



Joint Subcommittee On Postsecondary Education Policy and Budget

60TH Montana Legislature

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HJR 22 WORKING GROUP (DENTAL STUDY)

ADDITIONAL DENTAL SLOTS FOR PROFESSIONAL STUDENT EXCHANGE PROGRAMS

Wednesday, March 12, 2008

At the December meeting of the HJR 22 working group, members discussed the dental slots that are part of the professional student exchange program that is funded in HB 2, and staff was requested to provide a brief report on the projected costs to increase the number of student slots for dental school as a means to attract dentists to rural and underserved Montana communities in order to meet local service needs.

This report is intended to project the costs of expanding the number of dental slots and identifying the process options for the working group.

Introduction

Professional student exchange programs (WICHE, WWAMI, and MN Dental) provide students in Montana with access to programs of study in health care fields that are not offered at higher education institutions in Montana. In return for a state government subsidy or “support fee,” select students are offered resident or reduced tuition rates at out of state institutions, to make these programs more affordable for students to attend. Annual tuition rates that students pay average \$28,000 in FY 2009 for the WICHE and MN Dental programs.

Figure 1 below illustrates the 2009 biennium state budget for the professional student exchange programs. The state support fee and administrative charges for the programs total \$5.2 million general fund in FY 2008 and \$5.4 million in FY 2009. This funding supports approximately 168 Montana resident students each year attending professional institutions in other states.

The 2009 biennium budget includes a total of 12 dental slots split between WICHE schools and the University of Minnesota Dental School. The state support fees are \$21,300 per student in FY 2009 for a total cost of \$255,600.

Figure 1

2009 BIENNIUM LEGISLATIVE BUDGET
WICHE/WWAMI/MINNESOTA DENTAL PROGRAMS
 Administered by the Office/Commissioner of Higher Education

PROGRAM	FISCAL YEAR 2008						FISCAL YEAR 2009					
	Support Fee	New (1st Year)		Continuing		Total	Support Fee	New (1st Year)		Continuing		Total
		Students	Cost	Students	Cost			Students	Cost	Students	Cost	
WICHE												
Administrative Dues			\$116,000			\$116,000			\$120,000			\$120,000
Student Assistance:												
Medicine	\$26,500	6	\$159,000	18	\$477,000	\$636,000	\$27,400	6	\$164,400	18	\$493,200	\$657,600
Osteopathic Medicine	17,600	2	35,200	4	70,400	105,600	18,200	1	18,200	6	109,200	127,400
Dentistry	20,600	1	20,600	3	61,800	82,400	21,300	1	21,300	3	63,900	85,200
Veterinary Medicine	26,300	9	236,700	27	710,100	946,800	27,200	9	244,800	27	734,400	979,200
Podiatry	12,300	1	12,300	1	12,300	24,600	12,700	0	0	2	25,400	25,400
Optometry	14,100	1	14,100	3	42,300	56,400	14,600	1	14,600	3	43,800	58,400
Occupational Therapy	10,700	1	10,700	1	17,833	28,533	11,100	1	11,100	1	18,500	29,600
(Includes 1 @ clinical rate \$17,833 for FY 08 and \$18,500 for FY 09)												
Public Health	6,700	1	6,700	1	4,467	11,167	6,900	1	6,900	1	6,900	13,800
(Includes 1 extended degree @ \$4,467 for FY 08)												
Subtotal (WICHE Student Support)		22	\$495,300	58	\$1,396,200	\$1,891,500		20	\$481,300	61	\$1,495,300	\$1,976,600
TOTAL WICHE (Including Dues)						\$2,007,500						\$2,096,600
MINNESOTA DENTAL	20,600	2	41,200	6	123,600	164,800	21,300	2	42,600	6	127,800	170,400
WWAMI	50,414	20	0	60	3,024,836	3,024,836	51,926	20	0	60	3,115,581	3,115,581
TOTAL WICHE/WWAMI/MN		44	\$652,500	124	\$4,544,636	\$5,197,136		42	\$643,900	127	\$4,738,681	\$5,382,581

Present Law Adjustment Increase \$295,020

Present Law Adjustment Increase \$480,465

Notes:

- 1) Rates for all continuing occupational therapy students are calculated at 1 2/3 the annual support fee to include support for two clinical rotations. (\$17,833 for FY 2008; \$18,500 for FY 2009)
- 2) The WWAMI support fee is calculated as an average per continuing student. Actual support varies by program year.

Projected Fiscal Impact of Additional Dental Student Slots

According to officials at the Office of the Commissioner of Higher Education (OCHE) who administer the professional student exchange program, it is anticipated that there will be a 4 percent annual increase in state support fees each year of the 2011 biennium.

Based upon this annual cost increase and projecting the same going forward, figure 2 below illustrates the cost to fund additional dental slots as part of the professional student exchange program:

Figure 2

Fiscal Impact of Additional Dental Slots						
Number of New Student Slots Per Year	FY 2009 Base Cost	Additional Annual Support Fee Costs				
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1	\$ 21,300	\$ 22,152	\$ 46,076	\$ 71,879	\$ 99,672	\$ 103,659
2	42,600	44,304	\$ 92,152	\$ 143,758	\$ 199,344	207,318
3	63,900	66,456	\$ 138,228	\$ 215,636	\$ 299,016	310,976
4	85,200	88,608	\$ 184,305	\$ 287,515	\$ 398,688	414,635
5	106,500	110,760	\$ 230,381	\$ 359,394	\$ 498,360	518,294

As figure 2 illustrates, through the first four years of the additional slots, the expenditure growth must account for both a new student each year in the new slot, together with the ongoing student slots that accumulate over the four years of the program of study.

Therefore, one additional slot starting in FY 2010 would require an additional \$99,672 by FY 2013 as this single new student slot would also include the ongoing students completing the four total years of dental school. The annual administrative dues would not be affected by an increase in the number of student slots, so there is no need to contemplate those costs as part of the consideration of increasing slots.

From figure 2, the working group can determine what the projected fiscal impact would be to increase from one to five new student slots for dental programs, based upon a projected annual 4 percent cost increase.

Working Group Options

The professional student exchange program is funded as part of the HB 2 state budget. This appropriation is located in the university system student assistance program for the OCHE office.

If the working group is interested in seeing additional dental student slots funded in HB 2 the following options would be appropriate for consideration:

1. Request that the executive include funding for these slots as part of the executive budget
2. Request that the legislature include funding for these slots as part of the HB 2 budget process

Respectfully submitted by:

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