



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

January 16, 2020

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 258/SB 228 Marquette University Rural Dentistry Scholarships

Assembly Bill 258 was introduced on June 3, 2019 and referred to the Committee on Health. The Committee held a public hearing on the bill on August 14, 2019. On October 30, 2019, the Committee recommended the bill for passage by a vote of 11 to 3.

Senate Bill 228, a companion bill to AB 258, was introduced on May 23, 2019 and referred to the Committee on Universities, Technical Colleges, and Families. The Committee held a public hearing on the bill on December 4, 2019.

SUMMARY OF BILL

Under AB 258/SB 228, the Higher Educational Aids Board (HEAB), in consultation with the Department of Health Services (DHS), would be required to establish a rural dentistry scholarship program. The bill would provide \$1,500,000 GPR in fiscal year 2020-21 in a new annual appropriation for the program. In addition, the bill would provide \$350,000 GPR in fiscal year 2020-21 in a new biennial appropriation and require HEAB to make grants from this appropriation to Marquette University School of Dentistry (MUSD) to defray the school's administrative costs related to the program.

The program would award annual scholarships, including a stipend, to no more than five first-year students attending MUSD, equal to \$75,000, for each year of a student's enrollment but not exceeding four years. Students would have to be Wisconsin state residents to be eligible for the scholarships and would have to enter into an agreement with HEAB which requires the student to practice for 18 months in a qualifying dental health professional shortage area for each year the student accepts the scholarship. Under the bill, a "dental health shortage area" is defined as an area designated by the federal Department of Health and Human Services as having a shortage of dental professionals, but does not include an area in Brown, Dane, Kenosha, Milwaukee, or Waukesha County.

In addition, the bill would require HEAB to, in cooperation with MUSD, make every effort to ensure that students who are awarded scholarships under the program practice dentistry upon graduation in geographically diverse dental health shortage areas in Wisconsin. Further, the bill would require a student to repay a proportional amount of the scholarships awarded to the student for failure to meet the required number of months of eligible practice.

TECHNICAL AMENDMENT

As passed by the Legislature, 2019 Act 9 included similar provisions to those included in AB 258/SB 228 related to rural dentistry scholarships. Like AB 258/SB 228, Act 9 would have created an appropriation for the scholarship program and an appropriation for administrative grants to MUSD. The Governor's partial veto deleted all references to dentistry and dental as well as to MUSD and deleted the administrative appropriation. The partial veto also eliminated provisions that would have limited the program to: (a) no more than five first-year students; (b) a maximum award of \$40,000 per student per year; and (c) students practicing in a dental health shortage area, excluding Brown, Dane, Kenosha, Milwaukee, or Waukesha Counties. As vetoed, Act 9 provided \$800,000 GPR in 2020-21 for a scholarship program granting scholarships to students practicing in a health shortage area in this state.

A technical amendment would be needed to renumber the rural dentistry scholarship appropriation and related program language under the bill so that it would not conflict with current law under 2019 Act 9.

FISCAL EFFECT

As noted above, the bill would provide \$1,500,000 GPR in 2020-21 in an annual appropriation for rural dentistry scholarships and require HEAB, in consultation with DHS, to establish such a program. Under the bill, annual expenditures for scholarships would total an estimated \$375,000 in 2020-21, \$750,000 in 2021-22, \$1,125,000 in 2022-23, and \$1,500,000 annually thereafter. As a result, an estimated \$1,125,000 of the funding provided for this purpose in the bill would lapse to the general fund in 2020-21. The bill would also provide \$350,000 GPR in 2020-21 in a biennial appropriation for grants made by HEAB to MUSD to defray MUSD costs associated with administration of the program.

In their fiscal estimate, DHS notes the bill would have an indeterminate fiscal effect as the bill does not specify the extent to which DHS will consult with HEAB regarding bill requirements, but notes that DHS could be responsible for providing assistance regarding such activities as identifying and reviewing acceptable designated dental health professional shortage areas, assisting new graduates with becoming Medicaid providers and with implementing business practices to successfully service Medicaid clients, which could increase the Department's workload and costs. Further, the Department notes that DHS currently has no funded oral health positions. According to HEAB's fiscal estimate, the bill requirements would result in a one-time cost of approximately \$12,000 to set up a database to monitor recipients, repayment, and forgiveness, which HEAB indicates they would not be able to absorb within their agency budget.

Prepared by: Erin Probst