



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0860.03 (002): Provide for veterinary training loan program

Primary Sponsor: Randyn Gregg Status: As Amended in House Committee

☐ Included in the Executive Budget ☐ Needs to be included in HB 2 ☐ Significant Local Gov Impact

☒ Significant Long-Term Impacts ☒ Technical Concerns ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
General Fund (01)	\$141,286	\$233,237	\$341,817	\$433,738
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>(\$141,286)</u>	<u>(\$233,237)</u>	<u>(\$341,817)</u>	<u>(\$433,738)</u>
General Fund Balance				

Description of fiscal impact

HB 860 requires that the veterinary training program within the Office of the Commissioner of Higher Education (OCHE) provide loans to eligible participants and establishes an advisory committee.

FISCAL ANALYSIS

Assumptions

Commissioner of Higher Education

1. The proposed legislation will have a fiscal impact on OCHE based on the following assumptions:
 - a. OCHE uses a software portal to manage applications, awards, distributions, monitoring, and loan repayment. The cost to develop a module for the veterinary training loan program would require approximately 134.5 hours at a rate of \$245 per hour. There would be ongoing annual maintenance costs associated with this software module.
 - b. The bill allows for travel reimbursement for the advisory committee, this amount would be minimal and difficult to calculate without knowing the committee appointees.
 - c. The bill provides for 4 eligible resident students attending an accredited college of veterinary medicine annually to be awarded up to \$25,000 or \$33,333 depending upon program of attendance.
 - d. The 2027 Biennial cost of the program with 3 students attending a 4-year program and 1 student attending a 3-year program would be \$332,332.

INPUTS		
	4YR PROGRAM	3YR PROGRAM
1st year	25,000	33,333
2nd year	25,000	33,333
3rd year	25,000	33,333
4th year	25,000	-
Cohort 1		
Term 26-27	3	1
Term 27-28	3	1
Term 28-29	3	1
Term 29-30	3	0
Cohort 2		
Term 27-28	2	2
Term 28-29	2	2
Term 29-30	2	2
Term 30-31	2	0
Cohort 3		
Term 28-29	1	3
Term 29-30	1	3
Term 30-31	1	3
Term 31-32	1	0
Cohort 4		
Term 29-30	3	1
Term 30-31	3	1
Term 31-32	3	1
Term 32-33	3	0
Cohort 5		
Term 30-31	2	2
Term 31-32	2	2
Term 32-33	2	2
Term 33-34	2	0
Cohort 6		
Term 31-32	1	3
Term 32-33	1	3
Term 33-34	1	3
Term 34-35	1	0

Vet Loan Estimates

	27B		29B		31B	
	Term 26-27	Term 27-28	Term 28-29	Term 29-30	Term 30-31	Term 31-32
Cohort 1	108,333	108,333	108,333	75,000		
Cohort 2		116,666	116,666	116,666	50,000	
Cohort 3			108,333	124,999	124,999	25,000
Cohort 4				108,333	108,333	108,333
Cohort 5					116,666	116,666
Cohort 6						124,999
Annual Total	108,333	224,999	333,332	424,998	399,998	374,998
27B Loan Awards		333,332	29B Loan Awards	758,330	31B Loan Awards	774,996
27B Approp		425,000	29B Approp	425,000	31B Approp	425,000
		91,668		(333,330)		(349,996)

Department of Labor and Industry

- The public members of the committee shall serve without compensation but will be reimbursed for mileage and per diem. DLI assumes minimal travel will be required for committee meetings and the cost of this bill can be covered by current resources within DLI.

Department of Revenue

- HB 860 exempts any loan amounts forgiven through this program from Montana's personal income tax.
- To qualify for any income exemption under the program created by this bill, a taxpayer would be required to graduate from a qualified program, find employment as a veterinary in an underserved area, and work for 12 consecutive months.
- It is unlikely that a student receiving any loan through the program created by HB 860 would also qualify for an income exemption within the timeframe of this fiscal note.
- The changes made by the proposed bill can be made as part of the department's annual change process. The department does not expect to incur any significant costs because of this bill.

Fiscal Analysis Table

Commissioner of Higher Education				
	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>
	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Operating Expenses	\$32,953	\$8,238	\$8,485	\$8,740
Grants	\$108,333	\$224,999	\$333,332	\$424,998
TOTAL Expenditures	<u>\$141,286</u>	<u>\$233,237</u>	<u>\$341,817</u>	<u>\$433,738</u>
<u>Funding of Expenditures</u>				
General Fund (01)	\$141,286	\$233,237	\$341,817	\$433,738
TOTAL Funding of Expenditures	<u>\$141,286</u>	<u>\$233,237</u>	<u>\$341,817</u>	<u>\$433,738</u>
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	<u>(\$141,286)</u>	<u>(\$233,237)</u>	<u>(\$341,817)</u>	<u>(\$433,738)</u>

Significant Long-Term Impacts

Commissioner of Higher Education

1. Beginning in the 2029 biennium and beyond, the current appropriation level is not sufficient to fund the existing awardees and additional cohorts.
2. Awardees who fail to meet the contractual obligations and return to Montana for practice in a designated area in a full-time capacity will have the amount of their award converted to a loan. The loan must be repaid in full within 10 years of date of entering into the program agreement.

Technical Concerns

Department of Labor and Industry

1. Section 9(2)(e) refers to the "director" of the Montana Department of Labor and Industry. Montana Constitution Article XII, Section 2, identifies the head of the Department of Labor and Industry as a "Commissioner."

NOT SIGNED BY SPONSOR

Sponsor's Initials

Date



Budget Director's Initials

4/9/2025

Date