

**Note from the Codifier:** The OAH website includes notices, and the text of proposed temporary rules as required by G.S. 150B-21.1(a1). Prior to the agency adopting the temporary rule, the agency must hold a public hearing no less than five days after the rule and notice have been published and must accept comments for at least 15 business days.  
For questions, you may contact the Office of Administrative Hearings at 984-236-1850 or email oah.postmaster@oah.nc.gov.

## TITLE 24 - INDEPENDENT AGENCIES

### CHAPTER 02 - NC AGRICULTURAL FINANCE AUTHORITY

*Notice is hereby given in accordance with G.S. 150B-21.1(a3) that the Agricultural Finance Authority intends to adopt the rules cited as 24 NCAC 02D .0101-.0106.*

**Codifier of Rules** received for publication the following notice and proposed temporary rule(s) on: September 5, 2024.

**Public Hearing:**

**Date:** September 17, 2024

**Time:** 10:00 a.m.

**Location:** NCAFA office: 1101 Spring Forest Rd. Raleigh, NC 27616

**Reason for Proposed Temporary Action:** *The General Assembly specifically authorized and mandated the adoption of temporary rules in House Bill 259 / S.L.2023-134, Section 10.1(c), which states that the NCAFA "shall adopt temporary rules to implement this section as soon as practicable. . .". These rules are submitted in order to comply with the General Assembly's mandate for temporary rules under the Large Animal Health Enhancement Act as established by House Bill 259/S.L.2023-134 (available at <https://www.ncleg.gov/Sessions/2023/Bills/House/PDF/H259v7.pdf> starting on p. 322) These rules have been discussed and approved by both the Large Animal Healthcare Enhancement Advisory Committee on June 10, 2024; and approved via vote of the Board of the Directors of the North Carolina Agricultural Finance Authority on June 11, 2024. It is critical that these rules be approved in an expedient manner to establish a system by which the monies allocated to this fund by the General Assembly can be distributed as directed. As stated in NCGS § 106-1079, "The purpose of the fund is to make grants to encourage veterinary students to enter and stay in large animal veterinarian practice and to support large animal veterinarian practices to enable them to better serve their designated counties." Additionally, in an abundance of caution, and to the extent is alleged to be necessary, NCAFA is also submitting a written request for a waiver of the 210-day period contemplated by NCGS § 150B-21.1(a2).*

**Comment Procedures:** *Comments from the public shall be directed to: Robert Hosford, 1101 Spring Forest Road, Suite 150, Raleigh, NC 27615; email [largeanimalvetgrants@ncagr.gov](mailto:largeanimalvetgrants@ncagr.gov). The comment period begins September 11, 2024 and ends October 2, 2024.*

### **SUBCHAPTER 02D - LARGE ANIMAL HEALTHCARE ENHANCEMENT ADVISORY COMMITTEE**

#### **24 NCAC 02D .0101 PURPOSE**

This Chapter describes the operating procedures for the Large Animal Healthcare Enhancement Advisory Committee and the Chair under the guidance of the North Carolina Department of Agriculture and Consumer Services, and the North Carolina Agricultural Finance Authority implementing the Large Animal Healthcare Enhancement Fund for the enhancement of large animal veterinary services in North Carolina. Procedures and guidelines for participating applicants are also described. The purpose of the program is to provide grants to encourage veterinary students to sustainably serve as large or mixed animal veterinarians in underserved areas in the state and to provide additional resources for large or mixed animal veterinary practices that operate in underserved areas to help them to better serve their communities.

Authority G.S. 106-1074.

#### **24 NCAC 02D .0102 DEFINITIONS**

In addition to the terms defined in Article 88 of Chapter 106 of the North Carolina General Statutes, the following terms used in this Chapter have the following meanings:

- (1) "Applicant" means a large animal veterinarian who applies for funds from the Large Animal Healthcare Enhancement Fund.
- (2) "Application" means a form developed and made available by the Large Animal Healthcare Enhancement Advisory Committee, including, but not limited to, any attachments and other information or documentation required by the form, for an applicant to complete and submit to the advisory committee to request a grant from the fund.
- (3) "Chair" or "Commissioner" means the chair of the advisory committee who is also the Commissioner of Agriculture.
- (4) "Grant" means an amount of money designated by the advisory committee to be given to a qualified applicant who has been chosen by the advisory committee.
- (5) "Grant recipient" means a qualified applicant who has received a grant.
- (6) "Large animal" means any of the animals referenced in G.S. 106-1072(8) and (9).
- (7) "Qualified applicant" means a large animal veterinarian (as defined in G.S. 106-1072(8)) and who otherwise meets the criteria described in this Rule and in Article 88 of Chapter 106 of the North Carolina General Statutes.

Authority G.S. 106-1074.

#### **24 NCAC 02D .0103      EVALUATION OF APPLICATIONS**

(a) Applicants for funding from the fund shall submit a completed application within 60 days from the date of the public announcement of requests for proposals (the "application deadline").

(b) Applications and instructions shall be available online at [www.ncagr.gov](http://www.ncagr.gov).

(c) To be eligible for consideration for funding, applicants shall complete the application, which shall be titled the "Large Animal Healthcare Enhancement Fund Application Form," and which shall contain the following information:

- (1) identifying information such as location, business name, and contact information;
- (2) statement from the applicant that acknowledges and agrees that in the event that the applicant's veterinary license expires, is revoked, or is suspended during the fiscal year in which the grant is awarded, or if the applicant fails to practice at least 30 percent large animal veterinary medicine in the designated counties named in the applicant's application, the applicant shall repay the entire amount received from the fund;
- (3) statement from the applicant that the applicant shall have no conflicting service obligation that would prevent the State from benefitting from the applicant's services, with the exception of service in the National Guard or military reserve;
- (4) an essay which describes the applicant's professional ambition and how those professional goals fit with the intent of the fund (eight hundred word maximum, typed in 12-point Times New Roman font, and double-spaced);
- (5) three personal or professional references listing the individual's name, telephone number, and email address; and
- (6) Certification that the applicant currently practices a minimum of 30 percent large animal veterinary medicine in at least one designated county.

(d) Each completed application shall be evaluated by the advisory committee staff based on the information provided in the application and in accordance with the fund criteria described in this rule and in Article 88 of Chapter 106 of the North Carolina General Statutes.

(e) The staff shall review all applications for completeness. If staff deems an application incomplete in that it does not contain information required by statute or these rules, the applicant may be asked by the authority staff to complete the application within seven days if the application deadline has expired.

(f) After the staff has reviewed each application for completeness, the advisory committee shall then review the applications prepared by each applicant and shall make recommendations to the Commissioner on applicants for funding.

(g) Grants shall be awarded contingent on the availability of sufficient funds to do so. Grants shall be conveyed to grant recipient(s) through contracts with the North Carolina Agricultural Finance Authority. If the North Carolina Agricultural Finance Authority determines that grants are not being used for the purpose for which they were awarded, the fund shall immediately cease making payments under the grant schedule and shall demand return of all amounts from the grant pursuant to G.S. 106-1074. Grant recipient(s) must reimburse the fund all funds that the North Carolina Agricultural Finance Authority determines to have been spent in violation of G.S. 106-1074(e).

Authority G.S. 106-1074.

#### **24 NCAC 02D .0104      GRANT AGREEMENT**

(a) Upon approval, a written agreement shall be executed between the grant recipient(s) and the North Carolina Finance Authority.

(b) The agreement shall define the North Carolina Finance Authority's and grant recipient's responsibilities and obligations, the project period, project scope, and the amount of grant assistance.

(c) The approved application and any support documentation submitted by the applicant shall become a part of the grant agreement.

(d) The grant agreement may be amended upon mutual consent and approval by the North Carolina Finance Authority and the grant recipient(s). The grant recipient(s) shall submit a written request for amendment to the North Carolina Finance Authority.

(e) Grant payments shall be made only for activities within the grant contract period and projects may not begin until the North Carolina Finance Authority and grant recipient(s) sign the agreement.

(f) The grant agreement shall include a requirement that the grant recipient(s) understands, acknowledges, and agrees that in the event that the grant recipient(s)' veterinary license expires, is revoked, or is suspended during the fiscal year in which the grant is awarded, or the grant recipient(s) fails to practice a minimum of 30 percent large animal veterinary medicine in at least one designated county named in the grant recipient(s)' application, the grant recipient(s) shall repay the entire amount received from the Fund.

Authority G.S. 106-1074.

#### **24 NCAC 02D .0105      REPORTING**

(a) Grant recipients shall submit to the North Carolina Agricultural Finance Authority a written progress report within 180 days of receipt of the grant.

(b) Written reports shall describe the status of the project, progress toward achieving program objectives, notable occurrences, any problems encountered, and steps taken to overcome the problems, and an affidavit from the grant recipient stating under oath or affirmation that, during the fiscal year in which the grant is awarded, and a statement of affirmation that supports the following:

- (1) the grant recipient's veterinary license has not expired, been revoked, or been suspended, and
- (2) the grant recipient(s) is currently practicing a minimum of 30 percent large animal veterinary medicine in at least one designated county named in the grant recipient(s)' application.

(c) Upon completion of the project, the grant recipient must make a final written report to the North Carolina Agricultural Finance Authority that shall include project accomplishments and benefits, all expenditures by line item as established in the application, and an affidavit from the grant recipient stating under oath or affirmation that, during the fiscal year in which the grant is and a statement of affirmation that supports the following:

- (1) the grant recipient's veterinary license has not expired, been revoked, or been suspended, and
- (2) the grant recipient(s) practiced a minimum of 30% large animal veterinary medicine in at least one designated county named in the grant recipient's(s') application.

(d) The North Carolina Agricultural Finance Authority shall review the progress reports for completeness, which shall include a showing of how the project is meeting its stated goals and performance standards. If the North Carolina Agricultural Finance Authority finds that the report is deficient in showing how the project is meeting its stated goals and performance standards, the grant recipient(s) shall be notified of the deficiency and must provide a changed and corrected report within 30 business days. A corrected or changed report shall be submitted to the North Carolina Agricultural Finance Authority within 30 business days. All grant funds shall be spent within 180 days of receipt by the grant recipient. If grant funds are not spent by the grant recipient by the end of this 180-day period, the grant funds shall be returned to the North Carolina Agricultural Finance Authority.

(e) Grant recipient(s) shall submit monitoring reports to the North Carolina Agricultural Finance Authority by email at [largeanimalvetgrants@ncagr.gov](mailto:largeanimalvetgrants@ncagr.gov) or by hand delivery at 1101 Spring Forest Road, Suite 150, Raleigh, North Carolina 27615.

Authority G.S. 106-1074.

#### **24 NCAC 02D .0106      RECORDS**

Grant recipients must keep financial and other records of the project for a period of five years, following completion of the project, or until audited. The records shall be made available to the Commissioner and the North Carolina Agricultural Finance Authority upon request. Recipients shall contact the Authority before destroying records or in the event that records are destroyed. The North Carolina Agricultural Finance Authority shall maintain and dispose of paper and electronic records in accordance with the approved Functional Schedule for North Carolina State Agencies, Program Record Retention and Disposition Schedule and Electronic Records and Imaging Policy, incorporated by reference with subsequent editions and amendments. The policy can be accessed free of charge at <https://archives.ncdcr.gov/documents/functional-schedule-state-agencies>.

Authority G.S. 106-1074.