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ROLL NUMBER

DESCRIPTION

1125

2007 HOUSE EDUCATION

HB 1125

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB 1125**

House Education Committee

Check here for Conference Committee

Hearing Date: **9 January 2007**

Recorder Job Number: **769**

Committee Clerk Signature



Minutes:

Chairman Kelsch opened the hearing on HB 1125.

Peggy Wipf, director of Financial Aid, of the ND University System, introduced the bill.

(Testimony Attached.) The intent is to encourage new optometry and veterinary medicine graduates to return to North Dakota to practice in underserved areas. She enclosed a proposed amendment. **(Attached.)**

Representative Mueller: Can you talk about the loan forgiveness. What is the community expected to do? The amendment you attached sets that in motion?

Wipf: Some communities use Chamber of Commerce dollars or individuals get together and put up the matching money. Yes, the amendment does.

Representative Mueller: In your testimony you mentioned Kansas State program. Are those students coming from that program to be involved in a matching community program?

Wipf: For those who receive state support, they must return to the state to practice.

Representative Hunskor: This says that professionals may receive up to \$80.0 to repay student loans. What's the criteria determining the \$80. Does one get \$40.0? \$60.0? \$20.0?

Wipf: It's based on their debt when they come out of school.

Nancy Kopp, representing the state optometric and veterinarian associations: It is a rare occasion that I get to testify on behalf of organizations for the same bill. Peggy's testimony

outlined why we would support this bill; however, I just became aware that the amendment as proposed requires a community match program. We do not believe that this community match program would not be doable at this time because of the economic restraints in some of our communities. I also have some amendments prepared that would delete the use of the word "specialties." Neither optometrist nor veterinarians specialize.

Chairman Kelsch: Is there a shortage in the larger communities: Bismarck? Minot?

Kopp: Yes:

Kopp went through the amendments she presented. (Attached.) We do not feel comfortable that this program be housed with the Department of Health; we suggest it be placed with the Bank of North Dakota or Higher Education, as veterinary services should not be placed with human health.

Gary Garland, director of the Office of Community Assistance for the ND Department of Health, provided information to the Committee on the bill. (Testimony Attached.) He discussed the cost to the department in administering this program. The state match issue is currently being discussed by agencies.

Representative Herbel: Are you aware of any communities in ND that presently are funding someone in the health services? I'm concerned that if a match is required, communities may have difficulty finding the resources.

Garland: The may be but not that I am aware of.

Wade Mosher, ND Stockman's Assn, testified in favor of the bill. The Stockman's Association likes the concept and spoke to the part of the bill for veterinarians. He also agreed that that program should be placed with the Bank of ND. They have concern about the matching grant. They are not sure how that would work as some veterinarians serve a large area and the burden cannot be placed on one community when they serve several

communities. There are other provisions that make it pretty restrictive such as entering into a four-year contract. What happens if you have an opportunity to buy into a practice in another community or area? There needs to be some discussion on that. On page 7 of the bill, lines 2 through 9, we see restrictions. For example, to someone who has left ND and may want to come back. We need to recruit veterinarians and get them back by making it financially acceptable to them. We discussed the idea of a sliding scale based on years of practice in ND. They have a large debt loan and low payback so they need help. The Kansas State is the only program that requires you to move back. Keep in mind that even if you move back you still have debt as that program only makes up the difference between in-state and out-of-state tuition. We think this bill is a good idea and good concept but the mechanics need work.

Woody Barth, representing the ND Farmers Union, testified on behalf of the bill.

(Testimony Attached.) We agree with the concept and also agree that the bill needs work. I have spoken to many vets and they are working 24x7. They are overworked and we need more vets. The community match is a problem to us. There are not a lot of resources available in communities to fund that match.

Representative Solberg: Do you have a number in mind as far as how many vets we would need.

Barth: Our policy asks for 5, but that is just basic. I don't know if there's a magic number but we are willing to work with the Committee to work on this.

Representative Herbel: Do you know how many students from ND apply for positions? How many are actually going out there.

Barth: I don't.

Wipf: Seventeen for the current academic year. They apply a year in advance for our particular program.

Representative Herbel: Are we guaranteed a number of spaces per year at Iowa State, Kansas State, and Colorado? How many different places are there?

Wipf: For vet medicine we have three options. We have Kansas State and that legislation allows for up to five slots. The board felt because of the budget source for that we weren't sure if the students we put in the pipe line if the students would be funded for their last two years. In good faith effort, they chose to fund two with hopefully the option for carry-over authority to fund them for four years. For Iowa State they will accept up to 10 students under our current arrangement. Traditionally according to our funding source, we put in 3-4 a year.

Representative Herbel: If we have ten slots and are only funding two, are others funding themselves?

Wipf: That's true others are funding themselves.

Representative Hunskor: Ms. Kopp, you have indicated you prefer the Bank of ND to administer this problem. The Department of Health administers the physicians and dentist's program. Is there a problem?

Kopp: Veterinarians deal with livestock rather than human health issues. Also, this is a loan program and loan forgiveness—perhaps this whole program should be coordinated by the bank of ND. That's just a thought.

There was no opposition testimony for HB1125.

Chairman Kelsch Closed the Hearing of HB1125 and appointed a subcommittee to research past records of this type of bill and bring recommendations to the full Committee. Serving on the Subcommittee are: Vice Chairman Meier, Chair, Representative Wall, and Representative Mueller.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB 1125**

House Education Committee **Subcommittee on HB 1125**

Check here for Conference Committee

Hearing Date: **10 January 2007**

Recorder Job Number: **875**

Committee Clerk Signature



Minutes:

Subcommittee: Representative Lisa Meier (chair), Representative Wall, Representative Mueller. Also invited and present were: **Nancy Kopp**, representing the ND optometric and veterinarian associations; **Peggy Wipf** and **Laura Glatt**, ND university system; **Gary Garland** of the ND department of health, **Woody Barth** of the ND Farmers Union; **Wade Mosher**, ND Stockman's Association.

Chairman Meier: It is our intent, through informal discussions, to make this the best bill possible to present to the full Education Committee. Nancy, you opposed the community match. Could you give us your thoughts on that?

Nancy Kopp: I just had a conference call with my board of directors and we don't feel that the smaller communities have the resources to support a professional in their community. Some of these small communities cannot even support a grocery store. Would it be fair for that community to support a veterinarian in their community and not be able to make the kind of investment to keep a retail grocery store? I just don't think it's workable. When we first had the draft of this bill the match was not there. Yesterday we saw the amendments Ms. Wipf presented and there was the match. We recommend the optometry model be administered by the Department of Health; however, we feel strongly that the veterinarian program which deals

with animal health issues not be placed with the Department of Health which deals with human health.

Representative Mueller: This is different than physicians and a hospital. They make available those dollars for incentive to come back. Veterinarians, optometrists, dentists are different. There is no organization to which they are coming. They are independent businessmen and it makes a difference. A problem is that if this is in the governor's budget and, if there is a match required there, we run into problems. Whose interpretation is it that we are required to do a match in these areas? What would happen if we do not adopt this proposed amendment?

Laura Glatt: There is \$200.0 in the higher education system budget for this bill. It was the intent of the state board of higher education that the match be included in this bill. I cannot speak to their wishes if it were deleted.

Representative Wall: This question is for Larry Mosher. Larry if there were a need for a match, could the Stockman's Association provide any dollars.

Larry Mosher: No. We do not have any funds for this project. Our funding is basically dues driven. Other funds are through legislation such as brand inspection and brand recording which are earmarked specifically for those purposes. So we would not have funds available to put into those kinds of things. The other source of dollars that everyone looks at is the beef check off and that is specifically for beef promotion and wouldn't qualify based on the federal law.

Representative Wall: I would like to raise the point that if a community is not viable to raise a match, is it then viable enough to support an optometry practice?

Kopp: I think yes; but, I do believe a new or recent graduate in optometry or veterinarian medicine is going to weigh that against the investment of the equipment and instruments that it takes to run either practice. I think those decisions are made on an individual basis.

Representative Meier: I would like to discuss the issue of funding for the veterinarian program going through the Bank of ND.

Wade Mosher: I talked to Eric Hardmeyer at the Bank of ND. He is very interested in handing this loan program. He is interested and the Ag Department, Department of Commerce, etc., is looking at trying to increase more animal agriculture in the state in all species. It folds into all the goals that everyone has. The bank is also sensitive to the fact that they get blasted for making too much money off of student loans. This would be an opportunity for them to set up a loan forgiveness for a specific educational requirement and run it through their program. This veterinarian program is a vehicle we could use. Another thought is that we create a sliding scale repayment program that rewards those that come back who come back for any length of time. I would like to see this loan forgiveness extended to even those who have graduated several years ago, gone to another state, and who would now come back to ND to practice. Our intent is to recruit in any way possible for veterinarians I don't think it will be expensive. Let's just get them to ND.

Woody Barth: I work closely with the Bank of ND on farm loan programs. They like to keep the profits high, get the profits back into the general fund and have the legislature appropriate general funds back to causes. They would probably want to run it through the legislature and have it as a student loan buy down program and keep the interest rates at market rate.

Representative Mueller: Why move just one program to the Bank. Why would not all the groups want to do that? You could do the same for all. It could be done but, there would probably be more strings attached.

Gary Garland: The department of health administers, has experience with, has the processes in place, and has all the materials we need to implement several programs of this type and that is the reason we were approached to administer these. However, the Department is neutral as to the placement of the loan program. If the Bank of ND is more logical, we would not object. We do involve ourselves in the designation of shortage areas. It's a federal designation. There is a direct connection in designating shortage areas and setting up priorities for the placement of physicians and dentists in ND. That is the Health Department's connection. We do connect frequently with the disease control program with the state veterinarian personnel on disease management issues to animal health.

Representative Wall: Wade, on page 7, community selection criteria, would you be interested in the placement by the size of the community? It says that first consideration would be a community of 2500. Would you feel that we not give priority by the size of the community at all?

Mosher: It may be difficult especially when you look at the trade area that these veterinarians need to practice in. I understand the reason we want to try to get them scattered out but at the same time it's going to be difficult when you are dealing with Fargo and Bismarck who have an opportunity to pay more. Even vets in these areas serve customers 50, 75, and 100 miles out. I'm not quite sure how you would do that. I think you get into some logistic problems and that gets complicated.

Laura Glatt: Part of the reason our board looked at this issue was that there were a couple of things we had been hearing repeatedly for years. One was that there was a concern that the state was investing a significant amount of annual funding in these students basically to subsidize their education out of state. It's not intended to be a financial aid program; it's to buy access to programs out of state. There is a belief by some that if the student doesn't

return to the state they should have some financial obligation. That was one issue. The other issue is one we have been hearing from the industry that there is a significant shortage in the rural areas. The struggle is the shortages we have been told about in each of these occupational fields. We have do not concrete data about what the shortage is or what the workforce demands are. We have more student demand by way of student applications in some fields than we do others. So the question becomes do you fund the fields that the students are really interested in or do you fund the areas where the state has the shortage and is the shortage urban vs. rural. We have understood that there is a significant rural shortage and the challenge was getting them to the rural areas. The question is how is do we structure a program that uses a program rather than a stick. A stick would be where the student is repay the support fee if they do not return to the state as they do in the Kansas State program. We used to operate all those programs under that premise years ago. We want an incentive program that the state is supporting through their education to return to the state. The questions is do we also want to give students another incentive to return to the rural areas. It's an industry question as to where the need is in the state. We are not hung up on who administers the program. If your preference is the Bank of ND we are fine with that.

Representative Meier: Peggy, there were amendments attached to bill when it was presented today. I wanted to find out if the community match in those. Why were they presented?

Peggy Wipf: It was an oversight on our part. It was the intent of the Board of Higher Ed that they wanted to have a community match program in place. When we looked at the program we assumed that all the mid-level professional incentive programs were all community match programs. Knowing the Board's intent, we drafted the amendments.

Laura Glatt: Part of the reason the Board supported the community match approach is that we would be able to help a larger number of practitioners to return to state. You are taking state money and doubling it, thereby helping a larger number of folks or increasing the dollar amount of the loan forgiveness.

Representative Meier: We just received some pretty good feedback from the individuals here on why they felt that the towns could not be able to come up with a match.

Barth: The concern is, is that money there? I just don't think that's a major concern and why we are opposed to the community match portion.

Kopp: I'd like it confirmed whether or not the dentistry program is a community match.

Garland: The dental loan repayment program is not a community match program. When it was worked on by the ND Dental Association, the reasons were the same as mentioned here—the ability of smaller communities to pay came into question. With the physician loan payment, there is a natural employer for these individuals. The hospitals and clinics were all looking for personnel and they were willing to provide that match. With dentists there was not a logical hiring entity.

Representative Mueller: I think you could make the same case for veterinarians and optometrists. These two groups are similar to dentists so that's why we have a concern about the match. Peggy, help me understand the \$200.0 to be applied to this program. Is that in the budget and gone through? Or is it required?

Glatt: Our budget includes this and several other programs in one line item. That appropriation is more than \$200.0. The bulk of it is used to purchase out of state slots for educational purposes. When our Board submitted their budget request, they submitted a request for funding those PCEP (Professional Student Exchange Program Study) slots which includes \$200.0 for this new program. The governor's budget endorsed to the dime the

Board's request for PSEP. In the appropriation bill is a lump sum in that line item. There is no specific intent in the bill that says \$200.0 of that line item has to be used for this program. If this legislation passes and the appropriation stays intact, we would use \$200.0 for this program whether it's a matching program or not. There is nothing that I see that prohibits you from taking out the matching requirement.

Garland: One thing we learned in the physician loan repayment program is the 4-year service obligation was seen as a major issue with many medical students who were not willing upon immediately graduating to commit to a community for a period of four years. So what the legislature did in the last session was reduce that obligation from four to two years. That made it more palatable. I bring that to the committee's attention as you are considering ways to get them to communities in ND that need their help.

Mosher: Good point. You have to realize that all these people are human and if something doesn't match right in the community for whatever reason, you have to bail out. How do you bail out without creating a lot of hassle for every one? There may be a better opportunity down the road, an opportunity to buy into another practice, etc. Four years might be a strong commitment. It's better to give them an incentive.

Representative Mueller: That makes sense. We should change that. Make it two years and if they continue to stick around add further incentives.

Representative Wall: Just for my information, why did you quit requiring students in these programs to return to the state?

Wipf: There was strong feeling that since we do not require physicians, engineers and those programs to stay in the state after they receive their education and the state subsidizes their education out of state, we were penalizing other professions by making them come back.

Glatt: We also had a problem collecting. We were actually going out of state to litigate.

Representative Meier: If we didn't use the community match in this bill would you be in favor of the bill. As a subcommittee we would like to have everyone's concerns addressed in the bill.

Glatt: We cannot speak for our Board. I cannot say they would or would not support it. Again, I think their purpose was to have an incentive to bring people back to the state to practice to meet the workforce demands and given that I would not anticipate they would have any major problems with dropping the community match.

Representative Meier: There was some discussion on opening up opportunities to individuals out of state. Let's discuss how members feel about that.

Glatt: One of the reasons that drove us to this study, in addition to the shortage we've been hearing about, was the concern by some that we're investing all of this money in sending students out of state, subsidizing the cost of their education and then not having return to the state. If you follow that path, what we are doing now is putting in place a program where we are not only paying for our students to go out of state; we are creating another program to bring back nonresidents. Some might view it as a double cost. Does that balance with the workforce shortage area so if the primary driver here is to create the workforce then does it matter what state they are residents of? You just need to know that's another criticism we have been hearing.

Mosher: One of the problems we have had is that ND up until the Kansas State program was put in, has never had any input as to who gets those dollars. Some one else ranks those students. We could have 18 vet students come in and apply for this money at these various schools and the school tells us which ones they will accept and they rank them. You could have a student say they want a vet degree and have no intention of ever coming back to ND and someone else is going to say: you are ranked number 1 and you are the one that's going

to get the money. I think we have a better opportunity if we were on an interview committee to ask the question. If a student intends to come back to ND, you get an opportunity to rank those higher where they do get ND money. I would not have a problem requiring these kids to pay it back if their intention was to not come back. It's a difficult thing when you turn the reins over to someone else and say here are the slots, you decide who gets it, and we'll pay. I wish we could say we need so many FTEs and we've lost this many FTE so we need this many FTE. It's a hard target to hit.

Representative Meier: Has there ever been any thoughts on repayment of these if a student does not come back to ND? Any legislation?

Glatt: As far as selection of students, a committee may make a recommendation but in the end it's the academic dean of that institution that's going to make the selection. You may have students that feel passionately about returning to the state to practice but if the institution does not feel they meet their academic criteria for success in all likelihood they will not put the student into their program. Our preference is to use the incentive to get them to return. We went the next step further and said if we are not successful in getting an incentive program in place we will look at a repayment program. Essentially taking the money from those students that have to repay and investing that in additional slots. The only leverage we have is by funding more slots. Hopefully you are increasing your odds.

Wipf: A repayment was in effect from 1977 to 1983. It was repealed in 1983. Since then it has been reintroduced and passed on one side and failed on the other side of the legislature. It is a really passionate topic. We do really have a dilemma right now in that the Kansas State program requires repayment and the other don't. In our opinion, it needs to be one way or the other across the program. We need to be consistent.

Representative Mueller: The two standards thing is not fair and it needs to be fixed.

Regarding the community selection criteria, I think that may be a good idea. The reason I say that is that this is a priority thing. I still think we need some emphasis on putting those people into rural areas where we think we have a more critical need. We have two things going on: we have slots bought, and with \$200.0 for optometrists and veterinarians have incentives to come back to ND.

Kopp: We've always linked the three programs of dentistry, optometry and vet med together and we try to treat them equally. Each profession has different needs. Maybe it's time to separate them and maybe this is the vehicle to use. Optometry has about the same needs as dentistry. Vet med has different needs. I cannot say that we should spend the same amount of money on optometry as vet med. I'm suggesting that we follow the same model for optometry as for dentistry. I see there is another senate bill coming that further amends the dentistry program with parameters that a dentist does not receive loan repayment if he practices within 15 miles of an urban area such as Fargo, Bismarck, Grand Forks, etc. That would work for optometry also. So with numerous amendments, we can fix this bill. I would like to see it pass in some form.

Representative Mueller: The amendments presented need fixing in some small items.

Were there any major issues? For instance I see no reason not to adopt the amendments Nancy brought in. A bigger issue is some of those others we talked about.

Woody Barth: From the Farmer's Union perspective: 1. we do not like the community match, 2. we like working through the Bank of ND, 3. we like the year by year buy down, and 4. the communities having some input in order to get the vets out to the rural areas. We think the bill should be passed and get some student loan forgiveness.

Glatt: The only thing that gives me some pause relative to the discussion today, is the rural versus urban. Based upon what we are hearing from the professionals, there is a shortage in the rural areas. That's where we can't attract these folks to practice. If that gets stripped and I don't know if Nancy is suggesting that or not. If it's different for the vets, then it's open to everyone that essentially changes the bill which is to get folks to return to the rural areas.

Representative Meier: That is the content of the bill

Kopp: What I'm trying to get across is the workforce needs are different. I did testify that we are looking for 6 veterinarians in Fargo, Grand Forks and Bismarck. So that's a different need.

Representative Mueller: Nancy, do you have problems with the criteria for selection.

Kopp: Not necessarily using it as a priority. But then what happens if the vacancy is in a smaller community, do they have to go to that small community or nothing. How does it work in the dental program?

Garland: That's pretty much the case. In this next go around we are going to have more applicants than I have slots. The Legislature at one time was very firm on the community size that would be able to provide loan repayment for dentists. There was one slot given to each of one small, one medium, and one large community. That backfired to the extent that we did not receive enough applicants for the small community so we basically lost those slots and some dentists that ended up working in large communities did not receive funding at all. This coming spring I'm probably going to have 10 applications for 3 slots. The legislature amended its initial bill to not require that one be in each of these community sizes but to give priority to the small rural communities. So when we review applications this summer community size will make a big difference.

Representative Meier: We certainly have a lot to digest. The subcommittee's goal is to have some thoughts put together by the end of the week and look at finalizing it by Tuesday for action on Wednesday. If you have any further comments that you want to visit about, you can certainly visit with me or any of the members.

Wipf: We did quite an extensive study on the PSEP program and I would like to share a copy with you as it has some history and data that may be useful to you.

Glatt: The other thing it has is that we also feedback from the pre-vet program at NDSU who take a real interest in this program. We captured some of their comments.

Representative Meier: We also have some information about previously introduced legislation on this subject that we need to review. We would like to that.

Representative Meier closed the subcommittee meeting of HB 1125.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB 1125**

House Education Committee

Check here for Conference Committee

Hearing Date: **23 Jan 07**

Recorder Job Number: **1698**

Committee Clerk Signature

Jan Prindle

Minutes:

Chairman Kelsch opened discussion of HB 1125. Loan repayment for optometrists and veterinarians.

Vice Chairman Meier: Here is amendment 78152.0101 prepared for this bill. She went through the changes made by this amendment. There are three main themes to the bill that the amendment makes:

- 1.) Page 3, line 7: change the number of years an optometrist or veterinarians must stay in a community to two or three. The committee felt four years was too long to mandate someone to stay in a community.
- 2.) Changes the size of the community priority for selection to begin with five thousand. We felt that realistically it would be hard to make a living in a community of 2500.
- 3.) Changes the language to clarify the loan repayment details.

Representative Mueller: The other thing we were asked to look at was the administration of the granting program. We determined it would be best left at the Health Department.

Vice Chairman Meier: I move we accept the amendment.

Representative Wall: I second.

A voice vote was taken: Yea: 12, Nay: 0, Absent: 0

The amendment was accepted.

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House Education Committee

Bill/Resolution No. **HB1125**

Hearing Date: **13 Jan 07**

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Representative Mueller: I move Do Pass as Amended and Rerefer to Appropriations.

Vice Chairman Meier: I second.

Representative Herbel: I am going to vote NO on this bill because I am not convinced the program works. I am not convinced this should apply to optometrists.

A roll call vote was taken: Yes: 12, No: 1, Absent: 0

HB 1125 passed as amended and will be rereferred to appropriations.

FISCAL NOTE

Requested by Legislative Council

03/15/2007

Amendment to: Reengrossed
 HB 1125

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The amendment to this bill allows the department of health and the state veterinarian to receive funds for the administration of the veterinarian loan repayment program. It also puts a cap on the amount of funds each applicant is allowed to receive.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The amendment to this bill allows the department of health to receive up to 7% of the appropriated funds and the state veterinarian to receive no more that 3% of the appropriated funds for administration of the loan repayment program. Included in the ND university system budget is an appropriation of \$100,000 to carry out this program.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The department of health and the state veterinarian are allowed to receive monies for the administration of this program. The department of health may receive no more than 7% or \$7,000 and the state veterinarian may receive no more than 3% or \$3,000 of the funds appropriated. The department of health anticipates our costs to administer the program to be approximately \$7,000.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

General funds of \$100,000 are included in the ND university system appropriation for the veterinary loan repayment program.

Name:	Kathy J. Albin	Agency:	Department of Health
Phone Number:	328.4542	Date Prepared:	03/19/2007

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1125

Page 1, line 10, replace "funds" with "up to"

Page 1, remove line 11

Page 1, line 12, remove "period, may not exceed" and replace "per applicant" with "in loan repayment funds"

Page 2, line 5, after "Enter" insert "into" and remove "four-year"

Page 2, line 28, remove "(1)"

Page 3, line 1, replace "(2)" with "b." and replace "graduate specialty training" with "college of"

Page 3, line 2, remove "program in"

Page 3, line 3, remove ";or"

Page 3, remove line 4

Page 3, line 5, remove "optometry"

Page 3, line 6, replace "b." with "c."

Page 3, line 7, replace "a" with "two, three, or"

Page 3, line 8, remove "minimum of"

Page 3, replace lines 10 through 19 with:

"1. In selecting a community with a defined need for the services of an optometrist, the health council shall consider:

a. The size of the community and give priority:

(1) First to rural communities having a population under five thousand;

(2) Second to communities having a population between five thousand and ten thousand; and

(3) Third communities having a population greater than ten thousand."

Page 3, line 24, remove "The mix of optometry specialties in the community and surrounding area."

Page 3, line 25, remove "e."

Page 3, line 28, remove "or for an individual who is trained in an"

Page 3, line 29, remove "optometry specialty"

Page 4, line 3, after the first "of" insert "a" and after the third "of" insert "the"

Page 4, line 4, remove "An optometrist is"

Page 4, remove lines 5 through 20

Page 4, line 21, replace "43-13.1-07" with "43-13.1-06"

Page 5, replace lines 4 through 8 with:

"43-13.1-07. Loan repayment. Upon completing one year of service, as required by the contract, the optometrist is eligible to receive a loan payment in an amount equaling twenty percent of the applicant's original student loan. Upon completing a second year of service, as required by the contract, the optometrist is eligible to receive a loan payment in an amount equaling twenty percent of the applicant's original student loan. Upon completing a third year of service, as required by the contract, the optometrist is eligible to receive a loan payment in an amount equaling thirty percent of the applicant's original student loan. Upon completing a fourth year of service, as required by the contract, the optometrist is eligible to receive a loan payment in an amount equaling thirty percent of the applicant's original student loan. All payments under this section must be made to the issuer of the student loan. No individual may receive more than eighty-thousand dollars under this section. If an individual fails to complete an entire year of service, the amount repayable under this section for that year must be prorated."

Page 5, line 9, replace "43-13.1-09" with "43-13.1-08"

Page 5, line 25, replace "funds" with "up to"

Page 5, remove line 26

Page 5, line 27, remove "period, may not exceed" and replace "per applicant" with "in loan repayment funds"

Page 6, line 10, after "Enter" insert "into" and remove "four-year"

Page 6, line 12, after "to" insert "actively"

Page 7, line 3, remove "(1)"

Page 7, line 5, replace "(2)" with "b." and replace "graduate training program in" with "college of"

Page 7, line 7, remove "; or"

Page 7, remove line 8

Page 7, line 9, remove "veterinary medicine"

Page 7, line 10, replace "b." with "c."

Page 7, line 12, replace "a minimum of" with "two, three, or"

Page 7, replace lines 14 through 23 with:

- "1. In selecting a community with a defined need for the services of a veterinarian, the health council shall consider:
 - a. The size of the community and give priority:
 - (1) First to rural communities having a population under five thousand;
 - (2) Second to communities having a population between five thousand and ten thousand; and
 - (3) Third to communities having a population greater than ten thousand."

Page 8, line 4, remove "state health"

Page 8, line 6, after "of" insert "the" and remove "A"

Page 8, remove lines 7 through 21

Page 8, line 22, replace "43-29.1-07" with "43-29.1-06"

Page 9, replace lines 4 through 8 with:

"43-29.1-07. Loan repayment. Upon completing one year of service, as required by the contract, the veterinarian is eligible to receive a loan payment in an amount equaling twenty percent of the applicant's original student loan. Upon completing a second year of service, as required by the contract, the veterinarian is eligible to receive a loan payment in an amount equaling twenty percent of the applicant's original student loan. Upon completing a third year of service, as required by the contract, the veterinarian is eligible to receive a loan payment in an amount equaling thirty percent of the applicant's original student loan. Upon completing a fourth year of service, as required by the contract, the veterinarian is eligible to receive a loan payment in an amount equaling thirty percent of the applicant's original student loan. All payments under this section must be made to the issuer of the student loan. No individual may receive more than eighty-thousand dollars under this section. If an individual fails to complete an entire year of service, the amount repayable under this section for that year must be prorated."

Page 9, line 9, replace "43-29.1-09" with "43-29.1-08"

Renumber accordingly

Date: 23 Jan 07
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1125

House Education Committee

Check here for Conference Committee

Legislative Council Amendment Number 28152.0101

Action Taken Amend as attached

Motion Made By Meier Seconded By Wall

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep Hanson		
V Chairman Meier			Rep Hunskor		
Rep Haas			Rep Mueller		
Rep Herbel			Rep Myxter		
Rep Johnson			Rep Solberg		
Rep Karls					
Rep Sukat					
Rep Wall					

Total Yes 13 No 0

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Attached

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1125

Page 1, line 10, replace "funds" with "up to"

Page 1, remove line 11

Page 1, line 12, remove "period, may not exceed" and replace "per applicant" with "in loan repayment funds"

Page 2, line 5, remove "four-year"

Page 2, line 28, remove "(1)"

Page 3, line 1, replace "(2)" with "b." and replace "graduate specialty training" with "college of"

Page 3, line 2, remove "program in"

Page 3, line 3, remove "; or"

Page 3, remove line 4

Page 3, line 5, remove "optometry"

Page 3, line 6, replace "b." with "c."

Page 3, line 7, replace "a" with "two, three, or"

Page 3, line 8, remove "minimum of"

Page 3, replace lines 10 through 19 with:

- "1. In selecting a community with a defined need for the services of an optometrist, the health council shall consider:
 - a. The size of the community and give priority:
 - (1) First to rural communities having a population under five thousand;
 - (2) Second to communities having a population between five thousand and ten thousand; and
 - (3) Third communities having a population greater than ten thousand."

Page 3, line 24, remove "The mix of optometry specialties in the community and surrounding area."

Page 3, line 25, remove "e."

Page 3, line 28, remove "or for an individual who is trained in an"

Page 3, line 29, remove "optometry specialty"

Page 4, line 3, after the first "of" insert "a" and after the third "of" insert "the"

Page 4, line 4, remove "An optometrist is"

Page 4, remove lines 5 through 20

Page 4, line 21, replace "43-13.1-07" with "43-13.1-06"

Page 5, replace lines 4 through 8 with:

"43-13.1-07. Loan repayment. Upon completing one year of service, as required by the contract, the optometrist is eligible to receive a loan payment in an amount equaling twenty percent of the applicant's original student loan. Upon completing a second year of service, as required by the contract, the optometrist is eligible to receive a loan payment in an amount equaling twenty percent of the applicant's original student loan. Upon completing a third year of service, as required by the contract, the optometrist is eligible to receive a loan payment in an amount equaling thirty percent of the applicant's original student loan. Upon completing a fourth year of service, as required by the contract, the optometrist is eligible to receive a loan payment in an amount equaling thirty percent of the applicant's original student loan. All payments under this section must be made to the issuer of the student loan. No individual may receive more than eighty thousand dollars under this section. If an individual fails to complete an entire year of service, the amount repayable under this section for that year must be prorated."

Page 5, line 9, replace "43-13.1-09" with "43-13.1-08"

Page 5, line 25, replace "funds" with "up to"

Page 5, remove line 26

Page 5, line 27, remove "period, may not exceed" and replace "per applicant" with "in loan repayment funds"

Page 6, line 10, remove "four-year"

Page 6, line 12, after "to" insert "actively"

Page 7, line 3, remove "(1)"

Page 7, line 5, replace "(2)" with "b." and replace "graduate training program in" with "college of"

Page 7, line 7, remove "; or"

Page 7, remove line 8

Page 7, line 9, remove "veterinary medicine"

Page 7, line 10, replace "b." with "c."

Page 7, line 12, replace "a minimum of" with "two, three, or"

Page 7, replace lines 14 through 23 with:

- "1. In selecting a community with a defined need for the services of a veterinarian, the health council shall consider:
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 - (2) Second to communities having a population between five thousand and ten thousand; and
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Page 8, line 4, remove "state health"

Page 8, line 6, after "of" insert "the" and remove "A"

Page 8, remove lines 7 through 21

Page 8, line 22, replace "43-29.1-07" with "43-29.1-06"

Page 9, replace lines 4 through 8 with:

"43-29.1-07. Loan repayment. Upon completing one year of service, as required by the contract, the veterinarian is eligible to receive a loan payment in an amount equaling twenty percent of the applicant's original student loan. Upon completing a second year of service, as required by the contract, the veterinarian is eligible to receive a loan payment in an amount equaling twenty percent of the applicant's original student loan. Upon completing a third year of service, as required by the contract, the veterinarian is eligible to receive a loan payment in an amount equaling thirty percent of the applicant's original student loan. Upon completing a fourth year of service, as required by the contract, the veterinarian is eligible to receive a loan payment in an amount equaling thirty percent of the applicant's original student loan. All payments under this section must be made to the issuer of the student loan. No individual may receive more than eighty thousand dollars under this section. If an individual fails to complete an entire year of service, the amount repayable under this section for that year must be prorated."

Page 9, line 9, replace "43-29.1-09" with "43-29.1-08"

Re-number accordingly

Date: 23 Jan 07
Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1125

House Education Committee

Check here for Conference Committee

Legislative Council Amendment Number 78152.0101

Action Taken do Pass as Amended + refer to Appropriations

Motion Made By Mueller Seconded By Meier

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch	✓		Rep Hanson	✓	
V Chairman Meier	✓		Rep Hunskor	✓	
Rep Haas	✓		Rep Mueller	✓	
Rep Herbel		✓	Rep Myxter	✓	
Rep Johnson	✓		Rep Solberg	✓	
Rep Karls	✓				
Rep Sukat	✓				
Rep Wall	✓				

Total Yes 12 No 1

Absent 0

Floor Assignment Meier

If the vote is on an amendment, briefly indicate intent:

78152.0101 - attached

REPORT OF STANDING COMMITTEE

HB 1125: Education Committee (Rep. R. Kelsch, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REFERRED** to the **Appropriations Committee** (12 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HB 1125 was placed on the Sixth order on the calendar.

Page 1, line 10, replace "funds" with "up to"

Page 1, remove line 11

Page 1, line 12, remove "period, may not exceed" and replace "per applicant" with "in loan repayment funds"

Page 2, line 5, remove "four-year"

Page 2, line 28, remove "(1)"

Page 3, line 1, replace "(2)" with "b." and replace "graduate specialty training" with "college of"

Page 3, line 2, remove "program in"

Page 3, line 3, remove "; or"

Page 3, remove line 4

Page 3, line 5, remove "optometry"

Page 3, line 6, replace "b." with "c."

Page 3, line 7, replace "a" with "two, three, or"

Page 3, line 8, remove "minimum of"

Page 3, replace lines 10 through 19 with:

"1. In selecting a community with a defined need for the services of an optometrist, the health council shall consider:

a. The size of the community and give priority:

(1) First to rural communities having a population under five thousand;

(2) Second to communities having a population between five thousand and ten thousand; and

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Page 3, line 25, remove "e."

Page 3, line 28, remove "or for an individual who is trained in an"

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Page 4, line 3, after the first "of" insert "a" and after the third "of" insert "the"

Page 4, line 4, remove "An optometrist is"

Page 4, remove lines 5 through 20

Page 4, line 21, replace "43-13.1-07" with "43-13.1-06"

Page 5, replace lines 4 through 8 with:

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Page 7, line 7, remove "; or"

Page 7, remove line 8

Page 7, line 9, remove "veterinary medicine"

Page 7, line 10, replace "b." with "c."

Page 7, line 12, replace "a minimum of" with "two, three, or"

Page 7, replace lines 14 through 23 with:

"1. In selecting a community with a defined need for the services of a veterinarian, the health council shall consider:

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- (1) First to rural communities having a population under five thousand;
- (2) Second to communities having a population between five thousand and ten thousand; and
- (3) Third to communities having a population greater than ten thousand."

Page 8, line 4, remove "state health"

Page 8, line 6, after "of" insert "the" and remove "A"

Page 8, remove lines 7 through 21

Page 8, line 22, replace "43-29.1-07" with "43-29.1-06"

Page 9, replace lines 4 through 8 with:

"43-29.1-07. Loan repayment. Upon completing one year of service, as required by the contract, the veterinarian is eligible to receive a loan payment in an amount equaling twenty percent of the applicant's original student loan. Upon completing a second year of service, as required by the contract, the veterinarian is eligible to receive a loan payment in an amount equaling twenty percent of the applicant's original student loan. Upon completing a third year of service, as required by the contract, the veterinarian is eligible to receive a loan payment in an amount equaling thirty percent of the applicant's original student loan. Upon completing a fourth year of service, as required by the contract, the veterinarian is eligible to receive a loan payment in an amount equaling thirty percent of the applicant's original student loan. All payments under this section must be made to the issuer of the student loan. No individual may receive more than eighty thousand dollars under this section. If an individual fails to complete an entire year of service, the amount repayable under this section for that year must be prorated."

Page 9, line 9, replace "43-29.1-09" with "43-29.1-08"

Renumber accordingly

2007 HOUSE APPROPRIATIONS

HB 1125

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1125

House Appropriations Committee
Education and Environment Division

Check here for Conference Committee

Hearing Date: January 31, 2007

Recorder Job Number: 2341

Committee Clerk Signature

Shirley Branning

Minutes:

Chairman Wald: Introduced **Representative Lisa Meier** to speak to the amendment to HB 1125.

Representative Meier: Provided testimony regarding HB 1125, the first Engrossment, sections 1 and 2.

Representative Monson: These amendments, are they already in this? The Engrossed Bill includes the amendments? We don't need the amendment.

Representative Meier: That is correct. The reason is we increased the population from 2,500 to 5,000. Continuing, the new section 1 establishes the loan repayment for optometrists at 20% after one year of service. After the second year, 20%, after the 3rd year 30%, and after the 4th year 30%; to encourage them to stay in the community for at least four years. Section 2 establishes an identical program for veterinarians. Section 3 provides for a \$200,000 appropriation for the 2007-2009 biennium. The major change is the population and the criteria for staying in the community for up to four years.

Representative Hawken: Some of the veterinarians are in the Western Interstate Commission for Higher Education (WICHE) program. Is that at a reduced tuition rate or is most of their tuition paid?

Representative Meier: The student still pays.

Vice Chairman Monson: How much debt do optometrists and veterinarians have when they get out of college?

Representative Meier: About \$80,000-100,000 worth of college loan debt.

Vice Chairman Monson: This program would allow them to totally erase all their debt if they stay in a small town. How much money does a veterinarian make?

Representative Meier: Pretty, much but it depends on the size of the loan. Maybe about \$60,000, at starting.

Vice Chairman Monson: How many people graduate in veterinarian and optometry school that would be eligible to actually get this, per year?

Representative Meier: North Dakota currently holds slot for veterinarians going to college; I don't have the number of graduates from the programs.

Chairman Wald: On page 5, line 5 of the Engrossed bill, it says three veterinarians. We are talking large animal vets rather than pet vets.

Representative Meier: I believe that would be the intent of the bill to attract large animal vets.

Chairman Wald: Representative Hawken would you like to carry this bill. Thanks, Lisa.

Representative Hawken: Sure.

Laura Glatt, Vice Chancellor for Administrative Affairs, North Dakota University System. One of the questions was relative to the professional student exchange program, we buy slots at out of state campuses for vets, optometrists and dentists, and you appropriate money for that in the university system budget. We are purchasing access, because without those slots North Dakota residents would have an extremely difficult time getting into those out-of-state programs. It pays down the difference between the resident and the non-resident tuition rate.

Representative Klein: Do we pay the out of state institutions so much for each student just to let them go there? Then do they still have to pay the full tuition of that institution and we help them with out of state tuition? What does it cost for one of those slots?

Glatt: We only pay for students that attend. The latest estimate for 2005-07 in vet medicine it is \$25,400 per student, optometry, \$13,600, and dentistry \$19,000. The vet slots are WICHE slots and are the most expensive slots.

Chairman Wald: We pay this, plus they pay their regular tuition.

Glatt: Exactly. For the vets and optometrists, it is a new program. Dentistry does not have a similar program.

Representative Klein: Is this for large animal vets, could we help small animal vets, also?

Glatt: We envisioned no difference. We have heard for years that the problem is getting them to stay in North Dakota and return to the rural area. We have been told of the shortage but haven't pinpointed the data.

Chairman Wald: On page 5, line 4, it states that "food animal services", it states that the State Health Council shall review this. What is the State Health Council comprised of?

Glatt: The State Health Council currently deals with the dentist and physician programs. We have been looking at work force shortages. In optometry we have been told that there is a shortage but we have not been able to get any data that specifically documents where the shortages are. There was another question of how many do we graduate per year? We have put into the pipeline between 5-10 vets per year, 15-22 dentists per year, and about 4-6 optometrists per year. We need to fund those areas where there is the largest workforce need.

There is no repayment provision now; this bill is the carrot to get them back to the state in loan forgiveness

Chairman Wald: On the engrossed bill, page 5 line 6 it says they will serve communities in this state, so if they don't come back this program doesn't apply.

Glatt: The only way to get this money is to come back.

Roxanne Woeste, Legislative Council Analyst, The funding for those programs is provided in the Health Department, in their budget bill.

Glatt: The \$2.4m is to purchase out of state slots, biannually, in the three professional programs for four classes.

Chairman Wald: On page 8, line 19 it says payments made to the State Health Council, why are we using them as the Why not combine all three into one bill? There is a different funding source.

Woeste: The funding is currently in the HB 1003 in the line item for the professional exchange program. Section 3 could be deleted altogether.

Chairman Wald: I will entertain a motion to delete section 3 from this bill.

Representative Klein: So move.

Chairman Wald: Seconded by Vice Chairman Monson. If there is no discussion, we will take a voice vote. Motion carries unanimously in the voice vote to delete section 3 in the First Engrossment

Representative Martinson: I move to further amend to delete the references for the optometrists leaving this just to the vets

Vice Chairman Monson: Seconded the motion.

Chairman Wald: The motion is to strip all loan forgiveness to optometrists. If there is no further discussion, clerk will call the roll for a **Do Pass** on HB 1125.

Vote: 4 yes, 2 no, 1 absent

Chairman Wald: A motion will be taken for a **Do Pass as amended.**

Representative Klein: So move.

Vice Chairman Monson: Seconded

Vote: 6 yes, 0 no, 1 absent

Carrier: Representative Hawken:

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1125

House Appropriations Committee

Check here for Conference Committee

Hearing Date: February 8, 2007

Recorder Job Number: 3161

Committee Clerk Signature

Henry N. Hund

Minutes:

Chm. Svedjan opened the hearing on HB 1125.

Rep. Hawken describes amendment .0201 (Attachment A). This amendment removes Section 1 of the bill which deals with optometrists, and removes Section 3 of the bill that provides an **appropriation to the State Health Council for providing loan repayments.**

Rep. Hawken motioned to adopt amendment .0201 to HB 1125. **Rep. Wald** seconded the motion.

Rep. Nelson: We're taking optometrists out of the code right now. Wouldn't another option be to leave them in code and just not fund that line item?

Rep. Hawken: This would be new code – putting the optometrists in.

The motion to adopt amendment .0201 carried by a voice vote.

Rep. Hawken motioned a Do Pass as amended to Engrossed HB 1125. **Rep. Wald** seconded the motion. The motion carried by a roll call vote of 21 ayes, 2 nays and 1 absent and not voting. **Rep. Hawken** was designated to carry the bill.

Date: 1/31
Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB1125

House Appropriations Education and Environment Division Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Vote Do pass amendment

Motion Made By Monson Seconded By Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Wald:	✓		Representative Aarsvold:		
Vice Chairman Monson		✓	Representative Gulleson	✓	
Representative Hawken:		✓			
Representative Klein:	✓				
Representative Martinson:	✓				

Total (Yes) 4 No 2

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

amendment

Date: 2/8/07
 Roll Call Vote #: 0

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 1125

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number 78152 0201

Action Taken Adopt Amendment

Motion Made By Spuler Seconded By Wald

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Representative Wald			Representative Aarsvold		
Representative Monson			Representative Gulleason		
Representative Hawken					
Representative Klein					
Representative Martinson					
Representative Carlson			Representative Glassheim		
Representative Carlisle			Representative Kroeber		
Representative Skarphol			Representative Williams		
Representative Thoreson					
Representative Pollert			Representative Ekstrom		
Representative Bellew			Representative Kerzman		
Representative Kreidt			Representative Metcalf		
Representative Nelson					
Representative Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Vote - carries

Date: 2/8/07
 Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 1125

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken No Pass as amended by .0201

Motion Made By Harper Seconded By Wald

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kemperich	✓				
Representative Wald	✓		Representative Aarsvold	✓	
Representative Monson	✓		Representative Gulleson	✓	
Representative Hawken	✓				
Representative Klein	✓				
Representative Martinson	✓				
Representative Carlson	✓		Representative Glassheim	✓	
Representative Carlisle		✓	Representative Kroeber	✓	
Representative Skarphol	✓		Representative Williams	✓	
Representative Thoreson	✓				
Representative Pollert	✓		Representative Ekstrom	✓	
Representative Bellew		✓	Representative Kerzman	✓	
Representative Kreidt	✓		Representative Metcalf	✓	
Representative Nelson	✓				
Representative Wieland	✓				

Total (Yes) 21 No 2

Absent 1

Floor Assignment Harper

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1125, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1125 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "chapters 43-13.1 and" with "chapter"

Page 1, line 2, after the first "to" insert "a", replace "programs" with "program", remove "optometrists and", and after the semicolon insert "and"

Page 1, line 3, remove "; and to provide an appropriation"

Page 1, remove lines 5 through 24

Page 2, remove lines 1 through 30

Page 3, remove lines 1 through 30

Page 4, remove lines 1 through 30

Page 8, remove lines 17 through 21

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment removes Section 1 of the bill creating a loan repayment program for optometrists and removes Section 3 of the bill providing an appropriation to the State Health Council for providing loan repayments.

2007 SENATE EDUCATION

HB 1125

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1125

Senate Education Committee

Check here for Conference Committee

Hearing Date: March 6, 2007

Recorder Job Number: 4436

Committee Clerk Signature

Minutes:

Chairman Freborg opened the hearing on HB 1125, a bill relating to a loan repayment program for veterinarians. All members were present.

Laura Glatt, Vice Chancellor, North Dakota University System, testified in favor of the bill.

(Written testimony attached)

Senator Gary Lee asked if other loan or grant programs are available for veterinarians.

Ms. Glatt said there are none available once they have graduated. WICHE (Western Interstate Commission for Higher Education) is one place the North Dakota University System buys slots. They pay the membership and pay for slots at WICHE campuses.

Senator Taylor asked when we buy slots, do the students still pay in state tuition, do they still have \$88,000 debt?

Ms. Glatt said \$88,000 is a national average. They still pay resident tuition, fees, room and board. They still incur debt.

Senator Gary Lee asked if this is specific to vet school loans or all student loans.

Ms. Glatt said it is any student loans.

Senator Gary Lee asked if this is for all vet services or for large animal vets.

Ms. Glatt said it has a large animal focus.

Nancy Kopp, North Dakota Veterinary Medical Association, testified in favor of the bill. Laura Glatt has done a good job of explaining the bill. There is a shortage of vets and they are very excited about this program. The shortages exist not only in the rural areas, in Bismarck Mandan a vet looked for an associate for 9 months before he found one. They worked with the sub committee on the House side and offered some amendments. Some were left out. She has some proposed amendments attached to her testimony. She explained the proposed amendments. She has spoken with the state veterinarian, Dr. Susan Keller who would like to have the option of a designee to serve on the Health Council.

Senator Flakoll asked about page 2 line 19, compatibility with the community.

Ms. Kopp said that is based on the dentistry program.

Senator Flakoll asked if they discussed considering the number of large animals in an area.

Ms. Kopp said they did not talk about it. The language says a community that is in need. The Health Council will discuss it.

Senator Gary Lee asked about the language regarding accept property from...

Ms. Kopp said it is from the dentist program.

Senator Taylor asked how much administration costs for the health department would be.

Would it be carved from the \$100,000?

Ms. Kopp said they would support it, it is not specific in the bill. If there are 3 chosen in the first year there should be \$10,000 left. She is new to a program like this and willing to take the lead of an existing program.

Wade Moser, North Dakota Stockmen's Association, testified in favor of the bill. This is a new program. He would recommend trying it and seeing how it works in the first biennium. It is a great opportunity to recruit vets back to the state. These students have four years of undergraduate school and 4 years of vet school. This would be a lot of pressure on the state

vet to select three individuals. It will be competitive. Page 2, lines 26 – 29, if we view this as a recruitment tool, they may want to apply right out of vet school so they know where to look for a job. He wonders if the “must have graduated” would preclude this. Would it affect recruitment? He supports the amendments from Nancy Kopp. He has no idea of the administrative cost. He hopes they can recruit North Dakota residents back to the state. There is a high burn out rate for vets, especially those practicing alone.

Chairman Freborg closed the hearing on HB 1125.

Senator Taylor said he thinks the amendments proposed by Nancy Kopp are good.

Senator Taylor moved the amendments proposed by Nancy Kopp, seconded by Senator Bakke. The amendments passed 4-0-1.

Senator Flakoll said there was also discussion about the state vet or his designee.

Senator Bakke said that is appropriate.

Senator Flakoll said there was discussion about an additional person.

Senator Taylor asked who is on the State Health Council.

Gary Garland, Director of the Office of Consumer Assistance, Department of Health, appeared to answer questions. He handles administration of a number of loan forgiveness programs including the dentists and mid level health practitioners and a program to assist foreign physicians with their paperwork with the State Department.

Senator Taylor asked who is the State Health Council?

Mr. Garland said there are 11 members, appointed by the Governor. There is a consumer majority, at least six people who do not make their living in the health field. They advise the Health Department on matters of policy.

Senator Flakoll asked if any members have expertise in agriculture.

Mr. Garland said no.

Senator Flakoll asked how he would see the relationship with the state vet program.

Mr. Garland said the program will be a lot of work at first. They will need to develop criteria. Once established and operational it will not require as much work. They would visit with the state vet or the designee, review applications and make recommendations.

Senator Flakoll asked what the administrative fee would be.

Mr. Garland said he would recommend language that would designate up to \$15,000 per biennium. That figure is a little high, it would probably be \$10,000.

Senator Flakoll asked if that would be per year or per biennium.

Mr. Garland said per biennium.

Senator Gary Lee asked if the process would be the State Health Council would look at the applications and then the state vet would look at their list.

Mr. Garland said it would be the other way around, the state vet would look at the applications and make recommendations to the State Health Council.

Senator Gary Lee said it would be easier for the state vet the other way around.

Mr. Garland said they would count on the technical expertise of the state vet to advise the council on selection.

Senator Taylor asked in the dental program, who does the Health Council consult with?

Mr. Garland said the dental program is full. Historically it was slow moving forward. It has been first come, first served, they had no desire to turn people away. In 2007 they have 3 slots and 12 applicants, this is the first time this has happened. The North Dakota Office of Oral Health and the State Dental Association is putting criteria together to select the applications to send to the council.

Senator Flakoll asked if we should widen the pool to reduce the pressure on the state vet. Should we add a legislator?

Mr. Garland said they would be looking for the expertise of a graduate education in veterinary medicine.

Senator Taylor said we could look at a three person board and perhaps include the president of the North Dakota Veterinary Medicine Association, the president of the North Dakota Stockmen's Association, the Board of Animal Health. He would have to look at the composition of the Board of Animal Health. He doesn't think we need a legislator. We can find expertise in other areas to widen the pool.

Senator Taylor asked if the administrative costs would be less as the program matures?

Senator Flakoll said we could put a sunset on the administrative costs after the biennium.

Senator Taylor said that is a good idea, we can revisit it.

Senator Taylor moved an amendment for up to \$10,000 administrative fees for the Health Department per biennium with a sunset, seconded by Senator Gary Lee.

Senator Bakke said it would make more sense for the Health Council to review the applications.

Senator Flakoll said there would be prep work. He is not sure we want the State Health Council recommending, it is not their area of expertise.

Chairman Freborg confirmed the \$10,000 would come out of the \$100,000.

Senator Taylor said yes, up to \$10,000 for administrative costs, could we leave it without who the costs would go to?

Senator Flakoll said that is too open.

The motion passed 5-0-0.

Senator Flakoll moved the committee reconsider its action by which it passed the Taylor 1 amendment, seconded by Senator Taylor.

Senator Flakoll said the amendments were done verbally, he is not talking about the .0301 amendments.

The motion passed 5-0.

Senator Flakoll said he has alternate amendments. He distributed the Flakoll amendment. It provides administration fees in a percentage of appropriation basis so we are quite clean in not having to send it to appropriations. 7% can go to the Health Department and 3% to the State Veterinarian's Office and it would sunset at the end of the biennium so we could determine who is putting forth the effort in administering the program.

Senator Flakoll moved the Flakoll amendment, seconded by Senator Bakke.

Senator Taylor said it does the right thing. He wondered about the office of the state vet vs. the State Board of Animal Health. The State Board of Animal Health employs the state vet. If council objects, they can catch it when they are writing the amendment.

Senator Flakoll said the intent is not to add to the state vet's salary but to go to the office.

The motion passed 5-0.

Senator Flakoll said we have had some discussions earlier if the state vet or her designee should be involved in selections. Do we want the state vet to go on her own or consult with the Board of Animal Health?

Senator Taylor said when you involve the State Board of Animal Health, it is less important to have a designee. Her deputy is on the board.

Senator Flakoll said what if the state vet quits?

Senator Taylor said she has a deputy.

Senator Bakke said the state vet is on the Board of Animal Health.

Senator Gary Lee asked what is the relationship between the state vet and the Board of Animal Health, does she oversee it?

Senator Taylor said the State Board of Animal Health has 9 members appointed by the governor. There are two vets, and species representatives. They employ the state vet. The state vet is not a voting member.

Senator Gary Lee asked who is not on the board but is listed on the letterhead?

Senator Taylor said the ag commissioner, state vet, consulting vet and deputy state vet.

Senator Bakke moved the Bakke amendment to add to line 8 add the State Board of Animal Health and strike veterinarian, seconded by Senator Gary Lee.

The motion passed 5-0.

Senator Flakoll moved a Do Pass As Amended on HB 1125, seconded by Senator Taylor.

The motion passed 5-0. Senator Taylor will carry the bill.

After the meeting, Chairman Freborg informed the clerk the bill should be rereferred to appropriations.

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1125

Page 2, line 13, remove "include consideration of"

Page 2, line 14, replace "The" with "Consider the"

Page 2, line 17, replace "The" with "Consider the"

Page 2, line 19, replace "The" with "Consider the"

Page 2, line 20, replace "The" with "Consider the"

Page 2, line 22, replace "The" with "Consider the"

Page 2, after line 22, insert:

"f. Give priority to a veterinarian on whose behalf state-funded student support fees have not been paid."

Page 2, line 24, replace "during the" with "for more than one year before submitting an application for the loan repayment program:"

Page 2, remove line 25

Page 2, remove line 27

Page 2, line 28, remove "the date of the application"

Page 4, line 4, replace "one" with "six months of the first"

Page 4, line 5, replace "equaling twenty" with "up to fifteen thousand dollars"

Page 4, line 6, remove "percent of the applicant's original student loan"

Page 4, line 8, replace "equaling twenty percent of the applicant's original student loan" with "up to fifteen thousand dollars"

Page 4, line 10, replace "equaling thirty percent of the applicant's original student loan" with "up to twenty-five thousand dollars"

Page 4, line 12, replace "equaling thirty percent of the applicant's original student loan" with "up to twenty-five thousand dollars"

Renumber accordingly

Proposed amendment to Engrossed HB 1125

Page 4, line 24, after the period insert "The state health department shall receive up to ten thousand dollars for administration of the loan repayment program."

Sen. Taylor

Date: 3/6/07
Roll Call Vote #: 2

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1125

Senate Education Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Taylor amendment

Motion Made By Sen. Taylor Seconded By Sen. Lee

Senators	Yes	No	Senators	Yes	No
Senator Freborg	✓		Senator Taylor	✓	
Senator Flakoll	✓		Senator Bakke	✓	
Senator Gary Lee	✓				

Total Yes 5 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

*allow up to \$10,000 to Health
Dept per biennium for
administrative with sunset*

Proposed amendment to Engrossed HB 1125

Page 4, line 24, after the period insert "The state health department shall receive no more than seven percent of the appropriated moneys and the office of the state veterinarian shall receive no more than three percent of the appropriated moneys for administration of the loan repayment program, to remain effective through June 30, 2009."

Sen Flakoll

JJ
3-6-7

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1125

Page 1, line 8, replace "veterinarian" with "board of animal health"

Page 2, line 13, remove "include consideration of"

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Page 4, line 24, after the underscored period insert "During the 2007-09 biennium, the state health department may receive no more than seven percent of the appropriated moneys and the state veterinarian may receive no more than three percent of the appropriated moneys for administration of the loan repayment program."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1125, as reengrossed: Education Committee (Sen. Freborg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1125 was placed on the Sixth order on the calendar.

Page 1, line 8, replace "veterinarian" with "board of animal health"

Page 2, line 13, remove "include consideration of"

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ReNUMBER accordingly

2007 SENATE APPROPRIATIONS

HB 1125

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1125

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: March 15, 2007

Recorder Job Number: 5144

Committee Clerk Signature



Minutes:

Senator Holmberg opened the hearing on HB 1125. He reminded those in attendance that the bill has already received a hearing in another committee and Appropriations will focus on the money aspect of the bill.

Peggy Wipf, Director of Financial Aid, North Dakota University System, testified in favor of the bill. (Written testimony attached)

Senator Krauter asked if Senate amendments provided 3% for administration of the loan program and it should be turned over to the Health Department.

Ms. Wipf said initially the bill was set up so the State Health Council within the Department of Health would administer the program. Through the amendments now the State Veterinarian is going to have some input. It was recommended that 10% administrative costs be provided, 7% to the Department of Health, 3% to the State Veterinarian.

Senator Holmberg asked after the Senate Education Committee amended the bill, why is a fiscal note not necessary.

Allen said he would have to check on it.

Ms. Wipf said within 1003 and within the professional student exchange program, it is highlighted to go to this program.

Senator Holmberg said so what she is saying is the money is in 1003.

Senator Bowman said it is interesting to hear it is hard to find vets to come back to North Dakota. That is exactly why we passed the bill to send the vet students to Kansas State because a requirement was to come back to North Dakota. To satisfy that need, it was spelled out specifically, knowing it was the only college that made the requirement. We had an agreement for up to five students and the Board of Higher Education changed that. Now you come back and say we need to do this because we need vets in rural North Dakota. There is no logic behind it. We had a bill to do exactly what you are asking us to do; the only difference is it is a cost share. You are putting the burden on rural North Dakota to pay to get these vets back rather than the state recognizing the problem.

Ms. Wipf said she can say in the engrossed bill, one of the selection priorities would go to those who do not receive state support.

Senator Holmberg said he knows the Board of Higher Education is aware of the unhappiness of a number of legislators. By the time HB 1003 is finished and put together, there will be some specific language as to how various programs need to be run.

Senator Mathern asked if this is an attempt to standardize all of these subsidized programs or do we have some system for that.

Ms. Wipf said they struggle with the idea that, because we don't educate in the professional field where there is a shortage, we up front provide support to a limited number of students.

On the flip side, now we are proposing a loan forgiveness program to try to get them back in addition to the up front cost. The dentistry program already has a loan forgiveness program.

Therefore it was suggested we do something for optometry and veterinarians.

Senator Krauter said he applauds higher ed for bringing this bill forward. As he studied the various programs for physicians, nurse practitioners, dentists he asked the Health Department to give him some communities who have used the program and he was impressed. We have

a new dentist in Mott that used the program. It told him, if it is truly in the heart of someone to come back to North Dakota, this is the way to go vs. forcing someone to go to a certain school, paying everything up front. You don't know if they are going to graduate, this is the best way to do it.

Nancy Kopp, North Dakota Veterinary Medical Association and the North Dakota Optometry Association, testified in favor of the bill. If the committee desires to amend back in the optometry program, that would be great but not necessary. She would like to support the bill. Ms. Wipf has outlined the reasons for introducing this. It is modeled after the dentistry program which is relatively successful over the last 8 or 9 years. The amendments were made on the recommendation of the North Dakota Veterinary Medical Association. In the first section, the state vet was initially recommended to select the candidates for the program or their designee. It was decided after some discussion the State Board of Animal Health that has representatives from the livestock industry, should do this. The other issue was attaching the amount of loan forgiveness to the original student loan amount. A vet may come out of school with, according to Ms. Wipf, \$88,000 in loans. The North Dakota Veterinary Medical Association contends its \$100,000 plus. A student may have \$100,000 loan so 20% would be \$20,000 whereas another student could have \$80,000 so they would only get \$16,000. They felt that was unfair so they asked for a specific amount and to have that amount accelerated with the length of service in the community. They suggested \$15,000 the first year, \$15,000 the second year, \$25,000 the third year and \$25,000 the fourth year which adds up to the \$80,000. They see this as an excellent recruitment tool and are excited to start the program. There are funds being expended on the front end through various universities through WICHY and Kansas State and Iowa. We are trying to get our arms around these professional student exchange programs and have some equity and serve the needs of our state.

Senator Christmann asked where the WICHY students go to vet school.

Ms. Kopp said Colorado is the only WICHY school at present.

Senator Holmberg asked for a voice from the crowd for an answer which was Colorado State, Oregon State, UC Davis and Washington State. We have additional agreements with Iowa, Kansas and Minnesota.

Senator Bowman asked if anyone who receives some type of support and goes on to become a professional with a doctorate degree, would it be a bad thing to ask them to come back to North Dakota in exchange for that education. If they like it here, they will stay here; if they don't they can go on. At least they are contributing back to our economy.

Ms. Kopp said she agrees with him fifty percent. She has had conversations with members, students and parents. Their feelings are the state of North Dakota invests millions of dollars in other professional programs, for instance the tuition for the UND School of Medicine is \$20,000. We support that program and there is no requirement for those students to remain and practice in North Dakota.

Senator Bowman said when the school of medicine first got its funding, there was such a need for rural doctors and this was going to be the answer. In our recruitment, we have not received one rural doctor from that program. We have gone out of state to get all of them. Has that been a successful program for what the original intent was?

Ms. Kopp said she did not know that was the intent.

Senator Bowman said it was one of the intents.

Ms. Kopp said she agrees and hopes we can further massage these issues and come up with a solution.

Ms. Wipf said North Dakota did have a repayment clause for optometry, dentistry and vet medicine from 1977 – 1983 that was repealed in 1983.

Senator Krebsbach said a lot has been said about requiring students to return. Is there anything in the WICHY requirements that precludes such a rule?

Ms. Wipf said no.

Senator Robinson said even with these programs we struggle, they are not a slam dunk.

Times have changed. The men and women going into these fields are professionals. The issues of big debt and establishing a practice are big, long term commitments and not something you get in then move on in three or four years. Not every community in North Dakota will reap the benefits. They have two clinics in his community and they are staffed by the med school and even with that there are challenges. There are attractive offers elsewhere for these folks who are the best and the brightest. You can earn \$61,000 in North Dakota or \$90,000 - \$100,000 in another state and you have to look at a career of 40 years and it is significant. We need what is in front of us and more to remain competitive.

Allen said regarding the fiscal note, there was originally an appropriation on the bill but it has been taken off so there should have been a fiscal note.

Senator Holmberg asked for a fiscal note.

Senator Holmberg closed the hearing on HB 1125.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1125

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 3/15/07

Recorder Job Number: 5379

Committee Clerk Signature

Lamb Pink

Minutes:

Chairman Holmberg opened the hearing on HB 1125.

Senator Eberle distributed amendments on HB 1125 re: the removal of lines to allow communities in under privileged areas to bring in veterinarians with a loan forgiveness program. Many veterinarians indicate they would not have expected to move into a practice unless they worked somewhere else for a period of 3-5 years and meet other criteria before taking on rural practice. This would open up an apprenticeship in more populated areas.

Chairman Holmberg indicated this bill initially was heard in the Ag Committee. Have you alerted them that you came to us. The discussion had to do with a veterinarian coming in after 4-5 years of experience. This bill has nothing to do with the Kansas agreements. The response was no this is a loan forgiveness program.

Sen. Robinson indicated he thinks this is a practical application issue and was an innocent oversight as to how this would play out.

Chairman Holmberg asked Kathy if she thought the board would have a heartburn if we put this in the bill. This changes the criteria to allow someone who has a little more experience to take advantage of this program.

Chairman Holmberg indicated the reason is when you go into a small community and you are just out of veterinarian school you don't have business skills to run a one person operation.

Sen Robinson indicated a lot is to be said about work experience.

Chairman Holmberg indicated this will be on the to do list.

Sen. Robinson indicated issue 11` is a concerns of institutions in the university system dealing with parity and cost. In reviewing institutions, we have two colleges experiencing dier challenges for the next few years. After reviewing this over several times, Valley City State and Wahpeton have serious challenges to do the 5/5 and maintain stability in tuition collections. Circumstances vary between those two institutions. I would like to get a package of \$800,000 for the two institutions, \$600,000 for Valley City and \$200,000 for Wahpeton.

Chairman Holmberg discussed the fact there is \$300,000 for the nano technology program.

Are they willing to prioritize. It was like choosing between two children. Both programs have high priorities. It is a difficult situation.

Sen Robinson indicated Minot State is looking at a serious situation and they have prioritized what they need to get done. Other institutions are in the same situation.

Chairman Holmberg indicated we will discuss this further tomorrow. The problems are mostly driven by declining enrollments.

Sen Robinson indicated at Valley City it is highly competitive for students. The share of the market is up; the numbers of students is down.

Sen Krebsbach indicated Minot State won't be affected until the second year of the biennium.

Chairman Holmberg closed the hearing on HB 1125.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB 1125**

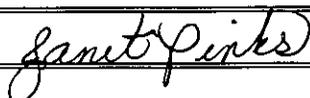
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: **March 22, 2007**

Recorder Job Number: unknown

Committee Clerk Signature



Veterinarian's Loan Repayment:

S Holmberg questioning if this is the bill where there is an amendment for one year in changing the bill.

S Erbele had talked about the amendment the day before which they had visited with AG and this is the one under current law you can't have practiced more than a few years before you can qualify for the program. For under-served areas, large animal vets, that they could bring in people that had more than 3 years service.

In rural ND if you're going to be a veterinarian, you're likely to be the only one. For someone fresh out of school to have the exposure to the business side of the business, you need a few years of working with someone. It makes practical sense. In a large community, you will work with someone as an apprentice.

S Krebsbach moved the amendment

S Robinson second the amendment

S Holmberg asked for discussion on amendments. The amendment would go on 0300.

Has a small change that small companies could bring in a more experienced veterinarian.

Copies of the amendment distributed

Oral vote on the amendment unanimous – Passed

S Robinson moved Do Pass As Amended

S Krauter second the motion

S Christmann what are we doing here for veterinarians? Can someone tell me what it is?

Response: It is debt forgiveness for students who have to go to school that borrowed money so that if you have part of your tuition paid, that wouldn't qualify, or if you're Kansas State and they pay a certain percentage, it's only the debt forgiveness on the loan that you have against your education.

Response This is what we do for doctors and dentists. It is assistance. It is a loan repayment program. After you have completed college and gotten your degree and when you practice you apply and at that point you can get so many dollars per year, up to \$80,000. Page 3

Roll call on Do Pass As Amended on HB 1125 - Passed

March 16, 2007

JE
3-22-07
1 of 2

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1125

In lieu of the amendments adopted by the Senate as printed on pages 745 and 746 of the Senate Journal, Reengrossed House Bill No. 1125 is amended as follows:

Page 1, line 8, replace "veterinarian" with "board of animal health"

Page 2, line 13, remove "include consideration of"

Page 2, line 14, replace "The" with "Consider the"

Page 2, line 17, replace "The" with "Consider the"

Page 2, line 19, replace "The" with "Consider the"

Page 2, line 20, replace "The" with "Consider the"

Page 2, line 22, replace "The" with "Consider the"

Page 2, after line 22, insert:

"f. Give priority to a veterinarian on whose behalf state-funded student support fees have not been paid."

Page 2, remove lines 24 and 25

Page 2, line 26, replace "b." with "a."

Page 2, remove line 27

Page 2, line 28, remove "the date of the application"

Page 2, line 29, replace "c." with "b."

Page 4, line 4, replace "one" with "six months of the first"

Page 4, line 5, replace "equaling twenty" with "up to fifteen thousand dollars"

Page 4, line 6, remove "percent of the applicant's original student loan"

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2 of 2

Page 4, line 24, after the underscored period insert "During the 2007-09 biennium, the state health department may receive no more than seven percent of the appropriated moneys and the state veterinarian may receive no more than three percent of the appropriated moneys for administration of the loan repayment program."

Renumber accordingly

Date: 3/22
Roll Call Vote #:

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1125

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DP as amend 0303

Motion Made By Robinson Seconded By Krauter

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm	✓		Senator Aaron Krauter	✓	
Senator Bill Bowman, V Chrm	✓		Senator Elroy N. Lindaas	✓	
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathem	✓	
Senator Randel Christmann	✓		Senator Larry J. Robinson	✓	
Senator Tom Fischer	✓		Senator Tom Seymour	✓	
Senator Ralph L. Kilzer	✓		Senator Harvey Tallackson	✓	
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Krauter amend Ed-Taylor

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1125, as reengrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1125, as amended, was placed on the Sixth order on the calendar.

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Page 4, line 5, replace "equaling twenty" with "up to fifteen thousand dollars"

Page 4, line 6, remove "percent of the applicant's original student loan"

Page 4, line 8, replace "equaling twenty percent of the applicant's original student loan" with "up to fifteen thousand dollars"

Page 4, line 10, replace "equaling thirty percent of the applicant's original student loan" with "up to twenty-five thousand dollars"

Page 4, line 12, replace "equaling thirty percent of the applicant's original student loan" with "up to twenty-five thousand dollars"

Page 4, line 24, after the underscored period insert "During the 2007-09 biennium, the state health department may receive no more than seven percent of the appropriated moneys and the state veterinarian may receive no more than three percent of the appropriated moneys for administration of the loan repayment program."

Renumber accordingly

2007 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

HB 1125

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1125

House Appropriations Committee
Education and Environment Division

Check here for Conference Committee

Hearing Date: April 3, 2007

Recorder Job Number: 5735

Committee Clerk Signature

Shirley Branning

Minutes:

Representative Hawken, chair of the Conference Committee, called the meeting to order on Amendment .0303 of HB 1125 relating to Loan Repayment for optometrists and veterinarians, by calling on **Sen. Taylor**, District 7, to explain the amendment

Sen. Taylor began the discussion with page 1 of the Senate's amendment .0303 of the reengrossed House Bill and the clerical changes that were made, pertaining to the Animal Board of Health rather than just the state veterinarians. A new program like this is going to require a little heavy lifting and decision making as they pick the students who would be privy to the program. Then getting into the percentages being replaced by dollars in the loan repayment making the student loan repayment total clearer.

Page 4, line 24 has to do with the administrative costs. We went with a percentage there with most of the work being done by the health department as they administer the dentist program, 7% there and 3% for the state veterinarians office roughly, up to \$10,000.

Page 2, after line 22 gives priority to a veterinarian on whose behalf state-funded student support fees have not been paid.

Remove line 27 on page 2.

Rep. Martinson: I will make the necessary motion and pretend we never had a meeting and say we concur. **Second by Rep. Gulleason.**

Rep. Hawken: Is there any further discussion, if not I will ask the Clerk to call the role to move that the House accede to the Senate and place HB 1125 on the Seventh Order.

Motion passed 6-0-0

Meeting adjourned.

**REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)**

Bill Number 1125 (, as (re)engrossed):

Date: 04-03-07

Your Conference Committee Education and Environment

For the Senate:

For the House:

	YES / NO		YES / NO
<u>Sen. Flakoll</u>	<u>X</u>	<u>Rep. Hawkin</u>	<u>X</u>
<u>Sen. B. Lee</u>	<u>X</u>	<u>Rep. Martinson</u>	<u>X</u>
<u>Sen. Taylor</u>	<u>X</u>	<u>Rep. Gulletson</u>	<u>X</u>

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) 1338 -- 1339

X, and place 1125 on the Seventh order.

_____, adopt (further) amendments as follows, and place _____ on the Seventh order:

_____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) 1125 was placed on the Seventh order of business on the calendar.

DATE: 04-03-07

CARRIER: Rep. Hawkin

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Rep. Martinson

SECONDED BY: Rep. Gulletson

VOTE COUNT 6 YES 0 NO 0 ABSENT

REPORT OF CONFERENCE COMMITTEE

HB 1125, as reengrossed: Your conference committee (Sens. Flakoll, G. Lee, Taylor and Reps. Hawken, Martinson, Gulleson) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ pages 1338-1339 and place HB 1125 on the Seventh order.

Reengrossed HB 1125 was placed on the Seventh order of business on the calendar.

2007 TESTIMONY

HB 1125

HB 1125
9 Jan 07

**Testimony before
House Education Committee
January 9, 2007
HB1125**

Madame Chair and members of the House Education Committee, my name is Peggy Wipf, and I am director of financial aid for the North Dakota University System. On behalf of the State Board of Higher Education, I am here today to support HB1125.

House Bill 1125 relates to the creation of a community matching loan forgiveness program for optometrists and veterinarians. This legislation is very similar to an existing community matching loan forgiveness program for physicians or mid-level practitioners administered by the State Health Council within the Department of Health. The Department of Health currently receives a \$75,000 state general fund appropriation for the physicians or mid-level practitioner programs. Also, the Department of Health operates another state funded program to entice dentists to return to North Dakota, especially rural North Dakota, after graduation. The programs differ in one significant way. The program for physicians or mid-level practitioners requires local community matching support and the dentistry program does not. The state biennially appropriates \$420,000 in special fund (federal tobacco) dollars for the dentistry program.

The intent of the legislation is to encourage new optometry and veterinary medicine graduates to return to North Dakota to practice in underserved areas. Each professional selected may receive up to \$80,000 to repay educational loans. The average national loan indebtedness for a veterinarian is \$88,000 and the average indebtedness for an optometrist is \$108,000. The average North Dakota salary, according to the U.S. Department of Labor, for veterinarians is \$61,500 and \$111,890 for optometrists. Anecdotal information we receive from the professional associations, including the

Stockmen's Association, suggests it is becoming more difficult to attract practicing professionals in veterinary medicine and optometry to rural North Dakota. Some reasons provided include: 1) the feeling of isolation in a rural community with limited social and cultural activities; 2) more professionals want to work more regular hours because of young families, yet this is difficult to do when you are the only practicing professional on duty for miles; 3) lower levels of pay in rural positions are inadequate to pay off student loan indebtedness of not only the recent graduate but also a spouse; 4) the limited educational opportunities offered by a smaller school district, such as fewer advanced placement courses and available extracurricular activities for children; 5) requirement to be on duty 24 x 7 in some rural locations; and 6) limited job opportunities for spouses in rural areas.

This proposed program would be a companion to the state appropriations currently provided to the North Dakota University System (\$2,617,026 proposed in 2007-09), which provides the funding needed for the North Dakota University System to purchase out-of-state slots in the professional academic programs of veterinary medicine, dentistry and optometry, since North Dakota does not offer these programs in state. The annual state funded cost of each slot per year (varies based on place of attendance) is as follows: veterinary medicine--\$8,591 to \$25,400; dentistry \$6,287 to \$19,900; optometry \$13,600. There is currently no requirement, other than for students attending veterinary medicine at Kansas State, that students return to the state to practice or repay the state support fee. In lieu of a repayment provision, whereby students are required to return to the state or repay the fee, the North Dakota University System proposes a financial

incentive program to encourage students to return to the state, by assisting them with their debt repayment.

Section 1 of the bill establishes the loan repayment program for optometrists, while Section 2 establishes a nearly identical program for veterinarians. The existing program for dentists served as a model for both new programs and language governing the two new programs is similar, if not identical to language that applies to the existing dentists' program, including: the maximum amount an eligible individual may receive; the powers of the state health council; optometrist and veterinarian selection criteria used in determining eligibility for loan repayment, along with community selection criteria; eligible loans; breach and release of contract obligations; payment terms; as well as how gifts, grants, and donations will be handled.

Section 3 provides for a \$200,000 appropriation for the new program for the 2007-09 biennium. The 2007-09 executive budget for the North Dakota University System's (HB1003) Professional Student Exchange Program line-item provides \$200,000 to implement the new community matching loan forgiveness programs for optometrists and veterinarians.

As drafted, HB 1125 does not include language providing for a local community match. This is a drafting oversight, as the Board intended to propose programs that include this requirement, similar to the existing programs for physicians or mid-level practitioner. Proposed amendments attached to my testimony add language requiring a local community match, as intended by the Board. In addition, the proposed amendments remove some language regarding graduate specialty training that was mistakenly included in the bill and does not apply to programs for optometrists and veterinarians.

Madame Chair and House Education Committee members, on behalf of the State Board of Higher Education, I urge your support of HB1125 with proposed amendments and would be happy to answer questions.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1125

Page 1, replace lines 7 through 14 with:

“43-13.1-01. State-community matching optometrist loan repayment program.

1. The North Dakota state-community matching optometrist loan repayment program is established as provided by this chapter.
2. The purpose of the program is to increase the number of optometrists practicing optometry in North Dakota communities with defined health professional medical need.
3. Under the program, loan repayments may be made to a recipient for educational expenses incurred while the recipient was attending an accredited optometry school located in the United States, its possessions, territories, or Canada.
4. Each recipient is limited to a forty-five thousand dollar maximum loan repayment from the state to be paid over two years. The loan repayment from the selected community must be in an amount that equals or exceeds the amount of loan repayment provided by the state. The selected community may negotiate a period of service longer than four years.
5. The state health council may select any number of recipients and communities each year as participants in the program subject to the availability of funding.”

Page 2, line 8, after “program” insert “and funds paid by the selected communities for repayment of education loans for optometrists who qualify for assistance under the program”

Page 2, line 29, after the semi-colon insert “or”

Page 3, line 1, replace “graduate specialty training” with “college of”

Page 3, line 2, remove “program in”

Page 3, line 3, replace the semi-colon with a period and remove “or”

Page 3, remove lines 4 and 5

Page 4, remove lines 1 through 8

Page 5, line 11, remove “If an entity”

Page 5, remove lines 12 through 15

Page 5, line 16, remove “matching funds for the purposes of this chapter.”

Page 5, replace lines 22 through 29 with:

“43-29.1-01. State-community matching veterinarian loan repayment

program.

1. The North Dakota state-community matching veterinarian loan repayment program is established as provided by this chapter.
2. The purpose of the program is to increase the number of veterinarians practicing food animal veterinary medicine in North Dakota communities with a defined need for those services.
3. Under the program, loan repayments may be made to a recipient for educational expenses incurred while the recipient was attending an accredited school of veterinary medicine located in the United States, its possessions, territories, or Canada.
4. Each recipient is limited to a forty-five thousand dollar maximum loan repayment from the state to be paid over two years. The loan repayment from the selected community must be in an amount that equals or exceeds the amount of loan repayment provided by the state. The selected community may negotiate a period of service longer than four years.
5. The state health council may select any number of recipients and communities each year as participants in the program subject to the availability of funding."

Page 6, line 14, after "program" insert "and funds paid by the selected communities for repayment of education loans for veterinarians who qualify for assistance under the program"

Page 7, line 4, after the semi-colon insert "or"

Page 7, line 5, replace "graduate training program in" with "college of"

Page 7, line 7, replace the semi-colon with a period and remove the second "or"

Page 7, remove lines 8 and 9

Page 8, remove lines 3 through 10

Page 9, line 11, remove "If an entity"

Page 9, remove lines 12 through 15

Page 9, line 16, remove "funds for the purposes of this chapter."

Renumber accordingly

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1125

HB 1125
9 Jan 07
Nancy
Kopp

Page 2, line 7, after "to" insert "actively"

Page 2, line 18, remove "or in a related specialty"

Page 3, line 1, replace "graduate specialty training" with "college of"

Page 3, line 2, remove "program in"

Page 3, remove lines 4 and 5

Page 3, line 18, remove "and then to optometry specialists in cities with an identified"

Page 3, remove line 19

Page 3, remove line 24

Page 3, line 28, remove "or for an individual who is trained in an"

Page 3, remove line 29

Renumber accordingly

Submitted by : North Dakota Optometric Association

HB 1125
9 Jan 07

Testimony

House Bill 1125

House Education Committee

Tuesday, January 9, 2007; 9 a.m.

North Dakota Department of Health

Good morning, Madam Chair and members of the House Education Committee. My name is Gary Garland, and I am the director of the Office of Community Assistance for the North Dakota Department of Health. I work with the State Health Council in administering a number of loan repayment programs similar to the loan repayment programs you are considering today. I am here today to provide information on House Bill 1125.

Currently, North Dakota veterinary and optometry students receive some state financial assistance; however, there isn't a requirement that they return to North Dakota and provide services in exchange for their financial assistance. Student loan repayment programs for doctors of optometry and doctors of veterinary medicine will provide a financial incentive for health professionals trained in these fields to return to North Dakota to apply their expertise and to help meet the need for these services in underserved areas of the state.

It is not clear in the bill whether these loan repayment programs require a community match. If not, the appropriation provided will allow for five individuals to receive a loan repayment this biennium at the maximum \$80,000 total award.

The Department of Health has not yet received a request for a fiscal note attached to this bill. It is unclear whether a portion of the \$200,000 is to be used for rulemaking and administrative costs connected with these programs. The costs to the department to administer these programs are approximately \$20,000 per biennium.

This concludes my testimony. I am happy to answer any questions you may have.

North Dakota Farmers Union

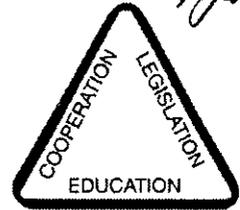
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HB 1125
Education Committee

Chairman Kelsch and Members of the Education committee,

My name is Woody Barth; I am here representing over 35,000 members of North Dakota Farmers Union. I am here to testify on Section 2 of House Bill 1125.

North Dakota Farmers Union supports providing funding for students to complete veterinarian school and to return to North Dakota to practice veterinary medicine upon receiving that degree.

NDFU urges the Education Committee to increase the number of students funded by the state. An increase would not only allow for more students to attend veterinary school, but would also alleviate the hardship in more communities that are without veterinary medicine services.

Thank you Chairman Kelsch and members of the committee. I will answer any questions at this time.

HB 1125
9 Jan 05

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1125

Page 5, line 23, replace "veterinarian" with "veterinarian's office"

Page 5, line 24, remove "food animal"

Page 6, line 12, after "to" insert "actively"

Page 7, line 5, replace "graduate training program in" with "college of"

Page 7, remove lines 8 and 9

Page 7, line 22, remove "and then to veterinary medicine specialists in cities with"

Page 7, remove line 23

Renumber accordingly

Submitted by: North Dakota Veterinary Medical Association

A Compilation of Proposed Amendments to House Bill No. 1125

Page 2, line 7, after "to" insert "actively"

Page 2, line 18, remove "or in a related specialty"

Page 2, line 29, after the semi-colon insert "or"

Page 3, line 1, replace "graduate specialty training" with "college of"

Page 3, line 2, remove "program in"

Page 3, line 3, replace the semi-colon with a period and remove "or"

Page 3, remove lines 4 and 5

Page 3, line 18, remove "and then to optometry specialists in cities with an identified"

Page 3, remove line 19

Page 3, remove line 24

Page 3, line 28, remove "or for an individual who is trained in an"

Page 3, remove line 29

Page 4, remove lines 1 through 8

Page 5, line 11, remove "If an entity"

Page 5, remove lines 12 through 15

Page 5, line 16, remove "matching funds for the purposes of this chapter."

Page 5, line 23, replace "veterinarian" with "veterinarian's office"

Page 5, line 24, remove "food animal"

Page 6, line 12, after "to" insert "actively"

Page 7, line 4, after the semi-colon insert "or"

Page 7, line 5, replace "graduate training program in" with "college of"

Page 7, line 7, replace the semi-colon with a period and remove the second "or"

Page 7, remove lines 8 and 9

Page 7, line 22, remove "and then to veterinary medicine specialists in cities with"

Page 7, remove line 23

Page 8, remove lines 3 through 10

Page 9, line 11, remove "If an entity"

Page 9, remove lines 12 through 15

Page 9, line 16, remove "funds for the purposes of this chapter."

Re-number Accordingly

* After consulting Peggy Wipf, the two ambiguous amendment proposals do relate to community matching; and as a result, are not included on this list.

Possible Drafting Errors Included

A Compilation of Proposed Amendments to House Bill No. 1125

Page 2, line 7, after "to" insert "actively"

Page 2, line 18, remove "or in a related specialty"

Page 2, line 29, after the semi-colon insert "or" Question: Is this really an "or" provision? It would seem that (a) 1 and (a) 2 operate independently of each other; the first is "may not" language and the second is "must have." Shouldn't the "may not" provision be in effect all the time instead of being "nullified" if (a) 2 is met?

Page 3, line 1, replace "graduate specialty training" with "college of"

Page 3, line 2, remove "program in"

Page 3, line 3, replace the semi-colon with a period and remove "or" Question: Isn't the semicolon, but with an "and", still necessary? The provisions on lines 4 and 5 ended with an "and". So, it would seem (for continuity purposes,) that the "and" language should be retained. Otherwise, the proposed amendments might change more than what is intended.

Page 3, remove lines 4 and 5

Page 3, line 18, remove "and then to optometry specialists in cities with an identified"

Page 3, remove line 19 NOTE: should read: remove "need for a specialist" (the period is needed, still)

Page 3, remove line 24

Page 3, line 28, remove "or for an individual who is trained in an"

Page 3, remove line 29 NOTE: should read: remove "optometry specialty" (The period is needed, still)

Page 4, remove lines 1 through 8

Page 5, line 11, remove "If an entity"

Page 5, remove lines 12 through 15

Page 5, line 16, remove "matching funds for the purposes of this chapter."

Page 5, line 23, replace "veterinarian" with "veterinarian's office"

Page 5, line 24, remove "food animal"

Page 6, line 12, after "to" insert "actively"

Page 7, line 4, after the semi-colon insert "or" NOTE: once again, the same problem is occurring again.

Page 7, line 5, replace "graduate training program in" with "college of"

Page 7, line 7, replace the semi-colon with a period and remove the second "or" Once again, the same problem is occurring.

Page 7, remove lines 8 and 9 NOTE: save the "and" ?

Page 7, line 22, remove "and then to veterinary medicine specialists in cities with"

Page 7, remove line 23 NOTE: should read: remove "an identified need for a specialist". The period is needed.

Page 8, remove lines 3 through 10

Page 9, line 11, remove "If an entity"

Page 9, remove lines 12 through 15

Page 9, line 16, remove "funds for the purposes of this chapter."

Re-number Accordingly

* After consulting Peggy Wipf, the two ambiguous amendment proposals do relate to community matching; and as a result, are not included on this list.

**North Dakota
University System**

Creating a University System for the 21st Century

Professional Student Exchange Program Study

Prepared for the
State Board of Higher Education

February 2006

*Contact
University System
for copy*

**NORTH DAKOTA
UNIVERSITY SYSTEM**

The Vital Link to a Brighter Future

Testimony on Engrossed HB No. 1125
Senate Education Committee
Laura Glatt, Vice Chancellor - March 6, 2007

I am here today in support of Engrossed HB 1125. This bill relates to the creation of a loan forgiveness program for veterinarians. This legislation is very similar to an existing loan forgiveness program for dentists administered by the State Health Council within the Department of Health. Biennially the state appropriates \$420,000 in special funds for the dentistry program. HB 1125, as originally introduced at the request of the State Board of Higher Education (SBHE), recommended the creation of a community matching loan forgiveness program for optometrists and veterinarians, similar to an existing community matching loan forgiveness program for physicians or mid-level practitioners administered by the Department of Health. The community matching provision was eliminated in the House version and what remains is a loan forgiveness program. Optometrists were also removed from the bill.

The intent of the engrossed legislation is to encourage new veterinary medicine graduates to return to North Dakota to practice. Each professional selected may receive up to \$80,000 to repay educational loans. The average national loan indebtedness for a veterinarian is \$88,000. The average North Dakota salary, according to the U.S. Department of Labor, for veterinarians is \$61,500.

Anecdotal information we received from the professional associations, including the Stockmen's Association, suggests it is becoming more difficult to attract practicing professionals in veterinary medicine and optometry to rural North Dakota, although we have not been able to identify a specific data source to identify the projected shortage in North Dakota. Some reasons provided for the difficulty of recruiting practicing professionals to the rural areas of the state include: 1) the feeling of isolation in a rural community with limited social and cultural activities; 2) being the only practicing professional for miles requiring a 24 x 7, 365 day work schedule; 3) lower levels of pay in rural positions are inadequate to pay off student loan indebtedness of not only the recent graduate but also a spouse, who may also have student loan debt; 4) limited educational opportunities offered by a smaller school district, such as fewer advanced placement courses and the availability of extracurricular activities for children; and 5) limited job opportunities for spouses in rural areas.

Engrossed HB 1003 includes \$100,000 in the Professional Student Exchange Program line item for this new loan forgiveness program for veterinarians. The appropriation was reduced from the original \$200,000 recommended by the State Board of Higher Education and supported by the Governor, when the House removed optometrists from the provisions of this bill. I should also note that the Dept. of Health would need some funding to assist with their administrative costs, which we would recommend come from the \$100,000 appropriation.

This proposed program would be a companion to the state appropriations currently provided to the North Dakota University System in HB 1003. Proposed funding of \$2,617,026 in 07-09 provides the funding needed for the North Dakota University System to purchase out-of-state slots in the professional academic programs of

veterinary medicine, dentistry and optometry, since North Dakota does not offer these programs in state. The annual state funded cost of each slot per year, which varies based on place of attendance, ranges as follows: veterinary medicine--\$8,591 to \$25,400; dentistry \$6,287 to \$19,900; optometry \$13,600. There is currently no requirement, other than for students attending veterinary medicine at Kansas State, for graduating students to return to the state to practice or repay the state support fee. In lieu of a repayment provision, whereby students are required to return to the state or repay the fee, the North Dakota University System proposes a financial incentive program to encourage students to return to the state, by assisting them with their debt repayment.

On behalf of the State Board of Higher Education, I urge your support of Engrossed HB 1125 and would be happy to answer questions.

①

**Testimony on Second Engrossment with
Senate Amendments HB No. 1125
Senate Appropriations Committee
NDUS - March 15, 2007**

I am here to day in support of Engrossed HB 1125. This bill relates to the creation of a loan forgiveness program for veterinarians. This legislation is very similar to an existing loan forgiveness program for dentists administered by the State Health Council within the Department of Health. Biennially the state appropriates \$420,000 in special funds for the dentistry program. HB 1125, as originally introduced at the request of the State Board of Higher Education (SBHE), recommended the creation of a community matching loan forgiveness program for optometrists and veterinarians, similar to an existing community matching loan forgiveness program for physicians or mid-level practitioners administered by the Department of Health. The community matching provision was eliminated in the House version and what remains is a loan forgiveness program. Optometrists were also removed from the bill.

The intent of the engrossed legislation is to encourage **new** veterinary medicine graduates to return to North Dakota to practice. Each professional selected may receive up to \$80,000 to repay educational loans. The average national loan indebtedness for a veterinarian is \$88,000. The average North Dakota salary, according to the U.S. Department of Labor, for veterinarians is \$61,500.

Anecdotal information we received from the professional associations, including the Stockmen's Association, suggests it is becoming more difficult to attract practicing professionals in veterinary medicine and optometry to rural North Dakota, although we have not been able to identify a specific data source to identify the projected shortage in North Dakota. Some reasons provided for the difficulty of recruiting practicing professionals to the rural areas of the state include: 1) the feeling of isolation in a rural community with limited social and cultural activities; 2) being the only practicing professional for miles requiring a 24 x 7, 365 day work schedule; 3) lower levels of pay in rural positions are inadequate to pay off student loan indebtedness of not only the recent graduate but also a spouse, who may also have student loan debt; 4) limited educational opportunities offered by a smaller school district, such as fewer advanced placement courses and the availability of extracurricular activities for children; and 5) limited job opportunities for spouses in rural areas.

Engrossed HB 1003 includes \$100,000 in the Professional Student Exchange Program line item for this new loan forgiveness program for veterinarians. The appropriation was reduced from the original \$200,000 recommended by the State Board of Higher Education and supported by the Governor, when the House removed optometrists from the provisions of this bill. I should also note that the Dept. of Health would need some funding to assist with their administrative costs, which we would recommend come from the \$100,000 appropriation.

This proposed program would be a companion to the state appropriations currently provided to the North Dakota University System in HB 1003. Proposed

funding of \$2,617,026 in 07-09 provides the funding needed for the North Dakota University System to purchase out-of-state slots in the professional academic programs of veterinary medicine, dentistry and optometry, since North Dakota does not offer these programs in state. The annual state funded cost of each slot per year, which varies based on place of attendance, ranges as follows: veterinary medicine--\$8,591 to \$25,400; dentistry \$6,287 to \$19,900; optometry \$13,600. There is currently no requirement, other than for students attending veterinary medicine at Kansas State, for graduating students to return to the state to practice or repay the state support fee. In lieu of a repayment provision, whereby students are required to return to the state or repay the fee, the North Dakota University System proposes a financial incentive program to encourage students to return to the state, by assisting them with their debt repayment.

I would like to draw your attention to two specific amendments adopted by the Senate Education Committee. They are:

- Page 4, line 7 reduced from one year to six months the service requirement
- Page 4, lines 26-29 provides up to three percent to the state veterinarian for administration of the loan repayment program. The NDUS suggested that administrative overhead be provided to the State Health Department who would have primary responsibility for administration of the program.

I would be happy to answer any questions.

G:\laura\wpdocs\07 legis session\engrossed with senate amendments HB1125 testimony