

**2013 SENATE EDUCATION**

**SB 2160**

# 2013 SENATE STANDING COMMITTEE MINUTES

**Senate Education Committee**  
Missouri River Room, State Capitol

SB 2160  
1-22-13  
17492

☐ Conference Committee

Committee Clerk Signature

*Tiffany J. Grossman*

## Explanation or reason for introduction of bill/resolution:

Relating to repayment notes from participants in professional student exchange programs

## Minutes:

Written Testimony Attached

**Chairman Flakoll:** Opened the hearing on SB 2160

**Senator Judy Lee:** I am here to introduce SB 2160. (See attachment #1 for written testimony)

**Chairman Flakoll:** What percent retention do we have in these programs?

**Senator Judy Lee:** They don't keep track of that but they should be doing that. I don't think it would be hard to get and I'm not satisfied that the answer that it is hard to collect.

**Senator Marcellais:** Part of this bill says you are waving this for full time active duty armed forces. Will that include the Indian Health Service Commission Core Officers?

**Senator Judy Lee:** I can't answer that.

**Senator Heckaman:** When you have the acceptance rate are we carrying the maximum number we can? Are the rest not qualified?

**Senator Judy Lee:** My understanding was that not all qualified applicants were able to be funded but the ones that were accepted received the full funding of the out of state segment and that is why we thought if each got less they could fund more.

**Chairman Flakoll:** Do you have a guess in terms of those you may have heard about?

**Senator Judy Lee:** They have some agreement so the details should be easy to work out. We are looking at fewer than 100 people so the statements should be sent out.

**Senator Heckaman:** On the fiscal note, this is to cover the FTE position but it says none of the loan repayments will start until 17-18.

**Senator Judy Lee:** That is because of the incoming freshman.

**Joel Cichy, Executive Director, North Dakota Dental Association:** I wish to testify in support of SB 2160. The Dental Association has always thought we should encourage our dentists to come back to state to practice. There are areas that need them. The board of trustees met and does endorse this bill.

**Chairman Flakoll:** Does anyone wish to testify against SB 2160?

**Nancy Kopp, Executive Director North Dakota Optometric Association, North Dakota Veterinary Medical Association-** I wish to testify against SB 2160. (See written testimony #2 and #3 attached)

**Chairman Flakoll:** What percent retention rate do you have for both organizations?

**Nancy Kopp, Executive Director North Dakota Optometric Association, North Dakota Veterinary Medical Association-** Around 30% for veterinarians and 27% for Optometrists that come back to the state.

**Dr. Taya Patzman, Optometrist in ND-** I wish to testify against SB 2160. (See written testimony #4)

**Angela Bettenhausen, DVM:** I wish to testify against SB 2160. (Written testimony #5 attached)

**Beth Carlson, DVM, ND Veterinary Medical Association Member:** I wish to testify against SB 2160. (Written testimony #6 attached)

**Chairman Flakoll:** Would you support this if we made the medical professionals repay too?

**Beth Carlson, DVM, ND Veterinary Medical Association Member:** No, I am fine paying the taxes.

**Julie Ellingson, ND Stockman's Association:** Veterinarians are critical to our organizations. We believe the intent behind SB 2160 is good. Withholding the dollars if they students don't return seems inequitable because of the support we provide for other professions. We continue to see shortages across the state for veterinarians.

**Chairman Flakoll:** We have heard testimony that there aren't enough jobs as it is.

**Senator Heckaman:** A handout says there is lack of job availability. I am getting a mixed message.

**Julie Ellingson, ND Stockman's Association:** The large animals are the shortage. The veterinarians are in more rural areas and there are considerations for rural areas.

**Senator Heckaman:** We are very short on Veterinarians across the state of North Dakota. Wouldn't this bring back more veterinarians to the state?

**Julie Ellingson, ND Stockman's Association:** We represent the Beef Cattle producers and that trends to be the area of shortage. Those industries are in more rural areas. It may bring them home, but some don't have a shortage so the needs may be different.

**Senator Luick:** What if that interest rate would be dropped to 1 or 2% or a graduated scale or did not return to the state of North Dakota in 5, 6 or 10 years?

**Julie Ellingson, ND Stockman's Association:** It wouldn't change the inequities because the state opted not to provide a Dentistry, Optometry, or Veterinary school.

**Laura Glatt, North Dakota University System:** I have a suggestion on SB 2160. See written testimony #7 attached)

**Senator Heckaman:** What are the other reasons?

**Laura Glatt, North Dakota University System:** Some of them have been mentioned by others including the fairness and equity among professional programs offered in state where there is no repayment provision. Sometimes employers started paying below market wages because they knew of the loan repayment provision.

**Chairman Flakoll:** In this case, the WICHE programs were paying the marginalized rate between in state and out of state where if we have a Med School in ND our ND residents wouldn't be paying out of state tuition.

**Laura Glatt, North Dakota University System:** You are correct. The out of state colleges want us to pay the full costs. (See attachment #8 for handout on statistics)

**Chairman Flakoll:** Closed the hearing on SB 2160

# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

SB 2160

2-5-13

18269

☐ Conference Committee

Committee Clerk Signature

*Tiffany J. Crossman*

## Explanation or reason for introduction of bill/resolution:

Relating to repayment notes from participants in professional student exchange programs

## Minutes:

You may make reference to "attached testimony."

**Chairman Flakoll** opened the hearing on SB 2160

**Senator Heckaman:** We are providing the difference. The intent was to have a payback if they don't come back and the intent with the sponsor was the fact that we should allow three years to develop their practice after they graduate. If they come back and practice, 1/3 of the stipend is forgiven every year. The problem is the Bank of North Dakota needs to get involved because they will be setting up a repayment program if these students do not come back. We need to word it properly. This is the best amendment I've seen (Attachment #1)

**Chairman Flakoll:** So they have graduated?

**Senator Heckaman:** No, if they have not graduated and received their program degree. If they received two years of funding from the state of North Dakota but never will become a dentist. Nothing happens to any of them

**Chairman Flakoll:** Is it fair to think that a very small percentage of participants drop out?

**Senator Heckaman:** Yes. It is very small. Most of the students that go on complete the program.

**Vice Chairman Schaible:** Is there a way to handle students taking an excessive amount of time?

**Senator Heckaman:** No but we can add an additional qualifier or if they have not completed within so many years they must begin a payment plan. The question on 6 sub a addresses a residency or post-doctoral program. This allows students to combine their other loans with the DEAL program. I don't have a problem if sub section four is taken out of there. We want these professional programs back to the state.

**Chairman Flakoll:** We may wish to have language if someone becomes injured and unable to work we would waive the loans.

**Senator Heckaman:** Who determines if they are unable to continue?

**Senator Luick:** We shouldn't be singling out these people because of this program.

**Chairman Flakoll:** How do they pay back that loan then?

**Senator Luick:** In my business I have to have accidental insurance for any loans.

**Senator Heckaman:** My question is the Bank of North Dakota's policy on other loans. Ex if you take out a loan for an Auto mechanic and aren't able to pay that back.

**Chairman Flakoll:** So you were wondering if the committee is in subsection four.

**Senator Heckaman:** I think you should have a responsibility if you go into these programs so I am fine with keeping subsection four there.

**Vice Chairman Schaible:** If you take out subsection four, what is your protection for that? I would prefer leaving it in.

**Senator Poolman:** I agree with Vice Chairman Schaible because the whole purpose of the program was to provide the state of North Dakota with vets, optometrists, dentists. Maybe it has become skewed to offer these majors we don't have here. Section four should stay in there.

**Chairman Flakoll:** Senator Heckaman if we take out subsection four do you think Miss Kopp would change the way she would testify?

**Senator Heckaman:** I am in favor of that but we would need to ask her. I can tell you she wasn't in favor of that but I am in favor of leaving it in.

**Senator Heckaman:** The Bank of North Dakota needed section seven stating they can do the rule making.

**Chairman Flakoll:** When someone returns from active duty if they are gone for 2 years, the clock is shut off. When they come back does it start right away?

**Senator Heckaman:** That is something the Bank of North Dakota handles on a regular basis so I would imagine they have other people with similar loans they are working with.

**Chairman Flakoll:** If it takes three years of being in North Dakota to have this waived, they waive one third of it every year?

**Senator Heckaman:** That is my understanding. Also it doesn't start until 2014 so the board can explain it to the applicants. The first repayment class won't come until 2017-18.

**Chairman Flakoll:** With the change does that adjust the fiscal note.



**Senator Heckaman:** I think the fiscal note has gone away because of the BND.

**Chairman Flakoll:** If we adopt the amendments we may wish to have the BND do a revised fiscal note. Does this make the fiscal note go away since it is being administered by the Bank of North Dakota?

**Senator Heckaman:** I am not sure about that. I think the fiscal note will go away.

**Chairman Flakoll:** Tell the bank we are contemplating this and may ask for a revised fiscal note.

**Senator Heckaman:** One of the things I recall in visiting with the BND was the fact that this will still require the university system to finance these through their office but the BND will collect the payments. If North Dakota is financing the scholarships and we do get money back, what will that be used for?

**Chairman Flakoll:** General fund.

**Senator Heckaman:** Okay because that is where it comes from.

**Chairman Flakoll:** Closed the hearing on SB 2160

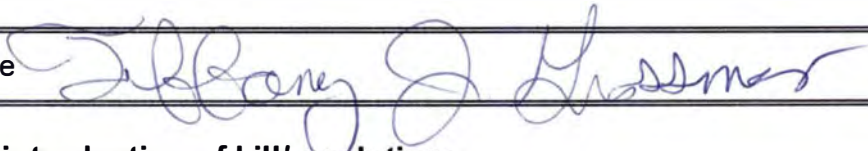
# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

SB 2160  
2-5-13  
18303

☐ Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to repayment notes from participants in professional student exchange programs

## Minutes:

You may make reference to "attached testimony."

**Chairman Flakoll** opened the hearing on SB 2160

**Senator Heckaman:** On the amendments 13.0307.01002 there is a slight amendment on the amendment on section one subsection 1. Since students sign the annual acceptance it will have to be an annual note.

**Senator Heckaman:** Move adoption of amendment to SB 2160

**Senator Marcellais:** Second

**Senator Heckaman:** This belongs in the hands of the House now if we get it there. This is the intent that the prime sponsor had and I as a co-sponsor had. I think it works with the groups we have been working with. The intent is to get the graduates back to practice in the state of North Dakota. It won't be effective until 2014 so it will take a while to see returns but the students will know.

**A roll call vote was taken for the adoption of the Heckaman amendment on SB 2160:**  
6 yeas 0 neas 0 absent

**Senator Heckaman:** I Move for a Do Pass on SB 2160 as amended and re referred to appropriations.

**Senator Marcellais:** Second

**A roll call vote was taken for a Do Pass as amended on SB 2160 and re-referred to appropriations:** 6 yeas 0 neas, 0 absent.

**Senator Heckaman:** will carry



**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/15/2013**

Bill/Resolution No.: SB 2160

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

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$54,000		\$57,000	
Appropriations			\$54,000		\$57,000	

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

Requires repayment of state support from participants in professional student exchange programs in dentistry, optometry or veterinary medicine, with one-third of note amount forgiven for each year practicing in ND.

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

No fiscal impact in the 2013-15 or 2015-17 biennia, as new students entering the program in the 13-14 academic year would not complete their academic program and potentially enter repayment until 2017-18.

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

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

No repayment collections in the 2013-15 or 2015-17 biennia, as students will not have yet entered potential repayment.

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

Cost to cover a 50% FTE position in the NDUS Office to administer the repayment provision and other program administration.

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

An additional general fund appropriation would be required to cover the administrative overhead costs, so as not to diminish funds available for student support.

**Name:** Laura Glatt

**Agency:** ND University System Office

**Telephone:** 701-328-4116

**Date Prepared:** 01/18/2013

February 5, 2013

703  
2-5-13  
1042

PROPOSED AMENDMENTS TO SENATE BILL NO. 2160

Page 1, remove lines 5 through 23

Page 2, replace lines 1 through 8 with:

"**SECTION 1.** A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

**Professional student exchange programs - Notes - Repayment.**

1. Before the state board of higher education makes a payment to an out-of-state institution on behalf of an individual participating in a professional student exchange program in dentistry, optometry, or veterinary medicine, that individual must sign an annual note with the Bank of North Dakota in an amount equal to that by which the individual's tuition is reduced as a result of a contract between the institution and the board.
2. If the individual who signed the note in accordance with subsection 1 is not practicing dentistry, optometry, or veterinary medicine in this state thirty-six months after the individual's date of graduation, the individual shall begin repaying the note, together with interest accruing from the date of signing, at the rate per annum established by the Bank of North Dakota.
3.
  - a. If the individual who signed the note in accordance with subsection 1 elects to practice dentistry, optometry, or veterinary medicine in this state, or if the individual begins to practice in this state at any time between the individual's graduation and thirty-six months thereafter, the Bank of North Dakota shall reduce the amount of the note by one-third, together with all accrued interest, for each full year the individual serves in that capacity.
  - b. If an individual ceases to practice dentistry, optometry, or veterinary medicine in this state before the note is waived in its entirety, the individual shall repay the remaining portion of the note, together with interest accruing at the rate per annum established by the Bank of North Dakota, from the date that the individual ceased such practice.
4. If the individual who signed the note in accordance with subsection 1 departs before graduation from a program in dentistry, optometry, or veterinary medicine, the individual shall begin repaying the note, at the time of departure, together with interest accruing from the date of signing, at the rate per annum established by the Bank of North Dakota.
5. The Bank of North Dakota shall determine all other terms applicable to the time and manner in which the notes must be repaid.
6. The Bank of North Dakota shall defer any repayment of a note otherwise due under this section, for the period of time the individual who signed the note is:

2 of 2

- a. Pursuing full-time graduate or postdoctoral studies; or
- b. Called to active duty as a member of the armed forces.
- 7. The state board of higher education shall consult with the Bank of North Dakota and adopt rules implementing this section.
- 8. This section is applicable only to individuals initially entering a professional student exchange program in dentistry, optometry, or veterinary medicine after June 30, 2014."

Renumber accordingly

2160

Date: 2-5-13  
Roll Call Vote #: 12013 SENATE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO.

Senate Education Committee☐ Check here for Conference Committee

Legislative Council Amendment Number

13,0307-01003

Action Taken

~~Roll~~ Adopt amendments

Motion Made By

Heckman

Seconded By

Marcellais

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll	✓		Senator Joan Heckaman	✓	
Vice Chairman Donald Schaible	✓		Senator Richard Marcellais	✓	
Senator Larry Luick	✓				
Senator Nicole Poolman	✓				

Total (Yes) 4 No 0Absent 0

Floor Assignment \_\_\_\_\_

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

7160

Date: 2-5-13  
Roll Call Vote #: 2

2013 SENATE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO.

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 13,0307,01003

Action Taken Do Pass as amended & re-referred

Motion Made By Heckaman Seconded By Marcellais to approve

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll	✓		Senator Joan Heckaman	✓	
Vice Chairman Donald Schaible	✓		Senator Richard Marcellais	✓	
Senator Larry Luick	✓				
Senator Nicole Poolman	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Heckaman

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



**REPORT OF STANDING COMMITTEE**

**SB 2160: Education Committee (Sen. Flakoll, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2160 was placed on the Sixth order on the calendar.

Page 1, remove lines 5 through 23

Page 2, replace lines 1 through 8 with:

"**SECTION 1.** A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

**Professional student exchange programs - Notes - Repayment.**

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  - a. Pursuing full-time graduate or postdoctoral studies; or
  - b. Called to active duty as a member of the armed forces.

7. The state board of higher education shall consult with the Bank of North Dakota and adopt rules implementing this section.
8. This section is applicable only to individuals initially entering a professional student exchange program in dentistry, optometry, or veterinary medicine after June 30, 2014."

Renumber accordingly

**2013 HOUSE EDUCATION**

**SB 2160**

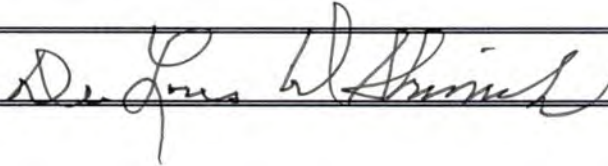
# 2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee  
Pioneer Room, State Capitol

SB 2160  
March 19, 2013  
Job # 20179

☐ Conference Committee

Committee Clerk Signature



(Handout #1, Testimony #2,#3, #4,  
#4A,#4B, #5,#6, Information)

## Minutes:

**Chairman Nathe:** Opened the hearing on SB 2160.

**Senator J. Lee:** Introduced the bill. In our Health Services Intern committee we had testimony and that is what I shared with you. (See Attach. #1) It was provided for us because it was talking about health care workforce among other things and the professional exchanges. We learned that these students that are participating in these programs who received what is the difference between instate and out of state tuition at out of state universities for veterinary programs, dental programs and optometrist programs because North Dakota does not have those programs available for its own students. Between 1977 and 1983 the students who benefited from this and higher Ed prefers not to call scholarships; but it is tuition is the reason there is a difference there. After 1983 the legislature approved a recommendation which had come to them saying it too hard for them to collect. At this point North Dakota students who are going to these programs in other states are not required to repay and they are not required to come back and practice in this state. So the discussion was that if state taxpayers are going to be providing support for these students who are going out of state for these programs that they should have an obligation to return to North Dakota to practice or there should be a repayment. The Senate education committee was kind enough to spend a fair amount of time working on this and so what you see in front of you is the result of the work that they did. On the attachment you will see a little more background about the professional student exchange programs. You can see what the benefits are. It reduces the student cost to the instate tuition level and you can see that dentists have 12 institutions in which they can chose. Optometry has 4 and veterinary medicine has 12. There are 3 non-WICHE PSEP partners as well. The goal of this was to encourage North Dakota students to participate in these programs because it is expensive as we know to go on to college. The idea was that we didn't have those programs available in North Dakota that we should be supporting students elsewhere. That is a fine idea except we do not provide training for neurosurgeons either and we are not paying the difference between instate and out of state for some of those post graduate degrees as well. On page 7 you will see what the acceptance rates were for the fall of 2012. Went over the handout. I would like to see a

better balance because we have twice as many veterinarians as dentists being supported. I recognize you cannot make somebody come back to a place where they don't have a job. That is considered in the bill before you. There is residence certainly to this idea of coming back to practice.

**Rep. L. Meier:** In the intern when you committee looked at this issue. Did you take into consideration the fact that there are so many more satellite connects out there and how that is helping in those small rural area?

**Senator J. Lee:** We know that there are outreach efforts being made in a lot of different area. One thing that is unique about dentist compared to physicians is that most dentists are in either a single independent practice or they may be in a practice with one or two other persons. It costs a lot of money to set up a practice. This is also true for veterinarians and optometry. Each of these is very different from the kind of satellite clients that we see from large healthcare organizations. We don't subsidize medical students. Beyond their residency in North Dakota they are on their own. It isn't really the same because it is seldom a dentist that is included with those satellite clients. The shortages that are critical are in the rural underserved areas.

**Rep. Heller:** Did the Bank of North Dakota give any indication of what type of interest they would charge?

**Senator J. Lee:** They are already very low. The discussion was whether or not there would be repayment at all and we made it possible for the bank to be involved.

**Rep. Heller:** On the second page; the last date there. Why did you decide to put that date in there?

**Senator J. Lee:** So students currently in the program would not be affected.

**Rep. Hunskor:** A student comes back to North Dakota and within three years if they would practice in North Dakota their loan would be forgiven? If they didn't come back within the three years then they would just be asked to repay the loan. There is really no peak if they said no I am not going to do it. I am going to stay in Tennessee or wherever?

**Senator J. Lee:** If they are benefiting from the program by going away and having the difference between the in and out of state tuition paid they would be signing this obligation before they go. This is done in advance.

**Rep. Hunskor:** My question is then I know I signed a note and have the obligation, but I am not going to do it. Then what?

**Senator J. Lee:** The bank would have the legal means to collect as they would on any other bad debt.

**Senator Heckaman:** (See testimony #2) (See testimony # 3)13:36 - 20:32



**Chairman Nathe:** You mentioned in your testimony 30 years ago in 1983 this was discontinued because of reporting difficulty. What does this bill do today to address that issue?

**Senator Heckamen:** It is probably not changing anything other than going through a facility that already handles student loans and that is the Bank of North Dakota. The university system handed it before and when we heard the testimony on this bill that was one of the oppositions to the bill. The university system is not a lending agency so if we go back to the collection process on this they are not in the position to do that. They would have to hire extra staff and we weren't in the position to looking for more FTEs to do that. So we moved it into the Bank of North Dakota loan process and that is an advantage for students because then they can consolidate their other education loans for their undergraduate study into this program and it would probably be a benefit to the students.

**Chairman Nathe:** Is there documentation that the student took the loan out is back in North Dakota or is living in Minnesota. I am currently working in Minnesota. How do they prove that?

**Senator Heckamen:** I think there would have to be a document developed when the students sign on a loan.

**Chairman Nathe:** You mentioned selection committee and I don't see that in here?

**Senator Heckamen:** It is a current selection committee that is used now and I think they go through the Board of Higher Education. That is the current student selection committee that is available and I think you will hear from them.

**Rep. J. Kelsh:** When they combine these loans are those loans all forgiven if they come back to the state of North Dakota?

**Senator Heckamen:** No. Just the part of the professional student loan that is forgiven. That is why the university system is important in this because they will know how much the student got as part of their professional program. I think they are different for different institutions.

**Rep. Heller:** According to the fiscal note it says that we really don't know how much this will cost because we don't know how many people will actually take advantage of it so we are just starting something and it just says the state will have to have sufficient funds in 2019. Is that what we are doing?

**Senator Heckamen:** No that is not what we are doing at all. This is the current program right now. No additional funds will be added to the student exchange program. All this will do is allow the state to recoup some of those funds back if the students chose not to come back to the state to practice. There is no more funding going into the program. The \$4 million every biennium will continue. That may be able to be cut down as the program continues because some students will probably be paying back into that.

**Chairman Nathe:** So that is used to get the student to come back to the state.



**Senator Heckamen:** Absolutely.

**Joe Ciche, ND Dental Association:** I support this bill. We have consistently supported this policy that students that receive these rewards should be required to come back to the state to practice at least for a period of time. It is another incentive to help with our workforce issue. In rural areas we do have a problem. Dentistry is expensive to set up a practice and to come back for three years to set up a practice and then leave again is almost prohibitive. Most of the time if they set up a practice here they will stay here.

Opposition:

**Nancy Kopp, North Dakota Optometric Association as well as the ND Veterinary Medical Assoc:** (See testimony # 4, Handout 4A, Proposed amend 4B, Handout 4B) 27:25 - 30:22

**Taya Patzman, Optometrist in Bismarck:** (See testimony #5) 30:34 - 35:02

**Rep. Wall:** If there are not enough jobs in North Dakota should we reevaluate how many scholarships we are giving?

**Taya Patzman:** I feel that with this program we are supporting advanced education for our students of North Dakota. We provide scholarships to students out of state knowing there is a good chance they will not move to North Dakota and practice in our state. Supporting the program is just supporting higher education and supporting our North Dakota students.

**Rep. Hunskor:** You reference Jamestown and Bismarck and difficult to find a full time position in optometric. Would that be true in the rural areas?

**Taya Patzman:** That is very true, but part of the problem is that it is very expensive to set up a clinic so you have to look at the amount of people that live in that area and the draw and most of the time they are already going to larger cities so it is not practical to set up a full clinic in a small rural area like that and be able to break even or make a living.

**Rep. Wall:** If one signs a promissory note that you are going to come back and practice here for several years and you don't it would seem to me then you would repay that amount? I don't understand why there would be a problem repaying it if you don't fulfill your obligation.

**Taya Patzman:** I feel that the WICHE program equals the playing field that the other professions pharmacy and medicine and it is more of a fairness issue. If we had a school in the state we would not have to look at paying those outrageous out of state tuitions. I see you point that you should have to pay your debt if you don't come back, but again we educate all these other students with an instate tuition rate and we don't require anything of them.

**Rep. Wall:** Do more in the other fields return actually than in optometry or is that a rarity.

**Taya Patzman:** I do not know.

**Chairman Nathe:** You are against the bill as we see it today. Students in medicine and pharmacy currently do not have to repay their loans? You are asking just to be treated the same way.

**Taya Patzman:** Exactly.

**Rep. Rust:** Is it because we have programs in North Dakota where they are able to go tuition free for medicine and pharmacy whereas we don't have programs for optometry in North Dakota so therefore those students that wish to go into that are forced to go to another state and therefore by forced to pay out of state tuition?

**Taya Patzman:** That is exactly right.

**Beth Carlson, DVM:** (See testimony #6) 39:06 - 42:00 Another unintended consequence of this bill might be reducing salaries for veterinarians as well as the other professions within the state because there would be an increased competition for positions. My husband is a veterinarian and business owner in the Bismarck area. They employee 11 veterinarians and he also opposes this bill. I really should support because it will be that I can pay my associates less because there will be more of them looking for a job. I personally was a reception of professional student exchange funds and it kept my student loans to a manageable level which allowed me to choose to return to serve North Dakota. 42:48 - 43:22 I do support the proposed amendment for the study.

**Chairman Nathe:** In regards to your amendment is it your desire that this be a hog house amendment?

**Nancy Kopp:** That is our intent. It would give us more time and find better solutions to address the needs primarily in rural North Dakota.

**Rep. Heller:** If we hog house this into a legislative study we don't have control over what gets studied and what if this would not get picked?

**Nancy Kopp:** In the amendment we do indicate shall study.

**Rep. Heller:** We have been told they just do what they want when all the studies come up to them.

**Rep. J. Kelsh:** If it is in bill form and says shall study it has to be studied. If it is a resolution and says shall study it leave the choice to legislative management.

Hearing closed.

Julie Ellingson, ND Stockmen's Association (informational handout)

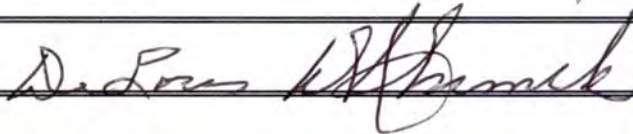
# 2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee  
Pioneer Room, State Capitol

SB 2160  
March 25, 2013  
Job # 20386

☐ Conference Committee

Committee Clerk Signature



## Minutes:

**Chairman Nathe:** Opened the meeting on SB 2160. It deals with the repayment notes in the professional student exchange programs. We were all given an amendment by Nancy Kopp and it would hog house 2160 into a study. I have talked to the bill sponsor and she is fine with that.

**Motion Made to move the amendment by Rep. L. Meier; Seconded by Rep. Johnson**

**Rep. B. Koppleman:** Do we want to change the language slightly to shall study to shall consider.

**Rep. L. Meier:** I certainly could do that. I know we had a good visit about that the other day. I think that would be proper language. Rep. Johnson concurred too.

**Chairman Nathe:** The amendment before you has another addition that says the legislative management shall consider a study on how to improve the efficiencies and determine the methodology of state funding assistance etc.

Discussion:

**Rep. L. Meier:** I think this is a good amendment for this bill is because for the North Dakota scholarships we don't require students to stay in the state after they pursue their careers and also we have \$30 million that goes out in waivers to other out of state students to come into the state so I think the \$4 million in which the WICHE for the appropriation I think is very good.

Voice vote carried.

**Do Pass As Amended by Rep. L. Meier; Seconded by Rep. J. Kelsh:**

**Vote: 13 Yes 0 No 0 Absent Carrier: Rep. Wall**

Closed.

**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/06/2013**

Amendment to: SB 2160

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

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

Requires repayment of state support for students in dentistry, optometry or veterinary medicine, if they do not return to the state to practice within three years of graduation. If they return within three years, one-third of note amount forgiven for each year practicing in ND.

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

There is no fiscal impact until, at the earliest, FY19 when the first entering class of Fall 2014 has completed their four-year program and potentially returns to the state to practice. At that time, sufficient state funds would have to be made available to cover the 1/3 annual principal and interest payment for those students who return to the state to practice.

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

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

No repayment collections nor loan forgiveness in the 2013-15 or 2015-17 biennia, as students will not have yet entered potential repayment.

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

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

In future biennia, sufficient state funds would have to be made available to cover the 1/3 annual principal and interest payment for those students who return to the state to practice.

**Name:** Laura Glatt

**Agency:** ND University System Office

**Telephone:** 701-328-4116

**Date Prepared:** 02/07/2013

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/15/2013**

Bill/Resolution No.: SB 2160

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

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$54,000		\$57,000	
Appropriations			\$54,000		\$57,000	

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

Requires repayment of state support from participants in professional student exchange programs in dentistry, optometry or veterinary medicine, with one-third of note amount forgiven for each year practicing in ND.

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

No fiscal impact in the 2013-15 or 2015-17 biennia, as new students entering the program in the 13-14 academic year would not complete their academic program and potentially enter repayment until 2017-18.

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

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

No repayment collections in the 2013-15 or 2015-17 biennia, as students will not have yet entered potential repayment.

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

Cost to cover a 50% FTE position in the NDUS Office to administer the repayment provision and other program administration.

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

An additional general fund appropriation would be required to cover the administrative overhead costs, so as not to diminish funds available for student support.



**Name:** Laura Glatt  
**Agency:** ND University System Office  
**Telephone:** 701-328-4116  
**Date Prepared:** 01/18/2013

March 26, 2013

VR  
3/26/13

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2160

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of professional student exchange programs.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. LEGISLATIVE MANAGEMENT STUDY - PROFESSIONAL STUDENT EXCHANGE PROGRAMS.** During the 2013-14 interim, the legislative management shall consider studying out-of-state programs in veterinary medicine, optometry, and dentistry and in particular the accessibility of North Dakota students to the programs; the provision of state funding for students attending the programs; the amount of debt incurred by students attending the programs; and the state's short-term and long-term needs for dentists, optometrists, and veterinarians. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Renumber accordingly

Date: 3-25-13

Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 2160

House EDUCATION Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken: ☐ Do Pass ☒ Amended ☐ Rerefer to Appropriations  
☐ Do Not Pass ☐ Adopt Amendment

Motion Made By Rep. Meier Seconded By Rep. Johnson

Representatives	Yes	No	Representatives	Yes	No
Chairman Mike Nathe			Rep. Bob Hunsakor		
Rep. Mike Schatz			Rep. Jerry Kelsh		
Rep. Joe Heilman			Rep. Corey Mock		
Rep. Brenda Heller					
Rep. Dennis Johnson					
Rep. Ben Koppelman					
Rep. Lisa Meier					
Rep. Karen Rohr					
Rep. David Rust					
Rep. John Wall					

TOTAL (YES) \_\_\_\_\_ (NO) \_\_\_\_\_ (ABSENT) \_\_\_\_\_

FLOOR ASSIGNMENT \_\_\_\_\_

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

*Voice  
Vote  
Carried!*

Date: 3/25/13Roll Call Vote #: 22013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTESBILL/RESOLUTION NO. 2160House EDUCATION Committee☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken: ☒ Do Pass ☒ Amended ☐ Rerefer to Appropriations  
☐ Do Not Pass ☐ Adopt AmendmentMotion Made By Rep. Meier Seconded By Rep. Kelsh

Representatives	Yes	No	Representatives	Yes	No
Chairman Mike Nathe	✓		Rep. Bob Hunsakor	✓	
Rep. Mike Schatz	✓		Rep. Jerry Kelsh	✓	
Rep. Joe Heilman	✓		Rep. Corey Mock	✓	
Rep. Brenda Heller	✓				
Rep. Dennis Johnson	✓				
Rep. Ben Koppelman	✓				
Rep. Lisa Meier	✓				
Rep. Karen Rohr	✓				
Rep. David Rust	✓				
Rep. John Wall	✓				

TOTAL (YES) 13 (NO) 0 (ABSENT) 0FLOOR ASSIGNMENT Rep. Wall

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

**REPORT OF STANDING COMMITTEE**

**SB 2160, as engrossed: Education Committee (Rep. Nathe, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2160 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of professional student exchange programs.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. LEGISLATIVE MANAGEMENT STUDY - PROFESSIONAL STUDENT EXCHANGE PROGRAMS.** During the 2013-14 interim, the legislative management shall consider studying out-of-state programs in veterinary medicine, optometry, and dentistry and in particular the accessibility of North Dakota students to the programs; the provision of state funding for students attending the programs; the amount of debt incurred by students attending the programs; and the state's short-term and long-term needs for dentists, optometrists, and veterinarians. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Renumber accordingly

**2013 CONFERENCE COMMITTEE**

**SB 2160**



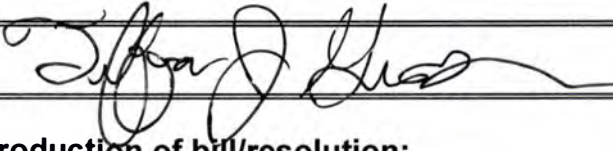
# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

SB 2160  
4-08-13  
20976

☒ Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide for a legislative management study of professional student exchange programs.

## Minutes:

You may make reference to "attached testimony."

**Chairman Poolman** opened the hearing on SB 2160.

**Rep Schatz:** The change from "shall study" to "shall consider studying" is the big change. Our position is "shall consider studying." The primary reason is that it gives leadership an option to study the part dealing with optometry and dentistry. We have many studies going on this session and we can't study everything.

**Senator Heckaman:** I see a complete different version from what we sent to the House. We sent a complete program over there and it came back as a study.

**Senator Poolman:** Why did you take away the loan repayment program and turn it into a study. We felt firmly this was an appropriate repayment program. Why such a drastic move?

**Rep. Kelsh:** There is a little difference. Dentistry can find jobs. Veterinarians have a little more difficulty. Optometry is the same way. If a dentist wants to come back there is no problem. Veterans may not find available jobs. We thought there should be a study to see the difference. We want to study it so we know the situation.

**Rep. Wall:** One of the reasons we wanted to compare apples to apples because many students are getting grants and loans while some are not so we need to study it to make certain everyone is on an equal playing field.

**Senator Luick:** The House version is doing away with the program, and then also considering studying. Shouldn't that be at least a "shall study" scenario for something like this? This watered it down way too much.

**Senator Poolman:** Our key question is that we are investing in these programs and sending these kids out of state to produce optometrists, veterinarians, and dentists for the

state of ND. If we don't need the optometrists or veterinarians, why do we have this program? It is not about making sure we offer every single major. It is about providing the state of North Dakota with these type of professions. Did you discuss that at all?

**Rep Kelsh:** We don't provide those three studies and we have made arrangements with other states to accept some of those. I know some do come back. There are two in my area. My philosophy is we owe it to the kids to give them the opportunity. To say they all have to pay it back is too much. I see it as an opportunity.

**Senator Heckaman:** If it is that important we should take that "consider" out of there. I don't want to lose this altogether.

**Rep. Kelsh:** In a bill that says shall, it will be studied. Resolutions don't mean as much. They are getting so many to study.

**Senator Poolman:** Many of our bills get turned into studies when people don't want to have to say no to something. This is coming from a legitimate cause of concern. I think this is a significant policy being changed into a study. I would agree with Senator Heckaman on the fact that at the very least we need to say they shall study the out of state programs.

**Rep. Wall:** I wanted to point out that currently we do offer programs for medicine and pharmacy without the requirement they come back to the state. That is one of the reasons why we need to study it rather than implement it. We need to see how much aid they are getting without the requirement of payback.

**Rep. Kelsh:** Looking at the fiscal notes, did the Senate have different figures?

**Senator Heckaman:** We heard it is about \$4 million dollars per biennium the state provides to these out of state students for professional programs.

**Rep Wall:** That is the same figure I have for the biennium.

**Senator Heckaman:** I keep going back to the original intent of the program. We heard testimony that the original intent was to fill those intentions, not because we don't offer those programs. We are looking at the students returning to the state. In 1983 it changed because there was difficulty administering that fund or collecting the money. I understand Rep. Kelsh's comments that we provide medical students and pharmacy students options but the original intent was to keep our state well supplied. The committee choosing should be more selective. If we can't fill positions why are we providing the opportunity to go out of state? I believe if we put shall consider it may not get taken. I sat on Legislative Management for the Interim and there are a number that come forward. Some are mandated and there is a pile that can be considered and they don't get much consideration at all.

**Rep. Schatz:** In HB 1454 there is a "shall consider study" for the dental profession so if you look up HB 1454 that is already in there. We all understand these things will be studied.

**Senator Luick:** Maybe we can put it in the other bill if that study is being considered.

**Rep. Schatz:** It probably won't do any good to take a recess.

**Senator Heckaman:** The other one is only a "shall consider" so that may not be studied.

**Senator Poolman:** The dentists were in favor of the policy change so it is interesting the dentists are in two studies when they said they would be fine with repaying the loans.

**Senator Heckaman:** Is there consideration that there are no positions open for veterinarians or optometrists or do they choose not to practice in the areas there are openings?

**Rep. Wall:** Optometrists said they couldn't come back and readily get a job. It appears that jobs there are fairly limited.

**Senator Luick:** I don't know why this would be treated any differently than other profession.

**Rep. Wall:** This would be different because we want to look at the assistance given and the cost. Pharmacy students don't have to pay it back. Optometrists said the payback was difficult because they want to come back but can't find jobs. We want to make sure we are treating them equally.

**Senator Luick:** The difference is that money is going to a campus here in the state rather than a campus outside of the state where they are getting the training.

**Rep. Wall:** Why do we expect some to pay it back? We want to compare how much we are spending to how much we are contributing.

**Senator Poolman:** The Senate's position if you look at the ones we sent to Kansas State for Veterinary Medical School, 18 of those kids at \$25,463 per year is different. Are we giving \$26,000 scholarships to every pharmacy student or medical student? I think we are comparing apples to oranges when we talk about what is being given and what is being expected.

**Rep. Wall:** That is why it should be studied.

**Rep. Kelsh:** I don't know how many doctors stay in the state. We are subsidizing all of those educations in one way or another. We put a chunk of money in the medical school. If 50% of the doctors are leaving the state that is quite a cost to the taxpayers. We need to know those things to make it as fair as possible for everyone.

**Senator Heckaman:** One of the things that was advantageous to doing the repayment program for these students is the fact that ND was willing to consolidate other student loans together and give them a much lower interest rate. The BND's cooperation was outstanding. It is possible that reintroduction would increase a return rate to ND. According to WICHE's 2011 reports, with a contractual payback requirement, on average 74% return to their home state and 39% return to the state without a repayment program. We need to study this because it is not only the money but the services we will miss in our state.

**Rep. Kelsh:** The BND may not consolidate soon. They will start slow.

**Senator Heckaman:** That is the case here. We would be looking at several years along the line for the BND to start.

**Rep. Kelsh:** I hope this gets studied too. I don't know what would happen on the floor if we say it has to be studied. I would like to keep the bill alive.

**Senator Poolman:** I would hope with the amount of money associated with this it would be to the advantage of the House to say yes we shall consider it in order to either get this money repaid or to put an end to the program depending on what the study tells us to do. Either way there is going to be savings to the state of North Dakota which I would hope leadership would be receptive to.

**Rep. Schatz:** As a consolation, the idea that it might not be studied, when we go to interim committees they have their own determinations of what they will study. If there is a great deal of passion over this, it will be studied.

**Rep. Kelsh:** That is not necessarily true. If this wasn't studied and the other one was, the chairman of legislative management would have to tell them they could do that otherwise they could not go ahead and do that. It has to come from the chairman of legislative management.

**Chairman Poolman:** The dental one is just a shall consider as well so we are in the same boat. Closed the conference committee.



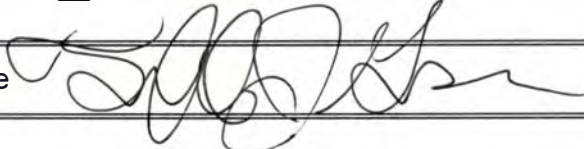
# 2013 SENATE STANDING COMMITTEE MINUTES

**Senate Education Committee**  
Missouri River Room, State Capitol

SB 2160  
4-17-13  
21195

☒ Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide for a legislative management study of professional student exchange programs.

## Minutes:

You may make reference to "attached testimony."

**Chairman Poolman:** opened the conference committee. All present and accounted for.

**Senator Heckaman:** I have a proposed amendment I will pass out (Attachment #1) This provides for study and moves the study from the legislative management into the North Dakota University System. The NDUS runs the program right now. This would just change the placement of the study. We can see if this is viable to keep appropriating \$4 million every biennium for the program. It also says they shall report back to legislative management before October 1<sup>st</sup>, 2014. **I move these amendments to engrossed HB 2160**

**Senator Luick:** Second

**Rep Kelsh:** These are good amendments. We need to get more information. We can compare this to what it would cost us to start the programs. We need a better understanding.

**Rep Schatz:** I disagree. I think if we shall consider studying the original by legislative council is where we are at. A study like this ends up being a lot of money. I don't know how we will judge it.

**Senator Heckaman:** I think we don't have the right info. Recently with the changes in the affordable care act, there may be a need for more optometrists given the fact some will be provided to people that don't have that now. I always appreciate more info than no info at all. Shall studying might not happen. I would support the amendment

**Chairman Poolman:** It is a significant compromise on the Senate's part. These students should be coming back here or paying back the money. We will learn more from this.

**Senator Luick:** I am curious when a study is completed, what are the approximate costs of doing a study?

**Rep. Kelsh:** I think if legislative management does it, then it costs money to hire experts. If you are using state agencies it won't cost any. We rent these spots do we still have to pay.

**Senator Heckaman:** I think I made my motion incorrectly. I think I make a motion appropriately. **I withdraw motion**

**Senator Luick:** **I withdraw second**

**Senator Heckaman:** **I move the Senate accede to the amendments and further amend.**

**Senator Luick:** **Second**

**Rep Wall:** Is the University System okay with this?

**Senator Heckaman:** I have not checked with them.

**Chairman Poolman:** I have not checked either.

**Rep. Wall:** If this study would be in the University System, would they need additional staff or are the statistics readily available?

**Laura Glatt, NDUS:** I believe much of the data you are looking for we already have in hand. It would be easy to compile and update. The key to this is if you are looking for a recommendation from us or want us to present the info and you as a legislative body make the decision. I might suggest to the Chancellor that during the interim we want to submit or cover this to that committee. That would give us time to revisit the report.

**Senator Heckaman:** Do you think that needs to be stated explicitly in here. Can we say our intent is the report goes to the higher education committee?

**Senator Poolman:** I think it is good enough to say our intent is that. They discouraged us from placing that in the bill itself.

**Rep. Kelsh:** I would feel they should just give us information and not a recommendation.

**Chairman Poolman:** I would agree. We just want the information.

**A roll call was taken for the Senate to accede and further amend: 4 yeas, 2 neas, 0 absent: MOTION FAILS because of a lack of two votes on each side.**

**Chairman Poolman:** Do you have other ideas?

**Rep. Wall:** Shall consider.



**Senator Poolman:** The Senate came all the way from changing the policy and forcing them to pay the money back to just studying it and the house is still going to hold to "shall consider"

**Rep. Kelsh:** I think Rep. Schatz wants it to go back to a legislative management study and to make it optional.

**Senator Heckaman:** Why are you not interested in having this done for sure? This will definitely provide us some information.

**Rep. Schatz:** One of the problems is we have so many studies going on and some of this information is readily available. Leadership wants the option to decide which studies are most important.

**Senator Heckaman:** That is the point. Legislative Management won't study this. It is really important to study this.

**Rep. Wall:** I need more time to study the amendment.

**Senator Heckaman:** That is fair.

**Rep. Kelsh:** I want everyone to understand the amendments are no longer a legislative management study. I am very comfortable with the amendment.

**Senator Poolman:** Closed the conference committee.

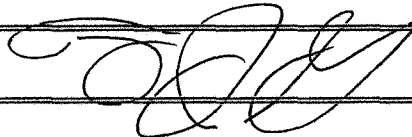
# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

SB 2160  
4-17-13  
21215

☒ Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide for a legislative management study of professional student exchange programs.

## Minutes:

You may make reference to "attached testimony."

**Senator Poolman:** opened the conference committee on SB 2160

**Rep. Schatz:** We have items we would like to have studied. I'll hand them out (attachment #1) and read them. These are some items to be studied. We noticed on the proposed amendments October 1<sup>st</sup>, 2014 was the deadline and we would like to move that ahead to September 15th, 2013.

**Rep. Wall:** We put these forward for the list of items for discussion purposes only. It can be added to but if it does come under the University System there should be guidelines.

**Senator Heckaman:** When I look at the bill itself it is to study professional student exchange programs. I don't believe items A-D qualify and I don't know we can add them in a conference committee. The intent of the bill is to study dentistry, optometry, and veterinary medicine. E, F, and G are appropriate.

**Rep. Kelsh:** Why September 15<sup>th</sup> of 2013? That is not very far away. If it passes it becomes effective August 1<sup>st</sup> so that isn't enough time.

**Rep. Wall:** My feeling is that a lot of this material is readily available. The date is negotiable with us. Senator Heckaman, I think one of the purposes of the bill was as you stated but I think to get to any kind of consensus for future potential legislation we need to establish a cost of the first items mentioned here. I don't know if the results would prove anything unless we try to do some of the things in WICHE.

**Senator Heckaman:** I would question on A-D are we looking at all of our Doctorate and Master's program across the state? I don't know we can add medical and Pharmacy without adding all of those. If you want to study those, don't do it in this bill. I don't know what we would do with the information on September 15, 2013. Why do we need it then?

**Rep. Wall:** If we have an interim committee that would be valuable. The date is immaterial

**Chairman Poolman:** In the relation of A-D are we reframing the argument? Are we going to start paying for every program that we don't offer then? The intent of the original program was to bring optometrists, and dentists back to the state of North Dakota. When we start throwing Pharmacy and Medical graduates in there, it makes me question how we are framing the discussion.

**Rep. Schatz:** I feel it is a cost comparison. Those statistics are readily available so we are comparing those two to the other three. I think it would be useful information. You need something to compare.

**Chairman Poolman:** You just want to compare the investments.

**Senator Heckaman:** I don't think you can compare those at all. We are looking at what it costs us to educate those students out of state and are we getting the best money we can. Are we having too many students or not enough? Are there job opportunities for them? When we look at E, F, and G we know the cost to pursue the degree because we have that in testimony. We have that in documentation. What monetary incentives on F that we offer are there too. The last one, we know that answer too. We don't know why they aren't coming back. When we look at A, B, C, and D that is out of the realm of what this bill is about.

**Rep. Schatz:** Do we have a shortage of any of these and if we don't why are we studying any of this?

**Rep. Kelsh:** Dentists have a shortage in the state especially in rural areas. Optometrists may be a little bit that way. In a lot of areas, the vets are in shortage. We have to compare the costs if we were to provide those programs in the state of North Dakota. If we were to provide a startup program in veterinary medicine, optometry, and sustain that program, what would it cost us per student compared to what it does to send them out of state. I don't mind seeing a couple of comparisons or like things. There are so many things we need to know before we can make a decision on this. If we can't afford the program and want to provide our folks the opportunity to do these professions, what do we do?

**Senator Heckaman:** We are losing sight of what we are doing. The bill that came to you was to provide a payback program with the original intent of when the program started in 1977. You sent back to us a study. I heard Rep. Schatz say why have a study then? We didn't ask for a study. We asked for the program to go back to the original. What will we compare? We would have to compare for what other states do. You can't compare veterinary medicine to pharmacy. Those are two different programs. We can get information on what these cost. We are losing sight of what this bill starts at. We made a compromise on the study.

**Rep. Schatz:** If we had these programs, we would be the only state in the union of our size that would have a medical school, pharmacy, and all of these different schools so I don't know if that is a realistic thing to study because most of the states cooperate with one another. Do we have a shortage?

**Chairman Poolman:** Your comments bring up a great question. Do those other states have a payback program when they send kids to other schools?

**Rep. Wall:** That is one of the reasons I think A-D are important. I don't think we have a payback expectation for graduates in those fields if they leave the state. We need to know what the approximate state's input is monetarily into those students with no expectations of paying anything back to the state. If we are looking at having a veterinarian who doesn't come to the state make a payback, I am concerned with the fairness. We need to know how much we are subsidizing the other professions.

**Rep. Kelsh:** Did you want this in code or is this just a suggestion?

**Rep. Wall:** It is for discussion only. This would not go into code. I would expect higher education would have some idea what we would expect from this study.

**Rep. Schatz:** Is there going to be a cost at all based on that study if the University System does this?

**Laura Glatt:** The only cost would be staff time. We don't track why the graduates don't return. That might be useful information. I am hoping that is something we can still manage ourselves without contracting for any assistance with that. By in large we could do most if not all of this with our staff.

**Rep. Wall:** Senator Heckaman mentioned many of the things on A-G you already have. Do you have A-G?

**Laura Glatt:** We have A-G. We will work with whatever date you provide us with. This is a great example why an interim committee should be visited with because we can get more feedback on what we're missing and what you would like to see.

**Rep. Schatz:** November 15<sup>th</sup> would be okay. If we had it for that, we could talk about it in the December meeting. I would like it before 2014 if that would work.

**Senator Heckaman:** I would like the committee to look at our amendments again from this morning. I would say the only change we need to make is before November 15, 2013. Would you like me to propose that amendment again? (Attachment #2)

**Senator Heckaman:** I move the Senate accede and further amend but change the date to before November 15, 2013 with the legislative intent that the request the House made be given to the University System.

**Senator Luick: Second**

**\*\*It was later realized the motion should have been the HOUSE RECEED from the HOUSE amendments and further amend.**

A roll call vote was taken: **6 yeas 0 neas 0 absent. Motion carries.**

**Chairman Poolman:** Closed the conference committee

**FISCAL NOTE**  
**Requested by Legislative Council**  
**04/23/2013**

Amendment to: Engrossed SB 2160

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

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

Provides for a NDUS of professional student exchange programs.

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

The bill provides that the NDUS study the professional student exchange programs This bill does not result in any additional direct fiscal impact. Work will be completed by currently employed NDUS Office staff.

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

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

**Name:** Laura Glatt  
**Agency:** NDUS Office  
**Telephone:** 328-4116  
**Date Prepared:** 03/26/2013



**FISCAL NOTE**  
**Requested by Legislative Council**  
**03/28/2013**

Amendment to: SB 2160

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

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

Provides for a Legislative Management study of professional student exchange programs.

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

The bill provides that Legislative Management consider studying professional student exchange programs. This bill does not result in any additional fiscal impact.

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

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

**Name:** Allen Knudson  
**Agency:** Legislative Council  
**Telephone:** 328-2916  
**Date Prepared:** 03/28/2013

**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/06/2013**

Amendment to: SB 2160

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

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

Requires repayment of state support for students in dentistry, optometry or veterinary medicine, if they do not return to the state to practice within three years of graduation. If they return within three years, one-third of note amount forgiven for each year practicing in ND.

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

There is no fiscal impact until, at the earliest, FY19 when the first entering class of Fall 2014 has completed their four-year program and potentially returns to the state to practice. At that time, sufficient state funds would have to be made available to cover the 1/3 annual principal and interest payment for those students who return to the state to practice.

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

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

No repayment collections nor loan forgiveness in the 2013-15 or 2015-17 biennia, as students will not have yet entered potential repayment.

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

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

In future biennia, sufficient state funds would have to be made available to cover the 1/3 annual principal and interest payment for those students who return to the state to practice.

**Name:** Laura Glatt

**Agency:** ND University System Office

**Telephone:** 701-328-4116

**Date Prepared:** 02/07/2013

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/15/2013**

Bill/Resolution No.: SB 2160

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

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$54,000		\$57,000	
Appropriations			\$54,000		\$57,000	

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

Requires repayment of state support from participants in professional student exchange programs in dentistry, optometry or veterinary medicine, with one-third of note amount forgiven for each year practicing in ND.

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

No fiscal impact in the 2013-15 or 2015-17 biennia, as new students entering the program in the 13-14 academic year would not complete their academic program and potentially enter repayment until 2017-18.

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

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

No repayment collections in the 2013-15 or 2015-17 biennia, as students will not have yet entered potential repayment.

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

Cost to cover a 50% FTE position in the NDUS Office to administer the repayment provision and other program administration.

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

An additional general fund appropriation would be required to cover the administrative overhead costs, so as not to diminish funds available for student support.

**Name:** Laura Glatt  
**Agency:** ND University System Office  
**Telephone:** 701-328-4116  
**Date Prepared:** 01/18/2013



April 17, 2013

*JB*  
4-17-13

**PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2160**

That the House recede from its amendments as printed on page 941 of the Senate Journal and page 1088 of the House Journal and that Engrossed Senate Bill No. 2160 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a North Dakota university system study of professional student exchange programs; and to provide for a report to the legislative management.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. STUDY OF PROFESSIONAL STUDENT EXCHANGE PROGRAMS - REPORT TO THE LEGISLATIVE MANAGEMENT.** The North Dakota university system shall study the out-of-state programs in veterinary medicine, optometry, and dentistry, and in particular the accessibility of North Dakota students to the programs; the provision of state funding for students attending the programs; the amount of debt incurred by students attending the programs; and the state's short-term and long-term needs for dentists, optometrists, and veterinarians. Before November 15, 2013, the North Dakota university system shall report its findings to the legislative management."

Renumber accordingly

Date 4-17-13

Roll Call Vote # 1

**2013 SENATE CONFERENCE COMMITTEE  
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2160 as (re) engrossed

Senate Education Committee

- Action Taken**
- ☐ SENATE accede to House Amendments
  - ☒ ~~SENATE~~ accede to House Amendments and further amend
  - ☐ HOUSE recede from House amendments
  - ☐ HOUSE recede from House amendments and amend as follows
  - ☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

*Motion fails*

Motion Made by: Heckaman Seconded by: Luick

Senators	Yes	No	Representatives	Yes	No
Senator Poolman	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Rep Schatz	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Senator Luick	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Rep Wall	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Senator Heckaman	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Rep Kelsh	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Total Senate Vote	4	2	Total Rep. Vote	0	0

Vote Count      Yes: 4      No: 2      Absent: 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Date 4-17-13  
Roll Call Vote # 1

2013 SENATE CONFERENCE COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. SB 2160 as (re) engrossed

Senate Education Committee

- Action Taken ☐ SENATE accede to House Amendments  
☒ ~~SENATE~~ accede to House Amendments and further amend  
☐ HOUSE recede from House amendments  
☒ ~~HOUSE~~ recede from House amendments and amend as follows  
☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Heckaman Seconded by: Luick

Senators	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Yes	No	Representatives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Yes	No
Senator Poolman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Rep Schatz	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Senator Luick	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Rep Wall	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Senator Heckaman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Rep Kelsh	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Senate Vote	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Total Rep. Vote	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number 13.0307 . 02003 of amendment

LC Number \_\_\_\_\_ . \_\_\_\_\_ of engrossment

**REPORT OF CONFERENCE COMMITTEE**

**SB 2160, as engrossed:** Your conference committee (Sens. Poolman, Luick, Heckaman and Reps. Schatz, Wall, J. Kelsh) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 941, adopt amendments as follows, and place SB 2160 on the Seventh order:

That the House recede from its amendments as printed on page 941 of the Senate Journal and page 1088 of the House Journal and that Engrossed Senate Bill No. 2160 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a North Dakota university system study of professional student exchange programs; and to provide for a report to the legislative management

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. STUDY OF PROFESSIONAL STUDENT EXCHANGE PROGRAMS - REPORT TO THE LEGISLATIVE MANAGEMENT.** The North Dakota university system shall study the out-of-state programs in veterinary medicine, optometry, and dentistry, and in particular the accessibility of North Dakota students to the programs; the provision of state funding for students attending the programs; the amount of debt incurred by students attending the programs; and the state's short-term and long-term needs for dentists, optometrists, and veterinarians. Before November 15, 2013, the North Dakota university system shall report its findings to the legislative management."

Renumber accordingly

Engrossed SB 2160 was placed on the Seventh order of business on the calendar.

**2013 TESTIMONY**

**SB 2160**



#1

## Professional Student Exchange Programs (PSEP)

Report to the Interim  
Health Services Committee,  
July 24, 2012



## PSEP Program Background

- Student access to veterinary / optometry / dental programs was extremely limited by lack of programs in state – students competed with other out of state students with no guarantee of access.
- Primary purpose: PSEP purchases student slots in selected programs to facilitate access to meet ND industry needs. The state support fee equals the difference between in-state and out-of-state tuition.



vet - 1959  
DOS, optometry - 182



## PSEP Program Background

- Student Benefits:
  - PSEP reduces the student cost to the in-state tuition level for the slots purchased under the programs at institutions outside of North Dakota.
  - PSEP is not a scholarship, it is an access program created to allow ND students to enroll in three programs not offered at NDUS institutions.



## Authorization and Agreements

- N.D.C.C. 15-10-28: defines SBHE relationship with the Western Interstate Commission for Higher Education (WICHE)
- WICHE facilitates access to graduate study in dentistry, veterinary medicine, and optometry.
- NDUS has authorization in statute to make other arrangements with professional schools.



## WICHE Participating Institutions

- Dentistry: 12 institutions
- Optometry: 4 institutions
- Veterinary Medicine: 12 institutions



## Non-WICHE PSEP Partners

- University of Minnesota: Dentistry, Veterinary Medicine
- Kansas State University: Veterinary Medicine
- Iowa State University: Veterinary Medicine





## Program Participation Requirements

- Applicants must meet statutory definition of residency for tuition purposes:
  - Applicants complete the application for resident status with the NDUS Financial Aid office.
  - Residency requirements for this program are the requirements established in N.D.C.C. 15-10-19.1.
  - Acceptance into an approved program at an out of state institution. (Applicants are selected for admission by the institutions, not by NDUS)



## Repayment

- Currently there is no repayment requirement for students who do not return to North Dakota to practice.
- The repeal of N.D.C.C. 15-10-28.1 eliminated NDUS authority to require repayment in 1983.
- Students in the PSEP program between 1977 and 1983 were required to repay the support fee with interest if they did not return to ND.





## 1977-1983 Repayment Program

- Terms of the repayment note were difficult to enforce and collect.
- Some program participants had difficulty locating employment in ND, causing them to enter repayment while unemployed.
- PSEP program evaluation in 2006 indicated that repayment had not significantly affected return rates to North Dakota.



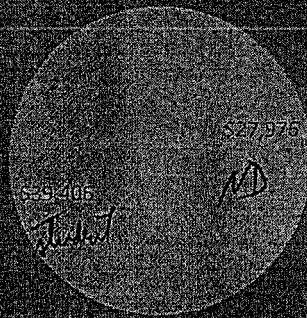
## WICHE Student Support

- Students receive a support fee from NDUS through WICHE sufficient to reduce their tuition to in-state tuition levels.
- Applicants also receive priority consideration for admission at some institutions to WICHE slots in participating professional schools.



## Student and State Cost Sharing

Annual tuition, fees, and expenses example: Colorado State  
University College of Veterinary Medicine



- ☒ ND Support
- ☒ Student Paid



## Expenditures & Enrollments

- 93 students participated in all ND PSEP programs (WICHE and non-WICHE) in the 2011-12 academic year, at a total cost of \$1,759,815.
- 98 students are projected for AY 2012-13.





## Program Demand

- Not all qualified applicants are able to be funded at the current funding levels.
- Acceptance rates for Fall, 2012 (all programs)
  - Veterinary Medicine: 53% (9 of 17 applicants)
  - Optometry: 80% (8 of 10 applicants)
  - Dentistry: 29% (7 of 24 applicants)



Table 1  
WICHE Professional Student Exchange Program Participants  
by Field of Study and Grade Level

2011-2012 (Actual)					
Veterinary Medicine		Dentistry		Optometry	
Seniors	1	Seniors	3	Seniors	4
Juniors	1	Juniors	2	Juniors	5
Soph.	2	Soph.	2	Soph.	8
Freshmen	1	Freshmen	2	Freshmen	7
Total	5	Total	9	Total	24
Support Fee: \$29,500		Support Fee: \$23,000		Support Fee: \$15,800	
Total: \$147,500		Total: \$207,000		Total: \$379,200	
2012-2013 (Projected)					
Veterinary Medicine		Dentistry		Optometry	
Seniors	1	Seniors	2	Seniors	5
Juniors	2	Juniors	2	Juniors	8
Soph.	1	Soph.	2	Soph.	9
Freshmen	2	Freshmen	3	Freshmen	6
Total	6	Total	9	Total	28
Support Fee Per Student: \$30,000		Support Fee Per Student: \$23,400		Support Fee Per Student: \$16,100	
Total: \$180,000		Total: \$210,600		Total: \$450,800	



Table 2  
Non-WICHE Partner Institutions – Veterinary Medicine  
by Field of Study and Grade Level


2005

**2011-2012 (Actual)**

Iowa State Veterinary Medicine		Minnesota Veterinary Medicine		Kansas State Veterinary Medicine	
Seniors	3	Seniors	2.5	Seniors	5
Juniors	4	Juniors	1	Juniors	3
Soph.	3	Soph.	1	Soph.	6
Freshmen	4	Freshmen	0	Freshmen	4
Total	14	Total	4.5	Total	18
Support Fee: \$22,236-\$22,532		Support Fee: \$10,178		Support Fee: \$25,463	
Total: \$314,582		Total: \$48,231		Total: \$458,334	

**2012-2013 (Projected)**

Iowa State Veterinary Medicine		Minnesota Veterinary Medicine		Kansas State Veterinary Medicine	
Seniors	4	Seniors	1	Seniors	3
Juniors	3	Juniors	1	Juniors	6
Soph.	4	Soph.	0	Soph.	4
Freshmen	3	Freshmen	1	Freshmen	4
Total	14	Total	3	Total	19
Support Fee : \$22,368-\$22,886		Support Fee Per Student: \$11,254		Support Fee Per Student: \$26,736	
Total: \$318,332		Total: \$33,762		Total: \$507,984	



NORTH DAKOTA  
UNIVERSITY SYSTEM

NORTH DAKOTA  
UNIVERSITY SYSTEM

Table 2 Non-WICHE Partner Institutions – Dentistry by Field of Study and Grade Level	
2011-2012 (Actual)	
University of Minnesota Dentistry	
Seniors	3
Juniors	5
Soph.	5
Freshmen	5
Total	18
Support Fee: \$10,041-\$12,464	
Total: \$204,968	
2012-2013 (Projected)	
University of Minnesota Dentistry	
Seniors	5
Juniors	5
Soph.	5
Freshmen	4
Total	19
Support Fee: \$10,543 -\$13,087	
Total: \$235,936	

NORTH DAKOTA  
UNIVERSITY SYSTEM

#2

**SENATE BILL 2160**  
SENATE EDUCATION COMMITTEE  
SENATOR TIM FLAKOLL – CHAIRMAN

JANUARY 22, 2013

Good morning, Mr. Chairman and members of the Senate Education Committee.

For the record, my name is Nancy Kopp. I represent the North Dakota Optometric Association, as well as the North Dakota Veterinary Medical Association, serving as Executive Director for both organizations.

I appear before you, on behalf of both Associations today, in opposition to Senate Bill 2160, as both professional organizations are affected by the bill and have similar, if not identical positions and interests on behalf of future optometrists and veterinarians, providing health care services in North Dakota.

The North Dakota Legislature invests millions of dollars in the University System to educate and provide an affordable education to residents, as well as a good number of non-residents, especially bordering state residents.

The Professional Student Exchange Program does provide students the opportunity for an education in their chosen career path of a profession, where the education is not available in North Dakota, at in state tuition rates, namely a doctoral profession program.

Students who do select a professional career path, such as Medicine or Pharmacy, have the opportunity to take advantage of in state tuition and are not required to sign promissory notes, to the effect that they intend to practice in North Dakota upon graduation or thereafter.

The Professional Student Exchange Program offered through WICHE (the Western Interstate Commission on Higher Education) provides students ACCESS to the three professional programs not offered in our state. Does North Dakota want to build and maintain these facilities?



The support fee paid by North Dakota, to access these out of state professional programs, normally allows for the difference between the in state and out of state tuition rate, provides guaranteed access to limited purchased slots in these programs, assuming these students have satisfied the North Dakota entrance requirements of GPA's and conducted interviews. The awards are paid directly to the school in which they are enrolled or accepted.

Practices for Optometry and Veterinary Medicine are predominately private practice or group practices. A small amount of optometrists are employed by hospitals or clinics. Therefore, the investments in buying a practice and equipment adds to the debt reduction expenses.

Starting salaries in North Dakota for these professions are much lower, for whatever reason, than in other states. Some recent graduates may practice in another state for a period of time for experience and greater earning income, then, eventually find their way back to North Dakota.

If the North Dakota economy can support adequate starting salaries for our students to return to North Dakota, which I truly think is their desire, and at the same time, at levels that they can pay off their student loans, the investment of the taxpayers meets the health care needs of our residents.

At this time, I would like to introduce recent graduates and members of the North Dakota Optometric Association, Dr. Taya Patzman and North Dakota Veterinary Medical Association, Dr. Beth Carlson and Dr. Angie Bettenhausen.

I would be happy to answer any questions you may have of me, after allowing the testimony of others.

Thank you in advance for your consideration of a do not pass recommendation of SB 2160 and perhaps this can be discussed further, in the Appropriation of the North Dakota University System, the budget where the Professional Student Exchange Program is funded.

## Talking points against requiring veterinary graduates that do not return to North Dakota to pay back their tuition assistance.

- All North Dakota veterinary graduates cannot return to North Dakota. A graduate that does want to return, but cannot because of job availability, is penalized by paying back tuition assistance for veterinary training.
- Through in-state tuition, North Dakota subsidizes UND medical graduates and NDSU pharmacy graduates. Since North Dakota does not have a college of veterinary medicine, North Dakota veterinary students going outside the state for training should be afforded the same privilege. The cost of an out-of-state veterinary medical education imposes a large financial burden on the new graduate.
  - UND *in-state* tuition – medical students - \$26,656.08
  - NDSU *in-state* tuition – pharmacy students - \$13,203.12
  - Veterinary college tuition *with assistance*
    - U of MN - \$27,664.00
    - ISU - \$18,504
    - KSU - \$18,621.60 (based on 18 credit hours)
    - CSU - \$25,241.64
  - Veterinary college tuition *without assistance*
    - U of MN - \$51,418.00
    - ISU - \$41,390
    - KSU - \$41,330.40 (based on 18 credit hours)
    - CSU - \$53,217.64
- North Dakota does not require state trained physicians and pharmacists to practice in North Dakota, therefore, there should be no such requirement for veterinarians.
- Veterinary school debt vs. starting salary, when compared to physicians and pharmacists, shows the additional financial burden that would be imposed on veterinarians being required to pay back tuition assistance from the state.
  - Physicians – *average salary* - **\$234,000.00**  
 (<http://www.medscape.com/features/slideshow/compensation/2012/public>);  
 physicians – *average debt* – **161,290.00**; (<http://www.ama-assn.org/ama/pub/about-ama/our-people/member-groups-sections/medical-student-section/advocacy-policy/medical-student-debt/background.page?>)
  - Pharmacists – *average salary* - **\$81,682**  
 (<http://averagepharmacistsalary.net/ND/Fargo/salary/Pharmacist-Salary>); pharmacists  
*average debt* –
  - Veterinarians – *average salary* - **\$65,404**; *average debt* - **\$151,672**  
 (<https://www.avma.org/news/pressroom/pages/Veterinary-school-graduates-see-drop-in-job-offers-starting-salaries.aspx>)
- Some veterinary graduates will spend from 1-5 years practicing in another state after which they return to North Dakota. This can happen for a variety of reasons, but regardless of the case, it again penalizes a North Dakota veterinarian for not returning to the state immediately.

#24

My name is Taya Patzman and I'm an optometrist in Bismarck, ND. I also have a practice in Jamestown, ND. I am currently the President of the North Dakota Optometric Association and a former WICHE recipient.

I am speaking to you today in opposition of SB 2160. This bill states that a student must sign a note in an amount equal to that by which the individual's tuition is reduced as a result of a contract between the institution and the board. If the student elects to not practice in their profession in ND after graduation, the note shall be repaid with an interest rate of 6% per year. By agreeing to this note, it is taking a risk if your situation changes and you are not able to return to ND to practice. When I consolidated my student loans, I locked in at a rate of 2.9%.

The intentions of the current WICHE program is to off-set the cost of out-of-state tuition increase for professional programs which we do not offer in our state, help promote advanced education for our students, and provide access to participating WICHE schools.

North Dakota currently offers in-state programs for medicine and pharmacy without the requirement they practice in ND upon graduation. The current WICHE program assists students pursuing optometry, dentistry, and veterinary medicine. The program provides loan assistance to help off-set some of the difference between in-state and out-of-state tuition rates.

Providing WICHE assistance is more cost effective than to build and maintain a new optometry school in the state. The newest optometry school was started in Phoenix a few years ago. It was estimated to be at a cost of about 40 million dollars.

The problem with requiring all students who receive the WICHE funds to return to ND is that our market in ND cannot currently support 15-20 new graduates a year. There are very few full-time positions available in our state. Most of the available positions are part-time and a maximum of 2-3 days a week. This would not be sufficient to support repayment of student loans and living expenses. The average debt for a new optometry graduate is about \$200,000. Of the 8 students in my graduating class who received ND WICHE funds, I was the only one who returned to ND immediately upon graduation. I moved back to Bismarck where I got married and my husband had a job. There was not a position available in Bismarck so I had to drive to Fargo every week and work 3-4 days a week to maintain a position in the field. I worked at 4 different offices while I was in Fargo and maintained those positions for 5 years until I moved back to Bismarck. When I moved back to Bismarck, I started a practice at Sam's Club which was only a 1-2 day a week practice so I also worked at another office in Bismarck one day a week and 2 days a week at an office in Minot. I have now been out of optometry school for almost 11 years. I have started my own practice in Bismarck which I work at 2 days a week and still maintain a satellite office in Jamestown 3-4 days a week. Finding and maintaining work has been a challenge and continues to be a challenge for most new graduates returning to North Dakota. Many new graduates practice in larger cities upon graduation where they can obtain a higher paying job for a few years until a suitable position becomes available in ND. With the current changes, they would be penalized for this decision as they would be required to repay the loan immediately upon graduation.

I feel the current WICHE program is an excellent way to promote advanced education for the students of ND. It provides an incentive to pursue a degree which we do not and cannot provide in our state. It provides access or a guaranteed slot for North Dakota students to attend participating WICHE schools of optometry. The proposed changes in SB 2160 may discourage some students from pursuing advanced degrees in the fields of optometry, dentistry, and veterinary medicine.

4 15

Testimony Against Senate Bill No. 2160  
January 22, 2013  
Angela Bettenhausen, DVM

My name is Angela Bettenhausen. I am a 2009 graduate of Iowa State University College of Veterinary Medicine. Originally from Bismarck, I had hoped to return to the state of North Dakota after veterinary school and am currently working at a veterinary practice in Bismarck. I am speaking today in support of professional student exchange funding and against Senate Bill No. 2160.

As a veterinary student, I did receive professional student exchange funding that effectively allowed me to pay in-state tuition for my veterinary education. For this I am very grateful. This funding has reduced my loan burden by about \$81,000 for my 4-year professional degree. For more recent graduates in my profession, this number is higher. Without the funding, my monthly student loan payment for veterinary school alone would be just over \$1,100 a month over a 30-year repayment period or \$2,000 monthly for a 10-year repayment period. This is nearly double what my current payments are. This is a significant financial burden in a profession where the starting salaries for new graduates tend to be around \$55,000 to 60,000.

In veterinary medicine businesses are owned exclusively by local professionals, or small groups of professionals. This is in contrast to health professions such as human medicine where large institutions are responsible for employing professionals. This causes increased debt burden to be of particular concern in my field. Larger educational debt makes it more difficult and daunting for the new generation to take on the debt of either purchasing a practice from the previous generation or starting a new practice. Although my student loans are still significant, the funding that I received from the state contributed to my financial ability to become part-owner of the veterinary practice that I currently at when the opportunity arose.

In addition to encouraging you to continue funding for professional student exchange programs, I urge you to vote against S.B. No. 2160 as it is not consistent with requirements set forth for students in other health professional programs who have the opportunity to obtain their training within the North Dakota University System. North Dakota residents who choose to go to school for medicine or to become a physician's assistant, or physical therapist are all eligible to pay in-state tuition and are not required to return to the state to practice their profession, nor are they required to repay the difference between in- and out-of-state tuition if they should choose to practice elsewhere. This should be no different for individuals who choose to enter the fields of optometry, dentistry, or veterinary medicine and who are required to leave the state in order to obtain their education.



#6

**Testimony of Beth W. Carlson, DVM  
Senate Bill 2160  
Senate Education Committee  
Missouri River Room  
January 22, 2013**

Chairman Flakoll and members of the Education Committee, my name is Beth Carlson. I have been a member of the North Dakota Veterinary Medical Association for 12 years. I am here today in opposition to Senate Bill 2160. As you are likely aware, the Professional Student Exchange Program (PSEP) assists North Dakota students enrolled in professional programs not offered in the state of North Dakota, including optometry, dentistry, and of greatest interest to me, veterinary medicine.

I believe that one of the primary reasons this program was created was to offer an avenue for students from North Dakota to obtain an education in the professional areas of optometry, dentistry, and veterinary medicine at a reasonable cost. The cost of this program is significantly less than the cost of offering these programs at a university within the state.

This seems to be an issue of fairness to North Dakota's students. The state of North Dakota spends a large amount of money funding the medical school at UND and the pharmacy college at NDSU. The majority of students who complete those programs never practice in the state of North Dakota, but they are not required to reimburse the state for any of their educational costs. Furthermore, veterinarians who are not practicing in the state may still provide significant benefits to the state of North Dakota. Some veterinarians may practice in a border community, but still serve North Dakota. There are currently approximately 38 veterinarians who practice in an area outside of North Dakota but provide some level of service within the state. Some

students choose to pursue a specialty, limiting their practice to, for example, veterinary dermatology. Veterinarians may wish to enter the fields of academia or research, providing knowledge and discoveries that have a positive impact on students or practicing veterinarians. However, it may not even be possible to pursue these careers within North Dakota.

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

Chairman Flakoll and committee members, for these reasons, I oppose Senate Bill 2160. I would be happy to answer any questions you may have.

**North Dakota University System**  
**SB2160 – Senate Education Committee**  
**1/22/13, Laura Glatt**

#7

Mr. Chairman, members of the Senate Education Committee. Good morning. My name is Laura Glatt, Vice Chancellor for Administrative Affairs, North Dakota University System.

SB2160, as introduced, would make the NDUS responsible for the administration of the repayment provision. We would ask that you consider other alternatives for the administration of the repayment provision, utilizing options and resources through the Bank of North Dakota. The NDUS Office has no current experience, nor staffing, to administer collections, whereas the Bank of ND does. A representative of the Bank of North Dakota is here today and has indicated a willingness to examine other alternatives, based on the committee's wishes.

From 1977 to 1983, a PSEP repayment provision existed in state statute. That provision provided the students the option of either repaying the loan upon completion of their studies, or returning to ND to practice for at least three years, at which time the obligation would be forgiven. The repayment provision was, in part, repealed due to the difficulty of administration.

We would ask for your thoughtful consideration of changing the administration of the repayment provision to the Bank of ND, or to provide sufficient resources to the NDUS Office to administer this new provision.

Thank you for your consideration of this change, and I would be happy to answer any questions.

g:\laura\docswp\legis\2013 session\sb2095 testimony.dotx





SB2160

State Capitol - 600 E Boulevard Ave Dept. 215  
Bismarck ND 58505-0230  
Phone: 701.328.2960 Fax: 701.328.2961  
E-mail: NDUS.office@ndus.edu Web: ndus.edu

#8

**TO:** Members, Interim Legislative Health Services Committee

**FROM:** Laura Glatt, Vice Chancellor for Administrative Affairs

**DATE:** August 29, 2012

**RE:** Follow-up information on PSEP

Memo No. M-12-25

Thank you for the recent opportunity to appear before your committee to present information on the legislatively-funded Professional Student Exchange Program (PSEP), which supports the purchase of out-of-state slots for ND residents interested in attending professional programs in veterinary medicine, optometry, and dentistry. I hope the attached additional information, developed by Nathan Stratton, NDUS Director of Financial Aid, addresses some of the excellent questions you asked during that session. This information has been shared with Chancellor Shirvani as background for continuing administration of this program.

If you need any further information, please do not hesitate to contact us at:

Nathan Stratton, 701-328-4114 or [nathan.stratton@ndus.edu](mailto:nathan.stratton@ndus.edu)

Laura Glatt, 701-328-4116 or [laura.glatt@ndus.edu](mailto:laura.glatt@ndus.edu)

**Attachment**

cc: Sheila Sandness, Legislative Council  
Nancy Kopp, Executive Director of the North Dakota Optometric Association  
Joe Cichy, Executive Director of the North Dakota Dental Association

## Professional Student Exchange Program

### Follow-up information

### Return Rate History

The NDUS Financial Aid office recently completed a review of PSEP participants returning to North Dakota for graduates from 2002-2011. This ten year snapshot was created using information from the professional licensing boards as well as other methods to find the students who had not returned to North Dakota to enter practice. Almost 91% of program participants were located.

**Table 1: North Dakota PSEP Participant Graduate Return Rates  
2002-2011 Graduates, Surveyed July, 2012**

	North Dakota	Border States	Other States
<b>Dentistry</b>	<b>43%</b>	23%	35%
<b>Optometry</b>	<b>21%</b>	28%	37%
<b>Veterinary</b>	<b>30%</b>	23%	40%
<b>Total</b>	<b>32%</b>	<b>25%</b>	<b>43%</b>
Note: this data does not include the 9% of graduates (15) who could not be located. According to the ND Department of Labor, between 6 and 15% of the state workforce is employed in jobs not reported in the state's employment database. Additionally, most of the lost students were women, suggesting that last name changes impacted the research.			

### Industry Demand and Student Costs

North Dakota industry demand in the fields served by the PSEP program is rated as either stable or growing in recent years. The ND Career and Technical Education department reports annually on the career outlook and industry demand for new professionals in the PSEP degree programs. The most recent industry outlook data is summarized here from the ND Career Resource Network's *Career Outlook – 2011-2012* publication.

**Table 2: North Dakota Industry Demand and Occupational Outlook – PSEP Graduates**

Profession	Jobs in ND	Annual Openings	PSEP Slots Per Year	Professional Salary Range	ND Growth Rate
<b>Dentists</b>	237	9	8	ca. \$100k	Stable (0-2%)
<b>Optometrists</b>	138	8	8	\$66k-\$124k	Stable (0-2%)
<b>Veterinarians</b>	130	7	10-12	\$53k-\$75k	Above Average (2%-3.5%)

Additionally, these programs are critical to reducing the debt held by ND students. Because the repayment cost for student debt are not tied to the income of a new graduate, student debt can be a large part of the decision as to whether a student can afford to return to North Dakota to practice, or

has to seek employment elsewhere. North Dakotans participating in the PSEP program are able to borrow less because their cost of attendance is lowered through this program.

**Table 3: National Average Student Debt in the PSEP-Supported Professions**

Profession	Average Graduating Student Debt (2010)	Source
Dentists	\$203,374	American Dental Ed. Assn.
Optometrists	\$138,370	Assn. of Schools and Colleges of Optometry
Veterinarians	\$133,873	American Veterinary Medical Association

#### **Reallocation of Support Fees**

The support fees currently paid by the PSEP program typically reduce a student's tuition rate from the non-resident rate to the resident rate, or to a lower percentage of the non-resident tuition rate. Rates are decided annually on the basis of tuition cost, existing agreements, and, in the case of WICHE, a deliberative process within the association's governing body. Support fees are paid directly to the institutions or to WICHE and are applied to the students' accounts to reduce their overall cost.

**Table 4: Projected Annual Student Support Fee by Program and Profession**  
AY 2012-13

Profession	Veterinary Medicine	Dentistry	Optometry
WICHE	\$30,000	\$23,400	\$16,100
Iowa State University	\$22,886	-	-
Kansas State University	\$26,736	-	-
University of Minnesota	\$11,254	\$13,087	-

It was suggested that the size of the support fee might be reduced in order to make more awards in some or all of the professional fields of study. We contacted the partner institutions with which NDUS had PSEP agreements to evaluate the possibility.

In the case of single-institution partnerships, such as Kansas State University, Iowa State University, and the University of Minnesota, it is possible to easily reduce the amount of support. The difference in cost would be passed along to the student, resulting in a higher cost of attendance.

In the case of WICHE's PSEP program, however, it is not possible to pay a lower support fee than the rate established by the consortium. North Dakota would have to discontinue participation in the program and attempt to enter separate arrangements with individual schools. The impact of that change would be most severe on the Optometry program, as WICHE is currently the only provider.

The state could create a scholarship program to take the place of the exchange program, and make smaller awards through that avenue. A student with ND residency might be awarded a grant to attend any professional school, and the grant amount could be modified to suit budget need and enrollment targets. Some pros and cons are highlighted below.

Pros	Cons
<ul style="list-style-type: none"> <li>• More individual awards could be made</li> <li>• More school choice: students could attend any accredited professional school in the US instead of partner schools.</li> <li>• Lower administrative burden.</li> <li>• Lower dollar value of awards.</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of access to reserved slots for ND PSEP students (no admission preference)</li> <li>• Less perceived reason to return to ND</li> <li>• Loss of WICHE participation.</li> <li>• Increased student loan borrowing makes lower ND starting salaries less competitive</li> <li>• Smaller awards don't cover the gap between in-state and out-of-state tuition rates, which are already increasing faster than the support fees.</li> </ul>

### Repayment Option

Although North Dakota has not required PSEP participants to pay back the cost of their support fee in many years, it is possible that reintroduction of a repayment requirements would increase the return rate to North Dakota. According to WICHE's 2011 statistical report, states with a contractual payback requirement reported, on average, a 74% return rate, and states without a repayment requirement reported a 39% return rate. The current return rate of North Dakota WICHE participants in all fields is 30%.

States have chosen very diverse repayment programs. WICHE staff identified the Arizona system as one of the most successful examples: students are required to repay 50% of the support fee at a low variable interest rate if they do not return to practice. Some states require comparatively harsh terms, such as Alaska, which requires 100% repayment regardless of practice, and New Mexico, which requires repayment of up to 300% of the support fee plus 18% interest.

A repayment contract in North Dakota might be developed as a short-term note held by the University System that would be designed for transfer to one of the products offered by Student Loans of North Dakota, such as the DEAL consolidation loan, that would offer advantageous repayment terms as well as immediate availability of PSEP funds to NDUS for re-awarding.

**Appendix 1**  
**ND PSEP Participant Survey Results**

**Table 5: 2002-2011 PSEP Graduates by State of Practice in 2012**

	AZ	CA	CO	CT	FL	IA	IL	IN	MA	MN	MO	MT	ND	NE	NH	NJ	NM	NV	NY	OH	OK	OR	PA	SD	TN	TX	WA	WI	WY	Not Found	Total
DDS	1	1			1				1	5	1	3	17	2					1					1		1	2	3		1	41
OD	5	1	3	1		2	2	1		15		1	12				1	1	1	1	1	4					3	1	1	2	59
DVM	3		1			4	2			5	1	4	17	2	1	1						1	2	2	1					12	59
<b>Total</b>	<b>9</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>25</b>	<b>2</b>	<b>8</b>	<b>46</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>15</b>	<b>159</b>

DDS = Dentist, OD = Optometrist, DVM = Veterinarian

**Table 6: 2002-2011 Non-WICHE PSEP Graduates by State of Practice in 2012**

	AZ	IA	IL	MA	MN	MT	ND	NE	NJ	PA	SD	TN	TX	WI	Not Found	Total
Iowa State University	2	4	2		1	2	5	1	1		2	1	1		11	33
Kansas State University					1	1	5	1				1				9
University of MN Dentistry				1	5		5							1		12
University of MN Vet Med					1		1			1					1	4
<b>Grand Total</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>8</b>	<b>3</b>	<b>16</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>12</b>	<b>58</b>

Table 7: 2002-2011 WICHE PSEP Graduates by State of Practice in 2012

	AZ	CA	CO	CT	FL	IA	IL	IN	MIN	MO	MT	ND	NE	NH	NM	NV	NY	OH	OK	OR	SD	TX	WA	WI	WY	Not Found	Total
DDS	1	1			1					1	3	12	2				1				1	1	2	2		1	29
OD	5	1	3	1		2	2	1	15		1	12			1	1	1	1	1	4			3	1	1	2	59
DVM	1		1						2	1	1	6		1													13
Total	7	2	4	1	1	2	2	1	17	2	5	30	2	1	1	1	2	1	1	4	1	1	5	3	1	3	101



#1

PROPOSED AMENDMENTS TO SENATE BILL NO. 2160

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15-10 of the North Dakota Century Code, relating to repayment notes from participants in professional student exchange programs.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1.** A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

**Professional student exchange programs - Notes - Repayment.**

1. Before the state board of higher education makes a payment to an out-of-state institution on behalf of an individual participating in a professional student exchange program in dentistry, optometry, or veterinary medicine, that individual must sign a note with the Bank of North Dakota in an amount equal to that by which the individual's tuition is reduced as a result of a contract between the institution and the board.
2. If the individual who signed the note in accordance with subsection 1 is not practicing dentistry, optometry, or veterinary medicine in this state thirty-six months after the individual's date of graduation, the individual shall begin repaying the note, together with interest accruing from the date of signing, at the rate per annum established by the Bank of North Dakota.
3.
  - a. If the individual who signed the note in accordance with subsection 1 elects to practice dentistry, optometry, or veterinary medicine in this state, or if the individual begins to practice in this state at any time between the individual's graduation and thirty-six months thereafter, the Bank of North Dakota shall reduce the amount of the note by one-third, together with all accrued interest, for each full year the individual serves in that capacity.
  - b. If an individual ceases to practice dentistry, optometry, or veterinary medicine in this state before the note is waived in its entirety, the individual shall repay the remaining portion of the note, together with interest accruing at the rate per annum established by the Bank of North Dakota, from the date that the individual ceased such practice.
4. If the individual who signed the note in accordance with subsection 1 departs before graduation from a program in dentistry, optometry, or veterinary medicine, the individual shall begin repaying the note, at the time of departure, together with interest accruing from the date of signing, at the rate per annum established by the Bank of North Dakota.
5. The Bank of North Dakota shall determine all other terms applicable to the time and manner in which the notes must be repaid.



6. The Bank of North Dakota shall defer any repayment of a note otherwise due under this section, for the period of time the individual who signed the note is:
  - a. Pursuing full-time graduate or postdoctoral studies; or
  - b. Called to active duty as a member of the armed forces.
7. The state board of higher education shall consult with the Bank of North Dakota and adopt rules implementing this section.
8. This section is applicable only to individuals initially entering a professional student exchange program in dentistry, optometry, or veterinary medicine after June 30, 2014."

Renumber accordingly

## Professional Student Exchange Programs (PSEP)

Report to the Interim  
Health Services Committee,  
July 24, 2012



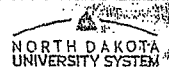
## PSEP Program Background

- Student access to veterinary / optometry / dental programs was extremely limited by lack of programs in state – students competed with other out of state students with no guarantee of access.
- Primary purpose: PSEP purchases student slots in selected programs to facilitate access to meet ND industry needs. The state support fee equals the difference between in-state and out-of-state tuition.



## PSEP Program Background

- Student Benefits:
  - PSEP reduces the student cost to the in-state tuition level for the slots purchased under the programs at institutions outside of North Dakota.
  - PSEP is not a scholarship, it is an access program created to allow ND students to enroll in three programs not offered at NDUS institutions.



## Authorization and Agreements

- N.D.C.C. 15-10-28: defines SBHE relationship with the Western Interstate Commission for Higher Education (WICHE)
- WICHE facilitates access to graduate study in dentistry, veterinary medicine, and optometry.
- NDUS has authorization in statute to make other arrangements with professional schools.



## WICHE Participating Institutions

- Dentistry: 12 institutions
- Optometry: 4 institutions
- Veterinary Medicine: 12 institutions



## Non-WICHE PSEP Partners

- University of Minnesota: Dentistry, Veterinary Medicine
- Kansas State University: Veterinary Medicine
- Iowa State University: Veterinary Medicine





## Program Participation Requirements

- Applicants must meet statutory definition of residency for tuition purposes:
  - Applicants complete the application for resident status with the NDUS Financial Aid office.
  - Residency requirements for this program are the requirements established in N.D.C.C. 15-10-19.1.
  - Acceptance into an approved program at an out of state institution. (Applicants are selected for admission by the institutions, not by NDUS)



## Repayment

- Currently there is no repayment requirement for students who do not return to North Dakota to practice.
- The repeal of N.D.C.C. 15-10-28.1 eliminated NDUS authority to require repayment in 1983.
- Students in the PSEP program between 1977 and 1983 were required to repay the support fee with interest if they did not return to ND.





## 1977-1983 Repayment Program

- Terms of the repayment note were difficult to enforce and collect.
- Some program participants had difficulty locating employment in ND, causing them to enter repayment while unemployed.
- PSEP program evaluation in 2006 indicated that repayment had not significantly affected return rates to North Dakota.



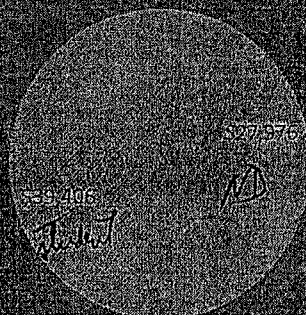
## WICHE Student Support

- Students receive a support fee from NDUS through WICHE sufficient to reduce their tuition to in-state tuition levels.
- Applicants also receive priority consideration for admission at some institutions to WICHE slots in participating professional schools.



## Student and State Cost Sharing

Annual tuition, fees, and expenses example: Colorado State  
University College of Veterinary Medicine



■ ND Support  
■ Student Paid

NORTH DAKOTA  
UNIVERSITY SYSTEM

## Expenditures & Enrollments

- 93 students participated in all ND PSEP programs (WICHE and non-WICHE) in the 2011-12 academic year, at a total cost of \$1,759,815.
- 98 students are projected for AY 2012-13.

NORTH DAKOTA  
UNIVERSITY SYSTEM



## Program Demand

- Not all qualified applicants are able to be funded at the current funding levels.
- Acceptance rates for Fall, 2012 (all programs)
  - Veterinary Medicine: 53% (9 of 17 applicants)
  - Optometry: 80% (8 of 10 applicants)
  - Dentistry: 29% (7 of 24 applicants)



Table 1  
WICHE Professional Student Exchange Program Participants  
by Field of Study and Grade Level

### 2011-2012 (Actual)

Veterinary Medicine		Dentistry		Optometry	
Seniors	1	Seniors	3	Seniors	4
Juniors	1	Juniors	2	Juniors	5
Soph.	2	Soph.	2	Soph.	8
Freshmen	1	Freshmen	2	Freshmen	7
Total	5	Total	9	Total	24
Support Fee: \$29,500		Support Fee: \$23,000		Support Fee: \$15,800	
Total: \$147,500		Total: \$207,000		Total: \$379,200	

### 2012-2013 (Projected)

Veterinary Medicine		Dentistry		Optometry	
Seniors	1	Seniors	2	Seniors	5
Juniors	2	Juniors	2	Juniors	8
Soph.	1	Soph.	2	Soph.	9
Freshmen	2	Freshmen	3	Freshmen	6
Total	6	Total	9	Total	28
Support Fee Per Student: \$30,000		Support Fee Per Student: \$23,400		Support Fee Per Student: \$16,100	
Total: \$180,000		Total: \$210,600		Total: \$450,800	




2005

**Table 2**

**Non-WICHE Partner Institutions – Veterinary Medicine**

**by Field of Study and Grade Level**


<b>2011-2012 (Actual)</b>					
<b>Iowa State Veterinary Medicine</b>		<b>Minnesota Veterinary Medicine</b>		<b>Kansas State Veterinary Medicine</b>	
Seniors	3	Seniors	2.5	Seniors	5
Juniors	4	Juniors	1	Juniors	3
Soph.	3	Soph.	1	Soph.	6
Freshmen	4	Freshmen	0	Freshmen	4
Total	14	Total	4.5	Total	18
Support Fee: \$22,236-\$22,532		Support Fee: \$10,178		Support Fee: \$25,463	
Total: \$314,582		Total: \$48,231		Total: \$458,334	
<b>2012-2013 (Projected)</b>					
<b>Iowa State Veterinary Medicine</b>		<b>Minnesota Veterinary Medicine</b>		<b>Kansas State Veterinary Medicine</b>	
Seniors	4	Seniors	1	Seniors	3
Juniors	3	Juniors	1	Juniors	6
Soph.	4	Soph.	0	Soph.	4
Freshmen	3	Freshmen	1	Freshmen	4
Total	14	Total	3	Total	19
Support Fee : \$22,368-\$22,886		Support Fee Per Student: \$11,254		Support Fee Per Student: \$26,736	
Total: \$318,332		Total: \$33,762		Total: \$507,984	



**NORTH DAKOTA**  
**UNIVERSITY SYSTEM**

**Table 2**  
Non-WICHE Partner Institutions -- Dentistry  
by Field of Study and Grade Level

<b>2011-2012 (Actual)</b>	
University of Minnesota Dentistry	
Seniors	3
Juniors	5
Soph.	5
Freshmen	5
Total	18
Support Fee: \$10,041-\$12,464	
Total: \$204,968	
<b>2012-2013 (Projected)</b>	
University of Minnesota Dentistry	
Seniors	5
Juniors	5
Soph.	5
Freshmen	4
Total	19
Support Fee: \$10,543 -\$13,087	
Total: \$235,936	

 NORTH DAKOTA UNIVERSITY SYSTEM

## SB 2160

Chairman Nathe and Members of the House Education Committee:

I am Senator Joan Heckaman from New Rockford and I represent District 23. I am here today to offer up a possible amendment to SB 2160. I understand there will be other amendments offered today, so you will have several options with this bill.


Currently North Dakota provides about \$4 million per biennium for students to go out of state to study in professional fields of dentistry, optometry, or veterinary medicine. Students in these programs pay the in state tuition for the state in which they study, and North Dakota pays the difference between that and the full out of state tuition rate.

The bill was hog housed in the Senate to return the intent of this professional student exchange program to the status it originally started from. From 1977-1983 repayment provisions were included in this program. Students were given the option of repaying the tuition received upon completing their courses of professional study or return to the state to practice for 3 years at which time the obligation would be forgiven.

This provision was repealed in 1983 because of reported difficulty administering the program.

The bill before you today reinstates some of those provisions of repayment or practice obligations.


North Dakota remains committed to these professional students and their interest in these 3 professions. However, since the repayment provision was removed, fewer and fewer of these students return to



the state. Thus, the original intent of the tuition payment program has not been honored.

Section 1 provides for the debt commitment by the student. Because the university system is not in the loan processing business, the repayment provision was placed in the Bank of North Dakota. In addition to servicing these loans, the bank will also allow these students the opportunity to consolidate any other education loans into a DEAL loan through the bank. Interest rates on these consolidated loans will be less than regular student loan rates and thus be a cost savings opportunity for the students.


Section 2 allows these graduates 3 years from the time of their professional graduation to establish their practice before they must begin repayment.




Section 3 addresses the forgiveness of these funds. If at any time in those 3 years the student returns to the state, 1/3 of the stipend will be forgiven for every full year of practice in the state. Thus returning this professional student exchange program to its original intent.

Section 4 addresses the issue of students who accept this funding and then drop out of the professional program. Repayment would begin when the student drops out.

Section 5 allows the bank to defer repayment if the student is in a residency program associated with their profession or returns to further study in their field of study. It also allows deferment of payments if the graduate at any time is called to active military duty for our state or nation.





You will note that this bill does not take effect until 2014. This gives the selection committee time to address these changes with prospective students during the interview and selection process.

With the bill in this form, it is anticipated that more students will return to the state to practice thus alleviating shortages in these three professions of dentistry, optometry, and veterinary medicine.

I would also propose an amendment for your consideration. At the request of the Bank of North Dakota, the words, "Bank of North Dakota" on line 22 would be replaced with "state board of higher education". This change is necessary as the Bank would not know if students were practicing in the state and should have loan forgiveness. This portion of the program would remain with the state board of higher education.



That completes my testimony and I would stand for any questions.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2160

Page 1, line 22, replace "Bank of North Dakota" with "state board of higher education"

Renumber accordingly



**SENATE BILL 2160**  
**HOUSE EDUCATION COMMITTEE**  
**MARCH 19, 2013**

Good morning, Mr. Chairman and members of the House Education Committee.

For the record my name is Nancy Kopp. I represent the North Dakota Optometric Association, as well as the North Dakota Veterinary Medical Association, serving as Executive Director for both organizations.

I appear before you, on behalf of both Associations today, in opposition to Senate Bill 2160, as both organizations are affected by the bill. They have similar, if not identical positions and interests, on behalf of future optometrists and veterinarians providing health care services in North Dakota.

As you know, Senate Bill 2160 was amended and passed the Senate. It is my understanding that the major bill sponsor's main goal in introducing this bill, was to find a solution that may address the shortage of dentists and unmet dental needs in rural North Dakota.

I believe that the Legislature can do much more to address the health care needs of rural North Dakota, by discussing the total package of tuition assistance, loan forgiveness programs, grants, waivers and other investments by the state, by conducting a study in the 2013-2014 interim. Therefore, I offer for your consideration an amendment to that affect.

I've been involved with the Professional Student Exchange Program for 7 sessions now. Perhaps it's time to separate these 3 programs and address the student and state's needs independently of one another.

I present to you some information and statistics I received yesterday, on the Professional Student Exchange Program from the University System office.

At this time, I would like to introduce Dr. Taya Patzman and Dr. Beth Carlson to provide you with perspectives of optometrists and veterinarians.

I would be happy to answer any questions you may have of me, after allowing the testimony of others.

Thank you.



WICHE

ALASKA  
ARIZONA  
CALIFORNIA  
COLORADO  
HAWAII  
IDAHO  
MONTANA  
NEVADA  
NEW MEXICO  
NORTH DAKOTA  
OREGON  
SOUTH DAKOTA  
UTAH  
WASHINGTON  
WYOMING  
PACIFIC ISLAND U.S.  
TERRITORIES &  
FREE-STANDING STATES

Western Interstate  
Commission for Higher  
Education

[www.wiche.edu](http://www.wiche.edu)

# NORTH DAKOTA & WICHE

## Working Together for Over 25 Years

Since 1984 North Dakota has been a member of the Western Interstate Commission for Higher Education (WICHE), a 16-member commission working to boost access to higher education for students in the West and, as importantly, to ensure their success.

In the two-plus decades since North Dakota joined the commission, the state has benefitted in a number of essential ways.

- ▶ Thousands of students from North Dakota have attended undergraduate, graduate, and professional programs in other Western states through WICHE's Student Exchange Program, saving millions of dollars, thanks to reduced tuition rates. In just one of the programs, the Western Undergraduate Exchange, **North Dakota students and their families have saved over \$30 million** since 1988, when the state joined the program. (See "Doing the Math," below, for North Dakota's return on investment.)
- ▶ North Dakota has received funding to be part of numerous WICHE policy initiatives, including those focused on financing and financial aid, workforce policy, and other areas.
- ▶ North Dakota has participated in WICHE initiatives related to distance education, workforce development, and behavioral health.

WICHE and North Dakota have shared a remarkably fruitful history. But their prospects for the future are even more exciting.

### WICHE's Student Exchange

North Dakota is active in all three WICHE Student Exchange Programs: the Western Undergraduate Exchange, the Professional Student Exchange Program, and the Western Regional Graduate Program. In 2012-13 North Dakota's students and families saved over **\$2.1 million**. North Dakota saved money, too, through not having to establish and maintain costly programs in a number of areas, including some in healthcare.

**Western Undergraduate Exchange.** North Dakota students have enrolled in undergraduate programs beyond North Dakota's borders through the Western Undergraduate Exchange (WUE) since 1988, **saving on 9,665 annual tuition bills**. In 2012-13, 366 students from North Dakota are enrolled in out-of-state programs at reduced rates (150 percent

### Doing the Math: North Dakota's Return on Investment

In 2012-13 North Dakota, its institutions, and its students saved or brought in some **\$2.4 million** through WICHE and spent \$125,000 for membership in the commission, yielding a **19-fold return on investment**.

In the last 5 years, North Dakota savings from WUE alone total more than **\$6.1 million**, yielding a **10-fold return on the state's investment in WICHE**.



## NORTH DAKOTA *and* WICHE

of resident tuition), saving more than \$1 million in tuition and fees – the average student savings amounted to \$2,867.

North Dakota benefits from WUE in another way: by receiving students from out of state. North Dakota's institutions can choose how many out-of-state slots to offer and in which areas, allowing them to make the best use of their resources by accepting students in underenrolled programs. There's a workforce benefit for the state, too, as students often stay in North Dakota after graduating. In 2012-13 North Dakota received 2,074 students through WUE.

**Professional Student Exchange Program.** North Dakota has sent almost **400 students** to professional programs through the Professional Student Exchange Program (PSEP), with students studying in a host of critical fields, including dentistry, optometry, and veterinary medicine.

**Western Regional Graduate Program.** North Dakota's postgraduates also participate in graduate programs through the Western Regional Graduate Program (WRGP), which offers access to some 275 high-quality, distinctive programs ("distinctive" meaning that they're offered at only four or fewer institutions in the WICHE region) at 52 institutions in all WICHE states. WRGP programs run the gamut, but emerging social, environmental, and resource-management fields are particular strengths, as are innovative interdisciplinary programs. In 2012-13 North Dakota sent 14 students to out-of-state institutions, while receiving four.

**Internet Course Exchange (ICE).** Institutions in North Dakota are eligible to become members of WICHE ICE, an alliance of member institutions and systems with a set of policies, procedures, and support systems for sharing distance-delivered courses among two- and four-year institutions in the WICHE region.

<b>Figure 1. North Dakota Savings &amp; Revenues through WICHE, 2012</b>	
<b>Student Savings</b>	
WUE	\$1,049,268
PSEP	\$818,884
WRGP	\$210,672
<b>Total Student Savings</b>	<b>\$2,078,824</b>
<b>Revenue to ND</b>	
<b>Institutions (PSEP)</b>	<b>\$281,935</b>
<b>TOTAL</b>	<b>\$2,360,759</b>

North Dakota is one of five partner states participating in the **Interstate Passport Initiative**, which seeks to improve graduation rates, shorten time to degree, and save students money by addressing the two-year to four-year institution transfer problem at an interstate level. The two-year pilot project will focus on forging general education core transfer agreements based on learning outcomes between 28 institutions, including North Dakota State College of Science, University of North Dakota, Valley City State University, Williston State College and seven other state institutions.

### WICHE's Added Value

North Dakota gains added value from WICHE's programs in policy, workforce development, technology, mental health, and other areas.

**Policy & Workforce Development.** North Dakota has participated in projects supporting better-informed decision making at the state level. WICHE initiatives have been sponsored by the Ford Foundation, Lumina Foundation for Education, the U.S. Department of Education, and others. WICHE policy experts often visit the state to present or consult on a number of vital issues, including the state's workforce needs and balancing the financial aid portfolio.

North Dakota is one of four Western states participating in the **Adult College Completion Network**. The ACC Network, funded by Lumina Foundation, is a nationwide collaborative learning network that shares promising strategies among institutions, organizations, state agencies, and others working to increase completion rates for adults with prior college credit. The network offers a listerv and webinars on issues related to adult completion, and an annual meeting of large-scale projects working in this area. North Dakota was also chosen for an earlier, related Lumina-funded project: *Non-traditional No More*. WICHE worked with state leaders to identify the "ready adult" population – those who have almost enough credits to graduate but who have not yet returned to college – and help them earn their degrees. Over two years the state received \$65,000 and technical assistance.

North Dakota participated in WICHE's **College Access Challenge Grant (CACG)** Network, a federally funded formula grant program designed to increase the number of low-income students who enroll and succeed in college. The network provides a forum for developing, implementing, and maintaining state CACG efforts, with states sharing best practices and lessons learned and receiving current evidence-based research.

## WORKING TOGETHER *for* OVER 25 YEARS

"I recently graduated from Pacific University's optometry program and returned to practice in a small community in my home state of North Dakota. Many of my peers who didn't receive WICHE support were forced to stay in urban areas, where salaries are higher, so that they can afford to pay off their student loans; some of them owe staggering amounts – almost \$200,000! I am deeply grateful to WICHE's PSEP and the State of North Dakota. WICHE support gave me the luxury of establishing my rural practice."

— Candace Paul Hoff, O.D., North Dakota resident,  
Class of 2008, Pacific University, College of Optometry

WICHE staffers have worked with North Dakota in a variety of areas. WICHE President David Longanecker testified before the Legislature on **performance-funding** activities around the country and opportunities in this area for the state, while Director of Policy Analysis Demi Michelau spoke at a North Dakota Adult Learners Council meeting on the importance of serving adult learners and how to do it more effectively. In 2008 WICHE hosted several state legislators to facilitate a discussion around how a legislative interim committee might structure its work to more intentionally engage its state's Higher Education Roundtable to align institutions' activities with current and future state workforce needs.

North Dakota participated in a 2009 meeting organized by WICHE and the Sullivan Alliance aimed at improving the production of graduates in **high-demand health-related fields**, with a particular focus on students from underrepresented backgrounds. The state also participated in a Gates-funded meeting in 2008, which brought together the stewards of the data systems in 14 of the WICHE states for discussions around linking data internally and with other states. Another meeting was the **Western Summit on Workforce Certification and Higher Education** for policymakers in the West, held in response to the national demand for more highly skilled workers in a host of fields, from healthcare to high tech.

WICHE's Lumina-funded project *Getting What You Pay For: Understanding Higher Education Appropriations, Tuition, and Financial Aid* promoted informed decision making and the alignment of higher education **appropriations, tuition, and financial aid policy** by state legislators, to improve student access and success. WICHE sent copies of the project's eight policy briefs to all members of the North Dakota Legislature.

North Dakota also participated in another Lumina project, *Best Practices in Statewide Articulation and Transfer Systems*, which seeks to develop a deeper understanding of how states coordinate their **articulation and transfer** programs for students who move from two-year to four-year institutions, focusing on strategies that increase access to and success in higher education.

Additionally, four institutions and the North Dakota University System are members of the **Western Academic Leadership Forum**, whose members address regional higher education issues and engage in resource sharing. A new WICHE initiative, the **Western Alliance for Community College Academic Leaders**, brings academic leaders of community colleges and technical schools and systems together with state governing and coordinating boards associated with two-year institutions to exchange ideas and information, share resources and expertise, and collaborate on regional initiatives. The North Dakota University System, Williston State College, Bismarck State College, Dakota College–Bottineau, Lake Region State College, and North Dakota State College of Science are members.

**Technology.** Several North Dakota colleges and universities are active participants in the **WICHE Cooperative for Educational Technologies (WCET)**, a membership cooperative that accelerates the adoption of effective practices and policies to advance excellence in technology-enhanced teaching and learning in higher education. The North Dakota Distance Learning Consortium tapped WCET's expertise on federal rules impacting e-learning to keep its institutions informed; several North Dakota institutions have substantial out-of-state enrollments in their online programs and could be required to meet these new rules. WCET also consulted with officials of the North Dakota University System regarding how the services of NDUS Online compared to e-learning consortia in other states.

WCET members have access to trusted information on emerging trends, policies, and exemplars of successful learning technology innovation in practice. WCET provides access to peers, colleagues, common interest groups, experts, and decision makers; communications tools that enable members to stay informed about developments affecting technology-enabled teaching and learning; and information about key developments affecting e-learning providers, such as new federal rules pertaining to distance education. WCET also manages multi-institutional projects, one aimed at adult online learners and another on large-

# NORTH DAKOTA *and* WICHE

scale student data aggregation and predictive analytics to improve student outcomes.

**Mental Health.** A nucleus for researching mental health policy and a provider of technical assistance in such areas as service innovation, system reform, workforce development, program evaluation, and other areas, WICHE's **Mental Health Program** is another well-used resource. The program has been working with the chancellor of higher education to look for ways to improve campus mental health services. North Dakota schools were also included in a research study, funded by the National Institute for Mental Health, that focused on campus mental health and the effects of mental health first aid training for campus residence life staff. The program also assisted the Mental Health and Substance Abuse Services Division in planning related to behavioral health workforce development.

**Other Initiatives.** Another initiative, the **Master Property Program (MPP)**, helps institutions reduce their insurance premiums and improve their coverage. Created by the Midwestern Higher Education Compact in 1994 and expanded to the WICHE region in 2004, the MPP includes 50 member institutions with total insured values of \$83.1 billion. It has generated some \$65.4 million in savings for the participating institutions while expanding their insurance coverage. WICHE is also partnering with MHEC to offer **MHECare**, a new health program providing vetted, competitively priced medical benefits for students. Underwritten by UnitedHealthcare StudentResources, MHECare offers a variety of plans.

## North Dakota & WICHE's Leadership

The **WICHE Commission**, with three commissioners from each member state, molds the organization's mission and set its priorities. North Dakota's commissioners are: Duaine Espgaard, president, State Board of Higher Education, Grand Forks; David E. Nething, state senator, Jamestown; and Ham Shirvani, chancellor, North Dakota University System, Bismarck.

WICHE also seeks assistance and advice from policymakers, educators, administrators and legislators. WICHE's



Duaine Espgaard



David Nething



Ham Shirvani

**Legislative Advisory Committee (LAC)**, composed of legislator-members from each state – including Senator Nething; Senator Ray Holmberg, and Representative Bob Martinson – has been crucial in this regard. The LAC works to keep the commission's Executive Committee and staff current on significant legislative issues related to higher education, provides input on WICHE initiatives, and advises staff on a host of issues. WICHE staff also serves the LAC, by informing its members about emerging policy issues in the West.

## WICHE Commission & Staff

The WICHE Commission's 16 members include representatives from 15 Western states – Alaska, Arizona, California, Colorado, Hawai'i, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming – and the Pacific island U.S. territories and free-standing states (the Commonwealth of the Northern Mariana Islands is the first to participate). Members work collaboratively to provide educational access and excellence for all citizens. Members work collaboratively to provide educational access and excellence for all citizens. WICHE and its staff are headquartered in Boulder, CO, and operate out of the State Higher Education Policy Center, which WICHE owns with the State Higher Education Executive Officers association and the National Center for Higher Education Management Systems. Staff leadership includes:

David Longanecker, president

Margo Colancia, director, Student Exchange Program

Demarée Michelau, director of policy analysis

Jere Mock, vice president, Programs and Services

Dennis Mohatt, director, Mental Health Program, and vice president, behavioral health

Brian Prescott, director of policy research

Pat Shea, director, Western Alliance of Community College Academic Leaders, WICHE ICE & Western Academic Leadership Forum

Ellen Wagner, executive director, WCET

## How can I find out more about WICHE?

Visit our website at [www.wiche.edu](http://www.wiche.edu) or contact President David Longanecker at 303.541.0201.

WICHE

Western Interstate Commission for Higher Education  
3035 Center Green Drive, Suite 200, Boulder, CO 80301-2204

February 2013

The problem with requiring all students who receive the WICHE funds to return to ND is that our market in ND cannot currently support 15-20 new graduates a year. There are very few full-time positions available in our state. Most of the available positions are part-time and a maximum of 2-3 days a week. This would not be sufficient to support repayment of student loans and living expenses. The average debt for a new optometry graduate is about \$200,000. Of the 8 students in my graduating class who received ND WICHE funds, I was the only one who returned to ND immediately upon graduation. I moved back to Bismarck where I got married and my husband had a job. There was not a position available in Bismarck so I had to drive to Fargo every week and work 3-4 days a week to maintain a position in the field. I worked at 4 different offices while I was in Fargo and maintained those positions for 5 years until I moved back to Bismarck. When I moved back to Bismarck, I started a practice at Sam's Club which was only a 1-2 day a week practice so I also worked at another office in Bismarck one day a week and 2 days a week at an office in Minot. I have now been out of optometry school for almost 11 years. I have started my own practice in Bismarck which I work at 2 days a week and still maintain a satellite office in Jamestown 3-4 days a week. Finding and maintaining work has been a challenge and continues to be a challenge for most new graduates returning to North Dakota. Many new graduates practice in larger cities upon graduation where they can obtain a higher paying job for a few years until a suitable position becomes available in ND. With the current changes, they would be penalized for this decision as they would be required to repay the loan immediately upon graduation.

I feel the current WICHE program is an excellent way to promote advanced education for the students of ND. It provides an incentive to pursue a degree which we do not and cannot provide in our state. It provides access or a guaranteed slot for North Dakota students to attend participating WICHE schools of optometry. The proposed changes in SB 2160 may discourage some students from pursuing advanced degrees in the fields of optometry, dentistry, and veterinary medicine.



# 4B

(Proposal to Amend SB 2160)

House Education Committee Hearing 3-19-13

A BILL for an Act to provide for a legislative management study of the Professional Student Exchange Program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY – PROFESSIONAL STUDENT EXCHANGE PROGRAM.

During the 2013-14 interim, the legislative management shall study how to improve the efficiencies and determine a methodology of state funding assistance, out-of-state professional school access, workforce future needs and student debt obligations, concentrating on the professions of veterinary medicine, optometry and dentistry programs not offered in the state. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

Respectfully Submitted,

North Dakota Veterinary Medical Association

North Dakota Optometric Association

**SENATE BILL 2160**  
**HOUSE EDUCATION COMMITTEE**  
**MARCH 19, 2013**

My name is Taya Patzman and I'm an optometrist in Bismarck, ND. I also have a practice in Jamestown, ND. I am currently the President of the North Dakota Optometric Association and a former WICHE recipient.

I am speaking to you today in opposition of SB 2160. This bill states that a student must sign a note in an amount equal to that by which the individual's tuition is reduced as a result of a contract between the institution and the board. If the student elects to not practice in their profession in ND after graduation, the note shall be repaid with an interest rate of 6% per year. By agreeing to this note, it is taking a risk if your situation changes and you are not able to return to ND to practice. When I consolidated my student loans, I locked in at a rate of 2.9%.

The intentions of the current WICHE program is to off-set the cost of out-of-state tuition increase for professional programs which we do not offer in our state, help promote advanced education for our students, and provide access to participating WICHE schools.

North Dakota currently offers in-state programs for medicine and pharmacy without the requirement they practice in ND upon graduation. The current WICHE program assists students pursuing optometry, dentistry, and veterinary medicine. The program provides loan assistance to help off-set some of the difference between in-state and out-of-state tuition rates.

Providing WICHE assistance is more cost effective than to build and maintain a new optometry school in the state. The newest optometry school was started in Phoenix a few years ago. It was estimated to be at a cost of about 40 million dollars.

**Testimony of Beth W. Carlson, DVM  
Senate Bill 2160  
House Education Committee  
Pioneer Room  
March 19, 2013**

Chairman Nathe and members of the Education Committee, my name is Beth Carlson. I have been a member of the North Dakota Veterinary Medical Association for 12 years. I am here today in opposition to Senate Bill 2160. As you are likely aware, the Professional Student Exchange Program (PSEP) assists North Dakota students enrolled in professional programs not offered in the state of North Dakota, including optometry, dentistry, and of greatest interest to me, veterinary medicine.

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

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

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

Chairman Nathe and committee members, for these reasons, I oppose Senate Bill 2160. I would be happy to answer any questions you may have.

(Proposal to Amend SB 2160)

House Education Committee Hearing 3-19-13

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SECTION 1. LEGISLATIVE MANAGEMENT STUDY – PROFESSIONAL STUDENT EXCHANGE PROGRAM.

During the 2013-14 interim, the legislative management shall <sup>consider</sup> study how to improve the efficiencies and determine a methodology of state funding assistance, out-of-state professional school access, workforce future needs and student debt obligations, concentrating on the professions of veterinary medicine, optometry and dentistry programs not offered in the state. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

Respectfully Submitted,

North Dakota Veterinary Medical Association

North Dakota Optometric Association



#1

April 8, 2013  
Poolman/Heckaman Amendments

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2160

That the Senate accede to the House amendments as printed on pages 253 and 254 of the Senate Journal and page 941 of the House Journal and that Engrossed Senate Bill No. 2160 be further amended as follows:

Page 1, line 1, replace "to provide for a legislative management study of professional student" with "to require reports to the legislative management relating to professional student exchange programs."

Page 1, remove line 2

Page 1, line 4, replace "LEGISLATIVE MANAGEMENT STUDY" with "REPORTS TO LEGISLATIVE MANAGEMENT"

Page 1, line 5, replace "legislative management" with "North Dakota university system"

Page 1, line 6, replace "consider studying" with "study"

Page 1, line 10, replace "The legislative management shall report its findings and recommendations," with "Before October 1, 2014, the North Dakota university system shall provide to the legislative management a report on the outcome of this study."

Page 1, remove lines 11 and 12.

Renumber accordingly

#1

Items to be studied in SB 2160

To be completed by the North Dakota University System by September 15, 2013 for the Interim Education Committee.

- A. Average cost to the state to educate medical students and pharmacy students. This should include total package of tuition assistance, loan forgiveness programs, grants waivers, and other investments by the state.
- B. What requirements, if any, are there for in-state medical and pharmacy graduates to practice within the state upon graduation.
- C. What monetary incentives does the state offer for graduates in medicine and pharmacy who practice within the state.
- D. Is there any payback required if graduates in pharmacy and medicine do not remain in North Dakota.
- E. What are the state's costs in students pursuing a degree in optometry, dentistry, and veterinary medicine.
- F. What monetary incentives does the state offer to graduates in optometry, dentistry, and veterinary medicine who return to North Dakota to practice.
- G. Do graduates in optometry, dentistry, and veterinary medicine have to make any monetary payback to North Dakota for the cost of their education if they do not return to North Dakota to practice.

#2

April 8, 2013  
Poolman/Heckaman Amendments

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Renumber accordingly