health” to both definitions.

One commentor recommended that “caprine” be added to the definition of “Food animal”. We agree and have added “Caprine” to the definition.

Three commentors suggested that the State Animal Health Official be required to consult with the State Veterinary Association and other interested parties within the state when identifying underserved areas within a state. We strongly recommend this course of action, but will not include this requirement in the regulations.

One commentor expressed concern that low density agricultural areas will be regarded as less important than areas of heavily concentrated agriculture. Another commentor recommended that representatives of federal agencies be included on an official review panel. We took these comments into consideration during the development of the solicitation for nominations for veterinarian shortage situations.

One commentor urged USDA to examine the feasibility of establishing an indexing system whereby each shortage situation that is designated is awarded a weighted score for severity of shortage. As with other review processes conducted by NIFA, the review panel will evaluate the composite qualitative and quantitative arguments presented in the submitted nomination packages against criteria described elsewhere in this notice. The panel will classify each shortage situation as either “Recommended for designation” or “Not recommended for designation”.

One commentor suggested that solicitation notices be published on an annual basis instead of a biennial basis. Another commentor requested clarification on the frequency of the need to apply for the designation of shortage areas and the need to reassess a designation once it is filled by a veterinarian enrolled in the VMLRP. We presume that, over time, the shortage situation priorities of a state will change due to veterinarians relocating to fill critical areas designated by the VMLRP. To address changing conditions, we will assess the

relative demand for reprioritization of shortage situation distribution within the states on an annual basis. However, we reserve the right to conduct this solicitation on a biennial basis to save administrative costs and to adhere to the aggressive annual program schedule and/or to respond to funding fluctuations.

One commentor stated that the Interim Final Rule did not address how applicants would be chosen for specific shortage areas. We will establish the evaluation criteria and process and determine the makeup of the application review panel before the application period opens. Applicants will be ranked based on their qualifications relative to the attributes of the shortage situation applied for.

One commentor recommended that licensure not be a blanket requirement for eligibility to apply for the VMLRP, but that veterinarians should be in compliance with state and local regulations, including having the appropriate certifications and licenses, in the jurisdiction of the shortage situation. We agree and updated the regulations to reflect that licensure is required only if it is mandated by the state and local regulations in which the shortage situation is sited.

Three commentors stated that it was not clear to what degree the VMLRP would apply to veterinarians working for the federal government. We recognize that NVMSA is intended to address a national problem and have acknowledged that approximately 10 percent of the loan repayment awards will be made available to address public practice shortages and at least 90 percent of funds will be awarded to private practice food animal veterinarians to assure appropriate emphasis as requested by the legislation set forth by Congress. Hence, some designated veterinarian shortage situations may be Federal positions.

Fourteen commentors stated the importance of making VMLRP awards to include veterinarians with established practices in shortage areas as a form of retention in addition to the recruitment of veterinarians to shortage areas. We agree. The SAHO may identify and submit a shortage situation based on the assessment that there is a great risk of losing an established veterinarian in a given shortage situation and that the need to retain a veterinarian in this area is of utmost importance.

One commentor suggested that 90 percent of awards be devoted to veterinarians involved with food animal medicine and rural practice (mixed large animal and small animal) who have at least 30 percent or more involvement with food animal species. Another commentor recommended that the 10 percent of the awards offered to mixed animal practitioners be devoted to the food animal discipline for at least half of their practice. We agree that there is practical value in identifying service commitment requirements for practitioners of food supply veterinary medicine of less than 100 percent. Accordingly, all three shortage situation types identified in the nomination form allow for different percentages of full-time equivalent commitment, commensurate with a variety of different public and private practice scenarios.

Two commentors urged NIFA to establish a mentoring program for participants in the program. We agree and will investigate options for including a mentoring component.

Two commentors questioned the need to have a debt threshold for individuals to be eligible to apply to the VMLRP. We disagree. If there are veterinarians with minimal amounts of educational debt that are willing to commit for a number of years of service to a shortage situation, they should be able to do so without the VMLRP benefit. The goal of the VMLRP is to fill shortage situations with veterinarians that would have otherwise gone elsewhere. NIFA also aims to maximize the number of agreements, and entering agreements with those with negligible debt would create an additional administrative burden (both cost and personnel time) as an individual's debt level has no effect on the administrative cost to process an application and execute a service agreement. Establishing a debt threshold eliminates the administrative burden of processing applications from those who will scarcely benefit from the VMLRP.

Two commentors expressed concern about the focus of the VMLRP. One commentor stated that “It seems that many of these types of programs end up helping those who have a background and obvious desire to already go into such a career.” The other commentor cited a program where “most of the nurses, and other health care workers, only remain there as long as is necessary to receive the payback and leave as quickly as possible thereafter leaving the reservation’s health care no better off than it was before.” We plan to conduct an impact evaluation on the VMLRP to assess whether the desired outcomes are achieved.

Five commentors stated concerns about rising educational debt for aspiring veterinarians. One commentor questioned whether the maximum annual loan repayment of \$25,000 was sufficient. Another commentor stated that adjustments need to be included to allow for increases in annual loan limits. Yet another commentor agreed that the \$25,000 repayment level will help address the educational debt load. We will continue to monitor trends among participants, applicants, and graduating veterinarians to ensure the VMLRP remains successful in providing a financial incentive to fill shortage areas, while maximizing the number of agreements at the same time.

In addition to revisions made in response to public comments, a correction was made to the Withdrawal definition to signify that a withdrawal occurs prior to the VMLRP making the first quarterly payment on behalf of the participant rather than the first annual payment.

Based on the positive comments from the stakeholders and the Nation’s need to attract veterinarians to geographic areas and food animal and related specialties to ensure the security of our Nation’s food supply; NIFA is requesting that this regulation be published as “final.”

Justification for Proposed Action: (Market Failure or Other Problem Addressed, Objectives, Alternatives, Expected Results):

Publication of this rule will:

- provide a common set of administrative requirements for the Federal assistance programs NIFA administers by codifying existing business practices based on Federal and Department rules and regulations, as well as laws related to Federal assistance;
- provide applicants and grantees with greater clarity on how to apply for a Federal assistance award and what their responsibilities are in administering these awards;
- meet Agency responsibilities under the Administrative Procedures Act;
- consolidate and clarify various Agency policies and procedures related to Federal assistance, as well as other Agency regulations related to Federal assistance; and
- provide greater accountability and transparency to the public on how Federal assistance applications are solicited and how awards are made, administered, and monitored.

Publication of this rule will not:

- have an annual effect on the economy of \$100 million or more nor will it adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments and communities;
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-interfere with or create a serious inconsistency with any action taken or planned by another agency;

-materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients; or

-raise novel legal or policy issues arising out of legal mandates, the President's priorities or the principles set forth in E.O. 12866.

For these reasons, we are requesting a regulatory action designation of "Not Significant."

Schedule: *(Enter dates)*

Pre-Notice: _____ Proposed Rule: _____ Interim Final : _____ Final: 12/28/09

Significant/Economically Significant Guidance Document: _____ Other: _____

Additional Instructions from Under or Assistant Secretary:

(for use at the discretion of policy official)

Required Regulatory Analyses: *(check all that apply)*

- | | |
|---|--|
| <input type="checkbox"/> Cost/Benefit Analysis | <input type="checkbox"/> Regulatory Flexibility Analysis |
| <input type="checkbox"/> Peer Review (Attach peer review plan) | <input type="checkbox"/> Civil Rights Impact Analysis |
| <input type="checkbox"/> Family Impact Analysis | <input type="checkbox"/> Federalism Assessment |
| <input type="checkbox"/> Risk Assessment | <input type="checkbox"/> Property Rights Assessment |
| <input type="checkbox"/> Unfunded Mandate Analysis and Consultation | <input type="checkbox"/> Energy Effects |
| | <input type="checkbox"/> Other (specify type) |
-

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Agency Head Approval:

Signature: _____

Date: _____

Office of Budget and Program Analysis:

Signature: _____

Date: _____

Comments:

Regulatory Policy Officer:

Signature: _____

Date: _____

Comments: