

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](http://www.nmlegis.gov)) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

**SPONSOR** Morales **ORIGINAL DATE** 1/25/2015  
**LAST UPDATED** \_\_\_\_\_ **HB** \_\_\_\_\_

**SHORT TITLE** UNM Dental Science Program **SB** 80

**ANALYST** Hartzler

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$400.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$448.0	\$728.0	\$1,176.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act, Section 4J, Higher Education, University of New Mexico, Health Sciences Center, Research and Public Service Projects

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

University of New Mexico (UNM) Health Sciences Center (HSC)

### SUMMARY

#### Synopsis of Bill

Senate Bill 80 appropriates \$400 thousand from the general fund to UNM to fund planning for a bachelor of arts and doctor of dental science (BA/DDS) program by HSC.

### FISCAL IMPLICATIONS

The appropriation of \$400 thousand contained in this bill is a recurring expense to the general fund. As stated in the bill, any unexpended or unencumbered balance remaining at the end of

FY16 shall revert to the general fund. However, should the appropriation be included in Section 4 of the General Appropriation Act as a line-item to UNM HSC, the funds would not revert to the general fund.

During the LFC's FY16 budget hearings, Dr. Paul Roth, chancellor for HSC and dean of UNM's school of medicine, described the BA/DDS program as modeled on the university's BA/MD program, a program targeted at educating New Mexicans and growing the number of healthcare providers. The total estimated cost of fully-implementing the BA/DDS program is \$8.2 million between FY16 through FY25. The program would provide 20 participants with

- An undergraduate bachelor of arts degree,
- Guaranteed admission to a partner, out-of-state dental school, and
- A graduate dental residency at UNM HSC.

As noted by UNM, this cost is well below the average costs of building a dental school (approximately \$150 million) and annual operations (approximately \$25 million).

The \$400 thousand general fund appropriation would allow for (1) developing the supplemental dental health curriculum and programming at the undergraduate level, explore contractual relationships with out-of-state dental schools for the dental school component, and enhance the existing dental residency program.

While UNM HSC presented this request during the Higher Education Department's (HED's) review of FY16 budget requests, the department did not request funding for the planning effort. Neither LFC nor the Executive recommended funding this proposal for FY16.

## **SIGNIFICANT ISSUES**

New Mexico faces significant challenges in addressing dental health issues. At a 2012 LFC hearing, UNM HSC reported that

- New Mexico has only 0.6 dentists per 1,000 residents, while the national average of 0.8 dentists per 1,000 residents.
- The state ranks in the bottom quartile in number of dentists/1,000 population. Of less than 1,000 licensed dentists in New Mexico, about 75 percent are actively practicing, but half of practicing dentists are 54 years old or older.
- 70 percent of practicing dentists do so within a 4 county area along the Rio Grande corridor.
- 25 or 33 counties are federally-designated Health Professional Shortage Areas (HPSAs).
- 42 percent of residents live in the HPSAs.

The interim Legislative Health and Human Services Committee endorse SB 80. The New Mexico Healthcare Workforce Report (2014) recommends the state initiate a BA/DDS program.

The BA/DDS program would not replace the state's existing dental profession-pipeline. Currently, about 20 to 25 New Mexicans complete their undergraduate programs and attend regional dental schools, with scholarships from the Western Interstate Commission for Higher Education (WICHE). The BA/DDS program would complement the WICHE-supported program by developing 20 more dental practitioners for the state.

**ADMINISTRATIVE IMPLICATIONS**

The appropriation would support the university’s planning efforts, particularly solidifying initial agreements to smooth the transition between undergraduate programs and dental school.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Senate Bill 80 relates the WICHE loan-for-service program and appropriation to the HED student financial aid program. It also relates to SB 35, a bill to increase general fund appropriations to the WICHE program specifically to increase the number of dental students supported.

**ALTERNATIVES**

State leaders have regularly debated the merits of the BA/DDS program or starting a dental school.

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

UNM HSC notes, more dentists are retiring as the demand for oral health services increases. The BA/DDS program can address current and future dentist shortages in the state. Without such a program, it is unlikely that underrepresented minorities and rural area dental school students will be proportional to the state’s population.”

TH/je