

2021 SENATE EDUCATION

SB 2140

2021 SENATE STANDING COMMITTEE MINUTES

Education Committee
Room JW216, State Capitol

SB 2140
1/20/2021

A BILL relating to professional student exchange program repayment; relating to professional student exchange program repayment; and to declare an emergency.

Chair Schaible opened the hearing at 10:00 a.m.

Discussion Topics:

- Exchange program repayment for veterinarians, detitists, optomitrists

Senator	Attendance
Chairman Schaible	P
Senator Elkin	P
Senator Conley	P
Senator Lemm	P
Senator Oban	P
Senator Wobbema	P

Sen. Erbele, Dist 28- introduced the bill.

Sen. Heckaman, Dist 23, testified in support. #1790

Rep. D. Johnson, Dist 15 testified in support.

Frank Walker, NDVMA, past pres. – testified in support. #1802, #1803.

Dr. Derine Winning, NDVMA – testified in support. #1804.

Dr. Laura Beaudoin, Pres. NDVMA – testified in support. #1805.

Jason Schmidt –testified in support. #1894.

Julie Ellingson, NSD Stockman’s Assoc. – testified in support. #1814.

Brooke St. Germain, Vet student – testified in support. #1729.

Victoria Laven, Vet student – testified in support #1730.

Emmery Mehlhoff, NDFB – testified in support.

Nancy Kopp, ND Optometric Assoc.-testified in support. #1759.

Lisa Feldner, ND Dental Assoc.-testified in support.

Brenda Zastoupil, NDUS, -testified in support.

Additional written testimony:

Kathryn Slavick – support #1752

Emily Dorsey – support #1728

Ashley Segal – support #1727

Neil Dyer – support #1143

Adjourned at 11:12 a.m.

Lynn Wolf, Committee Clerk

SB 2140

#1790

January 20,2021

Sen. Joan Heckaman

Chairman Schaible and Members of the Committee:

I am Sen. Joan Heckaman and I am here to lend my support to SB 2140 that addresses loan repayments by students studying veterinary medicine. This bill addresses a claw back on the dates of repeal of this provision.

I have been on both sides of this fence on this issue in past sessions but have come to realize penalizing people does not entice them to return to North Dakota, nor does it send a message that we are here to support our agriculture industry and people who care for large and small animals. I believe the removal of the repayment stipulation may increase the number of veterinary students returning to begin their practice in the state.

You will hear from veterinarians on how this program works and what the future holds for animal agriculture and large and small animal practices throughout the state.

I would ask that you give SB 2140 a Do Pass recommendation.



Help Our Kids

Become Tomorrow's Veterinarians



#1802

Vote **YES** on
SB 2140

The ISSUE:

The North Dakota Legislature in 2019 approved a “Comeback or Payback” provision to the Professional Student Exchange Program (PSEP). The legislation was added during the last few days of the session and **did not allow for a legislative hearing or testimony from stakeholders.**

The “Comeback or Payback” provision means that newly enrolled (2020 and beyond) North Dakota students in veterinary medicine programs through the PSEP will be subject to paying all of the PSEP funds back unless the student returns to North Dakota within 36 months of graduation to provide a service payback.*

**deferred for full time graduate studies or called to active military duty*

PSEP History:

- Established in 1970s to provide **access to slots** in veterinary medicine, optometry and dentistry to **facilitate access** to meet ND industry needs.
- There was a service payback initially that was repealed in 1983.
- The payback was repealed:
 - ~ Difficulty for some PSEP participants to locate employment in ND.
 - ~ Terms of repayment note were difficult to enforce and collect.

PSEP Study Findings:

~ **Repayment had not significantly affected return rates to ND** (2006 study).

WHY THE “COMEBACK or PAYBACK” PROVISION HURTS OUR KIDS...



Our graduates **AREN'T GUARANTEED A JOB** in ND and **WORKFORCE NEEDS MAY NOT FIT THEIR SPECIALIZATION.**

- Many of our students already return to ND to work (48% return rate).
- Veterinary medicine students often track their education along specialized career areas and there may not be jobs in ND that are suited for their education and skills.



Our students **ALREADY HAVE CRUSHING DEBT** after graduation. It **WILL BE EXTREMELY DIFFICULT** for our students **TO PAY THE PSEP MONEY BACK.**

- Our veterinary PSEP students have an average debt load of \$163,000 at graduation. A PSEP payback (ranging from \$51,000—\$129,000) will add to the already high student debt.
- PSEP payback will be assessed **ALL AT ONCE**. Veterinarians early in their careers will not have the collateral necessary to obtain a loan to cover the payback.



Requiring a payback equates to more than **DOUBLING THE OUT OF POCKET COSTS** for most of our students' education.

- Because ND universities don't offer a veterinary medicine degree, our students are at a huge disadvantage for tuition costs. Our students are charged “nonresident” tuition rates and most of them are charged more than double of what their “resident” classmates are charged.



NOT ALL VETERINARIAN JOBS IN ND PROVIDE SUPPORT FOR A LIVING WAGE. The median veterinarian salary (3-4 years experience) in ND is \$76,484 and debt is substantial.

- Many job opportunities in ND are rural with a mixed animal or large animal focus and may not support the debt of veterinarians or be compatible with employment needs (i.e. mentorship, practice costs).

HELP OUR KIDS BE SUCCESSFUL!

PSEP is necessary for access into veterinary schools and this support **PROVIDES A LEVEL PLAYING FIELD** for education costs.

?? FREQUENTLY ASKED QUESTIONS ??

How many veterinary medicine students can participate in the PSEP each year?

The budget includes 12 veterinary medicine slots each year:

- *WICHE Veterinary Med (1 slot)
- University of MN Veterinary Medicine (2 slots)
- Iowa State Veterinary Medicine (4 slots)
- Kansas State Veterinary Medicine (5 slots)

The **Western Interstate Commission for Higher Education (WICHE) is a regional organization created by the Western Regional Education Compact and adopted in the 1950s by Western states. WICHE was created to facilitate resource sharing among the higher education systems of the West. **WICHE exchange programs lower tuition costs for out-of-state students at participating colleges and universities in select western states and territories.***

How many veterinary medicine PSEP spots have been filled over the past 5 years?

2016-2017	11 applicants	6 funded
2017-2018	17 applicants	10 funded
2018 -2019	7 applicants	3 funded
2019-2020	15 applicants	6 funded
2020—2021	23 applicants	12 funded

How much of the tuition is paid by the student and how much is paid by the ND University System (NDUS) for veterinary medicine programs? (estimated rates from NDUS for the cohort 2019-2020 students).

University	Tuition Paid by ND Student Over Four Years	Amount of Tuition Paid through PSEP Over Four Years
Iowa State University	\$107,982	\$115,284
Kansas State University	\$ 89,740	\$114,452
University of Minnesota	\$131,040	\$ 51,581
Colorado State University*	\$149,476	\$129,600

Do most North Dakota veterinary students utilize the PSEP for access to veterinary medicine schools?

YES. Over the past five years 37/42 or 88% of veterinary medicine students utilized the professional student exchange program.

Why shouldn't the state expect a service payback since money is paid to help fund a student's education?

The support that ND taxpayers provide for our veterinary medicine students is far reaching in benefits.

Veterinary medicine is a very diverse profession. Veterinarians work on beef cattle, dairy cattle, swine, poultry, horses, companion animals, zoo, marine and exotic animals; practicing in these areas differ remarkably.

In addition, there are many specialties in veterinary medicine such as surgery, critical care, internal medicine, dermatology, ophthalmology, cardiology, neurology, toxicology, and pharmacology to name a few.

North Dakota does not provide employment opportunities in all of these areas of veterinary medicine. However, the state can still benefit by homegrown North Dakotans serving us from other states. They do this specifically by:

- keeping our animal food supply safe
- working in research, academia, government or industry
- acquiring a specialty and providing consultative services in ND or serving citizens from ND that travel to specialty centers
- gaining valuable experience and skills outside of ND, returning to ND several years after graduation and bringing their expertise back to the state

The return rate of our veterinary students is averaging 48%. Like other ND educated students (i.e. doctors, pharmacists etc.) there are many factors that drive decisions to employment outside of North Dakota. Even though many students are educated in North Dakota at tax supported institutions, there is not a service payback to work in ND attached to their education.



North Dakota Veterinary Medical Association

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Testimony of Frank Walker, Veterinarian In Support of SB 2140 January 20, 2021

Chairman Schaible and Members of the Senate Education Committee:

I'd like to express my appreciation for the opportunity to present North Dakota Veterinary Medical Association's (NDVMA) support for SB 2140.

My name is Dr. Frank Walker, and I am a veterinarian at Flickertail Veterinary Service in New Rockford, North Dakota. My practice is mixed animal with a primary focus on food animal production. I am also the immediate past president of the North Dakota Veterinary Medical Association (NDVMA). I have been involved in organized veterinary medicine on the state and national level during my professional career including serving six years on the American Veterinary Medical Association (AVMA) Council of Education (COE). This body accredits veterinary colleges across the United States, Canada, Mexico, and internationally. I served a three-term appointment to the North Dakota Board of Veterinary Medical Examiners and served on the board of directors and as president of the American Association of Veterinary State Boards, which is a regulatory body dealing with national licensing issues.

The Professional Student Exchange Program (referred to as PSEP) was established in 1977 to provide North Dakota students access to veterinary education not available in North Dakota. Acceptance into any veterinary program is highly competitive. State funded veterinary schools accept a higher proportion of their own resident applicants leaving fewer seats available for those who apply from out of state, which increases the competition even more for those few remaining seats. Through the PSEP program, the State of North Dakota has entered into agreements that do two things for our veterinary students:

1. The State of North Dakota has negotiated PSEP agreements with specific universities that guarantee seats for ND students. Through these agreements the ND student doesn't have to compete against other applicants for admission to the college of veterinary medicine. Note that the student must still meet admission requirements and be officially accepted into the college of veterinary medicine. PSEP in essence "levels the playing field" for admission of ND students by reserving access to 12 seats/slots for qualified ND students at the following universities:
 - 4 slots at Iowa State University
 - 5 slots at Kansas State University (KSU)
 - Note that admission to the KSU program requires demonstrated interest in mixed animal/food animal practice on the part of the applicant.
 - 2 slots at University of Minnesota
 - 1 slot in the Western Interstate Commission for Higher Education (WICHE)
2. PSEP pays the nonresident tuition differential (~\$105,513 per 4 yrs/student weighted average) for students who are admitted to these seats. PSEP provides a level playing

field for the cost of an education as the PSEP student is responsible to cover the “resident” tuition costs (~\$107,682 per 4 yrs/student weighted average) of their education and the state of ND covers the remaining costs above the “resident” tuition costs. These students are not being given a free ride or free education, they still must cover the remaining in-state cost or portion of their education.

From 1977, when PSEP was established, until 1983 there was a requirement to comeback and work in the state for three years or payback all their PSEP funding. This requirement was repealed in 1983. The “comeback or payback” was repealed because some graduate veterinarians who received PSEP funding were unable to find employment in ND and the ND University System found the terms of the repayment note were difficult to enforce and collect. In the 2017 legislative session, a bill was introduced to require comeback and payback for PSEP students but was voted down. In the 2019 legislative session, a provision was added to ND University System bill, where PSEP is funded, to again require graduate veterinarians to “comeback or payback” their PSEP funding. This provision was added in conference committee during the final days of the session, so there was no opportunity for public hearing or stakeholder input or debate. In the current 2021 legislative session, we are in support of SB 2140 that seeks to **release** PSEP recipients from the “comeback or payback” provision.

NDVMA greatly appreciates the opportunity that PSEP provides for veterinary students by paying the differential between the non-resident and resident tuition cost, thus allowing the student to enroll at the resident tuition cost for the selected university and for providing reserved seats for qualified ND students. This program is critical in providing qualified students the ability to pursue a Doctor of Veterinary Medicine degree. We believe the best interests of our stakeholders and students are served by not requiring them to “comeback or payback” the PSEP funding.

We ask for your support of SB 2140 that will remove the requirement to “come back or payback” PSEP funding on the part of veterinary students from North Dakota.

Dr. Derine Winning and Dr. Laura Beaudoin are joining us via Zoom to present additional supportive testimony. I’d be happy to answer any questions.



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**Testimony of Derine Winning, DVM
Support of SB 2140
January 20, 2021**

Chairman Schaible and members of the Senate Education Committee:

I am Dr. Derine Winning, and I am here today as the public policy advisor for the North Dakota Veterinary Medical Association testifying in support of SB 2140, which repeals the PSEP comeback or payback provision. NDVMA has more than 300 member veterinarians who have an active interest in supporting the education of tomorrow's veterinarians.

NDVMA is against the comeback or payback provision for several key reasons.

One of the foremost concerns is no guarantee of a job within the state. The profession of veterinary medicine is becoming increasingly specialized. Students in veterinary school select education tracks that tailor their learning to areas of specific practice, making the appropriate job more difficult to find in our state. Most students, approximately 60 percent, will choose education tracks that focus on small animal practice. They may even choose a specialty such as cardiology, dermatology or ophthalmology. Large animal focused students may specialize in equine, dairy or swine exclusive practice. Still others will choose to tailor their career toward industry, academia, uniformed service, or other government settings. According to the American Veterinary Medical Association's 2019 State of the Profession Report, only three to five percent of veterinarians are practicing predominantly or exclusively food animal medicine. This makes it a challenge to fill these positions within our state.

While North Dakota does not provide employment opportunities for all areas of veterinary medicine, the citizens of the state still benefit from North Dakota veterinarians serving them from other states. Such veterinarians may provide consulting services for ND producers, work in out-of-state research facilities to benefit our citizens, or provide inspection and contagious (zoonotic) disease surveillance services in other states to keep our citizens and food supply safe.

In addition, many young veterinarians gain valuable experience outside the state and return to ND several years after graduation. I was one of those PSEP students. I graduated from Colorado State University with a DVM degree in 1997. For almost seven years after graduating veterinary school, I searched for an appropriate job in ND. During those years, while living in another state, I practiced fast paced small animal, exotic animal and emergency medicine. I gained useful practice, business and leadership experience that helped me come back to be a productive ND veterinarian. Not only did I become an owner of a small animal practice in Fargo, but I also started, with other local veterinarians, the first emergency animal hospital in the state. Red River Animal Emergency Hospital and Referral Center today receives referrals from veterinary clinics in other states, including the University of Minnesota Veterinary Medical Center.

In looking at the desire for ND PSEP recipients to return, we have found the return rate for PSEP veterinary students is already at 48 percent within three years of graduation. In addition, survey information gathered from recent PSEP graduates in veterinary medicine from 2014-2019 revealed 55 percent wanted to come back to ND.

Another reason PSEP students may not be able to return to the state is because not all available jobs in ND can support their student debt. The median salary for a ND veterinarian with three to four years of experience is approximately \$76,000. In comparison, the average veterinary PSEP student debt is \$163,000, over twice the amount of their starting salary. It will be extremely difficult for these veterinarians to earn a living wage. Providing for their family, purchasing necessary items such as a home, auto or even a practice can become impossible.

If they are not able to return, ND PSEP recipients will face an unmanageable debt load that will be extremely difficult to pay back. In addition to the average student debt of \$163,000, a PSEP payback for a veterinary student can add \$51,000 to \$129,000 of additional debt. The PSEP payback requirement stipulates the student must return these funds all at once. For a typical new graduate with no credit history or collateral, this can turn into a hopeless situation. They may not have an appropriate job opportunity within North Dakota, but they are not able to pay back the PSEP funding.

Finally, NDVMA realizes the state of North Dakota provides funding for other professional degrees without the requirement of returning to practice in the state. Pharmacists, medical doctors and engineers all may be educated in state with taxpayer dollars but do not have the requirement to stay within the state to practice for specified periods of time. It has been argued North Dakota does not provide funding for other individuals seeking advanced degrees not available in state. But how many of those advanced degrees come back to North Dakota? With veterinary PSEP students, ND has a real chance, as almost 50 percent do come back of their own free will. ND veterinary PSEP students are a good investment without the comeback or payback provision.

SB 2140 offers our veterinary students a real chance at success. Thank you for the opportunity to address the committee and for your continued commitment to working together to address the needs of young North Dakotans. I ask for your support of SB 2140, please vote YES on SB 2140.



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Testimony of Laura Beaudoin, DVM

In Support of HB 2140

January 20, 2021

I am Dr. Laura Beaudoin, an associate veterinarian in Dickinson, as well as the president of the North Dakota Veterinary Medical Association. I am here today to encourage you to support SB 2140, which repeals the “Comeback or Payback” provision that was added to the Professional Student Exchange Program (PSEP) during the final days of the 2019 Legislative Session.

As a young veterinarian, I have first-hand knowledge of what the PSEP program means to North Dakota veterinary students and have several concerns with the payback requirement. These concerns include the ability to pursue a chosen career, the availability of veterinary jobs and the ability to obtain decent salaries.

I graduated from the Colorado State University (CSU) Veterinary College in 2013. As a recipient of WICHE funding, I can attest to the fact that this program makes a major financial impact on students. My parents completely supported me in my decision to apply to veterinary colleges but were cognizant enough to teach me about the cost of education and to look at the starting salary and lifelong earning potential of being a veterinarian. With this knowledge, when I was originally offered a position at CSU as an out-of-state resident with no financial aid assistance, I turned it down. Unfortunately, I couldn’t make the numbers work. I turned down my dream, hoping I’d qualify for one of the PSEP programs and understanding I may have to choose another career path. Thankfully, I qualified for WICHE funding and was able to accept a position to fill the ND WICHE seat at CSU.

I share this story because this isn’t a scenario for ND students that want to be pharmacists or human medical doctors because these programs are offered in ND, at resident tuition rates. My friends who went to medical school didn’t have to consider a different dream because the cost of out-of-state education was too expensive to allow them to pursue it, and there is no requirement for them to serve in ND after graduation. I believe the state legislature understands that it is impossible to have professional colleges for every career path, which is why ND participates in PSEP. The PSEP website states the goal of the program is to help less populous states, like North Dakota, to be able to educate their students in a variety of health care professions, such as veterinary medicine, without the cost of setting up their own in-state programs.

I have also recently dealt with the ND veterinary job market; once in 2013 as a new graduate and again in 2015 after practicing for two years in a rural, mixed-animal practice. Based on my job searches, I have a serious concern for the quality of jobs that will be available to students when they are required to take a job in ND. In 2013, I didn’t have any geographical restrictions. I just wanted to be back in my home state of ND. I looked at jobs all over the state, but just because there was a veterinary position available didn’t mean it was a good fit for me. Out of at least 10 clinics advertising for veterinarians, there were only two looking to hire and mentor a mixed-animal veterinarian while offering a salary with which I

could make my loan payments. In 2015, I was a mixed-animal veterinarian moving to the Dickinson area looking for a job in my realm of the veterinary profession. Unfortunately, there were no large- or mixed-animal clinics in the area that were hiring. Therefore, I changed my career path and took a job at as a small-animal practitioner. I'm afraid for the new graduates that will be forced to take jobs at clinics they don't fit into, clinics that don't offer any mentorship, clinics that don't focus on their preferred species, and clinics where they can't make a viable salary, just because they accepted state funding to receive an education ND isn't able to offer.

Finally, I have concerns about what a large influx of veterinarians in the state year after year will do to already low salaries and poor benefit packages. Veterinary medicine is not known to be a lucrative career. The median veterinarian salary with three to four years of experience in ND is only around \$76,000. Even lower starting salaries make it really hard to budget for monthly payments on with an average debt load of \$163,000 at graduation. With more and more veterinary students being forced to return to ND or take on an additional \$50,000-\$130,000 in debt to pay back PSEP money, ND veterinary clinics won't have to increase salaries or benefits to recruit veterinarians; graduates will be forced to take those jobs simply because they need a job within the state borders.

In summary, I encourage you to support SB 2140 because PSEP isn't a veterinary recruitment tool, it is creating a level playing field for our pre-veterinary students to follow their career aspirations and accept employment that fulfills them and financially supports them. I'm happy to answer any questions.

Wednesday Jan. 20th, 2021

**Testimony to the Senate Education Committee regarding SB 2140
Chair - Senator Don Schaible**

Good morning Chairman Schaible, Vice-Chair Elkins and members of the committee. I am Jason Schmidt from Kidder County. I am here today to testify in favor of SB 2140 and returning the PSEP program to the way it has been run for the better part of the last 40 yrs. My daughter Paige is currently enrolled at Kansas State University in her 1st year of vet school. Therefore, she is part of the first class of ND students affected by the 11th hour changes to the program in the last legislative session.

As I visited with her about school and her future in veterinary medicine during the Christmas break, she expressed the concerns she had over the pressure to find a job in ND upon graduation in order to avoid the extra \$112,000 expense she would incur if she couldn't find something within 3 years! When I told her she was the first class in nearly 40 years to have this requirement, she was shocked to say the least.

As a parent I am not just concerned about the extra debt she may incur if she can't find a job here in 3 years but also and maybe even more importantly, she could be forced to take a job in a field or practice that is not at all in her specialty. The harsh reality about vet school is that these students need real world experience upon graduation to become a practicing veterinarian and you can't accomplish that if you aren't able to gain the practical skills in your area of expertise because you took any job you could find just to satisfy this requirement.

Now I have no doubt that Paige will return to ND and become a practicing veterinarian someday here because she loves her home state and her small town heritage. She is the epitome of ND nice and loves everything our wonderful state has to offer. However, as a parent, I just don't want her to follow a path that will lead her away from her strengths and passion in her career. After 7 or 8 years of school I would hope she could be rewarded by a job she enjoys and puts her heart and soul into and not one that makes her miserable and resentful to go to work each day.

Thank you for your time and I would again ask for your support on SB 2140.

North Dakota Stockmen's Association
Testimony to the Senate Education Committee on SB 2140
Jan. 20, 2021

Good morning, Chairman Schaible and Senate Education Committee members. My name is Julie Ellingson and I represent the North Dakota Stockmen's Association, a 91-year-old beef cattle trade organization comprised of approximately 3,000 cattle-ranching families.

Cattle producers regard our veterinarians as critical partners in our operations, helping us maintain healthy herds, profitable businesses and, ultimately, a safe food supply. It's the reason the Stockmen's Association is a long-time supporter of the Professional Student Exchange Program, which provides specialized learning opportunities for North Dakota students at out-of-state veterinary schools. It's also why we stand in support of SB 2140, which would return the program parameters to how they had previously been.

As we just heard from our veterinary experts and our up-and-coming veterinary experts, the debt-to-income ratio for veterinarians – particularly those in food-animal practice – is substantial and rising. At two or even more times the potential earning value, the debt-load can be enough sometimes to deter otherwise talented and able students from pursuing a veterinary career. With no in-state options for veterinary training in North Dakota, our youth are already subject to non-resident tuition and, in many cases, charged double of their resident classmates.

The Professional Student Exchange Program was designed to create access for our students at these institutions of higher learning. While it is fantastic when we can recruit our students back home – and we often do – we feel it is inappropriate for the state to attach repayment provisions to the program. The uncertainty of a possible \$50,000 to \$130,000 being added to an already crushing debt load of nearly \$170,000 may very well steer our students away from this profession all together, which can directly impact livestock producers.

The livestock industry relies on dedicated, qualified animal health professionals to service our herds here in the state. Our industry, however, also benefits from the best and brightest – the kind we raise right here in North Dakota – working in veterinary specialties, research, USDA and state animal health offices and for our colleagues around the country to keep our domestic herd healthy. And that's why supporting our students through the PSEP program, no matter where life takes them, is a worthwhile investment for North Dakota and the livestock industry.

Testimony of Brooke St. Germain
Support of SB 2140
January 20, 2021

Chairman Schaible and members of the Senate Education Committee,

My name is Brooke St. Germain, and I am a first-year student at Iowa State College of Veterinary Medicine focusing on mixed animal medicine and currently plan on working in mixed animal and/or emergency and critical care practice in North Dakota. I am here today to indicate my support of SB 2140, which repeals the Professional Student Exchange Program (PSEP) service payback provision.

I applied for the PSEP in 2019 while applying for veterinary school so that I could have access to veterinary school that my peers who do not live in North Dakota may not have and to assist in reducing my veterinary school tuition costs, which is already overwhelmingly high. The “comeback or payback” provision was added after I had already submitted to apply for PSEP and veterinary schools, and I did not get an opportunity to speak against it at the time.

Although I am planning to come back to North Dakota, I have many concerns about the comeback or payback provision. First, after graduating from veterinary school, I may not be able to find a job immediately in North Dakota that will allow me the opportunities for growth, mentorship, or that will follow the level of medicine I would be familiar with. If I am unable to find a job in North Dakota that suits my needs as a new practitioner, I am concerned I would be starting off my career with a path that would set me up for failure.

In addition, as someone interested in mixed animal medicine, statistically I will not be earning as high of a salary than my counterparts who are interested in other realms of veterinary medicine, such as small animal or specialty medicine, for example. Therefore, I may have to forfeit my large animal interests in order to earn a salary that will allow me to pay back my loans and provide a living wage.

Finally, I am concerned that North Dakota risks job oversaturation with the comeback or payback provision which will make it even more difficult for PSEP graduates to find jobs in the future. Jobs that do have what new veterinarians are looking for (such as mentorship, decent starting salary and benefits, work-life balance, etc.) will become fewer and far between each year, and the vast majority of new veterinarians don’t have the funds to start their own practice immediately nor the experience needed. I fear this could lead to students like myself being unable to come back to North Dakota and would lead to having students needing to pay back their PSEP funding regardless of wanting to come back or not.

Thank you for the opportunity to indicate my support for SB 2140. I’d be happy to answer any questions.

Testimony of Victoria Laven, Veterinary Student
Professional Student Exchange Program Recipient
In Support of SB 2140
January 20, 2021

Chairman Schaible and members of the Senate Education Committee:

I'm Victoria Laven, and as a Professional Student Exchange Program (PSEP) recipient, I would like to voice my support of SB 2140. I am from Fargo and am currently a freshman at the University of Minnesota College of Veterinary Medicine.

I believe I speak for myself and my fellow veterinary student recipients of PSEP when I say that the importance of the passage of the SB 2140 bill cannot be understated. I have career goals that include specializing and becoming a board-certified veterinarian, a process which can take up to six years post-graduation due to the need to complete an internship and a residency. Currently, North Dakota does not have any approved internship or residency training programs that would allow me to achieve this goal.

My career goals also include earning a living wage sufficient to support a family and pay back the substantial student loan debt I will have acquired. According to the 2018 AVMA Report on the Market for Veterinarians, while accounting for all other factors, obtaining a board certification and serving in a residency leads to a higher mean income. Studies and data on this topic continue to show that the earning power of a board-certified specialist is significantly greater than a general veterinary practitioner. The service payback provision would prevent me from becoming board certified and earning a salary that would improve my quality of life.

Finally, I would like to contribute to my profession and community in a meaningful way and becoming board-certified would allow me to do so. Specialists are in demand at universities, private practices, and in industry. Becoming a board-certified specialist would allow me to obtain a breadth of knowledge and a unique skill set that I could eventually bring back to North Dakota, ultimately helping to improve the quality and diversity of veterinary services available in the state. However, in order to make this meaningful contribution I will need flexibility, of which the service payback provision does not provide.

On a personal level, the implications of the service payback provision are steep as well. North Dakota has a very limited job market for the career that my partner is pursuing. This will not only cause he and I financial hardship but will also impede our ability to be together and start a family. It is

extremely discouraging to think that myself, and potentially some of my fellow PSEP recipients, will be faced with the choice of fulfilling the service payback provision, but limiting our education and training, or taking on even more student debt in order to achieve our goals and be with loved ones.

Throughout my life, I have continued to return to North Dakota of my own volition, this is evidenced by my decision to move back home after graduating college, studying at NDSU in order to complete my pre-requisite courses for veterinary school, and making my final choice on veterinary school based on its proximity to my hometown. Data shows that without the obligatory provision to return to the state, this trend will continue, as veterinary graduates return to North Dakota at a higher rate than both dentistry and optometry graduates. Due to the constrictions and potential for increased student loan debt, I fear that the service payback provision will actually have the opposite effect of its intent and make it less likely for veterinary graduates to return and stay in North Dakota.

Please know I am extremely grateful to be a part of the PSEP and to have the continued support of my state. I strongly believe if SB 2140 were to pass, it would enable myself and my fellow veterinary students to become better citizens and representatives for North Dakota.

Thank you for the opportunity to address the committee and express support of SB 2140.

SB 2140

Senate Education Committee

January 20, 2021- 10:00 A.M. – Room 216

Good Morning Mr. Chairman and members of the Senate Education Committee. My name is Nancy Kopp, Executive Director of the North Dakota Optometric Association. I appear before you in support of Senate Bill 2140.

I would like to simply provide you with a background, averages for tuition and student debt, practice modalities and demographics for the practice of optometry in North Dakota, for your consideration, as follows:

NDOA represents 159 of the 178 licensed optometrists that reside and practice in North Dakota. 75% of NDOA members own or are employed in private practice and 25% are employed by a hospital or physician. 20% provide primary eye care and vision services at a satellite clinic 2-3 days per week, traveling up to 125 miles from their primary practice. 77% practice in an urban area and 23% practice in a rural community. 55% are male and 45% are female.

The average student loan upon graduation for optometrists, to my knowledge is \$200,000.00-\$250,000.00 The average tuition rate at Pacific School of Optometry, the school most North Dakota residents attend, is \$43,000.00 and the national average earning potential is reported at \$123,000.00. Again, national average and may vary from state to state, depending on economic conditions.

The Professional Student Exchange Program has for many years, provided tuition subsidies for North Dakota students that attend out-of-state professional schools in Optometry, Dentistry and Veterinary Medicine; schools that North Dakota does not provide the infrastructure or programs for.

According to the University System Proposed Budget allocations for 2020-2023, PSEP provides an average of 7 freshman slots for Dentistry at approximately \$26,000.00, 8 for Optometry at \$19,500.00 and 12 for Veterinary Medicine @ \$30,800.00. I'm assuming that the number of slots appropriated, are based on

projections of future professional student applications and future workforce needs that may satisfy consumer access to healthcare issues. There is no question that the PSEP has been a true incentive for North Dakota students to consider optometry as a career.

On another note that your committee may want to take into consideration and solely for your information, the profession of optometry is not included in the ND Health Council's Loan Repayment Program, as Dentists and Veterinarians are, that further provides many profession's, funds to reduce educational loan forgiveness, who agree to serve the underserved, primarily rural areas over a 2-4 year period; approximately \$60,000.00-\$80,000.00 per recipient. The NDOA is not advocating, at this time, for inclusion in the Health Council's Loan Repayment or Loan Forgiveness, however do see a need in the future, as 3 optometric practices in rural North Dakota have simply closed their doors, upon retirement, as they were unable to recruit an optometrist to maintain the practice and serve the local residents with their eye and vision care.

In closing, I would like to assure you that the NDOA does work hard to maintain a communication and education channel with all PSEP recipients, throughout their 4 years of professional doctoral degree education program, provided out-of-state and encourage them to return to North Dakota to practice their chosen profession, upon graduation. The earning potential is what one sets their "sight on"!

While supporting the repeal of the repayment provision, the NDOA firmly believes that the program originally was designed to apply to all three professions and feel that it is important that any changes be applied equally to the professions. Uniformity is critical.

I would be happy to answer any questions you may have, or obtain additional information upon request. Thank you in advance for your considerations.

Nancy Kopp – NDOA Executive Director – nkopp@ndeyecare.com or 701-391-2771.

Testimony of Kathryn Slavick, Student

North Dakota State University

In support of SB 2140

1.20.2021

Members of the Senate Education Committee:

My name is Kathryn Slavick, and I am representing NDSU Pre-Vet Club and other North Dakota pre-veterinary students planning to apply to veterinary school this year, testifying in support to SB 2140.

NDSU Pre-Vet Club's primary purpose is to prepare students for veterinary school by providing resources and opportunities to develop skills for a successful veterinarian career. The decision regarding SB 2140 will have a direct impact on pre-veterinary students across the state of North Dakota.

Many North Dakotan veterinary students rely on the Professional Student Exchange Program (PSEP) program or plan to rely on the PSEP program in order to afford their education. Considering that North Dakota does not have a veterinary school, ND veterinary students appreciate the opportunity to be supported via PSEP WITHOUT the requirement of service payback ("comeback or payback"). Therefore, I urge you to repeal the PSEP service payback provision for the reasons described below.

The requirement of service payback is not possible for many graduates. There is no guarantee that graduates will be able to find a veterinary position within the state of North Dakota. In addition, there is no guarantee that the graduate will be able to find a position that is appropriate to one's specialized education. Food animal medicine, companion animal medicine, specialized surgery, and research medicine are just a few examples of how diverse a veterinary education can be. Veterinary graduates face a tremendous amount of debt. The risk of not finding a job in North Dakota and needing to payback the PSEP funds will add additional financial strain during a time when graduates are looking to begin the process of paying back their debt; not accumulating more debt.

Many North Dakota students have agricultural backgrounds and plan to enter the field of food animal medicine. However, **the service payback requirement is not the solution to filling the rural veterinarian need.** There is no quick fix for that problem, as becoming an established rural veterinarian with food animal expertise face even greater challenges and costs. Requiring service payback may detour individuals from pursuing a career in food animal medicine, as some find work outside the state of North Dakota in order to reduce debt load and gain experience prior to returning to ND to serve their rural community. Focusing on the large debt to income ratio and repayment provision or service payback, many passionate and bright students may come to the realization that a veterinary career may not be financially possible for them – especially for students who have already started acquiring debt during undergraduate school.

It is also reasonable to note that many graduating veterinarians return to North Dakota (without service payback requirement), with a current return rate of 48%, according to the NDVMA. This rate is greater than other professional programs such as dentistry and optometry. There are many dedicated and passionate students planning to return to North Dakota, in order to serve their communities, whether it be rural or urban. **The service payback requirement is not needed in order for graduates to come back to North Dakota; rather it serves as a financial barrier and risk to those willing to serve communities at need.**

Thank you for the opportunity to address the committee to express support to this bill and for your continued commitment to working together to address the needs of North Dakotans. I urge you to vote YES on SB 2140.

Testimony of Emily Dorsey, College of Veterinary Medicine Student

Iowa State University

In Support of SB 2140

01/18/21

Chairman Schaible and members of the Senate Education Committee,

I'm Emily Dorsey, and I am representing NDVMA and other North Dakota students, testifying in support of SB 2140. I am currently a first-year student at Iowa State University College of Veterinary medicine and I am focused on a small animal/exotics field as well as a possible orthopedics speciality interested in giving my expertise back to the state of North Dakota after graduation. I am representing myself and other veterinary students testifying in support to SB 2140.

I applied to veterinary school in the fall of 2019 alongside applying for PSEP to try and gain access to the opportunity to have a lessened tuition cost, as the cost today is already extremely high. The PSEP had added a new "comeback or payback" regulation that same year that would require students to either come back and work in the state of North Dakota or pay back the tuition cost they had helped to pay during schooling. With this being added so quickly during the year I had applied, I was never given the opportunity to speak on the issues I have on it.

Working in North Dakota in the past has always been delightful and I fully planned on returning after graduation to give back to my community that had given me so much. However, I do have concerns about the comeback or payback regulation. To start, many students that are in my position when it comes to this regulation are afraid of the inability to find a job right out of school that both fits their needs and wants when it comes to a practice. I believe that because of this, if one wasn't able to find a job the regulation would thus push them to have to instead pay back the state. I believe that most students coming out of North Dakota already have the idea of going back to the state after graduation and that this regulation was not necessary in the first place.

Thank you for the opportunity to address the committee and express support for this bill and for your continued commitment to working together to address the needs of North Dakotans. I urge you to support SB 2140.

Testimony of Ashley Segal
Support of SB 2140
January 20, 2021

Chairman Schaible and members of the Senate Education Committee,

My name is Ashley Segal, and I am a senior at North Dakota State University. I applied to multiple Colleges of Veterinary Medicine this past summer. My goal is to become board certified in either critical care or surgery. I am here today to indicate my support of SB 2140, which repeals the Profession Student Exchange Program (PSEP) service payback provision.

This past cycle, I did not apply for the PSEP because of the payback provision. Many students, such as myself, want to pursue a career in one of the many veterinary medical specialties. However, North Dakota does not offer many career opportunities for students choosing this path. If I were to apply for the PSEP and be accepted, there would be a chance that I would not be able to find a job in North Dakota in the area that I specialized in. This would force me to either pay back the tuition money at a single point in time or find a job in North Dakota that does not allow me to grow and develop the skills needed for my specialty. This would put me behind in the career that I worked so hard to be successful in.

Due to the uncertainty of not being able to find a job in North Dakota that suits my specialty, I support the repeal of the PSEP service payback provision in SB 2140.

Thank you for this opportunity,

Ashley Segal

Dear Senator Sorvaag,

My name is Neil Dyer, a veterinarian employed by NDSU that has been involved for over twenty years in providing career counseling for undergraduate students interested in pursuing a career in veterinary medicine. I am contacting you to express my support of SB 2140 and ask for a “yes” vote on this bill.

SB 2140 repeals the “Comeback or Payback” provision added to the Professional Student Exchange program (PSEP) for veterinarians, optometrists, and dentists if recipients do not return to North Dakota and provide a service payback within 36 months of graduation. This legislation was added during the final days of the 2019 legislative session in a conference committee as an amendment and did not provide an opportunity for a committee hearing with testimony opportunity.

The thinking behind requiring a payback for individuals receiving financial assistance for their veterinary training is flawed for a number of reasons. I would like to briefly summarize those reasons for you. 1. North Dakota already subsidizes the education of medical doctors at UND and imposes no financial requirement on where those doctors practice medicine. The same provision should be in place for veterinarians. 2. North Dakota has a limited number of open positions for veterinarians returning to the state and in a few short years veterinary graduates would be forced to pay back their assistance because no place of employment would exist in the state to disallow that payback. 3. The cost of a veterinary education is already substantial. Most new veterinarians graduate with about \$150,000 of educational debt; adding a payback requirement would essentially double that amount and cripple them with monthly loan payments. 4. Since North Dakota has no in-state access to a veterinary education, and North Dakota has a substantial need for animal health professionals to help with animal agriculture and ownership, it is not unreasonable for the state to provide out-of-state assistance to those individuals who seek training in veterinary medicine. In the years before a payback clause was in place there was already nearly a 50% return rate on North Dakota students coming back to North Dakota. This is a clear illustration that North Dakota students want to come home. 5. Finally, a veterinary shortage cannot be the reason for requiring a payback clause as we do not have a shortage of veterinarians in North Dakota. However, we do have portions of the state that do not have veterinarians because the population base cannot support a viable practice. These issues are being addressed in a different way; namely that of providing financial assistance to veterinarians who are willing to locate in a less populous part of the state.

North Dakota should support the PSEP and help educate our veterinary students. PSEP is necessary for access to out-of-state veterinary schools and this support provides fairness in educational costs. **I urge you to vote “YES” on SB 2140 to repeal the comeback or service payback requirement.**

Please let me know if you have any questions regarding this issue.

Thank you for your attention to this matter.

Sincerely,

Neil Dyer, DVM, MS, DACVP
Institutional Attending Veterinarian and Director of Animal Resources
NDSU
Fargo, ND

2021 SENATE STANDING COMMITTEE MINUTES

Education Committee
Room JW216, State Capitol

SB 2140
2/2/2021

AN ACT relating to professional student exchange program repayment; relating to professional student exchange program repayment; and to provide for a legislative management study.

2:57 p.m.

Discussion Topics:

- Committee Work

Sen Oban: I move a Do Pass

Sen Lemm: I second

Roll Call Vote: 5 - YES 1 - NO 0-AB
Motion Passed

Sen Lemm will carry the bill.

Senator	Attendance
Chairman Schaible	P
Senator Elkin	P
Senator Conley	P
Senator Lemm	P
Senator Oban	P
Senator Wobbema	P

SB 2140	
Senator	Vote
Chairman Schaible	N
Senator Elkin	Y
Senator Conley	Y
Senator Lemm	Y
Senator Oban	Y
Senator Wobbema	Y

Adjourned at 3:05 p.m.

Lynn Wolf, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2140: Education Committee (Sen. Schaible, Chairman) recommends **DO PASS** (5 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2140 was placed on the Eleventh order on the calendar.

2021 HOUSE EDUCATION

SB 2140

2021 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Coteau AB Room, State Capitol

SB 2140
3/8/2021

Relating to professional student exchange program repayment; relating to professional student exchange program repayment; to provide for a legislative management study; and to declare an emergency
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Chairman Owens called the hearing to order at 3:37 PM. Roll call: Reps. Owens, Schreiber-Beck, Heinert, Hoverson, D. Johnson, M. Johnson, Longmuir, Marschall, Pyle, Richter, Zubke, Guggisberg and Hager present.

Discussion Topics:

- Student penalization from repayment program
- PSEP 'comeback or payback' provision
- Job guarantee lacking
- No differentiation between veterinary/optometric/dental professions

Sen. Robert Erbele introduced the bill

Sen. Joan Heckaman, #7813

Frank Walker, DVM, Flickertail Veterinary Service, #7857, #7856

Jason Schmidt, #8042

Julie Ellingson, ND Stockmen's Association

Emmery Mehlhoff, ND Farm Bureau, #8214

Derine Winning, Policy Advisor, NDVMA, #7860

Laura Beaudoin, DVM, #7861

Andrew Carver, DVM, #7895

Victoria Laven, #7880

Nancy Kopp, Ex. Director, ND Optometric Association, #8074

William Sherwin, Ex. Director, ND Dental Association

Additional written testimony: #7890, #7891, #7892, #7894, #8215

Chairman Owens closed the hearing at 4:45 PM.

Bev Monroe, Committee Clerk

SB 2140

March 8, 2021

Sen. Joan Heckaman

Chairman and Members of the Committee:

I am Sen. Joan Heckaman from D-23 and I am here to lend my support to SB 2140 that addresses loan repayments by students studying veterinary medicine.

I have been on both sides of this fence on this issue in past sessions but have come to realize penalizing people does not entice them to return to North Dakota, nor does it send a message that we are here to support our agriculture industry and people who care for large and small animals. I believe the removal of the repayment stipulation may increase the number of veterinary students returning to begin their practice in the state. We need to remember that these students have additional loans they need to repay because this program only pays the difference between the out of state tuition and in state tuition at the veterinarian school they are attending. So, these students continue to have significant loans to pay off regardless of this program.

The study added by the Senate is also important to flesh out issues that may need attention next session.

We need to keep our PSEP student pipeline strong, not only in veterinary medicine, but also in dentistry and optometry.

I would ask that you give SB 2140 a Do Pass recommendation.



North Dakota Veterinary Medical Association

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Testimony of Frank Walker, Veterinarian In Support of SB 2140 March 8, 2021

Chairman Owens and Members of the House Education Committee:

I'd like to express my appreciation for the opportunity to present North Dakota Veterinary Medical Association's (NDVMA) support for SB 2140.

My name is Dr. Frank Walker, and I am a veterinarian at Flickertail Veterinary Service in New Rockford, North Dakota. My practice is mixed animal with a primary focus on food animal production. I am also the immediate past president of the North Dakota Veterinary Medical Association (NDVMA). I have been involved in organized veterinary medicine on the state and national level during my professional career including serving six years on the American Veterinary Medical Association (AVMA) Council of Education (COE). This body accredits veterinary colleges across the United States, Canada, Mexico, and internationally. I served a three-term appointment to the North Dakota Board of Veterinary Medical Examiners and served on the board of directors and as president of the American Association of Veterinary State Boards, which is a regulatory body dealing with national licensing issues.

The Professional Student Exchange Program (referred to as PSEP) was established in 1977 to provide North Dakota students access to veterinary education not available in North Dakota. Acceptance into any veterinary program is highly competitive. State funded veterinary schools accept a higher proportion of their own resident applicants leaving fewer seats available for those who apply from out of state, which increases the competition even more for those few remaining seats. Through the PSEP program, the State of North Dakota has entered into agreements that do two things for our veterinary students:

1. The State of North Dakota has negotiated PSEP agreements with specific universities that guarantee seats for ND students. Through these agreements the ND student doesn't have to compete against other applicants for admission to the college of veterinary medicine. Note that the student must still meet admission requirements and be officially accepted into the college of veterinary medicine. PSEP in essence "levels the playing field" for admission of ND students by reserving access to 12 seats/slots for qualified ND students at the following universities:
 - 4 slots at Iowa State University
 - 5 slots at Kansas State University (KSU)
 - Note that admission to the KSU program requires demonstrated interest in mixed animal/food animal practice on the part of the applicant.
 - 2 slots at University of Minnesota
 - 1 slot in the Western Interstate Commission for Higher Education (WICHE)
2. PSEP pays the nonresident tuition differential (~\$105,513 per 4 yrs/student weighted average) for students who are admitted to these seats. PSEP provides a level playing

field for the cost of an education as the PSEP student is responsible to cover the “resident” tuition costs (~\$107,682 per 4 yrs/student weighted average) of their education and the state of ND covers the remaining costs above the “resident” tuition costs. These students are not being given a free ride or free education, they still must cover the remaining in-state cost or portion of their education.

From 1977, when PSEP was established, until 1983 there was a requirement to comeback and work in the state for three years or payback all their PSEP funding. This requirement was repealed in 1983. The “comeback or payback” was repealed because some graduate veterinarians who received PSEP funding were unable to find employment in ND and the ND University System found the terms of the repayment note were difficult to enforce and collect. In the 2017 legislative session, a bill was introduced to require comeback and payback for PSEP students but was voted down. In the 2019 legislative session, a provision was added to ND University System bill, where PSEP is funded, to again require graduate veterinarians to “comeback or payback” their PSEP funding. This provision was added in conference committee during the final days of the session, so there was no opportunity for public hearing or stakeholder input or debate. In the current 2021 legislative session, we are in support of SB 2140 that seeks to **release** PSEP recipients from the “comeback or payback” provision.

NDVMA greatly appreciates the opportunity that PSEP provides for veterinary students by paying the differential between the non-resident and resident tuition cost, thus allowing the student to enroll at the resident tuition cost for the selected university and for providing reserved seats for qualified ND students. This program is critical in providing qualified students the ability to pursue a Doctor of Veterinary Medicine degree. We believe the best interests of our stakeholders and students are served by not requiring them to “comeback or payback” the PSEP funding.

We ask for your support of SB 2140 that will remove the requirement to “come back or payback” PSEP funding on the part of veterinary students from North Dakota.

Dr. Derine Winning and Dr. Laura Beaudoin are joining us via Zoom to present additional supportive testimony. I'd be happy to answer any questions.

Help Our Kids

Become Tomorrow's Veterinarians



Vote **YES** on
SB 2140



The ISSUE:

The North Dakota Legislature in 2019 approved a “Comeback or Payback” provision to the Professional Student Exchange Program (PSEP). The legislation was added during the last few days of the session and **did not allow for a legislative hearing or testimony from stakeholders.**

The “Comeback or Payback” provision means that newly enrolled (2020 and beyond) North Dakota students in veterinary medicine programs through the PSEP will be subject to paying all of the PSEP funds back unless the student returns to North Dakota within 36 months of graduation to provide a service payback.*

**deferred for full time graduate studies or called to active military duty*

PSEP History:

- Established in 1970s to provide **access to slots** in veterinary medicine, optometry and dentistry to **facilitate access** to meet ND industry needs.
- There was a service payback initially that was repealed in 1983.
- The payback was repealed:
 - ~ Difficulty for some PSEP participants to locate employment in ND.
 - ~ Terms of repayment note were difficult to enforce and collect.

PSEP Study Findings:

~ **Repayment had not significantly affected return rates to ND** (2006 study).

WHY THE “COMEBACK or PAYBACK” PROVISION HURTS OUR KIDS...



Our graduates **AREN'T GUARANTEED A JOB** in ND and **WORKFORCE NEEDS MAY NOT FIT THEIR SPECIALIZATION.**

- Many of our students already return to ND to work (48% return rate).
- Veterinary medicine students often track their education along specialized career areas and there may not be jobs in ND that are suited for their education and skills.



Our students **ALREADY HAVE CRUSHING DEBT** after graduation. It **WILL BE EXTREMELY DIFFICULT** for our students **TO PAY THE PSEP MONEY BACK.**

- Our veterinary PSEP students have an average debt load of \$163,000 at graduation. A PSEP payback (ranging from \$51,000—\$129,000) will add to the already high student debt.
- PSEP payback will be assessed **ALL AT ONCE**. Veterinarians early in their careers will not have the collateral necessary to obtain a loan to cover the payback.



Requiring a payback equates to more than **DOUBLING THE OUT OF POCKET COSTS** for most of our students' education.

- Because ND universities don't offer a veterinary medicine degree, our students are at a huge disadvantage for tuition costs. Our students are charged “nonresident” tuition rates and most of them are charged more than double of what their “resident” classmates are charged.



NOT ALL VETERINARIAN JOBS IN ND PROVIDE SUPPORT FOR A LIVING WAGE. The median veterinarian salary (3-4 years experience) in ND is \$76,484 and debt is substantial.

- Many job opportunities in ND are rural with a mixed animal or large animal focus and may not support the debt of veterinarians or be compatible with employment needs (i.e. mentorship, practice costs).

HELP OUR KIDS BE SUCCESSFUL!

PSEP is necessary for access into veterinary schools and this support **PROVIDES A LEVEL PLAYING FIELD** for education costs.

?? FREQUENTLY ASKED QUESTIONS ??

How many veterinary medicine students can participate in the PSEP each year?

The budget includes 12 veterinary medicine slots each year:

- *WICHE Veterinary Med (1 slot)
- University of MN Veterinary Medicine (2 slots)
- Iowa State Veterinary Medicine (4 slots)
- Kansas State Veterinary Medicine (5 slots)

The **Western Interstate Commission for Higher Education (WICHE) is a regional organization created by the Western Regional Education Compact and adopted in the 1950s by Western states. WICHE was created to facilitate resource sharing among the higher education systems of the West. **WICHE exchange programs lower tuition costs for out-of-state students at participating colleges and universities in select western states and territories.***

How many veterinary medicine PSEP spots have been filled over the past 5 years?

2016-2017	11 applicants	6 funded
2017-2018	17 applicants	10 funded
2018 -2019	7 applicants	3 funded
2019-2020	15 applicants	6 funded
2020—2021	23 applicants	12 funded

How much of the tuition is paid by the student and how much is paid by the ND University System (NDUS) for veterinary medicine programs? (estimated rates from NDUS for the cohort 2019-2020 students).

University	Tuition Paid by ND Student Over Four Years	Amount of Tuition Paid through PSEP Over Four Years
Iowa State University	\$107,982	\$115,284
Kansas State University	\$ 89,740	\$114,452
University of Minnesota	\$131,040	\$ 51,581
Colorado State University*	\$149,476	\$129,600

Do most North Dakota veterinary students utilize the PSEP for access to veterinary medicine schools?

YES. Over the past five years 37/42 or 88% of veterinary medicine students utilized the professional student exchange program.

Why shouldn't the state expect a service payback since money is paid to help fund a student's education?

The support that ND taxpayers provide for our veterinary medicine students is far reaching in benefits.

Veterinary medicine is a very diverse profession. Veterinarians work on beef cattle, dairy cattle, swine, poultry, horses, companion animals, zoo, marine and exotic animals; practicing in these areas differ remarkably.

In addition, there are many specialties in veterinary medicine such as surgery, critical care, internal medicine, dermatology, ophthalmology, cardiology, neurology, toxicology, and pharmacology to name a few.

North Dakota does not provide employment opportunities in all of these areas of veterinary medicine. However, the state can still benefit by homegrown North Dakotans serving us from other states. They do this specifically by:

- keeping our animal food supply safe
- working in research, academia, government or industry
- acquiring a specialty and providing consultative services in ND or serving citizens from ND that travel to specialty centers
- gaining valuable experience and skills outside of ND, returning to ND several years after graduation and bringing their expertise back to the state

The return rate of our veterinary students is averaging 48%. Like other ND educated students (i.e. doctors, pharmacists etc.) there are many factors that drive decisions to employment outside of North Dakota. Even though many students are educated in North Dakota at tax supported institutions, there is not a service payback to work in ND attached to their education.

Monday March 8th, 2021

Testimony to the House Education Committee regarding SB 2140

Chair-Representative Mark Owens

Good Morning Chairman Owens, Vice Chairman Schreiber-Beck and members of the committee. I am Jason Schmidt from Kidder County. I am here today to testify **in favor of SB 2140** and returning the PSEP program to the way it has been run for the better part of the last 40 yrs. My daughter Paige is currently enrolled at Kansas State University in her 1st year of vet school. Therefore, she is part of the first class of ND students affected by the 11th hour changes to the program in the last legislative session.

As I visited with her about school and her future in veterinary medicine during the Christmas break, she expressed the concerns she had about the pressure to find a job in ND upon graduation in order to avoid the **extra \$112,000 expense** she would incur if she couldn't find something within 3 years! When I told her she was the first class in nearly 40 years to have this requirement, she was shocked to say the least.

As a parent I am not just concerned about the extra debt she may incur if she can't find a job here within 3 years but also and maybe more importantly, she could be forced to take a job in a field or practice that is not at all her specialty. The harsh reality about vet school is that these students need real world experience upon graduation to become a practicing veterinarian and you can't accomplish that if you aren't able to gain the practical skills in your area of expertise because you took any job you could find just to satisfy this requirement.

Now I have no doubt that Paige will return to ND and become a practicing veterinarian someday here because she loves her home state and her small town heritage. She is the epitome of ND nice and loves everything our wonderful state has to offer. However, as a parent, I just don't want her to follow a path that will lead her away from her strengths and passion in her career. After 7 or 8 years of school I would hope she could be rewarded by a job she enjoys and puts her heart and soul into and not one that makes her miserable and resentful to go to work each day because she accepted a position to fill the new requirements of this program.

Thank you for your time and I would again ask for your support on SB 2140.



House Education – SB 2140

Emmery Mehlhoff, NDFB Public Policy Liaison

March 8, 2021

Chairman Owens and members of the committee,

My name is Emmery Mehlhoff and I represent the North Dakota Farm Bureau and we support SB 2140.

Veterinarians are the lifeblood of our livestock operations and NDFB supports PSEP as an investment into the future veterinarians who will serve and will serve our operations.

School is expensive and the salary of a large-animal veterinarian is modest. The best way to build ND's next generation of veterinarians is to keep school costs affordable and repayable rather than forcing students into an insecure situation of adding over \$100,000 of additional debt if the student is unable to find immediate opportunity in ND.

Life ebbs and flows and a student who may not be in a situation to return to ND in the first few years of their career may be in the position to return later into their career.

We believe in the success rate of PSEP for our veterinarian students. With many of the large-animal veterinarians in our small rural communities are nearing retirement age, we believe ND's investment into the vet students is an investment into the future of ND's livestock operations.

Fargo

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**Testimony of Derine Winning, DVM
Support of SB 2140
March 8, 2021**

Chairman Owens and members of the House Education Committee:

I am Dr. Derine Winning, and I am here today as the public policy advisor for the North Dakota Veterinary Medical Association testifying in support of SB 2140, which repeals the PSEP comeback or payback provision. NDVMA has more than 300 member veterinarians who have an active interest in supporting the education of tomorrow's veterinarians.

NDVMA is against the comeback or payback provision for several key reasons.

One of the foremost concerns is no guarantee of a job within the state. The profession of veterinary medicine is becoming increasingly specialized. Students in veterinary school select education tracks that tailor their learning to areas of specific practice, making the appropriate job more difficult to find in our state. Most students, approximately 60 percent, will choose education tracks that focus on small animal practice. They may even choose a specialty such as cardiology, dermatology or ophthalmology. Large animal focused students may specialize in equine, dairy or swine exclusive practice. Still others will choose to tailor their career toward industry, academia, uniformed service, or other government settings. According to the American Veterinary Medical Association's 2019 State of the Profession Report, only three to five percent of veterinarians are practicing predominantly or exclusively food animal medicine. This makes it a challenge to fill these positions within our state.

While North Dakota does not provide employment opportunities for all areas of veterinary medicine, the citizens of the state still benefit from North Dakota veterinarians serving them from other states. Such veterinarians may provide consulting services for ND producers, work in out-of-state research facilities to benefit our citizens, or provide inspection and contagious (zoonotic) disease surveillance services in other states to keep our citizens and food supply safe.

In addition, many young veterinarians gain valuable experience outside the state and return to ND several years after graduation. I was one of those PSEP students. I graduated from Colorado State University with a DVM degree in 1997. For almost seven years after graduating veterinary school, I searched for an appropriate job in ND. During those years, while living in another state, I practiced fast paced small animal, exotic animal and emergency medicine. I gained useful practice, business and leadership experience that helped me come back to be a productive ND veterinarian. Not only did I become an owner of a small animal practice in Fargo, but I also started, with other local veterinarians, the first emergency animal hospital in the state. Red River Animal Emergency Hospital and Referral Center today receives referrals from veterinary clinics in other states, including the University of Minnesota Veterinary Medical Center.

In looking at the desire for ND PSEP recipients to return, we have found the return rate for PSEP veterinary students is already at 48 percent within three years of graduation. In addition, survey information gathered from recent PSEP graduates in veterinary medicine from 2014-2019 revealed 55 percent wanted to come back to ND.

Another reason PSEP students may not be able to return to the state is because not all available jobs in ND can support their student debt. The median salary for a ND veterinarian with three to four years of experience is approximately \$76,000. In comparison, the average veterinary PSEP student debt is \$163,000, over twice the amount of their starting salary. It will be extremely difficult for these veterinarians to earn a living wage. Providing for their family, purchasing necessary items such as a home, auto or even a practice can become impossible.

If they are not able to return, ND PSEP recipients will face an unmanageable debt load that will be extremely difficult to pay back. In addition to the average student debt of \$163,000, a PSEP payback for a veterinary student can add \$51,000 to \$129,000 of additional debt. The PSEP payback requirement stipulates the student must return these funds all at once. For a typical new graduate with no credit history or collateral, this can turn into a hopeless situation. They may not have an appropriate job opportunity within North Dakota, but they are not able to pay back the PSEP funding.

Finally, NDVMA realizes the state of North Dakota provides funding for other professional degrees without the requirement of returning to practice in the state. Pharmacists, medical doctors and engineers all may be educated in state with taxpayer dollars but do not have the requirement to stay within the state to practice for specified periods of time. It has been argued North Dakota does not provide funding for other individuals seeking advanced degrees not available in state. But how many of those advanced degrees come back to North Dakota? With veterinary PSEP students, ND has a real chance, as almost 50 percent do come back of their own free will. ND veterinary PSEP students are a good investment without the comeback or payback provision.

SB 2140 offers our veterinary students a real chance at success. Thank you for the opportunity to address the committee and for your continued commitment to working together to address the needs of young North Dakotans. I ask for your support of SB 2140, please vote YES on SB 2140.



North Dakota Veterinary Medical Association

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**Testimony of Laura Beaudoin, DVM
In Support of HB 2140
March 8, 2021**

I am Dr. Laura Beaudoin, an associate veterinarian in Dickinson, as well as the president of the North Dakota Veterinary Medical Association. I am here today to encourage you to support SB 2140, which repeals the “Comeback or Payback” provision that was added to the Professional Student Exchange Program (PSEP) during the final days of the 2019 Legislative Session.

As a young veterinarian, I have first-hand knowledge of what the PSEP program means to North Dakota veterinary students and have several concerns with the payback requirement. These concerns include the ability to pursue a chosen career, the availability of veterinary jobs and the ability to obtain decent salaries.

I graduated from the Colorado State University (CSU) Veterinary College in 2013. As a recipient of WICHE funding, I can attest to the fact that this program makes a major financial impact on students. My parents completely supported me in my decision to apply to veterinary colleges but were cognizant enough to teach me about the cost of education and to look at the starting salary and lifelong earning potential of being a veterinarian. With this knowledge, when I was originally offered a position at CSU as an out-of-state resident with no financial aid assistance, I turned it down. Unfortunately, I couldn’t make the numbers work. I turned down my dream, hoping I’d qualify for one of the PSEP programs and understanding I may have to choose another career path. Thankfully, I qualified for WICHE funding and was able to accept a position to fill the ND WICHE seat at CSU.

I share this story because this isn’t a scenario for ND students that want to be pharmacists or human medical doctors because these programs are offered in ND, at resident tuition rates. My friends who went to medical school didn’t have to consider a different dream because the cost of out-of-state education was too expensive to allow them to pursue it, and there is no requirement for them to serve in ND after graduation. I believe the state legislature understands that it is impossible to have professional colleges for every career path, which is why ND participates in PSEP. The PSEP website states the goal of the program is to help less populous states, like North Dakota, to be able to educate their students in a variety of health care professions, such as veterinary medicine, without the cost of setting up their own in-state programs.

I have also recently dealt with the ND veterinary job market; once in 2013 as a new graduate and again in 2015 after practicing for two years in a rural, mixed-animal practice. Based on my job searches, I have a serious concern for the quality of jobs that will be available to students when they are required to take a job in ND. In 2013, I didn’t have any geographical restrictions. I just wanted to be back in my home state of ND. I looked at jobs all over the state, but just because there was a veterinary position available didn’t mean it was a good fit for me. Out of at least 10 clinics advertising for veterinarians, there were only two looking to hire and mentor a mixed-animal veterinarian while offering a salary with which I

could make my loan payments. In 2015, I was a mixed-animal veterinarian moving to the Dickinson area looking for a job in my realm of the veterinary profession. Unfortunately, there were no large- or mixed-animal clinics in the area that were hiring. Therefore, I changed my career path and took a job at as a small-animal practitioner. I'm afraid for the new graduates that will be forced to take jobs at clinics they don't fit into, clinics that don't offer any mentorship, clinics that don't focus on their preferred species, and clinics where they can't make a viable salary, just because they accepted state funding to receive an education ND isn't able to offer.

Finally, I have concerns about what a large influx of veterinarians in the state year after year will do to already low salaries and poor benefit packages. Veterinary medicine is not known to be a lucrative career. The median veterinarian salary with three to four years of experience in ND is only around \$76,000. Even lower starting salaries make it really hard to budget for monthly payments on with an average debt load of \$163,000 at graduation. With more and more veterinary students being forced to return to ND or take on an additional \$50,000-\$130,000 in debt to pay back PSEP money, ND veterinary clinics won't have to increase salaries or benefits to recruit veterinarians; graduates will be forced to take those jobs simply because they need a job within the state borders.

In summary, I encourage you to support SB 2140 because PSEP isn't a veterinary recruitment tool, it is creating a level playing field for our pre-veterinary students to follow their career aspirations and accept employment that fulfills them and financially supports them. I'm happy to answer any questions.

**Testimony of Andy Carver, DVM
In Support of SB 2140
March 8, 2021**

Chair Owens and Members of the Education Committee,

I am Dr. Andy Carver, and I am here today to express my support for SB 2140 which repeals the comeback or payback provision in the PSEP program.

My career path is an example of how the flexibility afforded by SB 2140 benefits the long-term growth of both the PSEP recipient and the veterinary community in North Dakota as a whole. I am a small animal veterinarian in the Fargo-Moorhead region practicing in emergency medicine and critical care. I am a Diplomate of the American College of Veterinary Emergency and Critical Care, meaning I am residency-trained, and board certified in this field, and currently the only such specialist in our state. I was a grateful recipient of support from PSEP when I attended the University of Minnesota College of Vet Med and I graduated in 2012. My desire was always to return to North Dakota. However, I had to balance this with the pursuit of my true passion of specializing in emergency medicine and my ability to repay immense student debt. Had I been required to “comeback or payback”, I likely would not have pursued my true career passion.

I am proud to support the North Dakota veterinary community as the only full-time clinical specialist in the state. To get here required 4 years of additional training after veterinary school (1-year internship and 3-year residency). However, after my residency there initially was not a position for an emergency/critical care specialist in North Dakota. This led me to a position as faculty at the University of Florida - College of Veterinary Medicine where I was still able to help the North Dakota veterinary community remotely. While at UF I participated in training of future veterinarians, some of which relocated to this region. My faculty appointment also allowed me to participate in scientific and medical research to help advance the field of veterinary medicine. Therefore, I was able to help ND veterinarians and ND animal owners alike even though my path led me to another state. I also gained additional training in areas such as hemodialysis, a service that I was ultimately able to bring to North Dakota when the right career opportunity allowed me to come back to our great state. This is benefiting the citizens of North Dakota by providing services here and contributing to the economy vs. citizens having to seek services out of state.

My story and career path are not entirely unique, and any provision that limits advanced training of North Dakota veterinary students negatively impacts the long-term advancement of veterinary medicine in our state. Advanced training beyond veterinary medical school is becoming more common. Last year there were approximately 4000 graduating veterinarians in the U.S. and according to the Veterinary Internship and Residency Matching Program, 1051 veterinarians applied for advanced training in an internship program. Approximately 25% of graduating veterinarians desire formal training beyond veterinary school or to pursue an area of specialization. SB 2140 allows North Dakota students to advance their knowledge in alignment with their passions and interests. This leads to potentially bringing advanced specialties and services to the citizens of N.D.

I also fear the harmful financial burden induced by the payback provision. The average student debt of a graduating veterinarian in the ND PSEP program is \$163,000. While working at the University, my salary

as a faculty member would not have been sufficient to payback PSEP funds in addition to my existing student debt. Like many others, I had trouble finding a position in North Dakota that supported my professional and family requirements immediately after my residency training. Forcing recent graduates to potentially sacrifice in any of these areas, coupled with a daunting debt-to-income ratio, is not conducive to long-term job retention in our state. As a veterinarian and fellow North Dakotan, I value a system that will not inhibit long-term employment for future veterinarians. By not requiring a comeback or payback provision, students have the opportunity to benefit our state in ways they couldn't have otherwise.

SB 2140 is mutually beneficial for our students and our State. In addition, SB 2140 is significant to animal and public health around the world that indirectly and directly benefit North Dakotans. A good example: we all know the significance of the Coronavirus pandemic. Veterinarians have been crucial in studying Coronaviruses in animals and some of those discoveries have directly benefited the citizens of North Dakota. Indeed, it was American veterinarians crawling around in the bat caves in China that identified the source of the first Corona Virus pandemic. The 2015 poultry influenza outbreak in Minnesota and North Dakota had the potential to become a human pandemic in our area. Veterinarians are critical to public health that extends beyond the borders of North Dakota.

Thank you for allowing me to address the committee and for your consideration on this important matter. I ask for your support in voting YES on SB 2140.

Testimony of Victoria Laven, Veterinary Student
Professional Student Exchange Program Recipient
In Support of SB 2140
March 8, 2021

Chairman Owens and members of the House Education Committee:

I'm Victoria Laven, and as a Professional Student Exchange Program (PSEP) recipient, I would like to voice my support of SB 2140. I am from Fargo and am currently a freshman at the University of Minnesota College of Veterinary Medicine.

I believe I speak for myself and my fellow veterinary student recipients of PSEP when I say that the importance of the passage of the SB 2140 bill cannot be understated. I have career goals that include specializing and becoming a board-certified veterinarian, a process which can take up to six years post-graduation due to the need to complete an internship and a residency. Currently, North Dakota does not have any approved internship or residency training programs that would allow me to achieve this goal.

My career goals also include earning a living wage sufficient to support a family and pay back the substantial student loan debt I will have acquired. According to the 2018 AVMA Report on the Market for Veterinarians, while accounting for all other factors, obtaining a board certification and serving in a residency leads to a higher mean income. Studies and data on this topic continue to show that the earning power of a board-certified specialist is significantly greater than a general veterinary practitioner. The service payback provision would prevent me from becoming board certified and earning a salary that would improve my quality of life.

Finally, I would like to contribute to my profession and community in a meaningful way and becoming board-certified would allow me to do so. Specialists are in demand at universities, private practices, and in industry. Becoming a board-certified specialist would allow me to obtain a breadth of knowledge and a unique skill set that I could eventually bring back to North Dakota, ultimately helping to improve the quality and diversity of veterinary services available in the state. However, in order to make this meaningful contribution I will need flexibility, of which the service payback provision does not provide.

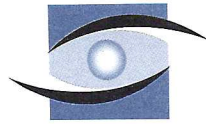
On a personal level, the implications of the service payback provision are steep as well. North Dakota has a very limited job market for the career that my partner is pursuing. This will not only cause he and I financial hardship but will also impede our ability to be together and start a family. It is

extremely discouraging to think that myself, and potentially some of my fellow PSEP recipients, will be faced with the choice of fulfilling the service payback provision, but limiting our education and training, or taking on even more student debt in order to achieve our goals and be with loved ones.

Throughout my life, I have continued to return to North Dakota of my own volition, this is evidenced by my decision to move back home after graduating college, studying at NDSU in order to complete my pre-requisite courses for veterinary school, and making my final choice on veterinary school based on its proximity to my hometown. Data shows that without the obligatory provision to return to the state, this trend will continue, as veterinary graduates return to North Dakota at a higher rate than both dentistry and optometry graduates. Due to the constrictions and potential for increased student loan debt, I fear that the service payback provision will actually have the opposite effect of its intent and make it less likely for veterinary graduates to return and stay in North Dakota.

Please know I am extremely grateful to be a part of the PSEP and to have the continued support of my state. I strongly believe if SB 2140 were to pass, it would enable myself and my fellow veterinary students to become better citizens and representatives for North Dakota.

Thank you for the opportunity to address the committee and express support of SB 2140.



NORTH DAKOTA
Optometric Association

SB 2140

House Education Committee

March 8, 2021 – 3:30 P.M. – Coteau AB Room

Good Afternoon Mr. Chairman and members of the House Education Committee. My name is Nancy Kopp, Executive Director of the North Dakota Optometric Association. I appear before you in a neutral position of amended SB 2140.

The NDOA did support the repeal of Section 15-10-43.1 and the Repayment Waiver in Section 15-10-42.2, however SB 2140 in its original form failed to pass the Senate. The bill was reconsidered and amended to include a study.

The NDOA stands in opposition to line 24 of the study language, which we strongly believe that the PSEP was created to provide access and tuition assistance for students in all three professions and any repayment provision should be applied equally. All three professions and the services provided for human and animal health are essential to the citizens of North Dakota and have for years, invested in professional students to realize their chosen careers to serve others.

I have personally and professionally been involved in the debate of this issue of PSEP Repayment provisions (come back or payback) for each and every session since 1999, including a couple of interim studies or committee discussions, to no resolve.

The following, is the NDOA testimony I provided the Senate Education Committee on January 20, 2021, which I will not read, but provide for your information:

“I would like to simply provide you with a background, averages for tuition and student debt, practice modalities and demographics for the practice of optometry in North Dakota, for your consideration, as follows:

NDOA represents 159 of the 178 licensed optometrists that reside and practice in North Dakota. 75% of NDOA members own or are employed in private practice and 25% are employed by a hospital or physician. 20% provide primary eye care and vision services at a satellite clinic 2-3 days per week, traveling up to 125 miles from their primary practice. 77% practice in an urban area and 23% practice in a rural community. 55% are male and 45% are female.

The average student loan upon graduation for optometrists, to my knowledge is \$200,000.00-\$250,000.00 The average tuition rate at Pacific School of Optometry, the school most North Dakota residents attend, is \$43,000.00 and the national average earning potential is reported at \$123,000.00. Again, national average and may vary from state to state, depending on economic conditions.

The Professional Student Exchange Program has for many years, provided tuition subsidies for North Dakota students that attend out-of-state professional schools in Optometry, Dentistry and Veterinary Medicine; schools that North Dakota does not provide the infrastructure or programs for.

According to the University System Proposed Budget allocations for, in past years, PSEP provides approximately 45% funding for Veterinary Medicine, 30% for Dentistry and 25% for Optometry. I’m assuming that the number of slots appropriated, are based on projections of future professional student applications and future workforce needs that may satisfy consumer access to healthcare issues. There is no question that the PSEP has been a true incentive for North Dakota students to consider optometry as a career.

On another note, that your committee may want to take into consideration and solely for your information, the profession of optometry is not included in the ND Health Council’s Loan Repayment Program, as Dentists and Veterinarians are, that

further provides many professions, funds to reduce educational loan forgiveness, who agree to serve the underserved, primarily rural areas over a 2-4 year period; approximately \$60,000.00-\$80,000.00 per recipient. The NDOA is not advocating, at this time, for inclusion in the Health Council's Loan Repayment or Loan Forgiveness, however do see a need in the future, as 3 optometric practices in rural North Dakota have simply closed their doors, upon retirement, as they were unable to recruit an optometrist to maintain the practice and serve the local residents with their eye and vision care.

In closing, I would like to assure you that the NDOA does work hard to maintain a communication and education channel with all PSEP recipients, throughout their 4 years of professional doctoral degree education program, provided out-of-state and encourage them to return to North Dakota to practice their chosen profession, upon graduation. The earning potential is what one sets their "sight on"!

While supporting the repeal of the repayment provision, the NDOA firmly believes that the program originally was designed to apply to all three professions and feel that it is important that any changes be applied equally to the professions. Uniformity is critical.

I would be happy to answer any questions you may have, or obtain additional information upon request. Thank you in advance for your considerations."

Nancy Kopp – NDOA Executive Director – nkopp@ndeyecare.com or

701-391-2771.

Testimony of Kathryn Slavick, Student

North Dakota State University

In Support of SB 2140

3.8.2021

Members of the House Education Committee:

My name is Kathryn Slavick, and I am representing NDSU Pre-Vet Club and other North Dakota pre-veterinary students planning to apply to veterinary school this year, testifying in support to SB 2140.

NDSU Pre-Vet Club's primary purpose is to prepare students for veterinary school by providing resources and opportunities to develop skills for a successful veterinarian career. The decision regarding SB 2140 will have a direct impact on pre-veterinary students across the state of North Dakota.

Many North Dakotan veterinary students rely on the Professional Student Exchange Program (PSEP) program or plan to rely on the PSEP program in order to afford their education. Considering that North Dakota does not have a veterinary school, ND veterinary students appreciate the opportunity to be supported via PSEP WITHOUT the requirement of service payback ("comeback or payback"). Therefore, I urge you to repeal the PSEP service payback provision for the reasons described below.

The requirement of service payback is not possible for many graduates. There is no guarantee that graduates will be able to find a veterinary position within the state of North Dakota. In addition, there is no guarantee that the graduate will be able to find a position that is appropriate to one's specialized education. Food animal medicine, companion animal medicine, specialized surgery, and research medicine are just a few examples of how diverse a veterinary education can be. Veterinary graduates face a tremendous amount of debt. The risk of not finding a job in North Dakota and needing to payback the PSEP funds will add additional financial strain during a time when graduates are looking to begin the process of paying back their debt; not accumulating more debt.

Many North Dakota students have agricultural backgrounds and plan to enter the field of food animal medicine. However, **the service payback requirement is not the solution to filling the rural veterinarian need.** There is no quick fix for that problem, as becoming an established rural veterinarian with food animal expertise face even greater challenges and costs. Requiring service payback may detour individuals from pursuing a career in food animal medicine, as some find work outside the state of North Dakota in order to reduce debt load and gain experience prior to returning to ND to serve their rural community. Focusing on the large debt to income ratio and repayment provision or service payback, many passionate and bright students may come to the realization that a veterinary career may not be financially possible for them – especially for students who have already started acquiring debt during undergraduate school.

It is also reasonable to note that many graduating veterinarians return to North Dakota (without service payback requirement), with a current return rate of 48%, according to the NDVMA. This rate is greater than other professional programs such as dentistry and optometry. There are many dedicated and passionate students planning to return to North Dakota, in order to serve their communities, whether it be rural or urban. **The service payback requirement is not needed in order for graduates to come back to North Dakota; rather it serves as a financial barrier and risk to those willing to serve communities at need.**

Thank you for the opportunity to address the committee to express support to this bill and for your continued commitment to working together to address the needs of North Dakotans. I urge you to vote YES on SB 2140.

Testimony of Ashley Segal
Support of SB 2140
March 8, 2021

Chairman Owens and members of the House Education Committee,

My name is Ashley Segal, and I am a senior at North Dakota State University. I applied to multiple Colleges of Veterinary Medicine this past summer. My goal is to become board certified in either critical care or surgery. I am here today to indicate my support of SB 2140, which repeals the Profession Student Exchange Program (PSEP) service payback provision.

This past cycle, I did not apply for the PSEP because of the payback provision. Many students, such as myself, want to pursue a career in one of the many veterinary medical specialties. However, North Dakota does not offer many career opportunities for students choosing this path. If I were to apply for the PSEP and be accepted, there would be a chance that I would not be able to find a job in North Dakota in the area that I specialized in. This would force me to either pay back the tuition money at a single point in time or find a job in North Dakota that does not allow me to grow and develop the skills needed for my specialty. This would put me behind in the career that I worked so hard to be successful in.

Due to the uncertainty of not being able to find a job in North Dakota that suits my specialty, I support the repeal of the PSEP service payback provision in SB 2140.

Thank you for this opportunity,

Ashley Segal

Testimony of Emily Dorsey, College of Veterinary Medicine Student
Iowa State University
In Support of SB 2140
03/08/21

Chairman Owens and members of the House Education Committee,

I'm Emily Dorsey, and I am representing NDVMA and other North Dakota students, testifying in support of SB 2140. I am currently a first-year student at Iowa State University College of Veterinary medicine and I am focused on a small animal/exotics field as well as a possible orthopedics specialty interested in giving my expertise back to the state of North Dakota after graduation. I am representing myself and other veterinary students testifying in support to SB 2140.

I applied to veterinary school in the fall of 2019 alongside applying for PSEP to try and gain access to the opportunity to have a lessened tuition cost, as the cost today is already extremely high. The PSEP had added a new "comeback or payback" regulation that same year that would require students to either come back and work in the state of North Dakota or pay back the tuition cost they had helped to pay during schooling. With this being added so quickly during the year I had applied, I was never given the opportunity to speak on the issues I have on it.

Working in North Dakota in the past has always been delightful and I fully planned on returning after graduation to give back to my community that had given me so much. However, I do have concerns about the comeback or payback regulation. To start, many students that are in my position when it comes to this regulation are afraid of the inability to find a job right out of school that both fits their needs and wants when it comes to a practice. I believe that because of this, if one wasn't able to find a job the regulation would thus push them to have to instead pay back the state. I believe that most students coming out of North Dakota already have the idea of going back to the state after graduation and that this regulation was not necessary in the first place.

Thank you for the opportunity to address the committee and express support for this bill and for your continued commitment to working together to address the needs of North Dakotans. I urge you to support SB 2140.

Testimony of Brooke St. Germain
Support of SB 2140
March 8, 2021

Chairman Owens and members of the House Education Committee,

My name is Brooke St. Germain, and I am a first-year student at Iowa State College of Veterinary Medicine focusing on mixed animal medicine and currently plan on working in mixed animal and/or emergency and critical care practice in North Dakota. I am here today to indicate my support of SB 2140, which repeals the Professional Student Exchange Program (PSEP) service payback provision.

I applied for the PSEP in 2019 while applying for veterinary school so that I could have access to veterinary school that my peers who do not live in North Dakota may not have and to assist in reducing my veterinary school tuition costs, which is already overwhelmingly high. The “comeback or payback” provision was added after I had already submitted to apply for PSEP and veterinary schools, and I did not get an opportunity to speak against it at the time.

Although I am planning to come back to North Dakota, I have many concerns about the comeback or payback provision. First, after graduating from veterinary school, I may not be able to find a job immediately in North Dakota that will allow me the opportunities for growth, mentorship, or that will follow the level of medicine I would be familiar with. If I am unable to find a job in North Dakota that suits my needs as a new practitioner, I am concerned I would be starting off my career with a path that would set me up for failure.

In addition, as someone interested in mixed animal medicine, statistically I will not be earning as high of a salary than my counterparts who are interested in other realms of veterinary medicine, such as small animal or specialty medicine, for example. Therefore, I may have to forfeit my large animal interests in order to earn a salary that will allow me to pay back my loans and provide a living wage.

Finally, I am concerned that North Dakota risks job oversaturation with the comeback or payback provision which will make it even more difficult for PSEP graduates to find jobs in the future. Jobs that do have what new veterinarians are looking for (such as mentorship, decent starting salary and benefits, work-life balance, etc.) will become fewer and far between each year, and the vast majority of new veterinarians don’t have the funds to start their own practice immediately nor the experience needed. I fear this could lead to students like myself being unable to come back to North Dakota and would lead to having students needing to pay back their PSEP funding regardless of wanting to come back or not.

Thank you for the opportunity to indicate my support for SB 2140. I’d be happy to answer any questions.



SB2140
 House Education Committee
 March 8, 2021
 Brenda Zastoupil, Director of Financial Aid, NDUS
 701.328.2906 | brenda.zastoupil@ndus.edu

1. Number of program participants enrolled in each discipline; 2. Tuition support provided for students enrolled in each discipline:

Academic Yr	PSEP Awarding Budget Updated 3.8.2021								TOTAL #	TOTAL \$ Disbursed	
	Dentistry		Optometry		Vet Med		Vet Med KSU				
	#	\$	#	\$	#	\$	#	\$			
2020-21 EST.	FR	6	\$160,067.00	5	\$94,150.00	7	\$158,338.00	5	\$143,065.00	23	\$555,620.00
	SO	6	\$147,969.00	10	\$188,300.00	2	\$61,484.00	4	\$114,452.00	22	\$512,205.00
	JR	4	\$101,335.00	5	\$94,150.00	3	\$81,011.00	0	\$0.00	12	\$276,496.00
	SR	5	\$100,596.00	3	\$56,490.00	7	\$137,630.00	3	\$85,839.00	18	\$380,555.00
	TOTAL	21	\$509,967.00	23	\$433,090.00	19	\$438,463.00	12	\$343,356.00	75	\$1,724,876.00
2021-22 EST.	FR	7	\$178,416.00	4	\$77,100.00	8	\$192,442.00	5	\$150,218.00	24	\$598,176.00
	SO	6	\$164,483.00	5	\$96,375.00	7	\$164,515.00	5	\$150,218.00	23	\$575,591.00
	JR	6	\$153,932.00	11	\$212,025.00	2	\$73,499.00	4	\$120,175.00	23	\$559,631.00
	SR	4	\$94,454.00	5	\$96,375.00	3	\$78,680.00	0	\$0.00	12	\$269,509.00
	TOTAL	23	\$591,285.00	25	\$481,875.00	20	\$509,136.00	14	\$420,611.00	82	\$2,002,907.00
2022-23 EST.	FR	7	\$185,786.00	8	\$157,600.00	7	\$188,157.00	5	\$157,729.00	27	\$689,272.00
	SO	7	\$185,786.00	4	\$78,800.00	8	\$201,155.00	5	\$157,729.00	24	\$623,470.00
	JR	6	\$168,832.00	5	\$98,500.00	7	\$206,152.00	5	\$157,729.00	23	\$631,213.00
	SR	6	\$138,004.00	11	\$216,700.00	2	\$54,504.00	4	\$126,183.00	23	\$535,391.00
	TOTAL	26	\$678,408.00	28	\$551,600.00	24	\$649,968.00	19	\$599,370.00	97	\$2,479,346.00

3. Rate at which students participating in the program return to the state:

PSEP Return Rate Tracking by SITE

Site/Program	Total Enrolled	North Dakota	Outside ND	Unknown	In Residency/Other	ND Return Rate
IA State (Veterinary Medicine)	43	22	19	2	0	51%
KSU (Veterinary Medicine)	37	22	15	0	0	59%
Univerisity of MN (Veterinary Medicine)	12	4	8	0	0	33%
Univerisity of MN (Dentistry)	45	19	24	1	1	42%
WICHE (Veterinary Medicine)	21	6	12	1	2	29%
WICHE (Dentistry)	35	18	14	1	2	51%
WICHE (Optometry)	76	30	43	0	3	39%
TOTAL	269	121	135	5	8	45%
%		45%	50%	2%	3%	

PSEP ND Return Rate Tracking by PROGRAM

Site/Program	Total Enrolled	North Dakota	Outside ND	Unknown	In Residency/Other	ND Return Rate
Veterinary Medicine	113	54	54	3	2	48%
Dentistry	80	37	38	2	3	46%
Optometry	76	30	43	0	3	39%
TOTAL	269	121	135	5	8	45%
%		45%	50%	2%	3%	

**PROFESSIONAL STUDENT EXCHANGE PROGRAM
SERVICE PAYBACK AGREEMENT**

This Professional Student Exchange Program Service Payback Agreement (the "Agreement") is entered into between the State of North Dakota, acting through the State Board of Higher Education, in turn acting through the North Dakota University System ("SBHE"), and _____ ("Student"), an individual receiving state funding through the Professional Student Exchange Program.

WHEREAS, the North Dakota State Legislature has created a number of programs providing funds to effectively reduce the cost for students to attend professional schools in the areas of veterinary medicine, dentistry, or optometry outside North Dakota in areas of need for the State;

WHEREAS, North Dakota Century Code § 15-10-43.1 requires students participating in the aforementioned programs to sign a legally binding agreement providing for full or partial repayment of any state funds paid for the student's benefit if the student does not meet the requirements of that section;

WHEREAS, Section 15-10-43.1 authorizes the State Board of Higher Education (the "SBHE") to enter into the aforementioned legally binding agreement on the State's behalf; and

WHEREAS, Student has been selected to participate in and receive the benefits of one of the aforementioned programs;

THEREFORE, Student and the SBHE covenant and agree as follows:

1. **Payment Amount.** The SBHE agrees to provide a support fee each year directly to _____ ("Institution") on Student's behalf for the study of _____ (Veterinary Medicine, Optometry, or Dentistry) (the "Educational Program"). All support fee amounts are specified in United States dollars and are determined in the sole discretion of the SBHE, in compliance with NDUS Procedure 508.5. The amount of all support fees payable under this Agreement shall be confirmed in an annual addendum, which must be signed prior to payment. Student agrees to execute additional addenda as needed to reflect mid-year changes to the support fee.
2. **Student's Responsibilities.** Student agrees that, in consideration of the payment of the support fees by the SBHE, that:
 - a. Until and unless the Student completes all requirements of this Agreement, Student shall be responsible for the full value of the support fees.
 - b. Student shall be responsible for completing all requirements of the Educational Program.
 - c. Upon completion of or graduation from the Educational Program, or within 36 months of the completion of or graduation from the Educational Program, Student agrees to begin practicing _____ (Veterinary Medicine, Optometry, or Dentistry) in the State of North Dakota.
 - d. Student agrees, as a condition of the payment of the support fees, to practice _____ (Veterinary Medicine, Optometry, or Dentistry) in the State of North Dakota for a period of no less than three years. For each full calendar year for which the Student practices in North Dakota, one-third of the support fees shall be waived.
 - e. Upon completion of three years of practicing within the State of North Dakota, Student may stop practicing in the State without penalty.
 - f. Student shall regularly provide such information as the SBHE, acting through the North Dakota University System, reasonably requires to verify compliance with the terms of the Agreement.

10. **Indemnity.** Student hereby agrees to indemnify, defend, and hold the State, the SBHE, their component parts, and all agents and employees thereof, harmless against any and all suits, claims, actions, damages, and other losses which the State suffers or incurs related to or arising out of Student's actions related to or arising from this Agreement, except as prohibited by law.
11. **Entire Agreement.** This Agreement contains the entire Agreement of the parties and shall be binding upon the parties, their heirs, administrators, successors and assigns. This Agreement represents the complete integration of all understandings between the parties and all prior representations and understandings, oral or written, are merged herein. The parties agree to complete and execute any additional documents which are required by law or are reasonably necessary to carry out the purposes of this Agreement. Prior or contemporaneous versions, additions, deletions, or other changes hereto shall not have any force or effect whatsoever, unless embodied herein. In the event of a conflict between the terms of this Agreement and an SBHE Policy or Procedure, the SBHE Policy or Procedure shall prevail even if revised after execution of this Agreement.
12. **Notice.** Any notice or other communication hereunder will be in writing, and hand-delivered or sent via registered or certified mail, overnight courier, or confirmed facsimile transmission or email and will be deemed provided, if, (a) hand-delivered, on the date of delivery; (b) mailed, when deposited, postage prepaid, in the United States mail; (c) sent by overnight courier, one business day after delivery to such courier; (d) sent by confirmed facsimile, the day of transmission; (e) emailed on the date of sending as verified by a copy of such email. Any notice or other communication will be addressed as set forth below, or to such other address as any party will advise the others in writing:

If to the SBHE: Financial Aid Office, North Dakota University System, State Capitol, 600 East Boulevard Ave., Dept. 215, Bismarck, ND 58505-0230.

If to Student: _____

Student may at any time unilaterally amend their contact information by notifying the SBHE in writing. Notice provided pursuant to this paragraph may not meet the requirements for monetary claims against the State of North Dakota found at N.D.C.C. § 32-12.2-04.

13. **Severability.** If any provision of this Agreement is determined to be void, invalid or unenforceable for any reason, it shall be considered severed from this Agreement and such invalidity shall not affect the validity or enforceability of the remaining provisions.
14. **Controlling Law.** This Agreement shall be governed by and construed under the laws of the State of North Dakota without reference to conflicts of law principles thereunder.
15. **Venue.** Any action brought under this Agreement shall be brought only in a state district court located in Burleigh County, North Dakota and each party waives all objections to want of personal jurisdiction or forum non conveniens.
16. **No Alternative Dispute Resolution.** The SBHE does not agree to participate in any type of alternative dispute resolution, and any such decision to participate in alternative dispute resolution is reserved to the North Dakota Attorney General or his or her designee.
17. **Amendments.** This Agreement may not be amended or modified except as mutually agreed upon by the parties in a document that is reduced to writing and signed by both parties.
18. **Counterparts.** This Agreement may be executed in counterparts which, when read together, shall constitute one complete executed original.
19. **Electronic Signatures.** Alternatively, the parties may execute this Agreement using electronic signatures, which the parties agree shall have the full force and effect of a hand-written signature.

2021 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Coteau AB Room, State Capitol

SB 2140
3/10/2021

Relating to professional student exchange program repayment; relating to professional student exchange program repayment; to provide for a legislative management study; and to declare an emergency
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9:11 AM

Chairman Owens called the hearing to order. Present: Reps. Owens, Schreiber-Beck, Heinert, Hoverson, D. Johnson, M. Johnson, Longmuir, Pyle, Richter, Zubke, Guggisberg and Hager. Absent: Rep. Marschall

Discussion topics:

- Committee work

Rep Schreiber-Beck moved a **Do Pass**, seconded by **Rep M Johnson**.

Roll call vote:

Representatives	Vote
Representative Mark S. Owens	Y
Representative Cynthia Schreiber-Beck	Y
Representative Ron Guggisberg	Y
Representative LaurieBeth Hager	Y
Representative Pat D. Heinert	Y
Representative Jeff A. Hoverson	Y
Representative Dennis Johnson	Y
Representative Mary Johnson	Y
Representative Donald Longmuir	Y
Representative Andrew Marschall	AB
Representative Brandy Pyle	Y
Representative David Richter	Y
Representative Denton Zubke	Y

Motion carried. 12 – 0 – 1 Rep. Guggisberg is carrier.

9:13 AM Chairman Owens closed the hearing.

Bev Monroe, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2140, as engrossed: Education Committee (Rep. Owens, Chairman) recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2140 was placed on the Fourteenth order on the calendar.