



Joint Subcommittee On Postsecondary Education Policy and Budget

60TH Montana Legislature

Room 110 Capitol Building * P.O. Box 201711 * Helena, MT 59620-1711 * (406) 444-2986 * FAX (406) 444-3036

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HJR 22 WORKING GROUP (DENTAL STUDY)

ADDITIONAL WICHE¹/MN DENTAL SLOTS FOR PROFESSIONAL STUDENT EXCHANGE PROGRAMS

Wednesday, June 11, 2008

At the March 12th meeting of the HJR 22 working group, members agreed to consider making a recommendation to PEPB to increase the number of WICHE/MN Dental student slots that are part of the professional student exchange program (PSEP) that is funded in the state budget, House Bill 2 (HB 2). The outcome goal of these additional dental slots would be to increase the number of dental school graduates from Montana in order to increase the opportunity for Montana to attract dentists to rural and underserved communities across the state in order to meet local service needs.

This report is intended to address remaining issues with this recommendation and to list the specific decision points for the working group consideration and action at the June meeting.

Introduction

Professional student exchange programs 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. The reduced tuition rates that students pay average \$28,000 in FY 2009 for the WICHE and MN Dental programs.

Figure 1 below illustrates that the PSEP 2009 biennium state budget totals \$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, including a total of 12 dental slots (3 new and 9 ongoing) split between WICHE schools and the University of Minnesota Dental School. The state support fees for dental slots are \$21,300 per student in FY 2009 for a total general fund cost of \$255,600 for the 12 slots.

The remaining student slots are allocated each year by healthcare profession as follows:

- WICHE/WWAMI medical doctors = **104 slots** (26 new and 78 ongoing)
- WICHE osteopathic doctors = **6 slots** (2 new and 4 ongoing)
- WICHE veterinary medicine = **36 slots** (9 new and 27 ongoing)
- WICHE podiatry = **2 slots** (1 new and 1 ongoing)
- WICHE optometry = **4 slots** (1 new and 3 ongoing)
- WICHE occupational therapy = **2 slots** (1 new and 1 ongoing)
- WICHE public health = **2 slots** (1 new and one ongoing)

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.

Utilization Data for PSEP Slots

According to data from the Office of the Commissioner of Higher Education (OCHE), who administers the PSEP program in Montana, Figure 2 below is an illustration of the utilization of the student slots allocated to each profession each year demonstrating the number of the allocated slots that have been filled by a qualified student applicant over the five year period 2004-2008.

Figure 2

**Montana Professional Student Exchange Program
Comparison: Annual Number of New Applicants, Acceptances and Funded Students by Field of Study
(New Student Slots Only...Does Not Include Ongoing Slots)**

Professional Field	FY 2008				FY 2007				FY 2006				FY 2005				FY 2004			
	Number Applied	Number Accepted	Number Funded	Percent Funded	Number Applied	Number Accepted	Number Funded	Percent Funded	Number Applied	Number Accepted	Number Funded	Percent Funded	Number Applied	Number Accepted	Number Funded	Percent Funded	Number Applied	Number Accepted	Number Funded	Percent Funded
WICHE/MN Dental	15	5	4	80%	17	6	3	50%	24	6	3	50%	32	16	3	19%	27	10	3	30%
WICHE/WWAMI M.D.	79	38	26	68%	92	38	26	68%	101	48	27	56%	106	37	26	70%	92	43	26	60%
WICHE D.O.	12	3	2	67%	14	6	1	17%	17	3	2	67%	17	7	1	14%	22	4	3	75%
WICHE Veterinary**	29	9	9	100%	27	15	9	60%	18	10	9	90%	25	11	9	82%	23	10	9	90%
WICHE Podiatry	1	0	0	0%	0	0	0	0%	3	0	0	0%	3	0	0	0%	1	0	0	0%
WICHE Optometry	4	3	2	67%	6	0	0	0%	6	4	1	25%	7	4	1	25%	4	2	1	50%
WICHE Occ. Therapy	0	0	0	0%	4	2	1	50%	4	4	1	25%	3	2	1	50%	3	2	1	50%
WICHE Public Health	0	0	0	0%	1	0	0	0%	3	1	1	100%	1	0	0	0%	4	1	1	100%
Total	140	58	43	74%	161	67	40	60%	176	76	44	58%	194	77	41	53%	176	72	44	61%

**In the field of veterinary medicine, students are pre-ranked for the available state funding prior to any offers of admission to WICHE schools being offered. The number of students/slots authorized by legislative appropriation determines the number of offers allowed to be placed to Montana students. Only in rare cases are additional offers placed to Montana students due to the lack of additional funds to support them. However, in year's when the applicant pool has been exceptionally strong additional "nonresident" offers have been placed to a limited number of students. In these cases, the students must pay the full nonresident tuition. Therefore, in many cases the number you see as "accepted" is either the same number or only slightly higher than the number you see listed as "funded".

The following table identifies the average number of students who would be eligible to participate in PSEP based upon being accepted by participating schools if sufficient funds were available, compared to the average number students supported by current appropriation levels. The third column identifies the additional student slots that would be necessary to meet current student demand for slots. (Average was calculated based upon the number of accepted students identified in the five year period of FY 2004 - FY 2008 as illustrated in the table above.)

Professional Field	Average # of New Student Slots Eligible for State Funds Each Year	Average # of New Student Slots Currently Being Funded Each Year	Additional # of Student Slots Required to Meet Average Student Demand
WICHE/MN Dental	8.6	3.2	5.4
WICHE/WWAMI M.D.	40.8	26.2	14.6
WICHE D.O.	4.6	1.8	2.8
WICHE Veterinary**	11.0	9	2.0
WICHE Podiatry	0.0	0	0.0
WICHE Optometry	2.6	1	1.6
WICHE Occ. Therapy	2.0	0.8	1.2
WICHE Public Health	Field of study is being phased out from participation in WICHE PSEP.		

As Figure 2 illustrates, the academic qualifications required for acceptance to professional schools serves to weed out many applicants that do not get accepted for attendance and of those accepted, the state general fund level is not typically sufficient to provide support fees for all students accepted each year. Thus, in the first table above in Figure 2, of the 15 dental student applicants in FY 2008, only 5 received acceptance to a dental school and became eligible for a PSEP funded slot through the WICHE or MN Dental program.

Specific to dental slots, in the five year period illustrated in Figure 2, there is an average of 5.4 students each year that are accepted to dental school but do not receive state funding to support their dental education (see lower table in Figure 2).

Therefore, in considering a potential increase in the number of dental student slots, the working group may want to consider this data point, specifically 5.4 additional slots per year as a potential target number of slots that would likely be filled with academically qualified Montana applicants.

If the working group wants to consider a higher number of dental student slots, it may be important to consider add-on programs that may include undergraduate mentoring and outreach programs that would bring more academically qualified applicants to the PSEP that would then be accepted to dental school and be able to fill all additional student slots. The New Mexico Dental Association has created similar programs in order to ensure an adequate number of qualified applicants when they expanded the number of student dental slots in their state budget.

Expand Dental Slots by Shifting Allocated Slots From Other Professions

At the March meeting there was discussion about equity concerns related to the total number of dental student slots each year compared to the total number of slots allocated to other individual professions, in particular to the medical professions (MD and DO).

If the working group is concerned about equity or utilization of student slots, an option may be to consider increasing the total number of dental slots by reallocating some existing slots from other professions to dental slots. Depending upon the comparison of the support fee costs, this may be a way to expand the number of dental student slots without increasing the overall cost of the program to the state general fund.

Projected Fiscal Impact of Additional Dental Student Slots

OCHE data below in figure 3 illustrates the projected cost to fund additional WICHE/MN Dental slots:

Figure 3

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 3 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.

From figure 3, the working group can determine the projected fiscal impact to increase from one to five new student slots for dental programs, based upon a projected annual 4 percent cost increase. These figures indicate the fiscal impact of brand new dental slots added to the program and does not factor in the fiscal impact of reallocating slots to dental from another profession.

Projected Impact of Additional Dental Slots on the Number of Dentists in Montana

According to a recent survey conducted by WICHE², the return rate of Montana students who participate in the WICHE Dental program and come back to practice as dentists in Montana is 42 percent during the five year period of 2001 – 2005. Using this return rate as a benchmark, if the number of student dental

slots is increased by 5.4 per year then it is reasonable to project that an additional 2.26 dentists (5.4 x 42%) would return to Montana each year to practice dentistry, assuming that there are no additional program changes such as service payback or a dental student loan repayment program.

Working Group Options – Action Item

The PSEP 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. To add additional dental slots or to reallocate the existing slots would not require any legislation or change to statute.

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

1. Identify the number of additional dental student slots to recommend for each of the WICHE Dental and the Minnesota Dental programs
 - a. How many of these additional dental student slots would be shifted from other professional slots
 - b. How many would be brand new slots that expand the overall program
2. Based upon brand new slots versus re-allocated slots, project the funding that would be required for this recommendation (see figure 3 for cost of each additional new slot)
3. Recommend including the funding for these slots as part of the executive budget by sending a letter to the Governor
4. Recommend that the legislature include the funding for these slots as part of the HB 2 budget process by sending a letter to legislative leadership, as defined by the Education and Local Government interim committee (ELG)

Respectfully submitted by:

Alan G. Peura
Fiscal Analyst II

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¹ WICHE is the Western Interstate Commission for Higher Education

² *Student Exchange Program 2007 Statistical Report*, February 2007.