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## FISCAL IMPACT REPORT

ORIGINAL DATE 1-18-2007

SPONSOR Feldman LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE NM Dental Student Funding SB 146

ANALYST Dearing

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$600.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

Responses Received From

### SUMMARY

#### Synopsis of Bill

Senate Bill 146 appropriates \$600 thousand from the general fund to Higher Education department for expenditure in FY08 and subsequent years for the purpose of increasing the available dental student slots for Western Interstate Commission for Higher Education (WICHE).

### FISCAL IMPLICATIONS

The appropriation of \$600 thousand contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the General Fund.

This bill provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions, as earmarking reduces the ability of the legislature to establish spending priorities.

**SIGNIFICANT ISSUES**

The Western Interstate Commission on Higher Education (WICHE) professional student exchange program allows western states’ collaboration among higher education institutions. Many programs and degree choices are offered at regional institutions, however not all degrees are offered in each state. The WICHE program offers participating students reduced tuition levels at participating institutions across state lines in several fields such as dentistry, library science, optometry, osteopathy, and veterinary medicine. New Mexico students are required to return to New Mexico to practice in their respective fields upon graduation and are directed to underserved areas. The State student financial aid program provides students with a financial support fee determined by WICHE, currently \$20,600 per student, up from \$19,900 in October, 2006.

The student support fee is provided to students attending out of state.

In FY07, New Mexico offered 7 slots dedicated to dentistry with WICHE institutions, while 8 applicants were denied. Slots in the various fields of study are rated at various support fees, with the highest being the veterinary medicine field, at \$25,400 annually. Approximately 36 percent of FY07 WICHE funding is distributed for dentistry slots, with 55 percent allocated to veterinary medicine.

In addressing the increased need for dental loan-for-service, the FY08 LFC budget recommendation included increased funding for a student slots in the dentistry loan-for-service program at Baylor University, a non-participant in the WICHE program. Including 7 new entrants to the program in FY07, the WICHE dentistry program has approximately 32 participants, with renewing participants accounting for of approximately 75% of available slots in any given year.

Total FY07 funding was \$1.6 million, with an additional \$223 thousand taken from other loan for service funds HED administers. The appropriation contained in Senate Bill 146 would substantially increase the size of the WICHE Program.

	<b>dentistry</b>	<b>library science</b>	<b>optometry</b>	<b>osteopathy</b>	<b>vet. medicine</b>
Number of Renewals	25	1	6	3	29
Numer of New Recipients	7	1	1	0	10
Annual Support Fee	\$ 19,900	\$ 5,600	\$ 13,600	\$ 1,700	\$ 25,400
<b>Field of Study Total</b>	<b>\$ 636,800</b>	<b>\$ 11,200</b>	<b>\$ 95,200</b>	<b>\$ 5,100</b>	<b>\$ 990,600</b>
<b>FY07 WICHE Funding</b>	<b>\$ 1,738,900</b>				

**Table 1. FY07 WICHE Program Allocation by Field of Study**

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

WICHE dentistry slots would remain funded at the FY07 level.

PD/csd