

FISCAL NOTE
Requested by Legislative Council
02/07/2017

Amendment to: SB 2162

- 1 A. **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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$10,000		\$8,000	
Appropriations						

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties			
Cities			
School Districts			
Townships			

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

SB2162 as amended requires the State Board of Higher Education (SBHE) to enter into repayment agreements with students accepting awards under the professional student exchange program. Repayment would be required if the professional does not practice in ND within 36 months of graduation.

- 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.*

Section 1 of the bill requires the SBHE to enter into repayment agreements with students accepting awards after June 30, 2018 under the professional student exchange programs in dentistry, optometry or veterinary medicine. Individuals would be required to repay the awards in full if they are not practicing dentistry, optometry or veterinary medicine in ND within thirty-six months of graduation. Repayment amounts would be reduced by one-third for each full year the individual continues practicing in the state. If the individual withdraws from the program before graduation, repayment is required for the full award amount. Repayment can be deferred during graduate or postdoctoral studies and active duty in the armed forces. The Bank of North Dakota will allow participation in student loan programs to repay the award, if the student meets loan eligibility criteria.

Sections 2 and 3 of the bill require dentists receiving educational loan repayment assistance from the state health council to agree to accept Medicaid patients and assignments. Per the ND Department of Health, there is no fiscal impact to the agency for these sections.

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.*

Section 1: Cost estimates for 2017-19 include approximately \$10,000 of staff time to develop the agreements, establish a monitoring program, and development & implement SBHE policies and procedures. Costs for 2019-21 and each future biennium will be approximately \$8,000 for ongoing monitoring and program administration.

Sections 2 & 3: No fiscal impact

- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The revised executive recommendation does not include an appropriation for the costs related to this bill.

Name: Tammy Dolan

Agency: ND University System

Telephone: 701-328-4116

Date Prepared: 02/07/2017

FISCAL NOTE
Requested by Legislative Council
01/10/2017

Bill/Resolution No.: SB 2162

- 1 A. **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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$10,000	\$0	\$50,000
Expenditures	\$0	\$0	\$0	\$80,000	\$0	\$60,000
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

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

Measure impacts professional student exchange programs directing the state board of Higher Ed to ensure the recipient signs an annual note with BND requiring repayment if they do not practice in ND within 36 months of graduation. For every year of practice in ND, this obligation is reduced by 1/3.

- 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.*

Section 1 - Cost to update system to allow accurate truth and lending disclosures along with other administration, system and processing changes needed to service the unique requirements of this loan program. Based on historical changes to BND servicing system, we estimate the cost could be around \$50,000.

Staff costs would be estimated at \$30,000 per year.

(2018-2019) staffing \$30,000 + system costs \$50,000 = \$80,000
 (2019-2020) staffing = \$30,000
 (2020-2021) staffing = \$30,000

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.*

BND would charge a fee to service these loan from the time the note is signed until the loan is paid in full. This fee would be estimated at 0.5% per year. For example, based on a \$1,000,000 loan portfolio the fee would be \$5,000.

This servicing fee is in the range with the fee structure in place for other student loan servicing contracts.

For this fiscal note we assume \$4,000,000 loan portfolio over a biennium. The program starts after June 30, 2018.

Portfolio \$2,000,000 (2018-2019) - fee = \$10,000

Portfolio \$4,000,000 (2019-2020) - fee = \$20,000
Portfolio \$6,000,000 (2020-2021) - fee = \$30,000

- 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.*
- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Shirley Glass

Agency: Bank of North Dakota

Telephone: 701-328-5792

Date Prepared: 01/25/2017

2017 SENATE HUMAN SERVICES

SB 2162

2017 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Red River Room, State Capitol

SB 2162
2/1/2017
Job Number 27727

- Subcommittee
 Conference Committee

Committee Clerk Signature

Maura O'Malley

Explanation or reason for introduction of bill/resolution:

A bill relating to professional student exchange programs; relating to the dental student loan repayment program; and to provide for application.

Minutes:

8 Attachments.

Chair J. Lee: Brought the public hearing on SB 2162 to order, all members were present.

Chair J. Lee: Introduced the bill (1:00-3:50)

Dr. Brent Holman, Executive Director, North Dakota Dental Association (NDDA) (4:00-5:45) testified in support. He recognizes the fairness issue, in regard to taxpayers. This is something that is logical, and should be expected of students. It's hard to quantify, not having a program for the three professions in state, how much that makes a difference in students; by having a student loan repayment program and the professional student exchange program(PSEP). We need to preserve the importance of the program by having good stewardship of the funds.

Chair J. Lee: Appreciates the NDDA support in the past. She stated that she'd eventually like to see it as a revolving loan fund, as right now the funds go back into the general fund. We want to assist those individuals who are moving on.

Nancy Kopp, Executive Director North Dakota Optometric Association (NDOA) (7:01-9:00) testified in support. In the spirit of working together, to find solutions that benefit the education of our future health care providers; at the same time, meeting the needs of citizens and taxpayers. Do you have the amended version? I've personally involved in the past 9 sessions, regarding funding and repayment provisions of the PSEP. I do feel the economy and health care delivery system, in their reimbursement methodology can support adequate salaries for students returning to ND, at levels to repay student loans, in excess of \$200,000.

Senator Heckaman: When we've talked in the past, and we worked on this a number of sessions, has there been any consideration by the campuses that accept these students to provide residencies in ND, or is that not a possibility? That's one of our concerns, when they accept residency out of state they become connected to that community, that's one of the reasons they tend not to come back.

Nancy Kopp: Most of the residencies for optometry occur in VA centers, none of which are in ND.

Dr. Taya Patzman (10:30-14:45) test in favor, please see attachment #1.

Chair J. Lee: Asked for Bank of North Dakota (BND) neutral testimony, regarding details of the proposed amendment, **(Please see attachment #7)**.

Shirley Glass, BND (15:50) Stated the reasons for the amendment were that the lending practices of today are different than the seventies, when the bill was created. The amendment now states that the student will pay the difference in tuition back in full at the end of the three year return period- at which point the interest begins accruing- if the student hasn't returned to the state. This is a win-win situation for the student, interest doesn't start at the beginning of their schooling, and it allows us to take advantage of existing student loan programs. We offer a refinance program to students, they can bring all of their student loan debt to refinance. That isn't available to out of state programs, the amendment lets us do that. We felt it would be better for everyone.

Senator Heckaman: The interest starts when?

Shirley Glass: The interest would be a non-issue, if student returns to the state, the original tuition would be forgiven as they satisfy the requirement, if they don't return at the end of the deadline, repayment required in full for the tuition difference, interest would start at that point.

Chair J. Lee: But they could refinance with your program.

Shirley Glass: They could, PSEP students regardless of their state of residence to participate. It gives those students a benefit that other students don't have. We have a lot of out of state students that were previously ND residents who want to participate in our program, and they don't qualify.

Chair J. Lee: Tell us about the refinance program.

Shirley Glass: We have a DEAL One refinance program which was authorized two sessions ago. The session allowed us to expand the program, make it available to medical professionals in rural areas. With the option that if it was successful, we could expand that. We want to expand that, we had a lot of interest since that time we have made over 9,000 loans to North Dakotans for over \$400 million. We have seen students who brought in loans that were originally 10-14%, we refinanced those down to 2% or so. This is life changing, it allows them to be able to afford a home, it allows them to refinance to extend payment over 35 years, no penalty for early repayment. It allows them to take alternative student loans, or federal loans, they can include those also. It has been hugely popular, especially with PSEP members: veterinarians, optometrists, and dentists enrolled in the program.

Chair J. Lee: What are your fixed and adjustable rates today?

Shirley Glass: Today our fixed rate is just over 5%, and the variable rate just over 2%. In addition, the variable has special provisions; regardless of what happens with economy, there is a guarantee the rate won't increase more than 1% per year, with a life time cap of 10%. Students benefit hugely from this program.

Chair J. Lee: Individuals who are working in ND can apply for this program.

Shirley Glass: That's correct. Some employers use it as an employment tool.

Senator Piepkorn: This program is specifically dedicated to dental, veterinary and optometry students, but you said you had requests from others for a similar program. What areas, any professions in particular stand out?

Shirley Glass: It's not so much the profession, it's the individuals that moved out of state, or people on the boarder, that might even work in ND, but don't live in ND, that are trying to convince us that Moorhead is part of ND. It's not an individual field of study.

Chair J. Lee: The PSEP and WICHE only apply to those 3, but the BND program applies to all students, regardless of their profession.

Senator Piepkorn: Has there been thought given to expanding loan forgiveness to out-of-state students who are interested in education in these three areas? If they wanted to come to work in ND after graduation?

Shirley Glass: That individual today does qualify. Once they've proved that they've established residency for at least six months, that individual would qualify.

Bobbie Will, Primary Care Office Manager, ND DoH (27:30-31:40) provided neutral testimony, please see attachment #2.

Chair J. Lee: The amendment also aligns the Medicaid language with the (inaudible). Just to make sure we didn't leave anything out from the original to the amendment.

Bobbie Will: Yes.

Senator Heckaman: Is there a requirement that the dentists accept a certain percentage of their clientele as Medicaid?

Bobbie Will: If they are in the three largest cities, there is a requirement of a certain amount in these cities, if they are in a rural area, no.

Senator Piepkorn: The bottom of page 1 of your testimony, is there anything to encourage people to work in rural areas?

Bobbie Will: If you refer back to the overview, there are priorities in that section, so the ND Health Council does have priorities when they are determining who receives the loan repayment program, the rural area is definitely a priority.

Chair J. Lee: It's called a health professional shortage area. We used to have categories of population, dollars allocated for populations under 5,000 and other categories. The focus was on smaller communities, and we didn't have applicants. Part of the problem is the population isn't big enough to support a practice. There had been that effort, it was adjusted, we have money that went unused because we had no applicants for that category.

Deane Wiese, North Dakota Veterinary Medical Association (NDVMA) (35:40-36:05) Introduced three testifiers in opposition.

Dr. Frank Walker, Dir NDVMA (36:20-45:55) test in opposition, please see attachment #3.

V-Chair Larsen: Does your group have scholarships available to veterinarians to go to any institution?

Dr. Walker: The NDVMA works to raise funds, we are a small association the average, 10 scholarships offered, \$700 each. Cost of going out of state is extraordinary.

Chair J. Lee: Do you not think this would be an incentive to come back to North Dakota? That they wouldn't have an additional \$100,000 of interest free money for those years when they're out of state?

Dr. Walker: I think our past has done that. However, if you're going to include the outside, a veterinarian who's not a resident of ND obtain a loan repayment program by living here and working here, what have you done? You've diminished the opportunity for ND resident for that job.

Chair J. Lee: That sounds a little fence-buildy to me.

Dr. Walker: No, I think it's real. There is a shortage of vets in the nation.

Chair J. Lee: So you think that ND students are entitled to have that support, because they are going out of state for a profession we don't offer here, even though that's only three of many we don't offer?

Dr. Walker: Three of many, you say that, and yet, you look at the master's and PHD programs, what else is there outside of that?

Chair J. Lee: There are many professional post graduate degrees we don't offer in ND. Do you view this as an entitlement whether or not we had this variety for these three, I just don't see you as an entitlement guy?

Dr. Walker: I'm not. I look at agriculture, I look at this state, the need and demands there, I look at the excellence that we have. With an agriculture frame of mind, look at how we can impact the world, it's puzzling that we would even question that impact which is rewarding ND.

Senator Piepkorn: You would like the program to continue with the loan differential without the stipulation that they have to come back?

Dr. Walker: Yes.

Senator Piepkorn: You support the program, just not the change, with the argument that we're contributing great minds to the greater good.

Dr. Walker: If you look at the study of entry level income is much different from the other two.

Senator Piepkorn: What is the average entry salary in ND?

Dr. Walker: I don't know if we can establish that, but it's less, and then the practice investment.

Chair J. Lee: Requested stats from Ms. Will. The number of students in each of these programs. I believe there are twice as many veterinary students as either of the other two. I'd be interested to know how many students are being supported through the program.

Dr. Beth Carlson, member of NDVMA (51:30-57:55) testified in opposition, please see attachment #4.

Dylan Boyer, Graduate of NDSU, Veterinary student (58:10-1:01:55) testified in opposition, please see attachment #5.

Chair J. Lee: It's an interest free gift from the taxpayers, I just have to tell you that.

Deana Wiese (1:02:10-1:03:25) The NDVMA provides roughly \$7,000 annually in scholarships. The average ND entry veterinary wage is \$48,674, in 2014. She distributed letters of opposition from members that couldn't be at the meeting. **Please see attachment #6.**

V-Chair Larsen: Of those folks, how many have taken advantage of the GI bill?

Deana Wiese: I don't have that info at this time, I'll look into that.

Sen. Erbele (1:03:50-1:05:25) Testified in opposition. My local vet texted me and told me to come here. I do serve the state of ND as a WICHE advisor at their annual meetings. These assists help, it raises our students to the top and makes them competitive. I agree with MR. Boyer, 3 years isn't a good time frame, I work with two major vet practices within my district. Out of seven vets, I don't think any of them are from North Dakota. We have the benefit of other states educating. If they go elsewhere, I'm fine with it, we don't have that service here. There's always amendment process, so if you want to amend the vets out, that'd be great.

Chair J. Lee: closed the hearing.

Attachment #8 was provided for the committee's reference.

2017 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Red River Room, State Capitol

SB 2162
2/6/2017
Job Number 27922

- Subcommittee
 Conference Committee

Committee Clerk Signature

Mame D. Munn

Explanation or reason for introduction of bill/resolution:

A bill for professional student exchange programs; dental student loan repayment program; to provide for application.

Minutes:

Attachment: # 1

Chair J. Lee: Opened this discussion on SB 2162.

Senator Anderson: Are you amenable to amending the veterinarians out?

Chair J. Lee: I'm willing to discuss that. That's what we did last time; the dentists and opticians supported the repayment issue, so I think that would be appropriate. Somebody asked if they have to practice in and reside in ND and how much do they need to practice in ND if they live across the border?

Senator Anderson: As I recall, I don't think we have a residency requirement, I think it is where the practice is located. I don't think residence required for loan repayment.

Chair J. Lee: Do we need to stipulate a certain number of hours per week to practice in ND?

Senator Kreun: In the veterinary? Or in optometry?

Chair J. Lee: If we exclude the veterinary students, if we're just looking at optometry and dentistry.

Senator Kreun: Rather than per week, maybe a required number of hours out of the year so it allows for flexibility.

Senator Anderson: The bill says if the individual who signed the note under subsection one and is not practicing dentistry, optometry, or veterinarian medicine in this state, and I think that's all the language we need. We are trying to expand services to the people of ND and as long as they're licensed and practicing in state, I think that should be fine.

Chair J. Lee: I'm looking through some of the testimony we had and Bobbie Will, Health Department, says requirements for other existing programs, include maintaining a current license in an individual discipline, accepting MA and Medicare clients and working full time. This one doesn't require working full time or accepting MA patients. There are a number of Medicaid patients required in Fargo, Grand Forks, and Bismarck. SB 2162 would align the Medicaid language of the dental loan repayment contract to the health care professional student loan repayment program.

Senator Piepkorn: Regarding veterinarian testimony, I don't think there's any veterinarian in favor or opposed to this plan for other fields, so we can certainly do whatever language was suggested earlier.

Senator Anderson: Line 12, page 1 strike through or veterinarian medicine with the or before optometry and that would amend the veterinarians out.

Senator Anderson: Moved to adopt amendment 17.0244.01001 (please see attachment #1) with the addition of the strike though of "or veterinarian medicine."

Committee Discussion: The committee said that "veterinarian medicine" needed to be removed on page 1, line 12; page 2, line 6; and page 4, line 2.

Senator Heckaman: Seconded the motion.

A Roll Call Vote Was Taken: 7 yeas, 0 nays, 0 absent.

Motion carries.

Senator Anderson: Moved Do Pass As Amended and Re-refer to Appropriations.

V-Chair Larsen: Seconded the motion.

A Roll Call Vote Was Taken: 7 yeas, 0 nays, 0 absent.

Motion Carries.

Chair J. Lee: Adjourned the meeting.

Prior to submitting bill to the floor, the committee reconsidered its actions. No Standing Committee report was created.

2017 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Red River Room, State Capitol

SB 2162
2/6/2017
Job # 27959

- Subcommittee
 Conference Committee

Committee Clerk Signature

Emmery Brothers for Marie Johnson

Explanation or reason for introduction of bill/resolution:

A bill for professional student exchange programs; dental student loan repayment program; to provide for application.

Minutes:

Attachment: #1

Nancy Kopp, ND Optometric Association: I firmly believe this bill has a fairness issue. Not only do we not provide these three professional programs in ND, but all three professions are identical outside of the fact of the starting salaries. I would say repayment should be the same; what is good for one is good for all.

Chair J. Lee: So the numbers we were provided by the person representing the veterinarians about their income was inaccurate?

Nancy Kopp: It could be for a small number of new practitioners \$67,000 but on the other hand, some of those practitioners who are more well established opening up new clinics would be around \$140,000 - \$150,000.

Chair J. Lee: I think we are looking to compare entry level salary.

Nancy Kopp: So you are saying \$67,000 for the first year veterinarians. Optometry would be about \$70,000 - \$75,000 and dentistry came out at about \$120,000.

Chair J. Lee: We got information about how many students we have and in 2015 - 2016, we had 26 in dentistry, 25 in optometry, and 24 in veterinarian medicine, and 14 at KCU veterinarian medicine (See Attachment #1)

Nancy Kopp: That is correct. And the information I got from the university system for 2018 - 2019 estimate is through the professional student exchange program. They would be supporting 25 students at as much as \$29,000 the difference between instate and out-of-state as well as 12 additional students at approximately \$39,545. So you're looking at a little over a million dollars just for veterinarian medicine in comparison to \$486,000 for optometry and \$548,000 for dentistry.

Chair J. Lee: What was the amount per individual in the veterinarian medicine column, not the KCU one?

Nancy Kopp: The seniors rate would be \$29,892 and six freshmen slots would be \$24,016. In comparison to optometry, we're at \$18,025 for all students.

Chair J. Lee: So you are saying the veterinarians are generously subsidized.

Nancy Kopp: The number is silent but then you have the forgiveness program through the Health Department of an additional 4 slots when the veterinarians graduate and come back to the state of ND they get another \$25,000 a year. In addition, optometry doesn't have a loan forgiveness program for students who come back to ND. Dentistry does through the Health Department.

Senator Heckaman: Did you say this morning when we talked about this bill that the optometrist and the dentist were ok doing it this way?

Chair J. Lee: Yes, they said they were ok with the program.

Nancy Kopp: If you review our position, when we saw this bill come forward, my first thought was that they were eliminating funding altogether for this program for all three professions. However, since then I have visited with appropriations and it was my understanding it will be fully funded. Do my concerns in testifying in support; we support the funding that you provide for these students in these three separate programs. If it came down to a repayment provision as opposed to eliminating the program, we would support that

Senator Heckaman: Do we need to reconsider? I don't think it's our intention to put one group up against the other and I agree if it was going to be eliminated then a repayment program would have been appropriate. But since we are not, maybe we should reconsider.

Chair J. Lee: The program was intended to be an incentive for students to return to ND to practice. After having to go out of state because there is no program locally so I still think the repayment is appropriate, I don't want the program not to be funded but I want people who are returning to have the reward of having this grant continue to be a grant. The people who do not come back to the state should pay it back.

V-Chair Larsen: Agreed with Senator Lee.

Senator Heckaman: I agree that if we're not going to require one, why should we require the other two?

Senator Heckaman: Moved to reconsider previous action taken by the committee.

V-Chair Larsen: Seconded the motion.

A Roll Call Vote Was Taken: 4 yeas, 3 nays, 0 absent.

Motion carried.

(10:00 – 16:50) **Committee Discussion:** The committee discussed the provided chart (See Attachment #1). The committee also discussed what action to take on the bill. Senator Larsen believed it was appropriate that all three groups should be included. Senator Kreun said his concern was that there was not enough work for the veterinarians in ND and they would need to supplement with work from other states and they should repay the percentage they don't practice in ND.

Senator Clemens: We have 3 entities; do we have a shortage of all of them in our state? If these people get educated, is there work for them?

Chair J. Lee: Large animal veterinarians are in a shortage.

Senator Clemens: Some of the veterinarians wouldn't be able to make use of the program because there is no work for them, correct?

Senator Kreun: the work is here, but veterinarians can't set up a shop like dentists do, they're mobile.

Senator Heckaman: Would Miss Kopp have an idea how many students applying for these positions? Do we give grants to all of them?

Nancy Kopp: I don't have the numbers, but in past years they have had more applicants than slots available but in the last couple of years, the numbers in applications is dwindling but I think we will see some peaks and valleys there.

Senator Piepkorn: One size doesn't fit all; if this program is good for the optometrists and the dentists but not the veterinarians, I'd just as soon go along with the vote we just reconsidered.

Senator Kreun: I think they should pay it back, but it is not the same type of practice as we are comparing to dentists and optometrists. Maybe they pay a smaller percentage so they can practice in multiple places.

V-Chair Larsen: There are many resource streams getting funding. I think ND needs to receive a return on their investment.

Senator Anderson: If we look at the figures, NDSU receives 39% of funds through state funding. UND receives a little over 25% through state funding. The reason these WICHE funds weren't asked to be paid back happened around the time we started medical school because we said we aren't going to start all these other schools. Obviously we couldn't run these three schools for \$2M a year. If you go to UND and get a doctor's degree, maybe 40% of those positions stay in ND, the other 60% go someplace else and we don't ask them to pay back that 25% of their education nor any other student who goes to school in-state and goes out-of-state to work. I can see the veterinarians are louder than other groups because I can see the pressure to start our own veterinarian school but that would cost us more than sending our students out of state. The reason we stopped asking the veterinarians to pay it back was because we saw it would cost us a lot more to run our own

school than to outsource it someone else. That was confirmed by the board of higher education confirmation hearing we had.

Chair J. Lee: We have many post graduate programs that we don't offer in ND that we are not subsidizing?

Senator Heckaman: We also have students dropping out.

Senator Clemens: We should have all students treated the same.

Senator Kreun: How many years does it take to be a doctor and how many years does it take to be a veterinarian?

Chair J. Lee: The academic portion is the same.

V-Chair Larsen: Moved Do Pass.

Senator Clemens: Seconded the motion.

Senator Heckaman: I want people to be treated fairly but with the opposition we had from the veterinarians I am going to say no.

Senator Piepkorn: It will be all the same rules, if the veterinarian students don't want to take advantage of it they don't have to apply.

Senator Heckaman: So we're back to the original bill, correct?

Chair J. Lee: Yes.

V-Chair Larsen: Moved to Adopt amendment 17.0244.01001. Title 0300.

Senator Clemens: Seconded the Motion.

A Roll Call Vote Was Taken: 6 yeas, 1 nay, 0 absent.

Motions carries.

Senator Larsen: Moved Do Pass As Amended and Refer to Appropriations.

Senator Piepkorn: Seconded the motion.

A Roll Call Vote Was Taken: 4 yeas, 3 nays, 0 absent.

Chair J. Lee will carry the bill.

January 27, 2017

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2/7/17
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PROPOSED AMENDMENTS TO SENATE BILL NO. 2162

- Page 1, line 4, after the semicolon insert "to provide for a legislative management study;"
- Page 1, line 8, replace "Notes" with "Agreements"
- Page 1, line 13, replace "an annual note with the Bank of North Dakota in an amount equal to" with "a legally binding agreement with the state board of higher education which identifies"
- Page 1, line 13, remove "by"
- Page 1, remove line 14
- Page 1, line 15, replace "and the board" with "of the award under the professional student exchange program"
- Page 1, line 16, replace "note" with "agreement"
- Page 1, line 18, after "graduation" insert "or of leaving the education program"
- Page 1, line 18, remove "begin repaying the note, together with interest accruing"
- Page 1, remove line 19
- Page 1, line 20, replace "Dakota" with "repay the amount of the agreement in full at that time"
- Page 1, line 21, replace "note" with "agreement"
- Page 1, line 23, replace "Bank of North Dakota" with "state board of higher education"
- Page 1, line 23, replace "note" with "agreement"
- Page 1, line 23, remove "together with"
- Page 1, line 24, remove "all accrued interest,"
- Page 2, line 1, replace "note" with "amount of the agreement"
- Page 2, line 1, remove "from"
- Page 2, line 2, remove "the date that individual stopped such practice"
- Page 2, line 3, remove "note, together with interest accruing at the rate per annum established"
- Page 2, line 4, replace "by the Bank of North Dakota" with "agreement in full from the date the individual stopped practicing in the state"
- Page 2, line 5, replace "note" with "agreement"
- Page 2, line 7, remove "begin repaying the note, together with interest accruing from the"
- Page 2, line 8, replace "date of signing, at the rate per annum established by the Bank of North Dakota" with "repay the amount of the agreement in full"
- Page 2, line 9, remove "determine the terms applicable to the time and"

CV
4/7/17
2 of 2

Page 2, line 10, replace "manner in which a note must be repaid" with "allow an individual who is required to repay all or a portion of an agreement under this section to utilize one of the bank's student loan programs as an option for repayment, up to the amount certified by the state board of higher education. To qualify under this subsection, the individual must meet student loan credit criteria as established by the bank"

Page 2, line 11, replace "Bank of North Dakota" with "state board of higher education"

Page 2, line 11, replace "a note" with "an agreement"

Page 2, line 12, replace "note" with "agreement"

Page 2, line 14, after the underscored period insert "The repayment provisions under an agreement signed under this section must provide for cancellation of the repayment requirements if the individual dies or becomes permanently or totally disabled."

Page 2, line 15, remove "consult with the Bank of North Dakota and"

Page 2, line 16, replace "report" with "confirm eligibility."

Page 2, line 17, replace "on the student status and practice status" with an underscored comma

Page 2, line 17, replace "individuals" with "any individual"

Page 2, line 17, remove "signed a note"

Page 2, line 18, replace "under subsection 1" with "uses the bank's student loan program to repay any outstanding agreement amounts in full"

Page 3, after line 31, insert:

"SECTION 4. LEGISLATIVE MANAGEMENT STUDY - PROFESSIONAL STUDENT EXCHANGE PROGRAM AND WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION. During the 2017-18 interim, the legislative management shall consider studying and evaluating the current agreements and participation with the western interstate commission for higher education and the professional student exchange program. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

Date: 2/6 2017

Roll Call Vote #: 1

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2162

Senate Human Services Committee

Subcommittee

Amendment LC# or Description: 17.0244.01001

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Sen. Anderson Seconded By Sen. Heckaman

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee (Chairman)	X		Senator Joan Heckaman	X	
Senator Oley Larsen (Vice-Chair)	X		Senator Merrill Piepkorn	X	
Senator Howard C. Anderson, Jr.	X				
Senator David A. Clemens	X				
Senator Curt Kreun	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment _____

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

Date: 2/6 2017

Roll Call Vote #: 2

**2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES**
BILL/RESOLUTION NO. 2162

Senate Human Services Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Sen. Anderson Seconded By Sen. Larsen

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee (Chairman)	X		Senator Joan Heckaman	X	
Senator Oley Larsen (Vice-Chair)	X		Senator Merrill Piepkorn	X	
Senator Howard C. Anderson, Jr.	X				
Senator David A. Clemens	X				
Senator Curt Kreun	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen. Lee

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

Date: 2/6 2017

Roll Call Vote #: 1

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2162

Senate Human Services Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Sen. Heckaman Seconded By Sen. Larsen

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee (Chairman)	X		Senator Joan Heckaman	X	
Senator Oley Larsen (Vice-Chair)	X		Senator Merrill Piepkorn		X
Senator Howard C. Anderson, Jr.		X			
Senator David A. Clemens	X				
Senator Curt Kreun		X			

Total (Yes) 4 No 3

Absent _____

Floor Assignment _____

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

Date: 2/6 2017

Roll Call Vote #: 2

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2162

Senate Human Services Committee

Subcommittee

Amendment LC# or Description: 17. 0244. 01001

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Sen. Larsen Seconded By Sen. Clemens

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee (Chairman)	X		Senator Joan Heckaman	X	
Senator Oley Larsen (Vice-Chair)	X		Senator Merrill Piepkorn	X	
Senator Howard C. Anderson, Jr.	X				
Senator David A. Clemens	X				
Senator Curt Kreun		X			

Total (Yes) 6 No 1

Absent 0

Floor Assignment _____

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

Date: 2/6 2017

Roll Call Vote #: 3

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2162

Senate Human Services Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Sen. Larsen Seconded By Sen. Piepkorn

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee (Chairman)	X		Senator Joan Heckaman		X
Senator Oley Larsen (Vice-Chair)	X		Senator Merrill Piepkorn	X	
Senator Howard C. Anderson, Jr.		X			
Senator David A. Clemens	X				
Senator Curt Kreun		X			

Total (Yes) 4 No 3

Absent 0

Floor Assignment Sen. Lee

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

REPORT OF STANDING COMMITTEE

SB 2162: Human Services Committee (Sen. J. Lee, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (4 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). SB 2162 was placed on the Sixth order on the calendar.

Page 1, line 4, after the semicolon insert "to provide for a legislative management study;"

Page 1, line 8, replace "Notes" with "Agreements"

Page 1, line 13, replace "an annual note with the Bank of North Dakota in an amount equal to" with "a legally binding agreement with the state board of higher education which identifies"

Page 1, line 13, remove "by"

Page 1, remove line 14

Page 1, line 15, replace "and the board" with "of the award under the professional student exchange program"

Page 1, line 16, replace "note" with "agreement"

Page 1, line 18, after "graduation" insert "or of leaving the education program"

Page 1, line 18, remove "begin repaying the note, together with interest accruing"

Page 1, remove line 19

Page 1, line 20, replace "Dakota" with "repay the amount of the agreement in full at that time"

Page 1, line 21, replace "note" with "agreement"

Page 1, line 23, replace "Bank of North Dakota" with "state board of higher education"

Page 1, line 23, replace "note" with "agreement"

Page 1, line 23, remove "together with"

Page 1, line 24, remove "all accrued interest."

Page 2, line 1, replace "note" with "amount of the agreement"

Page 2, line 1, remove "from"

Page 2, line 2, remove "the date that individual stopped such practice"

Page 2, line 3, remove "note, together with interest accruing at the rate per annum established"

Page 2, line 4, replace "by the Bank of North Dakota" with "agreement in full from the date the individual stopped practicing in the state"

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Page 2, line 9, remove "determine the terms applicable to the time and"

Page 2, line 10, replace "manner in which a note must be repaid" with "allow an individual who is required to repay all or a portion of an agreement under this section to utilize one of the bank's student loan programs as an option for repayment, up to the amount certified by the state board of higher education. To qualify under this subsection, the individual must meet student loan credit criteria as established by the bank"

Page 2, line 11, replace "Bank of North Dakota" with "state board of higher education"

Page 2, line 11, replace "a note" with "an agreement"

Page 2, line 12, replace "note" with "agreement"

Page 2, line 14, after the underscored period insert "The repayment provisions under an agreement signed under this section must provide for cancellation of the repayment requirements if the individual dies or becomes permanently or totally disabled."

Page 2, line 15, remove "consult with the Bank of North Dakota and"

Page 2, line 16, replace "report" with "confirm eligibility."

Page 2, line 17, replace "on the student status and practice status" with an underscored comma

Page 2, line 17, replace "individuals" with "any individual"

Page 2, line 17, remove "signed a note"

Page 2, line 18, replace "under subsection 1" with "uses the bank's student loan program to repay any outstanding agreement amounts in full"

Page 3, after line 31, insert:

"SECTION 4. LEGISLATIVE MANAGEMENT STUDY - PROFESSIONAL STUDENT EXCHANGE PROGRAM AND WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION. During the 2017-18 interim, the legislative management shall consider studying and evaluating the current agreements and participation with the western interstate commission for higher education and the professional student exchange program. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

2017 HOUSE HUMAN SERVICES

SB 2162

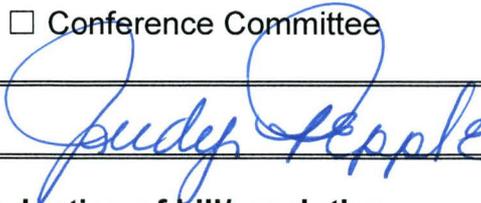
2017 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee
Fort Union Room, State Capitol

SB 2162
3/14/2017
29164

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the dental student loan repayment program; to provide for a legislative management study; and to provide for application.

Minutes:

1, 2, 3, 4, 5, 6

Chairman Weisz: Opened the hearing on SB 2162.

Sen. J. Lee
(Attachment 1)

Chairman Weisz: Are there any questions from the committee?
4:15

Representative Skroch: Students coming back into ND after having the training. Are there any instances where they try to come back and not be able to find a job?

J. Lee: We don't have an abundance of any of these professionals. There has never been an issue to find a job, but they might not be practicing where they want to and they may not get the salary that they would other places, but it is free money when you think about the tuition costs, but they will find a job. This has been done for years and I think we give a lot of money and I don't think it is too much to ask.

Chairman Weisz: Further questions?

Representative P. Anderson: Why did they take out veterinarians?

J. Lee: the point was that it was very difficult to get large animal veterinarians in the state and it costs a lot of money to set up a practice here.

Chairman Weisz: Is there testimony in support of SB 2162?
8:00

Tammy Dolan, Professional Student Exchange of Higher Education
(Attachment 2 presented by Lisa Feldner)

Lisa: I have an answer as to how many returned to the state.
(Attachment 3)

Chairman Weisz: Further questions?

Chairman Weisz: Is there further testimony in support of SB 2162?

13:24

Brent Holman, Exe. Director of the ND Dental Association

(Attachment 4)

15:59

Chairman Weisz: Are there any questions from the committee?

Chairman Weisz: Further testimony in support?

Chairman Weisz: Is there anyone here in opposition to SB 2162?

Nancy Kopp, Exe. Director of the ND Optometric Association

(Attachment 5)

21:15

Chairman Weisz: Are there any questions from the committee?

Chairman Weisz: Is there further testimony in opposition to SB 2162?

Dr. Taya Patzman, State Board of Optometry

(Attachment 6)

Chairman Weisz: Are there any questions from the committee?

Chairman Weisz: Is there further testimony in opposition to SB 2162?

Chairman Weisz: Closed the hearing on SB 2162.

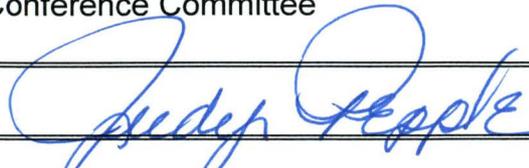
2017 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee
Fort Union Room, State Capitol

SB 2162
3/20/2017
29480

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the dental student loan repayment program; to provide for legislative management study; and to provide for application.

Minutes:

Chairman Weisz: opened the discussion on SB 2162

It basically says if you take advantage of the program and then don't come back to practice in ND they will have to repay what they are given. It takes the veterinarian. The fiscal note is only to do the program.

Representative Porter: My problem with this bill is that the program was established at a time to have slots available for ND students in programs when there weren't programs available in ND. It was not meant to be a retention tool, but in order to allow ND students to get the training somewhere else instead of developing a program in ND to do the same thing. I think they are putting a hook in it. They are carving one group out and I understand why everyone else wants out too. I don't support it in any fashion. If you want to change something, change it.

Representative P. Anderson: I agree totally with Representative Porter. We have a pharmacy school and a medical school. I think we should kill this bill.

Representative McWilliams: What do other states do?

Chairman Weisz: I am not sure what other states do.

Representative D. Anderson: I move a do not pass on SB 2162.

Vice Chairman Rohr: Second it.

Chairman Weisz: Discussion on the bill.

Representative Seibel: I had to go out of state to get my mortuary school and no one paid for me to go to school. I will have to do a do not pass on this bill. The problem I have is that they are not getting their bang for their buck.

Representative McWilliams: I am sure there are other states that have programs that we don't subsidize for them to go to. It's like we pick and choose.

Representative Skroch: A fiscal note was mentioned. Where is it and what does it show?

Chairman Weisz: I will have Megan make copies of the fiscal note. It just shows the cost to the Bank of ND do the loan repayment program. There is \$80,000 and then \$10,000 ongoing. It didn't put in anything having to do with who would end up repaying it because that is an unknown. The cost is 3.7 million for PSEP. That is 3.2 from general fund and \$400,000 from student loan trust fund. There is carryover of \$764,000 which would be the total available. That is currently what we are funding.

Representative D. Anderson: If we had passed the dental therapy bill would we even be having this discussion?

Representative Seibel: In fairness, I believe Nancy told us the funding is there in another bill. It really doesn't have anything to do with this. My heartache is that so few of them come back.

Vice Chairman Rohr: Goes back to 2013. Has this been going before that?

Chairman Weisz: Yes, it has been around a long time.
We do have a motion on the floor for a do not pass SB 2162.

Representative Skroch: My daughter is a veterinarian and she encouraged me to allow the veterinarians out. She said it is very difficult to bring veterinarians back in the state because it takes millions of dollars of investment to establish your own clinic. Sometimes you have to start in another state to gain that experience.

Representative P. Anderson: The numbers that we received from Lisa from the university system says that 54% of the vets came back. It says 20% of the ophthalmologists and 41% of the dentists. It seems to be working for them.

Representative Devlin: I think the other thing for dentists is that we have a place for them to come back to.

Chairman Weisz: Further discussion? Seeing none, the clerk will call the roll for a do not pass on SB 2162

Roll call vote taken Yes 11 No 3 Absent 0

Motion carried for a do not pass on SB 2162. Do I have a volunteer to carry it?

Representative Skroch, thank you.

Date: 3/20/17
 Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2162**

House Human Services Committee

Subcommittee

Amendment LC# or Description: _____

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Rep. D. Anderson Seconded By Rep. Rohr

Representatives	Yes	No	Representatives	Yes	No
Chairman Weisz	✓		Rep. P. Anderson	✓	
Vice Chairman Rohr	✓		Rep. Schneider		✓
Rep. B. Anderson	✓				
Rep. D. Anderson	✓				
Rep. Damschen	✓				
Rep. Devlin	✓				
Rep. Kiefert	✓				
Rep. McWilliams		✓			
Rep. Porter	✓				
Rep. Seibel		✓			
Rep. Skroch	✓				
Rep. Westlind	✓				

Total (Yes) 11 No 3

Absent 0

Floor Assignment Rep. Skroch

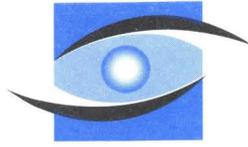
If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2162, as reengrossed: Human Services Committee (Rep. Weisz, Chairman)
recommends **DO NOT PASS** (11 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING).
Reengrossed SB 2162 was placed on the Fourteenth order on the calendar.

2017 TESTIMONY

SB 2162



NORTH DAKOTA
Optometric Association

SB 2162
Attache #1
2/1

SB 2162

Senate Human Services Committee

February 1, 2017

Good Morning Madam Chair and Members of the Committee.

For the record, my name is Dr. Taya Patzman and I'm an optometrist with practices in Bismarck and Jamestown. I am a Past President of the North Dakota Optometric Association, a member of the State Board of Optometry, and a former PSEP (Professional Student Exchange Program) recipient.

I am speaking to you today in support of SB 2162.

The intentions of the current PSEP is to off-set the high cost of out-of-state tuition for professional programs of optometry, dentistry, and veterinary medicine (which we do not offer in North Dakota), help promote advanced education for our students, and provide access to participating WICHE (Western Interstate Commission for Higher Education) schools.

North Dakota currently offers healthcare professional in-state programs, such as medicine and pharmacy, without the requirement they practice in ND upon graduation.

I testified on SB 2160 4 years ago, which addressed maintaining the funding of the current PSEP program and a repayment provision. At that time, it was voted in favor of further study to address some of our concerns.

I feel very strongly that the PSEP program is important to continue for the future optometry students of North Dakota. I can attest first hand that the PSEP program helped me to be able to afford to return to ND after graduation. The PSEP program offers an incentive and financial assistance for new graduates to establish a practice and/or secure a practice opportunity in the state.

Establishing an optometry practice is very different than medicine. Most physicians graduating from medical school are employed by a hospital or clinic, and their overhead cost of starting a practice is minimal. I started a practice in Bismarck in 2009. My initial start-up costs were very high; my initial investment in the basic equipment necessary to perform eye exams was \$160K. The cost of inventory for frames alone was another \$100K. This is in addition to staff wages at about \$1500 per month, and rent and utilities of another \$3500 per

2162
#1
3/1

month. After paying the bank loan, utility bills, staff wages, rent, and lab bill, there is virtually nothing left and most often the business runs in the red for the first 5-7 years. A hefty student loan bill in excess of \$200,000 for most, on top of these other expenses, would make it nearly impossible to start a practice cold. New graduates would be forced to start exclusively in commercial optometry practices, unless they were fortunate enough to be employed by a hospital, clinic, or another optometrist in a private practice. Since 2009, I have expanded to two locations, employ several staff members, and have hired a new optometrist part-time, with hopes of it becoming a full-time position in the near future.

I feel the current PSEP program is an excellent way to promote advanced education for the students of ND. It provides an incentive to pursue a professional healthcare degree, which we do not and cannot provide in our state. Estimates of infrastructure and administration of an Optometry School would be approximately \$40 million.

The PSEP program provides access or a guaranteed slot for North Dakota students to attend participating WICHE schools of optometry. After graduation, I had opportunities in other states with a higher starting income and nicer weather, but PSEP afforded me the opportunity to return to North Dakota and start my own practice. We should view PSEP not only as an educational incentive, but a means of bringing future business leaders back to North Dakota.

This concludes my testimony. I encourage a DO PASS on Senate bill 2162, if you feel that the repayment provision would be beneficial to address healthcare professional workforce needs in North Dakota.

I would be happy to answer any questions you may have. Thank you.

SB2162
Attach #2
2/1

Testimony
Human Services Committee
Senate Bill 2162
Wednesday, February 1, 2017
North Dakota Department of Health

Good morning, Chairman Lee and members of the Human Services Committee. My name is Bobbie Will, and I am the Primary Care Office Manager at the North Dakota Department of Health. I am here to provide information on the State Loan Repayment Programs, including the proposed amendments to 43-28.1-01 relating to the dental student loan repayment program and dentists accepting Medicaid patients.

In 1994, the North Dakota State Legislature established student loan repayments for certain health care professionals to increase the number of providers in the disciplines of dental, medical, and behavioral health in areas of the state with defined health professional needs. Since then, loan repayments have been made for physicians, nurse practitioners, physician assistants, certified nurse midwives, dentists, and most recently behavioral health professionals.

In 2015, the Legislative Assembly created the Health Care Professional Loan Repayment Program, which provided consistent requirements for the existing programs and added behavioral health professionals as eligible recipients. However, the dental loan repayment requirements were not included and remained under a separate law, 43-28.1-01.

The requirements in the other existing programs include maintaining a current license in an individual discipline, accepting Medicaid and Medicare clients, and working full time. For further information, please refer to the attached State Loan Repayment overview. The approved program manuals are located on the Primary Care Office website at <http://www.ndhealth.gov/pco/main.asp>.

The loan repayment programs were created to increase the number of providers in the disciplines of dental, medical, and behavioral health in areas of the state with defined health professional needs with the intent to provide underserved populations access to health services. Therefore, contracts to awarded providers, including dental, require the providers to accept and serve individuals with Medicaid coverage.

SB 2162

#2

21

Senate Bill 2162 will align the Medicaid language of the dental loan repayment contract to the health care professional student loan repayment program.

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

Overview of North Dakota State Loan Repayment Programs

Program/Provider	# of yrs.	Loan Amount per/yr. from State	Total Loan Amount from State	Community Match Required	Total Award from State and Community	Qualifications	Priorities
Dental	5	20,000	100,000	0	100,000	Licensed and, full time	Public Health Clinics, focus underserved population, designated health professional shortage area
Physicians	5	20,000	100,000	50,000	150,000	Licensed, practice in specialty needed, accept Medicaid and Medicare, full time	Designated Health Professional Shortage area
Advanced Practice Registered Nurse/PA	5	4,000	20,000	2,000	22,000	Licensed, practice in specialty needed, accept Medicaid and Medicare, full time	Designated Health Professional Shortage area
Clinical Psychologist Behavioral Health	5	12,000	60,000	15,000	75,000	Licensed, accept Medicaid and Medicare, full time	Designated Health Professional Shortage area, Federally qualified Health Center, state human service center, county social service office, school-based facilities, state prison, youth correctional center, etc.
Licensed Addition Counselor	5	4,000	20,000	2,000	22,000	Same as above	Same as above
Licensed Professional Counselor	5	4,000	20,000	2,000	22,000	Same as above	Same as above
Licensed Social Worker	5	4,000	20,000	2,000	22,000	Same as above	Same as above
Registered Nurse	5	4,000	20,000	2,000	22,000	Same as above	Same as above
Psychiatric Nurse Specialist	5	4,000	20,000	2,000	22,000	Same as above	Same as above

pg. 3

2/2 #2 2162



North Dakota Veterinary Medical Association

2304 Jackson Avenue

Bismarck, ND 58501

Phone: 701-221-7740 • Fax: 701-751-4451

E-mail: ndvma@btinet.net • Website: www.ndvma.com

SB 2162
Attache #3
2/1

Testimony of Dr. Frank Walker
North Dakota Veterinary Medical Association
In Opposition to SB 2162
February 1, 2017

Chairwoman Lee and Members of the Senate Human Services Committee:

Good morning, my name is Dr. Frank Walker, and I am a veterinarian at Flickertail Veterinary Service in New Rockford, N.D. I also serve as a director for the North Dakota Veterinary Medical Association (NDVMA). I have been involved in organized veterinary medicine on the state and national level all of my professional career and currently serve as president of the American Association of Veterinary State Boards. The NDVMA Board of Directors voted unanimously to be in opposition to SB 2162. I am here today on behalf of NDVMA to voice that opposition to SB 2162, which would require repayment of Professional Student Exchange Program (PSEP) funds by those not returning to practice in North Dakota within three years.

NDVMA has spent more than a century representing the interests of veterinarians, their clients and patients. Today, the organization has more than 275 members representing small, large animal, exotic, bovine and equine practitioners and those veterinarians working in research, industry, academic and government capacities.

NDVMA recognizes the opportunity that PSEP gives in providing funds for out-of-state tuition. It is critical in providing North Dakota students the ability to pursue a doctor of veterinary medicine degree. PSEP was established to provide access to professional programs not available in the state, specifically dentistry, optometry and veterinary medicine. The NDVMA strongly opposes SB 2162 for the following reasons:

1. **SB 2162 would add to the already excessive debt burden faced by new graduate veterinarians originating from North Dakota.** According to the 2015 American Veterinary Medical Association (AVMA) Report on the Market for Veterinary Education, graduating veterinary students already carry excessive debt burden, with a debt to income ratio approaching 2:1. The AVMA report notes the average annual entry salary for a veterinarian is \$67,000 with the average debt of \$135,000. According to the 2014

2162
#3
2/1

PSEP study conducted by the North Dakota University System, veterinarians have higher debt to income ratios than dentists or optometrists also served by PSEP. If SB 2162 were enacted, the law would be adding an additional \$100,000, at a minimum, to that existing professional education debt. With a debt to income ratio approaching 3:1, North Dakota would be taking a step backward in its support of the young veterinary professional, who is already suffering with documented high student debt burdens and low entry-level wages.

2. **SB 2162 puts veterinary degrees at a disadvantage when compared to other professional degrees.** North Dakota provides professional education for medical doctors, pharmacists, lawyers and other advanced degree programs, such as Masters and PhDs all with in-state tuition. It is not required that these professionals return to or repay North Dakota when they have completed their education – why should it be different for veterinarians? When the high debt to income ratio of graduating veterinarians is taken into consideration, it appears the “return or repay” policy is very inequitable to the student receiving a veterinary education.
3. **SB 2162 will oversaturate North Dakota’s job market for veterinarians.** Over time, the North Dakota job market has the full potential to become unfavorable to newly graduated veterinarians as they seek to return to North Dakota to avoid the stress of repayment of PSEP funds. The jobs just may not be there. SB 2162 will inadvertently force veterinarians wishing to return to go out of state, requiring them to pay back the tuition with interest. Additionally, returning veterinarians may not be able to pursue their career interests within North Dakota, effectively forcing them to work in a field of veterinary medicine which they neither enjoy nor excel.
4. **SB 2162 is unnecessary legislation requiring return of North Dakota graduates.** Graduating veterinarians are already returning at a rate that works for North Dakota. According to the study conducted by the North Dakota University System in 2014, North Dakota veterinary medicine PSEP grads had a return rate of 39 percent between 2008 and 2013. This demonstrates how the current program helps attract graduates back to North Dakota. Other grads may have not returned due to career opportunities not offered in North Dakota, such as those who wish to practice exclusively in poultry, dairy or certain fields of research or those obtaining an advanced degree.

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5. **SB 2162 will ultimately deter North Dakota's highest quality candidates from entering the veterinary profession.** The end result of this legislation will be to drive out the best and brightest students into other more financially lucrative professions. Veterinary medicine is becoming more important in today's society with the development of the human-animal bond, the need to protect and monitor our animal food sources, and the oversight of food safety in general. It is imperative we stay competitive with other professional careers.

6. **SB 2162 ignores the fact that there are veterinarians working outside North Dakota that effectively benefit North Dakota taxpayers.** Agriculture ranks as the number one or two industry in every state in the United States. Also, human medicine and veterinary medicine are focusing on a united effort called ONE Health Initiative, which has the two fields closely collaborating on the related health issues we face today. North Dakota has a product much more valuable than the commodities we produce, namely the young people who choose a challenging career. These individuals are agriculturally influenced, are critical thinkers, have common sense and can truthfully influence public perception. I believe it is absolutely critical that North Dakota trained and educated veterinarians have the opportunity to engage the vision of North Dakota, taking those values to our communities, be it locally, nationally or globally.

NDVMA would ask for your continued support in providing North Dakota students access to professional programs not available in the state, especially professions that are essential to thriving communities. Therefore, we'd encourage a Do Not Pass recommendation on SB 2162.

I'd be happy to answer any questions.

SB 2162
Attach #4
2/1

Testimony of Beth W. Carlson, DVM
Senate Bill 2162
Senate Human Services Committee
Red River Room
February 1, 2017

Senator Lee and members of the Education Committee, my name is Beth Carlson. I have been a member of the North Dakota Veterinary Medical Association for 16 years. I am here today in opposition to Senate Bill 2162. As you are likely aware, the Professional Student Exchange Program (PSEP) assists North Dakota students enrolled in professional programs not offered in the state of North Dakota, including optometry, dentistry, and of greatest interest to me, veterinary medicine.

I believe that one of the primary reasons this program was created was to offer an avenue for students from North Dakota to obtain an education in the professional areas of optometry, dentistry, and veterinary medicine at a reasonable cost. The cost of this program is significantly less than the cost of offering these programs at a university within the state. This seems to be an issue of fairness to North Dakota's students. The state of North Dakota spends a large amount of money funding the medical school at UND and the pharmacy college at NDSU. The majority of students who complete those programs never practice in the state of North Dakota, but they are not required to reimburse the state for any of their educational costs. Furthermore, veterinarians who are not practicing in the state may still provide significant benefits to the state of North Dakota. Some veterinarians may practice in a border community, but still serve North Dakota. There are currently approximately 38 veterinarians who practice in an area outside of North Dakota but provide a significant level of service within the state. Some students choose to pursue a specialty, limiting their practice to, for example, veterinary dermatology or equine surgery.

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Veterinarians may wish to enter the fields of academia or research, providing knowledge and discoveries that have a positive impact on students or practicing veterinarians. However, it may not even possible to pursue these careers within North Dakota.

I personally was a recipient of Professional Student Exchange funds, and it kept my student loans to a manageable level, which allowed me to choose to return to serve North Dakota, first in private practice and now in the public sector. I don't know what the statistics say about this program, but I know that there were seven North Dakota students in my class at Iowa State who received PSEP funds. Currently five of us are practicing within the state, and a sixth did practice in the state for several years. Continuing the program without requiring repayment will allow these professionals who truly wish to return to do so and to do so on their own time.

Senator Lee and committee members, for these reasons, I oppose Senate Bill 2162. I would be happy to answer any questions you may have.

SB 2162
Attch #5
2/1

Testimony of Dylan H. Boyer

Iowa State Veterinary Student

In Opposition to SB 2162

February 1, 2017

Chairwoman Lee and Members of the Senate Human Services Committee:

My Name is Dylan Boyer, I am a recent graduate from North Dakota State University and will be attending veterinary school in August this year. I am here today to oppose SB 2162, a bill that would require the repayment of Professional Student Exchange Program funds by individuals not returning to practice in North Dakota.

While pursuing the opportunity to attend veterinary school, I, along with other pre-vet students, have been cautioned on how large the financial commitment is for students of professional programs.

Graduates from veterinary medicine programs can end up with hundreds of thousands in debt that they repay for years after. Personally, the amount of debt built up during veterinary school is a large concern as I am sure it is for many other students planning to enter professional programs. North Dakota does not have a college of veterinary medicine, and thus students from here must go to other states to get a study. The price for tuition for veterinary students from another state is greatly increased. The out-of-state tuition at the school I plan to attend is almost twice as much as their in-state tuition. Paying this much more for veterinary school adds even more to the looming stress and debt for veterinary students.

PSEP looks like a life saver for me as I am sure it does for many other North Dakota students looking at professional schools. Reducing the debt by such a large amount for new veterinarians would greatly help to make the transition from school to their careers much smoother. Without as much debt new veterinarians can place more emphasis on learning and improving their skills.

This bill requires students to pay back the difference between in- and out-of-state tuition if a veterinarian doesn't return to practice in North Dakota within three years of graduating from veterinary school. Not every veterinary student from North Dakota has the same career path. Newly graduated

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veterinarians may want to travel and gain experience in their profession. Veterinarians may also plan on returning to North Dakota later in their careers. For many veterinary students it may not be an option to return, whether from inability to find a job in their field or numerous other complications in life.

As a upcoming veterinary student, I know PSEP will help many students begin their careers, however, I encourage a Do Not Pass recommendation on SB 2162. Not all students will come back to North Dakota within three years. Graduates already pressed for money and needing to pay back the funds will increase the debt and greatly burden these new veterinarians who will already be working hard in their communities.

Thank you for your time. I would be happy to answer any questions.

SB2162
Attch #6
2/1

North Dakota Veterinary Medical Association (NDVMA)
Letters of Opposition
SB 2162

- Dr. Laura Beaudoin, State Avenue Veterinary Clinic, Dickinson
- Dr. Dean Christianson, Ashley Veterinary Clinic, Ashley
- Dr. Neil Dyer, NDVMA member, Fargo
- Dr. Kristine Haroldson, Valley Veterinary Hospital, Fargo
- Dr. Del Rae Martin, Heart River Animal Hospital, Mandan
- Codi Schaper, freshman pre-vet major at NDSU, Grassy Butte
- Sydni Schmidt, veterinary student, Solen

SB 2162
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Testimony of Dr. Laura Beaudoin
North Dakota Veterinary Medical Association Member
In Opposition to SB 2162
February 1, 2017

Chairwoman Lee and Members of the Senate Human Services Committee:

My name is Dr. Laura Beaudoin, and I am a veterinarian at State Avenue Veterinary Clinic in Dickinson, ND. I also serve as a director for the North Dakota Veterinary Medical Association (NDVMA). I am writing today in opposition to SB 2162, which would require repayment of Professional Student Exchange Program (PSEP) funds by those not returning to practice in North Dakota.

This bill requires payback of the difference between in- and out-of-state tuition if a veterinarian does not return to practice in North Dakota within three years of graduation. As a recent 2013 graduate from the Colorado State Veterinary Program I am in opposition of SB 2162. I was originally offered non-resident admission, but elected to decline when I realized that my debt to income ratio was going to be 3:1. State sponsored programs made it possible for me to be able to attend veterinary school and graduate with a 2:1 debt to income ratio.

Also of concern, the 2014 PSEP study indicated that 39 percent of PSEP graduates returned to North Dakota to practice from 2008 through 2013. I happened to be one of those graduates who were planning on returning to North Dakota to be near my family; however I still had to work hard to secure a job offer. I am very concerned that this requirement will make jobs much more difficult to find and will also lead to even lower starting salaries.

I request that the support for North Dakota students to attend professional veterinary programs not available in the state be continued. I am in opposition to SB 2162 as requiring North Dakota youth will significantly increase the debt burden we face and will affect job competition as well.

Thank you for your consideration.

Laura Beaudoin, DVM

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Dean Christianson, D.V.M. Brian Watkins, D.V.M.
Emily Fox, D.V.M. Andy Ludvigson, D.V.M.
315 1st Street SW Ashley, ND 58413
(701) 288-3234 Fax 701-288-0015

Dear ND legislature:

In regards to Senate Bill 2162:

As a practicing veterinarian I am very much opposed to this bill. If anyone should be in favor of this bill you would think it would be someone like myself who practices in a very rural area, but I know this approach is wrong.

This should be about educational opportunity for North Dakota's young professionals. Why should a student from Zeeland, Crosby or Devils Lake have less educational opportunity than a student from Hawley, Duluth or St. Cloud? It is North Dakota's moral and ethical responsibility to provide this educational opportunity for its future professionals.

Students in most other professional schools (medicine, pharmacy, etc.) have no obligation to practice in North Dakota after their schooling and the state is subsidizing their education much more than they subsidize veterinary students. Students from Minnesota, Iowa, Kansas, etc. educations are heavily subsidized by their respective states and they have no obligation to return to their home state after graduation.

I know there is concern that there are not enough veterinarians in rural North Dakota. Whether that is truly an issue is a debate for another day, but if it is a problem, this is not the correct or long term solution. The solution has a lot more to do with getting the right type of students into veterinary school and getting them the proper mentorship along the way so

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they have a chance to succeed in rural practice. Just because they are from North Dakota does not qualify them to be rural practitioners, nor does it make them desire that lifestyle. If someone seeks a job in any profession primarily for financial reasons they are destined for failure.

I have hired many associate veterinarians over the years. Some have been North Dakota residents, others from as far away as Alabama. As an employer and mentor I'm after the person who best fits our practice, and has the most potential regardless of where they are from. I dread the thought of being flooded with North Dakota students who are applying simply because they want the financial benefit, not because they truly want the job. If I would hire such a person they would be gone as soon as their commitment was fulfilled any way.

I grew up in western South Dakota. Due to some untimely legislative action, myself and my South Dakota classmates paid out-of-state tuition to Iowa State. Students behind my class and ahead of my class paid in-state tuition. I could have been spiteful with my home state and decided to never return, but I loved the Dakotas and knew where I wanted to live and what kind of people I wanted to work with. 32 years later I'm still here practicing in both North and South Dakota.

Attaching all kinds of strings to North Dakota's students is not how we're going to make them want to return after graduation, They need to see a long term future, not a three or four year deal.

Sincerely,

Dean Christianson, D.V.M.
Ashley, ND

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Testimony of Dr. Neil Dyer
North Dakota Veterinary Medical Association
In Opposition to SB 2162
Feb 1, 2017

Chairwoman Lee and Members of the Senate Human Services Committee:

My name is Dr. Neil Dyer, and I am member and past president of the North Dakota Veterinary Medical Association (NDVMA). My written testimony is in opposition to SB 2162.

This bill requires veterinary graduates who have received financial assistance from the state of North Dakota for their veterinary education to pay back that assistance if the veterinarian does not return to North Dakota to practice veterinary medicine within three years of graduation. Essentially, this is the difference between in-state and out-of-state tuition at one of the veterinary schools now attended by North Dakota students, roughly \$100,000.

North Dakota provides professional education for physicians, attorneys, nurses and pharmacists but has no requirement for those graduates to be employed within the state. They can seek jobs anywhere they like. Veterinarians should be no different. North Dakota does not have a college of veterinary medicine and therefore its citizens need to seek that training at out of state universities.

In a very few years North Dakota would become saturated with new graduates who must return to the state to avoid the additional debt. Currently there are 10 to 12 North Dakota veterinary graduates a year. If they all returned to the state, the job market would become very tight and starting salaries would diminish. The NDVMA web page has 14 openings for veterinarians right now. It would take two years to fill every one of those jobs after which students would be forced out of state and have to assume the additional debt.

Current data from the AVMA shows that the average starting salary for new graduates is \$67,000, and the average debt is \$135,000. Adding another \$100,000 of debt on an already vulnerable population of new professionals would create some crippling lifestyle changes.

North Dakota has a 35% return rate on students who are now receiving funding without a payback note. This tells us that North Dakota veterinary graduates are coming home without additional financial requirements, and at the appropriate rate to replace veterinary retirements within the state now.

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If we want bright, young veterinarians serving the citizens of North Dakota, then the state should help educate those interested young people. When faced with additional financial challenges, many families will choose a different career path. The current system has worked well for a long time and has returned many very fine veterinarians to the state who are serving livestock producers and pet owners all over North Dakota. Some North Dakota students have chosen to practice in another state, and, as sons and daughters of North Dakota, represent their home state well. That reflects well on North Dakota.

I appreciate your past support of veterinary education for North Dakota citizens and strongly encourage continuation of a no payback requirement. I am in opposition to SB 2162 as I feel it will ultimately have a negative impact on veterinary medical services in North Dakota.

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January 31, 2017

Regarding senate bill #2162

Chairman Lee and Members of the Human Services Committee,

I am a recent graduate and a recipient of the Professional Student Exchange Program funding. Even with the PSEP funding I have a large student debt load and would not be able to afford all of my monthly bills on my salary if I was single. I am fortunate enough to have a husband that is able to take care of most of the monthly bills that we have so that I can focus on my loans, but that is not the case for most of my classmates.

I estimate based on the current tuition costs (I don't have a record of my specific out of state tuition costs) that I would have approximately \$128,000 (\$14,268 per semester – 2 semesters for 3 years then 3 semesters the 4th year) additional in loans had I not received the PSEP funding. Even though I was lucky enough to have jobs in ND available to me upon graduation, the starting salaries that I was offered were not adequate to support my cost of living without the help of my husband.

When facing the thought of being forced to return to ND post-graduation the following questions come to my mind: What if I hadn't had any job offers? What if I had been forced to work in a poor situation or for a very low salary just to be in the state? What if I would have had to commute for an hour or more one way to be able to live with my husband? What if I would have had to accept a job where I would be unable to live near my husband and have two housing payments on a salary that already doesn't support our cost of living?

If I had had to take a job out of state, I would have had the stress and added cost of needing to job search continuously to try to return to ND. Think of the travel expenses and additional time this would consume until the right situation becomes available. Most of us already work 40+ hours a week and that is not including the hours that are required if we take emergency call.

I have watched some of my classmates from other states deal with poor situations that include constantly being on call, getting paid a low salary, never getting vacation and becoming depressed and burnt out because of the lack of options they have and I don't want this to happen to the future veterinary students from our state because of this bill.

Sincerely,

Kristine Haroldson, DVM

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Testimony of Dr. Del Rae Martin

North Dakota Veterinary Medical Association Member and Past President

In Opposition to SB 2162

February 1, 2017

Chairman Lee and Members of the Senate Human Services Committee:

My name is Dr. Del Rae Martin, and I am a veterinarian at Heart River Animal Hospital in Mandan. I am also a member and past president of the North Dakota Veterinary Medical Association (NDVMA). I am submitting testimony today in opposition to SB 2162, in regards to the professional student exchange program (PSEP) as it applies to veterinarians.

PSEP enables students to enroll in academic programs not available in North Dakota and receive reduced tuition. This includes veterinary medicine. I know others are providing testimony today in regards to the statistics about the fact North Dakota taxpayers provide education for other professions within the state and do not require payback and the tremendous debt ratio acquired by veterinary students today. As a former recipient, I can provide a first-hand testament to the value of the program.

I graduated from Iowa State University (ISU) in 1985. I believe my class was the last year the program was run as a loan/grant program. We were required to either come back to North Dakota upon graduation for three years or to pay back the low interest loan, which was the difference between in-state and out-of-state tuition.

In 1985, there was a farm crisis and veterinary hospitals were not hiring. Several of my ISU classmates from North Dakota, Iowa and Nebraska who had planned to find jobs in mixed practices in their home states had to look to other states for employment. I accepted a position in Illinois and spent eight years in a Chicago suburban small animal practice that grew from five to nine doctors. I paid back my loan to the Bank of North Dakota. I continued to actively look for a North Dakota practice and was able to return in 1993. I believe the experience gained in that Chicago area practice has allowed me to provide high quality care to my clients and patients in North Dakota. Without the loan/grant program, I would have had a much larger financial burden that would have had to play a role in my decision on where to practice.

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I know several veterinarians in North Dakota who practiced outside of the state prior to returning to North Dakota. At Heart River Animal Hospital, my partner took six years to return and my associate took 11 years to return to North Dakota. I firmly believe our experience made us all better veterinarians. They both participated in the PSEP program as a grant program.

Our parents were/are lifelong residents of North Dakota and therefore tax payers. Their children chose to pursue their dreams of veterinary medicine. Should they have directed their children to become MD's, pharmacist or lawyers instead to utilize their tax dollars rather than PSEP? In addition, the veterinarians at Heart River Animal Hospital currently contribute to the tax base of North Dakota. Should we not have the opportunity to have our tax dollars used to contribute to the education of North Dakota students to pursue a career in a profession that we are passionate about and adds value to our community?

Our practice is involved with the health careers programs of multiple high schools and organizations in the Bismarck-Mandan area. In 2016, our practice hired a student who wants to pursue a career as a veterinarian. She is very enthusiastic and excited about her career choice. Recently, she received her radiation badge so she could assist the technicians in taking x-rays. With a big grin on her face, she asked if she could wear it all afternoon. To her dismay, we did not have any patients requiring radiographs that day. She started her freshman year at Bismarck State College fall of 2016. In addition to taking classes, she works for our practice Monday-Thursday 12:30 pm-5:30 pm and as a hostess/waitress Friday nights, Saturday and Sunday to finance her education. The financial assistance of PSEP would allow this North Dakota student the opportunity to pursue her career goal. The cost of a veterinary education is expensive for North Dakota students. Without the PSEP program, I fear the out of state cost of an education to become a veterinarian for a North Dakota student may be cost prohibitive. With the salaries veterinarians in North Dakota are able to offer new graduates, the graduate may not be able to return to the state and make their loan payments without the assistance of PSEP. The high participation of new graduate veterinarians participating in the veterinary loan repayment program supports the need for continued support of the PSEP program.

I appreciate your past support of PSEP and strongly encourage continued funding of the program. I am in opposition to SB 2162 as I feel it will have a negative impact on the availability of veterinary medical care to North Dakota residents in the future.

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**Testimony of Codi Schaper
NDSU Pre-Vet Student
In Opposition to SB 2162
January 30, 2017**

Chairwoman Lee and members of the Senate Human Services Committee:

My name is Codi Schaper and I am a freshman pre-vet major at North Dakota State University. I am a native of Western North Dakota and come from a farm and ranch background. I am here today on behalf of myself and all future North Dakota students that may be affected by the changes this bill may bring to PSEP funds. I am here in opposition to SB 2162.

First, let me start by saying how much I appreciate and value the legislative process. I understand how fortunate I am to have my voice heard here today. Growing up in Western North Dakota, I have gained a great passion for agriculture and the opportunities our state provides to be a part of it. Pursuing a career in the field of veterinary medicine has its challenges, the biggest being the financial burden it brings.

North Dakota, not having a veterinary school, has offered its residents an opportunity to apply for and receive contract seat funds to various veterinary programs. For a girl from a middle-class family from Grassy Butte, this opportunity is huge. The chance of having a portion of vet school payed for by the state has been a great motivator for me academically. However, SB 2162 is a cause of concern for me because it directly affects my future.

Repayment of veterinary school contract seat funds if a student does not return to North Dakota within three years is a direct disservice to the student. The only certainty in life is that it is full of uncertainty. If in the future I am fortunate to receive a contract seat, I cannot guarantee I will return to North Dakota in the next ten years because life sometimes has its own plan. Veterinary school is expensive enough without having to worry about paying back the state of North Dakota.

Furthermore, if all contract seat students return to North Dakota, it would devalue the North Dakota veterinarian. This influx of veterinarians would make it difficult for new graduates wanting to work in North Dakota to find a job. The reason graduates return to North Dakota is the same reason the legislative seats are filled today: passion for a great state. I believe that allowing students to return on their own free-will is the best way to insure North Dakota veterinarians are passionate about ND agriculture. For these reasons, I urge you to vote no on SB 2162.

I appreciate your time and service to the state of North Dakota.

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Testimony in Opposition of SB 2162
February 1, 2017

Chairwoman Lee and members of the Senate Human Services Committee:

My name is Sydni Schmidt, and I am a student studying Animal Science at NDSU. I recently have been accepted into veterinary school and am awaiting the decision for disbursement of the Professional Student Exchange Program funds. I would like to express my opposition toward SB 2162.

The Professional Student Exchange Program provides North Dakota students with an amazing opportunity to obtain a degree in veterinary medicine at an affordable rate. This support from our state is essential to reduce the massive debt load that would undoubtedly accrue if we were deprived of these funds.

When I complete veterinary school in 2021, I want nothing more than to return to North Dakota to give back to a state whose cattlemen, agriculturists, and veterinarians have influenced me so much. I want to not only be a successful practitioner in this state, but I also want to be an active voice for North Dakota agriculture.

However, though some aspiring veterinarians may share in my sentiment, the road back to North Dakota after veterinary school for others may not be easy. Some may find an appealing job opportunity outside of our state to gain more knowledge in a specialized field, allowing them to become a stronger asset to North Dakota veterinary medicine if they do return.

Perhaps the largest issue here for me and for many other aspiring veterinarians is that if all who receive PSEP funds are forced to return to North Dakota, our job market will not be able to handle the influx of veterinarians in search of a job. After one year alone, approximately ten veterinarians will graduate and be looking for a job. After several years of this, there will be an astronomical amount of people entering the work force and not enough open positions to fill. As a future veterinarian who truly wants to remain in North Dakota, I do not want to struggle to find a job in a market that is saturated with people less passionate about this state and who are simply being forced to practice here.

The other argument that should be made is that other professional programs like law school, medical school, and pharmacy school grant in-state tuition for North Dakota residents because there is a school here. They are free to leave the state after graduation. It is quite absurd that professional students who are funded by the state because of an absence of a school are being forced to stay.

I do grant that we have a shortage of veterinarians in the state, but perhaps the real answer might be to only offer loan repayment programs to North Dakota residents alone, therefore enticing more North Dakota students to return. I do not believe that forcing ten veterinarians to return to North Dakota each year to saturate the job market is the answer. For these reasons, I strongly oppose SB 2162.

I thank you all for your time, and I hope that these words may be taken into consideration.

Respectfully,

Sydni Schmidt

January 27, 2017

SB2162
AttAdv#7
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PROPOSED AMENDMENTS TO SENATE BILL NO. 2162

Page 1, line 4, after the semicolon insert "to provide for a legislative management study;"

Page 1, line 8, replace "**Notes**" with "**Agreements**"

Page 1, line 13, replace "an annual note with the Bank of North Dakota in an amount equal to" with "a legally binding agreement with the state board of higher education which identifies"

Page 1, line 13, remove "by"

Page 1, remove line 14

Page 1, line 15, replace "and the board" with "of the award under the professional student exchange program"

Page 1, line 16, replace "note" with "agreement"

Page 1, line 18, after "graduation" insert "or of leaving the education program"

Page 1, line 18, remove "begin repaying the note, together with interest accruing"

Page 1, remove line 19

Page 1, line 20, replace "Dakota" with "repay the amount of the agreement in full at that time"

Page 1, line 21, replace "note" with "agreement"

Page 1, line 23, replace "Bank of North Dakota" with "state board of higher education"

Page 1, line 23, replace "note" with "agreement"

Page 1, line 23, remove "together with"

Page 1, line 24, remove "all accrued interest."

Page 2, line 1, replace "note" with "amount of the agreement"

Page 2, line 1, remove "from"

Page 2, line 2, remove "the date that individual stopped such practice"

Page 2, line 3, remove "note, together with interest accruing at the rate per annum established"

Page 2, line 4, replace "by the Bank of North Dakota" with "agreement in full from the date the individual stopped practicing in the state"

Page 2, line 5, replace "note" with "agreement"

Page 2, line 7, remove "begin repaying the note, together with interest accruing from the"

Page 2, line 8, replace "date of signing, at the rate per annum established by the Bank of North Dakota" with "repay the amount of the agreement in full"

Page 2, line 9, remove "determine the terms applicable to the time and"

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Page 2, line 10, replace "manner in which a note must be repaid" with "allow an individual who is required to repay all or a portion of an agreement under this section to utilize one of the Bank's student loan programs as an option for repayment, up to the amount certified by the state board of higher education. To qualify under this subsection, the individual must meet student loan credit criteria as established by the Bank"

Page 2, line 11, replace "Bank of North Dakota" with "state board of higher education"

Page 2, line 11, replace "a note" with "an agreement"

Page 2, line 12, replace "note" with "agreement"

Page 2, line 14, after the underscored period insert "The repayment provisions under an agreement signed under this section must provide for cancellation of the repayment requirements if the individual dies or becomes permanently or totally disabled."

Page 2, line 15, remove "consult with the Bank of North Dakota and"

Page 2, line 16, replace "report" with "confirm eligibility."

Page 2, line 17, replace "on the student status and practice status" with an underscored comma

Page 2, line 17, replace "individuals" with "any individual"

Page 2, line 17, remove "signed a note"

Page 2, line 18, replace "under subsection 1" with "uses the Bank's student loan program to repay any outstanding agreement amounts in full"

Page 3, after line 31, insert:

"SECTION 4. LEGISLATIVE MANAGEMENT STUDY - PROFESSIONAL STUDENT EXCHANGE PROGRAM AND WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION. During the 2017-18 interim, the legislative management shall consider studying and evaluating the current agreements and participation with the western interstate commission for higher education and the professional student exchange program. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

WICHE's Professional Student Exchange Program: Administration, Funding, Residency Requirements and Payback Terms, by Participating State

Revised Sept 2015

STATE	WHERE CERTIFYING OFFICER HOUSED	HOW FUNDED	SERVICE PAYBACK REQUIREMENT AND TERMS	FAILURE TO SERVE PAYBACK TERMS	FINANCIAL NEED CONSIDERED	STUDENT SURCHARGE?	RESIDENCY REQUIREMENT FOR PARTICIPATION	# OF FIELDS STATE IS SUPPORTING
AK	AK Commission on Postsecondary Ed.	Line item in Board budget	None	Full amount with interest	No	No	1 year prior to application	7
AZ	AZ Board of Regents	2 line items in Board budget for dues and fees	Year for year of support; 1/2 year for each year if in underserved area	Full amount with interest	No	No	5 years prior to enrollment; US citizenship	6
CO	CO Dept. of Higher Ed.	Line item in Commission budget	Year for year of support	Full amount with interest	No	No	1 year prior to application	1
HI	HI University System Office	Line item in Univ. budget	Year for year of support.	Full amount with interest plus fees	No	No	5 years prior to application; parents or self	5
MT	MT University System Office	System budget	None	N/A	No	Allopathic and osteopathic medical students pay a percentage of their support fee to fund the Montana Rural Physician Incentive Program (MR PIP)	2 years prior to application	7
NV	NV Governor's Office	State general fund, plus student surcharge	Year for year of support; 1 year reduction for service in an underserved area, or as a state employee	Full amount with interest	No	25% of support fee, plus interest.	1 year min. prior to application; US citizenship	4
NM	NM Higher Ed. Dept.	Line item	Year for year of support (3 yr. max. return)	New: up to 3 times the principal plus 18% interest	No	No	3 years prior to application, or must have graduated from a NM high school & 1 year residency	2
ND	ND University System Office	System budget	None	N/A	No	No	1 year prior to application	3
UT	UT Board of Regents	Line item	None; but moral obligation to return	N/A	No	No	5 years prior to application	2
WA	Washington Student Achievement Council	Line item in agency budget	Greater of either 3 years, or 1 year for each year of support	Full amount plus interest	Yes; 1st year of support only	No	1 year prior to application	2 (Funding for new students currently on hold.)
WY	U. of Wyoming	Line item	Yes, 3 years for students matriculating 2013 and later. Veterinary medicine students are exempt	Full amount plus interest	No	No	1 year prior to enrollment	9

NOTE: States determine the fields and the number of seats to be supported in each field.

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Attachment #8
SB 2162

January 27, 2017

SB2162
Attache #1
2/6

PROPOSED AMENDMENTS TO SENATE BILL NO. 2162

- Page 1, line 4, after the semicolon insert "to provide for a legislative management study;"
- Page 1, line 8, replace "**Notes**" with "**Agreements**"
- Page 1, line 13, replace "an annual note with the Bank of North Dakota in an amount equal to" with "a legally binding agreement with the state board of higher education which identifies"
- Page 1, line 13, remove "by"
- Page 1, remove line 14
- Page 1, line 15, replace "and the board" with "of the award under the professional student exchange program"
- Page 1, line 16, replace "note" with "agreement"
- Page 1, line 18, after "graduation" insert "or of leaving the education program"
- Page 1, line 18, remove "begin repaying the note, together with interest accruing"
- Page 1, remove line 19
- Page 1, line 20, replace "Dakota" with "repay the amount of the agreement in full at that time"
- Page 1, line 21, replace "note" with "agreement"
- Page 1, line 23, replace "Bank of North Dakota" with "state board of higher education"
- Page 1, line 23, replace "note" with "agreement"
- Page 1, line 23, remove "together with"
- Page 1, line 24, remove "all accrued interest."
- Page 2, line 1, replace "note" with "amount of the agreement"
- Page 2, line 1, remove "from"
- Page 2, line 2, remove "the date that individual stopped such practice"
- Page 2, line 3, remove "note, together with interest accruing at the rate per annum established"
- Page 2, line 4, replace "by the Bank of North Dakota" with "agreement in full from the date the individual stopped practicing in the state"
- Page 2, line 5, replace "note" with "agreement"
- Page 2, line 7, remove "begin repaying the note, together with interest accruing from the"
- Page 2, line 8, replace "date of signing, at the rate per annum established by the Bank of North Dakota" with "repay the amount of the agreement in full"
- Page 2, line 9, remove "determine the terms applicable to the time and"

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Page 2, line 10, replace "manner in which a note must be repaid" with "allow an individual who is required to repay all or a portion of an agreement under this section to utilize one of the Bank's student loan programs as an option for repayment, up to the amount certified by the state board of higher education. To qualify under this subsection, the individual must meet student loan credit criteria as established by the Bank"

Page 2, line 11, replace "Bank of North Dakota" with "state board of higher education"

Page 2, line 11, replace "a note" with "an agreement"

Page 2, line 12, replace "note" with "agreement"

Page 2, line 14, after the underscored period insert "The repayment provisions under an agreement signed under this section must provide for cancellation of the repayment requirements if the individual dies or becomes permanently or totally disabled."

Page 2, line 15, remove "consult with the Bank of North Dakota and"

Page 2, line 16, replace "report" with "confirm eligibility."

Page 2, line 17, replace "on the student status and practice status" with an underscored comma

Page 2, line 17, replace "individuals" with "any individual"

Page 2, line 17, remove "signed a note"

Page 2, line 18, replace "under subsection 1" with "uses the Bank's student loan program to repay any outstanding agreement amounts in full"

Page 3, after line 31, insert:

"SECTION 4. LEGISLATIVE MANAGEMENT STUDY - PROFESSIONAL STUDENT EXCHANGE PROGRAM AND WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION. During the 2017-18 interim, the legislative management shall consider studying and evaluating the current agreements and participation with the western interstate commission for higher education and the professional student exchange program. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

SB 2162
 Attach #1
 2/6

PSEP Awarding History as of 1/18/2017

	Dentistry		Optometry		Vet Med		Vet Med KSU		TOTAL #	TOTAL \$
	#	\$	#	\$	#	\$	#	\$		
2008-08										
	FR	8 \$77,334.45	4 \$56,400.00	5 \$74,661.28	5 \$105,000.00					
	SO	8 \$80,619.40	4 \$56,400.00	4 \$88,640.00	2 \$42,000.00					
	JR	4 \$82,400.00	3 \$42,300.00	7 \$167,540.00	2 \$43,050.00					
	SR	4 \$82,400.00	4 \$56,400.00	4 \$88,640.00	0 \$0.00					
	TOTAL	24 \$322,753.85	15 \$211,500.00	20 \$419,481.28	9 \$190,050.00				68	\$1,143,785.13
2008-09										
	FR	6 \$86,311.50	4 \$58,400.00	7 \$129,676.00	5 \$110,250.00					
	SO	6 \$72,482.00	4 \$58,400.00	5 \$70,499.00	5 \$110,250.00					
	JR	8 \$87,423.00	4 \$58,400.00	3 \$69,598.00	2 \$44,100.00					
	SR	4 \$85,200.00	3 \$43,800.00	7 \$173,297.00	2 \$44,762.00					
	TOTAL	24 \$331,416.50	15 \$219,000.00	22 \$443,070.00	14 \$309,362.00				75	\$1,302,848.50
2009-10										
	FR	7 \$86,377.50	5 \$75,500.00	6 \$123,908.50	3 \$68,136.00					
	SO	6 \$91,426.50	4 \$60,400.00	6 \$111,827.00	5 \$113,560.00					
	JR	6 \$77,902.00	4 \$60,400.00	5 \$78,167.50	5 \$113,560.00					
	SR	8 \$94,853.00	4 \$60,400.00	3 \$71,256.00	2 \$45,424.00					
	TOTAL	27 \$350,559.00	17 \$256,700.00	20 \$385,159.00	15 \$340,680.00				79	\$1,333,098.00
2010-11										
	FR	7 \$104,747.50	8 \$124,800.00	6 \$134,899.50	5 \$140,358.00					
	SO	7 \$93,212.50	5 \$78,000.00	6 \$127,963.50	3 \$70,179.00					
	JR	6 \$96,787.50	4 \$62,400.00	6 \$116,007.00	5 \$116,965.00					
	SR	6 \$83,650.00	4 \$62,400.00	5 \$87,104.50	5 \$116,965.00					
	TOTAL	26 \$378,397.50	21 \$327,600.00	23 \$465,974.50	18 \$444,467.00				88	\$1,616,439.00
2011-12										
	FR	7 \$112,397.50	7 \$110,600.00	5 \$119,636.00	5 \$114,583.50					
	SO	7 \$111,507.50	8 \$126,400.00	6 \$137,082.00	6 \$152,778.00					
	JR	7 \$98,952.50	5 \$79,000.00	6 \$130,116.00	3 \$76,389.00					
	SR	5 \$90,181.00	4 \$63,200.00	6 \$117,168.00	5 \$127,315.00					
	TOTAL	26 \$413,038.50	24 \$379,200.00	23 \$504,002.00	19 \$471,065.50				92	\$1,767,306.00
2012-13										
	FR	8 \$156,289.50	5 \$80,500.00	5 \$117,215.00	4 \$101,200.00					
	SO	6 \$115,304.00	9 \$144,900.00	5 \$121,544.00	4 \$101,200.00					
	JR	7 \$131,395.00	8 \$131,200.00	6 \$145,007.25	5 \$126,500.00					
	SR	7 \$101,872.50	5 \$80,500.00	6 \$130,371.50	3 \$75,900.00					
	TOTAL	28 \$504,861.00	27 \$437,100.00	22 \$514,137.75	16 \$404,800.00				93	\$1,860,898.75
2013-14										
	FR	7 \$134,056.32	3 \$49,200.00	8 \$159,030.00	3 \$65,147.50					
	SO	8 \$164,123.20	6 \$98,400.00	5 \$132,264.00	4 \$104,236.00					
	JR	5 \$103,253.92	9 \$147,600.00	5 \$125,352.00	4 \$104,236.00					
	SR	7 \$119,790.70	8 \$131,200.00	6 \$141,879.00	6 \$143,324.50					
	TOTAL	27 \$521,224.14	26 \$426,400.00	24 \$558,525.00	17 \$416,944.00				94	\$1,923,093.14
	FR	7 \$125,360.30	7 \$117,600.00	7 \$179,824.00	3 \$80,910.00					
	SO	6 \$123,061.84	4 \$67,200.00	8 \$163,994.00	3 \$67,425.00					

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2/6

	JR	8	\$162,041.84	6	\$100,800.00	5	\$141,127.00	5	\$121,365.00		
	SR	5	\$92,540.00	9	\$151,200.00	5	\$128,068.00	4	\$107,880.00		
	TOTAL	26	\$503,003.98	26	\$436,800.00	25	\$613,013.00	15	\$377,580.00	92	\$1,930,396.98
2015-16											
	FR	6	\$132,753.00	8	\$136,800.00	7	\$197,884.00	3	\$69,455.50		
	SO	6	\$121,855.00	7	\$104,738.00	6	\$159,630.00	4	\$111,128.80		
	JR	6	\$127,304.00	4	\$68,400.00	7	\$180,955.00	2	\$55,564.40		
	SR	8	\$150,730.00	6	\$102,600.00	4	\$97,085.00	5	\$138,911.00		
	TOTAL	26	\$532,642.00	25	\$412,538.00	24	\$635,554.00	14	\$375,059.70	89	\$1,955,793.70
2016-17 estimate											
	FR	5	\$98,594.00	7	\$107,164.00	6	\$133,715.00	0	\$0.00		
	SO	4	\$96,271.00	8	\$139,400.00	7	\$201,624.00	2	\$57,226.00		
	JR	7	\$147,526.00	6	\$104,550.00	6	\$162,930.00	3	\$85,839.00		
	SR	6	\$132,084.00	4	\$69,700.00	7	\$155,939.00	2	\$57,226.00		
	TOTAL	22	\$474,475.00	25	\$420,814.00	26	\$654,208.00	7	\$200,291.00	80	\$1,749,788.00
2017-18 estimate											
	FR	7	\$135,490.00	6	\$106,350.00	6	\$138,781.00	5	\$150,218.00		
	SO	5	\$115,669.00	7	\$124,075.00	6	\$138,781.00	0	\$0.00		
	JR	5	\$120,029.00	8	\$141,800.00	7	\$206,845.00	2	\$60,087.00		
	SR	7	\$154,087.00	6	\$106,350.00	6	\$165,787.00	3	\$90,131.00		
	TOTAL	24	\$525,275.00	27	\$478,575.00	25	\$650,194.00	10	\$300,436.00	86	\$1,954,480.00
2018-19 estimate											
	FR	7	\$140,539.00	6	\$108,150.00	6	\$144,100.00	5	\$157,729.00		
	SO	7	\$164,645.00	6	\$108,150.00	6	\$144,100.00	5	\$157,729.00		
	JR	5	\$119,727.00	7	\$126,175.00	6	\$144,100.00	0	\$0.00		
	SR	5	\$123,443.00	8	\$144,200.00	7	\$209,245.00	2	\$63,092.00		
	TOTAL	24	\$548,354.00	27	\$486,675.00	25	\$641,545.00	12	\$378,550.00	88	\$2,055,124.00

G:\Financial Aid\500.1 All Programs - Annual Reports and Stats\PSEP\PSEP Slots and Award History

SB 2162

Senator Judy Lee

3-14-17
Att. 1

2162 deals with our programs for ND students who want to go into dentistry, optometry, and veterinary science, and who go out of state, because those programs are not available in ND. Through 3 programs, the Western Interstate Commission for Higher Education, the professional student exchange program, and reciprocity with the U of Minnesota, slots are made available in other states for our students, and we pay the difference between in-state and out-of-state tuition. Until the 70's, if these students did not return to ND after completing their education, they were obligated to pay back the taxpayer-funded grants. It is time to consider that responsibility again.

Students who accept the stipends would be obligated to sign an agreement with the board of higher education which states that, if they do not return to practice in ND or who leave the program will be obligated to repay the grant. IF a student returns to ND, but not for the required 3 years, a prorated repayment would be required. The Bank of ND's student loan program, which has very reasonable interest rates, would be used for the repayment.

Dentists must agree to accept Medicaid payments or provide services in a public health clinic, a practice with a focus on underserved populations, or a nonprofit dental clinic.

Sec. 4 calls for a study on evaluating the current agreements and participation with the Western Interstate Commission for Higher Education and the professional student exchange program.

The argument has been made that, because ND does not have these professional programs, we owe it to these students to subsidize their educations. The fact is that there are many advanced degrees which are not available in ND, but these are the only professions for which there are interest-free loans which are forgiven, if they return to ND to practice.

These are great incentives for ND students to obtain these degrees and return to ND to serve for 3 years in return.

I encourage your favorable consideration of SB 2162.

AH.2
SB2162
3-14-17

Re-engrossed Senate Bill 2162

House Human Services Committee

March 14, 2017

Tammy Dolan, Chief Financial Officer
701.328.4116 | tammy.dolan@ndus.edu

Chair Weisz and Committee Members: My name is Tammy Dolan, and I'm here today provide information regarding the Professional Student Exchange Program (PSEP) as it relates to Section 1 of SB2162.

The bill would require the State Board of Higher Education (SBHE) to enter into repayment agreements with students accepting PSEP awards in dentistry and optometry. The original bill would have also included veterinary medicine. However, after a Senate floor amendment, repayment agreements would not be required for students receiving PSEP awards in veterinary medicine. If the professional does not practice in the state within 36 months of graduation, repayment would be required. The amount is reduced by 1/3 for each full year the individual continues practicing in the state. Withdrawal from a program before completion would trigger full payment.

The Professional Student Exchange Program (PSEP) provides access and support to North Dakota resident students seeking professional training in veterinary medicine, dentistry and optometry at out-of-state institutions. Since these professional programs do not exist within the state, the slots secured in the out-of-state programs provide the opportunity for enrollment in highly competitive programs. North Dakota currently secures admission slots through the Western Interstate Commission for Higher Education (WICHE) in the content areas of veterinary medicine, dentistry and optometry; through the University of Minnesota in veterinary medicine and dentistry; through Iowa State University in veterinary medicine and through Kansas State University in veterinary medicine. Applicants must apply through the North Dakota University System by October 15 preceding the first year of professional studies for consideration. The awards support a portion of the student's tuition cost in these professional areas.

The North Dakota University System appropriation (SB2003) currently includes a \$3,699,342 appropriation for PSEP for the 2017-19 biennium. Funding sources include \$3,234,035 from the general fund (a 15% decrease from 2015-17) and \$465,307 from the student loan trust fund (no change from 2017-19.) Carryover from anticipated unexpended 2015-17 general fund dollars of \$764,003 would bring total available funding for 2017-19 to \$4,463,345.

The appropriation covers ongoing costs for continuing and new students; however, the number of estimated slots was reduced in two areas to meet available funding levels. Historically, new PSEP

slots have been funded as follows: Dentistry (2-WICHE, 5- U of M); Optometry (8-WICHE); Veterinary Medicine (1-WICHE, 4-Iowa State, 2- U of M and 5-KSU).

Assumptions for the 2017-19 biennium include a reduction in new awards at Iowa State Veterinary Medicine to 3 slots and WICHE Optometry to 6 slots in 2017 and 5 slots in 2018. A funding deficit is anticipated for the 2019-21 biennium, which may require future appropriation increases or decreased award levels beginning with the FY2017 awards.

The following tables provide a historical lookback at the PSEP awards and applications.

PSEP Slots Awarded per Year	New Slots (Excluding KSU)			Continuing Slots (Excluding KSU)			KSU	
	Vet Med	Dentistry	Optometry	Vet Med	Dentistry	Optometry	New Slots	Continuing Students
2013-14	8	7	3	16	20	23	3	14
2014-15	7	7	7	18	19	19	3	12
2015-16	7	6	8	17	20	17	3	11
2016-17 Est.	6	5	7	20	19	19	0	7

PSEP Applications Received	Vet Med	Dentistry	Optometry
2013-14	25	25	7
2014-15	18	21	11
2015-16	20	22	11
2016-17	11	24	9

This concludes my explanation of the PSEP program. Others testifying will provide a more detailed explanation of the bill and the potential impact on the various PSEP programs and students.

I would be happy to answer any questions you may have at this time. Thank you.

3-14-17 aH:3
 JB2/62

Professional Student Exchange Program

Table 8. Return Rates of PSEP Graduates, by State and Profession
 5-year D.O. and M.D. Rates (2002-06) and 10-year Rates for All Other Professions (2002-11)

	Total Number Students	Number Returning to State	Percent Returning		Total Number Students	Number Returning to State	Percent Returning		Total Number Students	Number Returning to State	Percent Returning
Alaska				Montana				Wyoming			
Dentistry	16	13	81%	Dentistry	17	11	65%	Dentistry	44	27	61%
Occupational Therapy	5	3	60	Medicine **	31	12	39	Medicine **	27	2	7
Optometry	3	0	0	Occupational Therapy	9	4	44	Occupational Therapy	11	1	9
Pharmacy	10	5	50	Optometry	12	7	58	Optometry	54	17	31
Physical Therapy	19	10	53	Osteopathic Medicine **	4	2	50	Osteopathic Medicine **	5	2	40
Physician Assistant	3	2	67	Podiatry	0	0	0	Physical Therapy	65	21	32
Podiatry	0	0	0	Veterinary Medicine	86	60	70	Physician Assistant	14	6	43
Alaska TOTAL	56	33	59%	Montana TOTAL	159	96	60%	Podiatry	4	0	0
								Veterinary Medicine	67	30	45
Arizona*				Nevada*				Wyoming TOTAL	291	106	36%
Dentistry	115	88	77%	Optometry	22	18	82%				
Occupational Therapy	49	44	90	Pharmacy	39	33	85				
Optometry	52	43	83	Physician Assistant	24	22	92				
Osteopathic Medicine **	20	12	60	Veterinary Medicine	38	36	95				
Physician Assistant	83	77	93	Nevada TOTAL	123	109	89%				
Veterinary Medicine	157	132	84								
Arizona TOTAL	496	396	83%	New Mexico*							
				Dentistry	78	72	92%				
Colorado*				Veterinary Medicine	90	75	83				
Optometry	62	54	87%	New Mexico TOTAL	168	147	88%				
Colorado TOTAL	62	54	87%								
				North Dakota							
Hawai'i				Dentistry	29	12	41%				
Dentistry	30	20	67%	Optometry	59	12	20				
Occupational Therapy	23	18	78	Veterinary Medicine	13	7	54				
Optometry	23	19	83	North Dakota TOTAL	101	31	31%				
Pharmacy	60	42	70								
Physical Therapy	55	37	67	Utah							
Veterinary Medicine	27	11	41	Optometry	30	20	67%				
Hawai'i TOTAL	218	147	67%	Podiatry	9	7	78				
				Veterinary Medicine	57	39	68				
Idaho				Utah TOTAL	96	66	69%				
Optometry	22	9	41%								
Idaho TOTAL	22	9	41%	Washington*							
				Optometry	27	23	85%				
				Osteopathic Medicine **	5	3	60				
				Washington TOTAL	32	26	81%				

WICHE Return Rates by Field

	Total Number Students	Number Returning to State	Percent Returning
Dentistry	329	243	74%
Medicine **	58	14	24
Occupational Therapy	97	70	72
Optometry	366	222	61
Osteopathic Medicine **	34	19	56
Pharmacy	109	80	73
Physical Therapy	139	68	49
Physician Assistant	124	107	86
Podiatry	13	7	54
Veterinary Medicine	535	390	73

TOTAL for all Reporting WICHE PSEP States	1,804	1,220	68%
TOTAL for Contractual Payback States	861	732	85%
TOTAL for Honor System States	943	488	52%

IMPORTANT: Return rates reported by state offices may vary from WICHE calculations, due to different timeframes over which the return is measured.
 * Contractual payback states during time periods measured.
 ** Graduates of allopathic and osteopathic medical programs are required to do residencies of three years or more after graduation. Residencies can be located outside of the graduate's home state. In order to give residents time to return to their home state to practice, we are using return data for 2002-2006 for graduates of allopathic and osteopathic medicine.

H. 4
3-14-17
SB 2162

House Human Services Committee

SB 2162

March 14, 2017

Brent L Holman DDS

Executive Director, North Dakota Dental Association

Chairman Weisz and members of the committee, I am Dr. Brent Holman, Executive Director of the North Dakota Dental Association (NDDA). The NDDA supports SB 2162, although with some significant concerns.

The WICHE Professional Student Exchange Program (PSEP) has for many years provided tuition subsidy for North Dakota students that attend out-of-state professional schools in dentistry, optometry, and veterinary science—schools that North Dakota does not have. This subsidy in effect “buys down” the non-resident tuition for these schools to attempt to equitably provide an equivalent cost of resident professional education that would be provided if a school was located in North Dakota. There is no question that this program has been an incentive for North Dakota students to consider dentistry as a career. This incentive is provided to help assure that North Dakota has enough of these professionals into the future and, similar to loan repayment, there is a “marketing” effect which increases interest in the profession as a career even if that student does not qualify for a PSEP award.

The PSEP program is critical for all three professions to maintain adequate workforce. In addition to assuring the integrity and financial stability of the program, the NDDA feels it is fair that in-state students that do not return to the

state also agree to refund this tuition subsidy. The NDDA has advocated for this provision from the beginning of the program.

While supporting the tuition payback portion of the bill, **we have concerns that the program was originally started to apply to all three professions and feel that it is important that any changes be applied equally to the professions.** It's worth noting that language for the state loan repayment (forgiveness) programs was simplified and standardized for all the participating professions in the 2015 legislative session due to confusion among recipients and legislators. We feel similar uniformity is critical when considering these changes to the PSEP program, especially with the potential legislative study that is proposed in Section 4 of this bill.

Finally, we support the amendments described in Sections 2 and 3 that codify language relating to dental loan repayment recipients accepting Medicaid patients.

We would be happy to answer any questions you might have. Thank you.



NORTH DAKOTA
Optometric Association

A.H. 5
SB 2162
3-14-17

7

SB 2162

HOUSE HUMAN SERVICES COMMITTEE

MARCH 14, 2017

Good Morning Mr. Chairman and members of the House Human Services Committee.

For the record, my name is Nancy Kopp. I represent the North Dakota Optometric Association and serve as their Executive Director.

I appear before you on behalf of the NDOA in opposition to Section 1 and a portion of Section 5, of SB 2162, as it relates to required agreements and repayment provisions of the Professional Student Exchange Program/WICHE, for Optometry, Dentistry and Veterinary Medical students.

As you may know, the Professional Student Exchange Program/WICHE provides state financial support for students who are residents and have been accepted by an out of state school of optometry, dentistry and veterinary medicine participating in WICHE, as well as other agreements. These resident students do not have the opportunity to a professional education program for 4 years in North Dakota; thus, they must apply out of state to pursue their chosen career of obtaining a doctorate degree in the aforementioned fields.

The state support for approximately 6 freshmen optometry students is \$18,000.00 per student. This amount is basically a scholarship for each of the 4 years, not a loan that would be subject to repayment, in comparison to the numerous other educational scholarships, awards or waivers that do not have strings attached.

North Dakota Optometric Association
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Bismarck, ND 58504
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E-mail: ndoa@btinet.net • Website: www.ndeyecare.com

I personally have been involved in discussions and deliberations during the past 9 Legislative Sessions regarding the funding and recruitment of the optometry students to return to North Dakota and meet the workforce needed, in order to provide patient access to eye and vision care services across the state.

I cannot speak on behalf of the other two professions of dentistry and veterinary medicine, but those appropriations are far greater than optometry and also have Loan Forgiveness Programs that provide additional funding to graduates that return and serve in underserved areas of the state; optometry does not have a program as such and I'm not advocating that we offer one at this time.

Patient access to optometric services is not a major issue, as most of our urban optometric practices have setup satellite clinics and travel to the rural areas to provide services. For example, here is an approximation of mode of practices for optometry in North Dakota:

20% - Employed by a Health System or Physician/OD group practice

50% - Private Practice

30% - Corporate/Independent Practice

Of the 180 resident licensed optometrists, 158 who are members of the NDOA, all but 2 graduated from a North Dakota or western Minnesota high school and returned to provide optometric services to our residents. Of course, not all received state financial tuition support.

As to the repayment provisions presented in the original language and now amended in SB 2162, the NDOA believes that all three professions should be subject to some equality in funding or repayment and not be based on perceived earning potential.

At this time, I would like to introduce Dr. Taya Patzman, who will provide you perspectives of the elements of SB 2162, that will mirror some, but not all of her optometric colleagues.

I would encourage an amendment of excluding optometry from Section 1 and 5 of SB 2162.

If you have any questions of me at this time, I would be happy to answer them now or at any time following testimony of others.



NORTH DAKOTA
Optometric Association

A.H. 6
SB 2162
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SB 2162

House Human Services Committee

March 14, 2017

Good Morning Mr. Chairman and Members of the Committee.

For the record, my name is Dr. Taya Patzman and I'm an optometrist with practices in Bismarck and Jamestown. I am a Past President of the North Dakota Optometric Association, a member of the State Board of Optometry, and a former PSEP (Professional Student Exchange Program) recipient.

speaking to you today in opposition to Section 1 and a portion of Section 5 of SB 2162.

The intentions of the current PSEP is to off-set the high cost of out-of-state tuition for professional programs of optometry, dentistry and veterinary medicine, which we do not offer in North Dakota, help promote advanced education for our students, and provide access to participating WICHE (Western Interstate Commission For Higher Education) schools.

North Dakota currently offers healthcare professional in-state programs, such as medicine and pharmacy, without the requirement they practice in ND upon graduation.

I testified on SB 2160, 4 years ago, which addressed maintaining the funding of the current PSEP program and a repayment provision. At that time, it was voted in favor of further study to address some of our concerns. I feel the major problem with this bill is that it's proposing a repayment provision for a scholarship awarded to optometry students. The PSEP program is not a loan and it never has been.

I feel very strongly that the PSEP program is important, to continue for the future optometry students of North Dakota. I can attest first hand that the PSEP program helped me to be able to afford to return to ND after graduation. The PSEP program offers an incentive and financial assistance for new graduates, to establish a practice and/or secure a practice opportunity in the state.

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Establishing an optometry practice is very different than medicine. Most physicians graduating from medical school are employed by a hospital or clinic. Their overhead cost of starting a practice is minimal. I started a practice in Bismarck in 2009. My initial start-up costs were very high. My initial investment in the basic equipment necessary to perform eye exams was \$160K. The cost of inventory for frames alone was another \$100K. This is in addition to staff wages at about \$1500 per month and rent and utilities of another \$3500 per month. After paying the bank loan, utility bills, staff wages, rent, and lab bill, there is virtually nothing left and most often the business runs in the red for the first 5-7 years. A hefty student loan bill in excess of \$200,000 for most, on top of these other expenses, would make it nearly impossible to start a practice cold. New graduates would be forced to start exclusively in commercial optometry practices, unless they were fortunate enough to be employed by a hospital, clinic, or another optometrist in a private practice. Since 2009, I have expanded to two locations, employ several staff members, and have hired a new optometrist part-time, with hopes of it becoming a full-time position in the near future.

I feel the current PSEP program is an excellent way to promote advanced education for the students of ND. It provides an incentive to pursue a professional healthcare degree, which we do not and cannot provide in our state. Estimates of infrastructure and administration of an Optometry School, would be approximately \$40 million.

The PSEP program provides access or a guaranteed slot for North Dakota students to attend participating WICHE schools of optometry. After graduation, I had opportunities in other states with a higher starting income and nicer weather, but PSEP afforded me the opportunity to return to North Dakota and start my own practice. We should view PSEP, not only as an educational incentive, but a means of bringing future business leaders back to North Dakota.

This concludes my testimony. I encourage an amendment of excluding optometry from Section 1 and 5 of SB 2162.

I would be happy to answer any questions you may have. Thank you.

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