



NORTH DAKOTA VETERINARY MEDICAL ASSOCIATION





PURPOSE OF THE PROFESSIONAL STUDENT EXCHANGE PROGRAM

The PSEP program provides the opportunity for ND resident students to attend out-of-state programs in three professional areas of study which are not available in North Dakota (veterinary medicine, optometry, and dentistry).

Professional Student Exchange Program (PSEP) Slots

| College of Veterinary Medicine | Number of PSEP Slots |
|--------------------------------|----------------------|
| Kansas State University | 5 |
| University of Minnesota | 2 |
| Iowa State University | 4 |
| WICHE* Schools | 1 |

**Western Interstate Commission for Higher Education*



PURPOSE OF THE VETERINARY LOAN REPAYMENT PROGRAM

NDCC 43-29.1

The loan repayment program for DVMs is a **state financed and administered loan repayment program** designed to **attract new food animal veterinarians** to North Dakota to practice in areas of need.

Each recipient may receive up to \$80,000 (to repay educational loans).

Section 12 of HB 1003

If the individual who signed the agreement under subsection 1 is not practicing veterinary medicine, dentistry, or optometry in this state within thirty - six months following graduation or of leaving the education program, the individual **shall repay the amount of the agreement in full at that time.**

Return Rates of PSEP Graduates

| Graduates from 2004 - 2016 | Total | ND Return | Return Rate |
|-------------------------------|-------|-----------|-------------|
| Veterinarians | 108 | 53 | 49% |
| Dentists | 75 | 32 | 42.6% |
| Optometrists | 70 | 26 | 37.1% |



What is PSEP?

The Professional Student Exchange Program (PSEP) provides North Dakota resident students access to veterinary medicine, optometry and dentistry programs not offered in the state. Scholarships are dependent upon the contracts the state has with participating institutions.

New Changes with PSEP

✓ Individuals initially entering a PSEP program after June 30, 2020 are subject to service payback requirements. A service payback means that the recipient is obligated to return to the state to work as a condition of receiving the award.

✓ If the individual receiving PSEP is not practicing veterinary medicine in the state within 36 months following graduation the individual must repay the amount of the agreement in full at that time. The repayment terms may be deferred for an individual who is pursuing full-time graduate or postdoctoral studies or is called to active duty as a member of the armed forces.

✓ If the individual receiving PSEP practices veterinary medicine in the state within 36 months following graduation, the balance of the agreement will be reduced by 1/3, for each full year the individual continues practicing in ND. If the individual stops practicing in ND before the amount of the agreement is waived in its entirety, the individual shall repay the remaining portion of the agreement in full, from the date the individual stopped practicing in ND.



The North Dakota Veterinary Medical Association requests that:

North Dakota veterinary students be supported via the Professional Student Exchange Program without the requirement of the service payback ("comeback or payback").

Why NDVMA Opposes the Service Payback:

- **ND citizens, especially pre-veterinary students, were not provided an opportunity to provide testimony on Section 12 in HB 1003 in 2019.**

The service payback was added to HB 1003 during the last days of the 2019 legislative session in a final conference committee session and there was no opportunity for stakeholder input or debate. The same legislation was debated and defeated during the 2017 legislative session.

- **Graduating veterinarians already face excessive debt and the service payback could potentially create unmanageable student debt.**

The 2018 overall debt to income ratio of new veterinarians was 2.26:1. Average debt was at \$152,358 and weighted average fulltime salary was \$76,663. The service payback could potentially add an additional \$51K to \$122K to debt.

- **Veterinary medicine graduates already return at a high rate.**

The current return rate is at 49% for veterinary medicine graduates and is higher than other professions (dentists: 42.6% return and optometrists: 37.1% return).

- **There is not a guarantee of a veterinary medicine job in ND or an appropriate job for the veterinarian's education.**

If ND requires a graduate veterinarian to fulfill a service payback there must be guarantee of an appropriate job. Tracking in veterinary schools leads to producing veterinarians that are more tailored to specific areas of practice.

- **A repayment provision will threaten the entry of students into the profession.**

The cost of veterinary education continues to rise for ND veterinary students. A recent survey of 2014-2019 PSEP graduates showed that 31% of respondents would not have pursued veterinary medicine if they had a PSEP service payback. All reasons were related to the large debt to income ratio.

- **ND's job market will eventually be at risk of oversaturation.**

As veterinarians who cannot afford to pay back out of state tuition attempt to return, there will eventually not be enough jobs available. There is no contingency plan for these veterinarians who are unable to return because of lack of job availability in ND.

- **ND provides support for other professions and does not require a service payback.**

The service payback is extremely unfair to veterinary students as these students pay 47-71% of the out of state tuition costs for their education. The PSEP tuition costs paid by ND cover the additional tuition costs since ND doesn't have a veterinary school. The PSEP tuition support is similar to ND's tax payer support for students attending the UND School of Medicine. Medical school graduates from UND are not required to provide a service payback.

- **The PSEP program is not a recruitment program and the service payback will increase administrative costs for ND.**

There will be administrative time to track, add addendums to contracts, request payment, and seek legal and debt collection. Financing options for new veterinarians will be problematic without any collateral.

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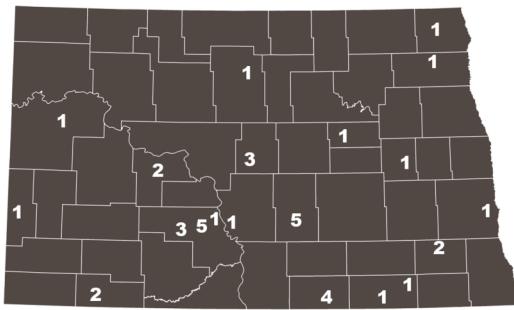


The North Dakota Veterinary Medical Association requests that:

The Veterinary Loan Repayment Program (VLRP) be continued to recruit food animal veterinarians to rural areas of need in ND.

Why NDVMA Supports the VLRP:

- The VLRP has been successful to recruit and retain food animal veterinarians to ND.**

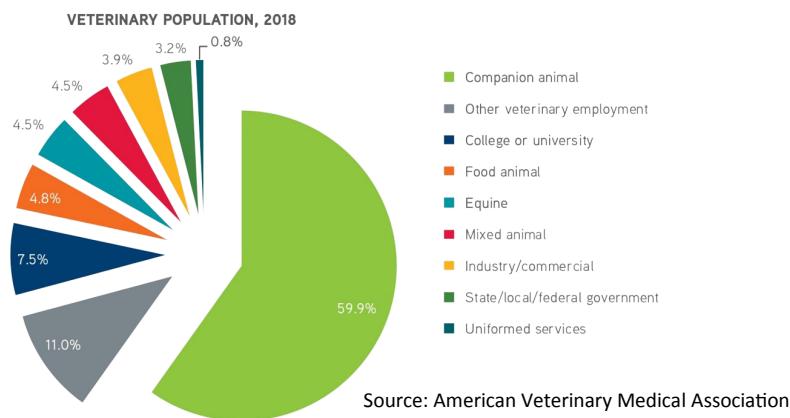


38 Recipients since the VLRP began from 2008–2019.

Overall 69% retention rate after fulfillment of contracts (through 2015).

100% retention rate of ND residents with 69% of them establishing practices (through 2015).

- The VLRP has been successful to recruit food animal veterinarians to ND especially since less than 5% of veterinarians work exclusively in food animal medicine.**



Estimated number of veterinarians as of December 31, 2018: 113,394

Requiring a service payback in ND will not fill the need for rural veterinarians. Most veterinarians are choosing to work in companion animal veterinary medicine (almost 60%). The VLRP is needed to recruit new food animal veterinarians to ND as the supply of practitioners in this area of practice is limited.

- Food animal veterinarians are critical to support ND's animal food production industry and to ensure a safe food supply.**

Food animal veterinarians face significant costs to establish practices and these practices will not be economically viable unless there is community support. Veterinarians are needed to promote public health, protect our food supply, and to serve in rural areas. The food animal industry is vital to the economy of North Dakota. The VLRP helps establish financial stability for veterinarians to serve in rural areas which in turn stimulates rural economies.

Who We Are:

The North Dakota Veterinary Medical Association has spent more than a century representing the interests of North Dakota veterinarians, their clients and patients. Today, the organization has more than 300 members and student members. We represent and meet the needs of the broad spectrum of veterinary medicine, including, but not limited to, small and large animals, exotic species, bovine and equine practitioners as well as veterinarians working in research, industry, academia, public health and government capacities.

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