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FISCAL IMPACT REPORT

ORIGINAL DATE 1/27/2015

SPONSOR Padilla LAST UPDATED _____ HB _____

SHORT TITLE Dental Students in WICHE Program SB 35

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
Total		\$400.0	\$400.0	\$800.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act, Section 4J, Higher Education Department, Student Financial Aid Program

Relates to Senate Bill 170, Veterinary Students Through WICHE Program

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
New Mexico State University (NMSU)

SUMMARY

Synopsis of Bill

Senate Bill 35 appropriates \$400 thousand from the general fund to the HED for the purpose of increasing the number of New Mexicans who enroll in regional dental schools.

The Legislature's interim Health and Human Services Committee endorsed SB 35.

FISCAL IMPLICATIONS

The appropriation of \$400 thousand contained in SB 35 is a recurring expense to the general fund. The bill states that any unexpended or unencumbered balance remaining at the end of FY16 will revert to the general fund. However, if this appropriation is included in Section 4 of the General Appropriation Act, the funding will not revert to the general fund pursuant to legislative language governing the HED's student financial aid program.

This bill would nearly fund an additional four dental students for their four years of dental school. Currently, the state supports nearly 55 dental students per year, adding an average dental school cohort of 14 students annually. The total cost of the dental scholarships for FY15 is nearly \$1.4 million. If SB 35 is enacted, HED could support nearly 60 students in FY16, growing the annual cohort to 18 students for nearly \$1.5 million. The department estimates that tuition and fees increase an average of 3.5 percent annually, increasing the estimated cost of the loan-for-service program to \$1.7 million in FY19.

SIGNIFICANT ISSUES

In recent fiscal years, the state has continually increased funding for dental and veterinary students participating in the Western Interstate Commission for Higher Education (WICHE) Loan-for-Service Program. Under the program, New Mexicans can enroll at dental and veterinary schools in WICHE states (the Mountain West, Pacific Northwest, Southwest, and California), receive a scholarship in the amount necessary for a resident to receive in-state tuition rates if the student returns to work in New Mexico for a period of time upon graduation and professional licensure. For FY15, the state estimates that eight dental school graduates will return to New Mexico to practice and this number will grow annually to 14 students.

COMPANIONSHIP, RELATIONSHIP

SB 35 relates to SB 170, a bill to appropriate \$300 thousand to the WICHE loan-for-service program to increase the number of participating veterinary students. Should SB 35 and SB 170 be enacted, the WICHE loan-for-service program annual generally fund appropriation would increase from nearly \$2.3 million to \$2.9 million.

TH/bb