

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 01/21/2014
SPONSOR Padilla **LAST UPDATED** _____ **HB** _____

SHORT TITLE Dental Students in Wiche Program **SB** 15

ANALYST Hartzler-Toon

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$400.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$400.0	\$400.0	\$800.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act: Section J, Higher Education, Higher Education Department, Student Financial Aid

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 15 appropriates \$400 thousand from the general fund to increase the number of dental students who may participate in the Western Interstate Commission for Higher Education program. State funding is used to provide students attending WICHE-member dental schools with scholarships equal to the difference between the school's in-state and out-of-state student tuition costs. The average scholarship is \$25 thousand.

FISCAL IMPLICATIONS

The appropriation of \$400 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY15 shall revert to the general fund.

For FY14, the WICHE program received \$2.1 million in general fund appropriations. This amount included \$1 million funding for 48 dental scholarships: 6 new students and 42 continuing students. The average scholarship award was \$24.4 thousand.

For FY15, both the Executive and LFC recommended increasing funding for the WICHE scholarship program, sufficient to increase the academic year 2014-2015 (AY14-15) cohort by an estimated six scholarships for a total of 12 new students. If either recommendation is adopted and SB 15 was enacted, the WICHE program would total \$1.4 million in general fund support for dental students.

Dental students may receive the WICHE scholarship for four years. Should the \$400 thousand appropriation be considered nonrecurring funding, the state may not be able to support six students in the FY15 cohort for future years without specific appropriation bills. However, should the appropriation be included in the General Appropriation Act, the Act's language would make these funds nonreverting and likely be funded in future fiscal years. (The appropriation tables in this FIR consider the appropriation in SB 15 to be recurring funding.)

SIGNIFICANT ISSUES

According to DOH:

New Mexico has been a member of the WICHE Loan-for-Service Program since 1952. The program provides support for New Mexico students who want to pursue a degree in dentistry. State participation in this program allows New Mexico students to enroll at select out-of-state graduate or professional dental education programs not offered in our state's public universities, and receive reduced tuition fees. Upon acceptance into the WICHE program, New Mexico students agree to practice in New Mexico as a health professional in their field of study. Acceptance into the program is competitive and selection of participants is made by the WICHE Loan-for-Service Program Commissioners. The number of available slots is determined by funding levels and the number of applicant.

New Mexico is experiencing a dental health care professional shortage. Thirty two (32) of the state's thirty- three (33) counties are federally designated as Health Professions Shortage Areas, Medically Underserved Areas or Populations, and New Mexico ranks 49th of 50 states per capita for dentists. Access to dental health care and preventive services is challenging in many communities throughout the state.

http://nmhpc.org/documents/Workforce_Paper_1-18-11.pdf

PERFORMANCE IMPLICATIONS

SB 15 supports DOH's FY15 strategic plan: to recruit and retain health care professionals.

RELATIONSHIP

SB 15 relates to SB 76, creating the Dental Therapist-Hygienist Act.

OTHER SUBSTANTIVE ISSUES

DOH noted that

Dental disease occurs more often and to a more advanced degree among low income, uninsured, and minority children. Childhood tooth decay disproportionately affects low-income families and racial or ethnic minorities. The rate of untreated tooth decay in children with family incomes below the poverty level doubles that of non-poor children.

<http://www.nvdl.org./issues-research/health/childrens/-oral-health-policy-issues-overview.aspx>)

Compared to the general population, American Indians and Alaska Natives (AI/AN) experience more oral disease including both tooth decay and periodontal diseases. A 1999 survey conducted by the Indian Health Service (IHS) found that 87% of AI/AN children aged 6 – 14 years had experienced dental decay.

<http://www.ihs.gov/MedicalPrgrams/Dental/docs/survey.pdf>)

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If the Legislature supports either the Executive or LFC FY15 recommendation, the WICHE dental program will increase by six new students in AY14-15 and not 12 students.

THT/ds