

Familiarization and update of USDA NIFA Veterinary Medicine Loan Repayment and Veterinary Service Grant Programs

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Abstract

In order to address the national need for food/large animal veterinary services for the public and private sectors of animal agriculture in the United States and Insular Areas, Congress passed into law the National Veterinary Medical Services Act (NVMSA) nearly 20 years ago. This Act allowed for the formation, authorization of funding and appropriations of funds to allow the National Institute of Food & Agriculture (NIFA) to support the implementation of the Veterinary Medicine Loan Repayment Program (VMLRP) in 2010. The 2014 Farm Bill authorized the development of the Veterinary Services Grant Program (VSGP) in 2016. In coordination with State Animal Health Officials (SAHO), the VMLRP and VSGP support veterinarians through competitively awarded educational loan repayments and grants to fill the most serious veterinary shortage situations in the United States. In addition, the program determines the best possible match between specific shortage situations and applicants' knowledge, skills, abilities and experiences to enhance the likelihood that awardees will achieve sufficient professional success and satisfaction during their term of service so that they will continue in their service to the area. The goal of this presentation is to familiarize stakeholders of these two competitive veterinary service programs offered by USDA-NIFA to encourage their involvement and suggestions for enhancements to the programs.

Key words: veterinarian, student loan, rural, appropriations, food/large animal

Introduction

Food/large animal veterinarians serve a critical role for maintaining a healthy, secure and safe food supply. Currently, there is a significant shortage of food/large animal veterinarians in both private and public practice, particularly in rural communities in the United States and Insular Areas. Food animal producers rely on veterinarians and veterinary technicians with expertise in food/large animal medicine and surgery as well as advanced training in herd health, diagnostic medicine, epidemiology, public health, and food safety for their operations to remain economically viable.¹

Over the past 40+ years, there has been a growing shortage of food/large supply veterinarians. The reasons for this are numerous, but many speculate that it is due to a reduction in the pipeline, i.e., a decreased number of veterinary students coming from farm or rural backgrounds and lack of familiarization of students to work with food-producing animals, and the escalating cost of veterinary education with subsequent high student debt burden. According to a 20-year survey of more than 45,000 veterinary medical graduates conducted between 2001 and 2020 by the Veterinary Economics Division of the American Veterinary Medical Association (AVMA), almost 87% had an average veterinary school educational loan obligation in 2001 of

\$56,824 which rose to \$157,146 by 2020, indicating an average annual increase of 5.6%.² By 2021, according to a 2022 AVMA blog, the average debt was estimated to be \$186,430.³ Although veterinary school tuition increased by 205% during this 20-year period, overall educational debt increased 4.5 times as fast as the rate of increased income, pushing the debt-to-income ratio upward. Such debt loads incentivize students to select veterinary careers in more financially lucrative sectors such as companion animal medicine, enabling them to repay their outstanding educational loans more quickly.⁴

Because of this significant debt burden graduates were and are facing, the USDA NIFA Veterinary Services Programs (Veterinary Services Grant Program [VSGP] and Veterinary Medicine Loan Repayment Program [VMLRP]) were borne out of concerns that long-term maldistributions in the veterinary workforce have left some rural communities with insufficient access to food/large animal veterinary services. But more recently, it has been acknowledged that there are other important factors contributing to the maldistribution of veterinarians serving the agricultural sector besides debt burden. Among these are limited access to specialized education, extension and training opportunities for veterinarians and veterinary technicians. In addition to the educational aspects, private practices that provide food/large animal services face insufficient resources to enhance their services such as updating equipment and adding personnel (recruiting) in order to expand or improve access for producers in veterinary shortage areas.

Veterinary shortage situation areas

Shortages of food/large animal veterinarians and veterinary services occur in every state throughout the United States. The SAHO from each state is responsible for identifying specific areas, such as counties or regions, that have the greatest need for food/large animal private veterinary practitioners or public sector veterinarians (e.g., diagnostic laboratory or state/federal regulatory agencies). Based on data specific to each state (described below), the SAHO is allowed to nominate up to 8 shortage areas for veterinarians to apply. The veterinary shortage nominations assist in attracting potential participants to serve the area and guide the applicants' responses. The information provided in the nomination is used to assess contractual compliance of awardees throughout the terms of their service contract.

There are 3 different types of shortage areas that can be nominated. Type-I shortage areas may be classified as rural, urban or other type, if the shortage to be mitigated is consistent with the definition of "practice of food supply veterinary medicine". A minimum of an 80% full-time equivalent (FTE) (32 hours per week) commitment, in part, recognizes that occasionally food/large animal veterinary practitioners are expected to meet the needs of other veterinary service sectors. These nominations are intended for shortage situations where the veterinarian can operate profitably by committing 80-100% time to food/large

animal medicine activities, based on the client base and other socio-economic factors impacting viability of veterinary practices in the area. A Type-II shortage area must satisfy the definition of a “rural area”. A minimum of a 30% FTE commitment (12 hours per week) in a rural shortage situation recognizes that some remote or economically depressed rural areas need food/large animal veterinary services, but they may be unable to support a practitioner predominantly serving the food/large animal sector. These nominations are intended for shortage situations where the veterinarian can operate profitably committing at least 30% time to food/large animal medicine activities, based on the client base and other socio-economic factors impacting viability of veterinary practices in the area. Type III is a broad nomination category comprised of many types of public service veterinary training and employment. These positions are typically found in city, county, state or federal governments and institutions of higher education. Examples are university faculty, staff or resident; veterinary laboratory diagnostician; State Veterinarian or Epidemiologist; County Public Health Official; USDA meat inspector or Area Veterinarian in Charge; and Federal Veterinary Medical Officer (VMO). A minimum of a 49% FTE (19.6 hours per week) commitment recognizes that some public service employment opportunities are part-time.

New and unfilled re-submitted veterinary shortage nominations are submitted every fall by SAHOs so they will appear in the Request for Applications during the next application cycle.

Veterinary Medicine Loan Repayment Program

The eligibility requirements to apply to the VMLRP are: 1) have a degree of Doctor of Veterinary Medicine (DVM/VMD), or the equivalent, from a college of veterinary medicine accredited by the American Veterinary Medical Association Council on Education; 2) have a minimum qualifying educational loan debt of \$15,000 from a lender capable of accepting incoming Automated Clearing House payments; 3) secure an offer of employment or establish and/or maintain a practice in a NIFA designated veterinary shortage situation within the time period specified in the VMLRP contract offer; 4) provide verifications of state licenses and accreditations; 5) not owe an obligation for veterinary service to the Federal government, State, or other entity under an agreement with such federal, state or other entity unless such obligation will be completely satisfied prior to beginning service under the VMLRP; and 6) not have a federal judgement lien against their property arising from federal debt. Eligibility and criteria for selection requirements are published in each annual Request for Applications.⁵

VMLRP awardees commit to providing at least 3 years of food/large animal veterinary services in a designated veterinary shortage situation area in return for payments of up to \$25,000 of student loan debt per year with a maximum of \$75,000 for a 3-year contract. VMLRP awardees are eligible to reapply to continue to serve their originally awarded shortage situation area in the last year of their contract or one year after. A renewal contract repayment amount varies based on the applicant's eligible Doctor of Veterinary Medicine educational debt.

Loan repayment benefits are limited to payments of the principal and interest on government and commercial loans received for attendance at an AVMA Council on Education-accredited college of veterinary medicine resulting in a degree of DVM or the equivalent. Since the inception of the VMLRP in FY2010,

NIFA has received over 2,000 applications from more than 1,400 applicants and awarded support to over 750 veterinarians across the country with new and renewal contracts.⁶

Veterinary Services Grant Program

The 2014 Farm Bill authorized the establishment of the VSGP as a companion to the VMLRP to incentivize food/large animal veterinary services in veterinary shortage situation areas and to educate the next generation of food/large animal veterinarians.⁷ Congress appropriated \$2.5 million per year for VSGP between fiscal years 2016-2018, \$3.0 million per year for fiscal years between fiscal years 2019-2021 and \$3.5 million in fiscal year 2022.⁸

The goals of the VSGP are to fund accredited schools and organizations in education, extension and training (EET) for food/large animal veterinary medicine and rural practice enhancement (RPE) for veterinary clinics that provide service in veterinary shortage situations. VSGP applicants do not need to have educational debt or loans to apply. A short-term objective for both programs is to match the specific area needs with the knowledge, skills, abilities, experiences, goals and aspirations of applicants. The long-term objective of the programs is to provide funds to veterinarians and veterinary clinics to sustain clinical practice in shortage situation areas.

EET grants have a 3-year duration and up to \$250,000 in funding for education and extension activities that provide veterinarians, veterinary students and veterinary technicians with specialized skills and practices by establishing or expanding educational programs at AVMA-accredited schools and organizations. RPE grants have a 3-year duration and funds directly support veterinary clinics and practices by providing up to \$125,000 to enhance food/large animal veterinary services in a designated veterinary shortage situation area. Unlike the VMLRP, VSGP-RPE awardees are not eligible to re-apply.

Challenges

Numerous challenges face the implementation of these programs. First, each SAHO is required to complete a standard nomination form which outlines important information for applicants to review, such as the size and number of counties in the area, the type of food/large animal species to be serviced and data on their numbers and type of production operations. They will also often provide a description of the services that are expected to be provided along with general information that might entice a potential practitioner to that area. In the fall of each year, SAHOs are required to submit their nominations for shortage areas to NIFA program staff for review of content. When there is turnover among SAHOs, the challenge is to familiarize new SAHOs with the program and nomination process.

Second, at the current level of funding the program is only able to fill less than 40% of the total shortage area nominations received from the SAHOs each year. Although congressional appropriations have steadily increased over the years, more funds will be required to make a significant increase in that percentage. Efforts are underway by veterinary professional organizations to work with Congress to consider potential avenues to enhance the funding.

The third challenge deals with the responsibilities of the practice owner to: 1) provide mentoring and support to new graduates; 2) develop a suitable work/life balance with reasonable

work hours and living wages; 3) provide support in identifying meaningful employment for a new associate's spouse or partner (if needed), and 4) provide support to associates who may be new to the area and need acceptance by the producers and ranchers they seek to serve.

These challenges along many that are unforeseen such as COVID, injuries, natural disasters and working relationships have all been experienced by both new and experienced food/large animal veterinarians and need to be taken in consideration when implementing these VMLRP and VSGP awards. Being able to recognize and effectively resolve or temporarily cope with these challenges is important to the successful implementation of these awards or grants.

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