



Optometry Scholarship & Veterinary Contract Spaces

Interim Joint Committee on Appropriations and Revenue
September 18, 2024

Optometry Program Overview

- Optometry program was established in 1974 as an Optometry Contract Spaces program through the Southern Regional Education Board (SREB)
 - Allowed Kentucky residents to enroll in participating institutions while paying tuition at a rate equivalent to in-state students
 - Set number of spaces reserved for Kentucky students at each institution, with the campuses selecting recipients
 - State paid a contract fee to the institutions to cover the difference in tuition rate (in/out state)
 - Four participating institutions
 - Indiana University School of Optometry
 - Southern College of Optometry
 - Univ. of AL Birmingham College of Optometry
 - Kentucky College of Optometry (est. 2016)

Optometry Study

- HB 200 in 2018 established an Optometry Contract Spaces (OCS) work group to study the effects of establishing a forgivable Optometry loan program for OCS students and the projected return of Optometry graduates to practice in Kentucky
- Workgroup recommendations
 - Imposing a service requirement to the Optometry CS program was not required based on the high percentage of recipients who are licensed to practice in Kentucky and the pipeline of optometrists from the Kentucky College of Optometry
 - Change in program structure was needed to ensure the program's financial sustainability
 - Limit funding to the existing OCS out-of-state institutions and the Kentucky College of Optometry
 - Change to a scholarship model with parameters established by the General Assembly, administration by KHEAA, and awardees selected by a committee of optometry professionals and educators
 - Recognize the role of the Kentucky College of Optometry by dedicating at least one-third (1/3) of the scholarship funding to students attending the institution

Optometry Scholarship Program

- Optometry Scholarship program established during 2020 Regular Session (SB 134), now codified as KRS 164.7870
- KHEAA began program administration with FY 2021
- Optometry Contract Spaces recipients were grandfathered into the scholarship program with scholarship amount fixed at FY 2021 OCS rate
- First scholarship recipients began enrollment fall 2021; anticipated graduation spring 2025
- Per statutory language, at least one-third (1/3) of scholarship appropriation is awarded to students attending KY College of Optometry
- Committee selects scholarship awardees
- Funds follow students to one of the participating institutions

Optometry Scholarship Awards & Expenditures

Fiscal Year	Students		Award Amount		Total Disbursed
	OCS Grandfathered	Optometry Scholarship	OCS Grandfathered	Optometry Scholarship	
2021	45	N/A	\$ 19,200*	N/A	\$ 764,824
2022	34	14	\$ 19,200*	\$ 14,500	\$ 788,574
2023	27	25	\$ 19,200*	\$ 15,000**	\$ 859,252
2024	12	40	\$ 19,200*	\$ 15,000**	\$ 829,572
2025 (estimated)	N/A	56	N/A	\$ 15,000**	\$ 860,000

*Indiana University School of Optometry rate was \$12,536 per contract seat

**Scholarship amount set at \$19,000 for students entering KY College of Optometry in FY 2022 and FY 2023



Enrollment, Graduates and Employment by Institution

Kentucky College of Optometry

Year	Scholarship Awards	Enrollment		Graduates		Practicing in KY	% Grads Practicing in KY	Average Loan Debt at Graduation
		KY	Total	KY	Total			
2021	15	48	231	15	55	20	36%	\$ 169,432
2022	16	49	235	15	79	16	20%	\$ 165,885
2023	13	51	235	12	55	10	18%	\$ 154,144
2024	19	49	234	14	55	15	27%	\$ 167,244
2025	24	51	233					

2024-2025 tuition rate: \$ 47,650 regardless of state residency

Enrollment, Graduates and Employment by Institution

Indiana University College of Optometry

Year	Scholarship Awards	Enrollment		Graduates		Practicing in Kentucky	Average Loan Debt at Graduation
		KY	Total	KY	Total		
2021	13	22	350	7	84	Unknown	\$ 180,067
2022	15	20	343	5	70	Unknown	\$ 197,893
2023	17	22	346	5	96	Unknown	\$ 184,299
2024	14	21	331	4	83	Unknown	Not Available
2025	15						

2024-2025 tuition rate: \$ 55,384 for non-residents; \$ 42,848 for Indiana residents

Enrollment, Graduates and Employment by Institution

Southern College of Optometry

Year	Scholarship Awards	Enrollment		Graduates		Practicing in Kentucky	Average Loan Debt at Graduation
		KY	Total	KY	Total		
2021	13	14	539	3	134	Unknown	Not Provided
2022	14	15	539	1	129	Unknown	Not Provided
2023	19	24	532	4	133	Unknown	Not Provided
2024	15	24	525	4	125	Unknown	\$ 139,233
2025	12	18	530				

2024-2025 tuition rate: \$ 43,406 regardless of state residency

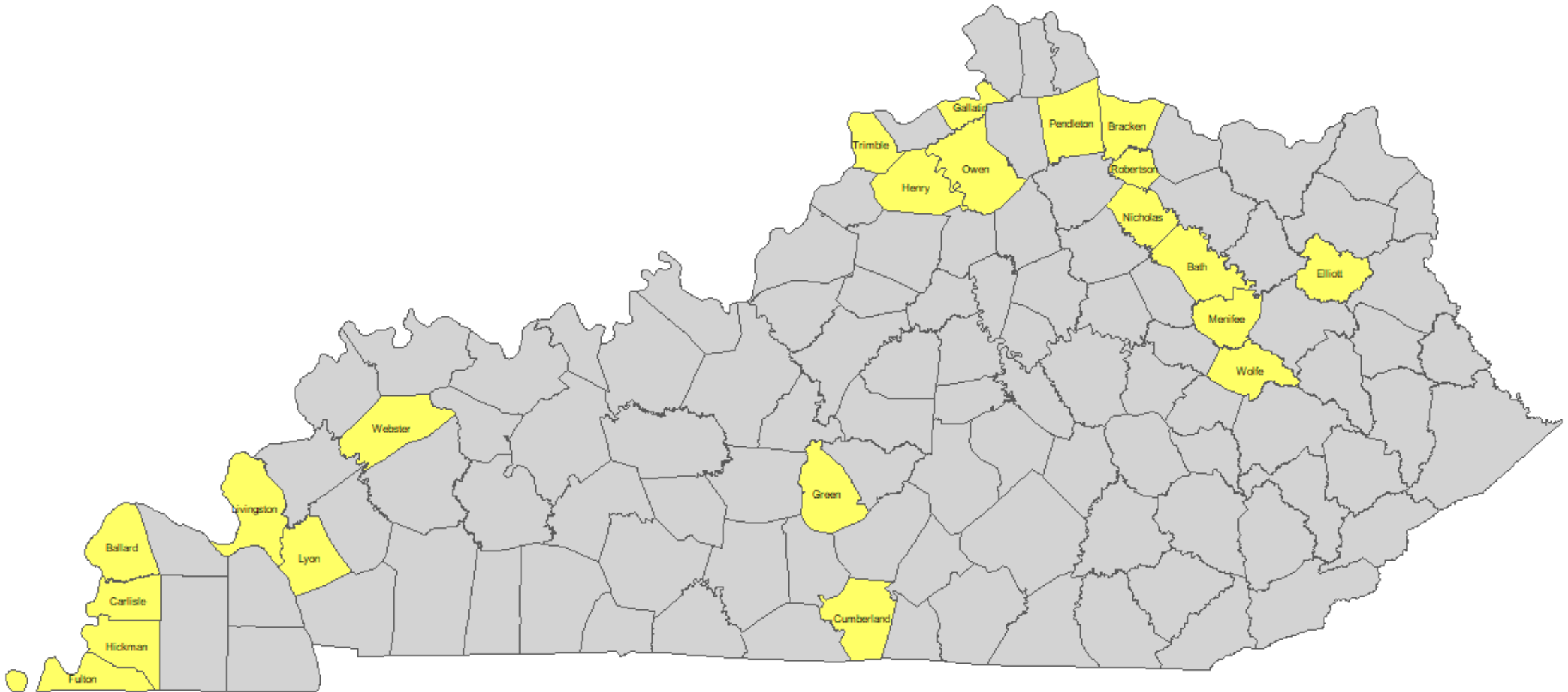
Enrollment, Graduates and Employment by Institution

University of Alabama Birmingham School of Optometry

Year	Scholarship Awards	Enrollment		Graduates		Practicing in Kentucky	Average Loan Debt at Graduation
		KY	Total	KY	Total		
2021	4	5	197	1	46	1	Not Provided
2022	3	5	197	0	40	0	Not Provided
2023	3	7	204	3	41	0	Not Provided
2024	4	7	218	1	58	0	\$ 174,526
2025	5	8	223				

2024-2025 tuition rate: \$ 54,012 for non-residents; \$ 30,735 for Alabama residents

Optometric Coverage in Kentucky



No Optometric Coverage Optometric Coverage Exists

Veterinary Contract Spaces Overview

- Kentucky's Veterinary Contract Spaces (VCS) participation began in 1951
- VCS supported solely through biennial budget until 2020 Regular Session and passage of HB 214; now codified as KRS 164.790
 - KHEAA began program administration in FY 2021; prior administration by KY Council on Postsecondary Education
- Funding currently supports 164 contract seats at two participating institutions
 - Auburn University College of Veterinary Medicine – 152 spaces each year (38 per class)
 - Tuskegee University College of Veterinary Medicine – 12 spaces each year (3 per class)
- KHEAA verifies Kentucky residency of students; institutions select awardees
- Southern Region Education Board (SREB) sets contract rate for each year

Veterinary Contract Spaces Study

- HB 200 in 2018 established a Veterinary Contract Spaces work group to study the effects of establishing a forgivable loan program for VCS students and the projected return of large animal Veterinary graduates to practice in Kentucky
- Workgroup recommendations
 - Imposing a service requirement through a forgivable loan to the VCS program is not needed based on the percentage of former VCS students licensed to practice in KY
 - Kentucky should continue to purchase spaces from Auburn University and Tuskegee University given the long-standing and positive relationship with those institutions, and not transition to a scholarship model or introduce additional institutions to the program
 - In a flat or decreased funding environment, maintaining the 164 contract spaces is a top priority
 - Explore strategies and programs to provide lower cost loans for veterinary students, and pursue supplemental funding for the program if General Fund support is not sufficient to cover program costs

Veterinary CS Program Activity

Actual	Fiscal Year	SREB Contract Rate	Total Available (incl. continuing)	First Year Recipients		Total Recipients	Total Disbursed
				AUCVM	TUCVM		
	2021	\$ 32,000	\$ 5,248,000	38	3	163	\$ 5,152,000
	2022	\$ 33,500	\$ 5,590,000	39	1	161	\$ 5,360,000
	2023	\$ 33,500	\$ 5,724,000	37	1	158	\$ 5,293,000
	2024	\$ 34,505	\$ 6,090,000	37	2	159	\$ 5,331,023

Budgeted	Fiscal Year	SREB Contract Rate	Amount Appropriated	First Year Seats Offered	Total Seats Offered	Total to Fully Fund
	2026	\$ 36,962	\$ 5,800,400	41	164	\$ 6,061,768

Veterinary CS Graduates Returning to Kentucky

Auburn University College of Veterinary Medicine graduate data from the American Veterinary Medical Association senior survey

Reflects employment status at the time of graduation

25% of AUCVM graduates go on to specialty training, delaying employment for 5 or more years depending on specialty area

Year	Total Graduates (all states)	Graduates from Kentucky	Employed Graduates from Kentucky	Employed in Kentucky	Percent Employed in Kentucky
2017	117	38	19	17	89%
2018	121	34	24	15	63%
2019	121	39	25	16	64%
2020	115	36	23	14	61%
2021	114	37	24	16	67%
2022	114	38	25	17	68%
2023	127	38	24	16	67%
2024	123	36	Survey data not yet available		

Veterinary Salary and Student Loan Indebtedness

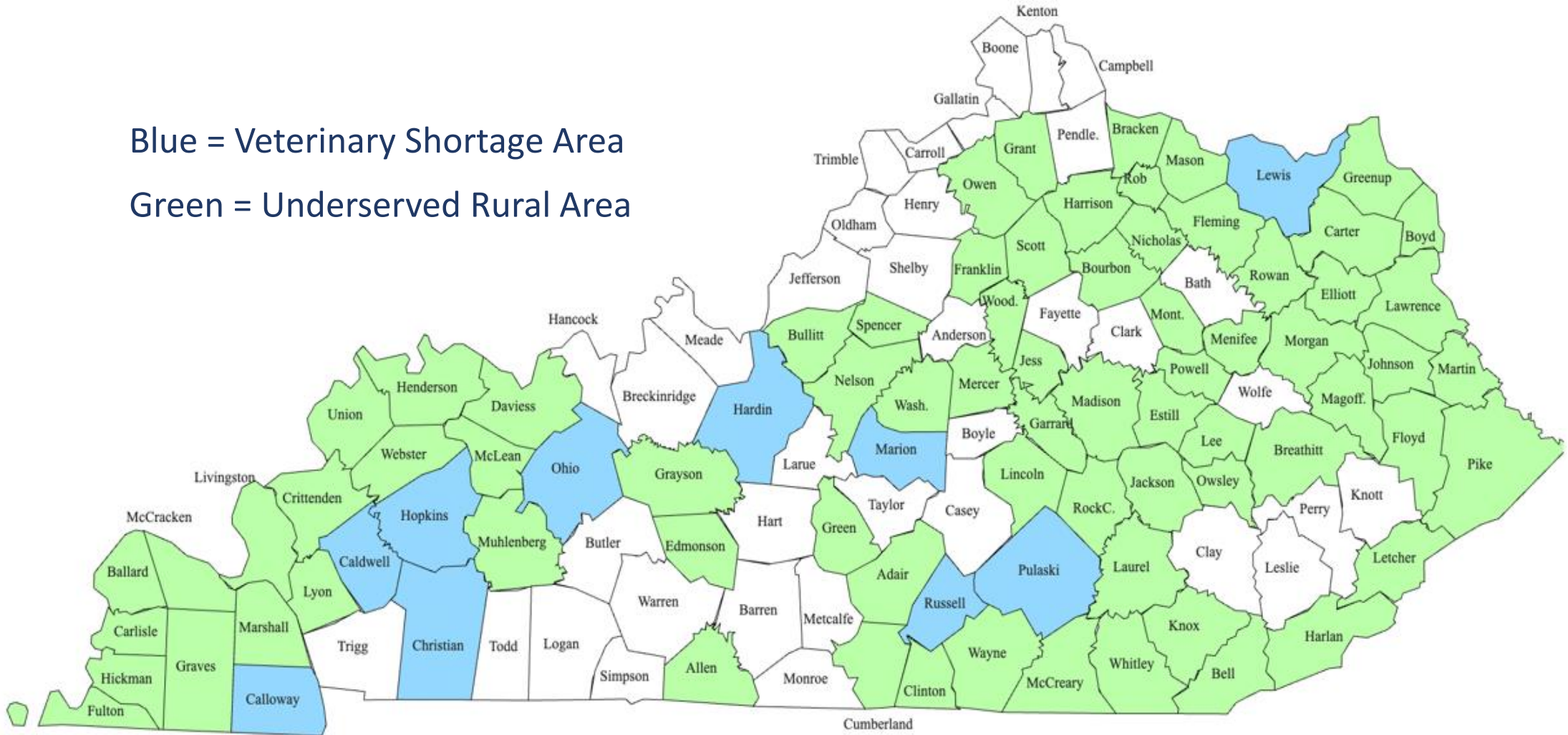
	Type of Practice	2021	2022	2023
Salary	Large Animal Exclusive	\$ 100,000	N/A	\$ 130,000
	Equine	N/A	\$ 60,000	\$ 125,000
	Mixed Animal	\$ 81,200	\$ 94,500	\$ 102,868
	Small Animal	\$ 101,002	\$ 117,068	\$ 121,766

	Type of Graduate	2021	2022	2023
Student Loan Debt at Graduation	Kentucky	\$ 148,449	\$ 140,469	\$ 167,319
	Alabama	\$ 148,392	\$ 147,298	\$ 161,452
	At Large (Not KY or AL)	\$ 194,765	\$ 231,511	\$ 214,654
	National Mean	\$ 170,914	\$ 159,199	\$ 195,385

Veterinary Shortage Areas in Kentucky – July 2024

Blue = Veterinary Shortage Area

Green = Underserved Rural Area



KY Rural Veterinary Medicine Student Loan Repayment

- Established during 2024 legislative session (HB 553); now codified as KRS 164.7895
- Provides student loan repayment benefits for veterinarians practicing large animal medicine in underserved rural or veterinary shortage areas in Kentucky
- Awardees must provide one year of service as livestock practitioner in order to receive loan repayment benefits; limited to 5 consecutive years of participation
 - Incremental amount starting at \$12,500 in year 1 and increasing to \$22,500 in year 5
 - Total student loan repayment not to exceed \$87,500 per recipient
- Competitive selection process
 - Selection committee comprised of KY Commissioner of Agriculture (or designee), KY Board of Veterinary Examiners, KY Veterinary Medical Assn., KY Farm Bureau, and KY Cattlemen's Assn.
- KHEAA is administering agency; coordinates application and selection process, and disburses student loan repayment funds to recipient's lender following annual verification of service
- Currently funded at \$1.1 million

