

DISCUSSION/ACTION
August 6, 2010

HIGHER EDUCATIONAL AIDS BOARD
BOARD REPORT #11-07
BIENNIAL BUDGET ISSUES
MARQUETTE SCHOOL OF DENTISTRY

2011 – 2013 Biennial Budget Issues
Marquette University School of Dentistry Capitation Program

Marquette University submitted to HEAB the following options for the Board's consideration in the 2011-13 Biennial Budget Request: (Please see the memo from Mary Czech-Mrochinski, Marquette University Director of Governmental and Community Affairs, for the full request and supporting rationale.)

Option 1

Maintain the current tuition subsidy payment of \$8,665 per resident enrolled at MUSOD but increase the number of Wisconsin residents eligible for the program from up to 160 (40 per class) to up to 200 per class (50 per class) to be phased in over a four-year period.

This would result in the following:

- 2012-2013 Up to 170 Wisconsin residents at \$8,665 per resident, per year is \$1,473,050 (\$86,650 over the base budget).
- 2013-2014 Up to 180 Wisconsin residents at \$8,665 per resident, per year is \$1,559,700 (\$173,300 over the base budget).
- 2014-2015 Up to 190 Wisconsin residents at \$8,665 per resident, per year is \$1,646,350 (\$259,950 over the base budget).
- 2015-2016 Up to 200 Wisconsin residents at \$8,665 per resident, per year is \$1,733,000 (\$346,600 over the base budget).

Option 2

Increase the current State subsidy beginning in FY11 for the Dental Education Contract back to its pre-2003 level of \$11,670 per resident for up to 160 Wisconsin residents enrolled at MUSOD. $160 \times \$11,670 = \$1,867,200$ (\$480,800 annually over the current base funding).

Option 3 (Both Option 1 and Option 2)

Increase the tuition subsidy from \$8,665 to \$11,670 per resident enrolled at MUSOD and also increase the number of Wisconsin eligible for the program from up to 160 (40 per class) to up to 200 per class (50 per class) to be phased in over a four-year period.

The cost to implement both of these recommendations would be as follows:

- 2011-2012 Tuition subsidy increased to \$11,670 for 160 Wisconsin residents, per year enrolled at MUSOD is \$1,867,200 (\$480,800 over the base budget).
- 2012-2013 Up to 170 Wisconsin residents at \$11,670 per resident, per year is \$1,983,900 (\$597,500 over the base budget).
- 2013-2014 Up to 180 Wisconsin residents at \$11,670 per resident, per year is \$2,100,600 (\$714,200 over the base budget).
- 2014-2015 Up to 190 Wisconsin residents at \$11,670 per resident, per year is \$2,217,300 (\$830,900 over the base budget).
- 2016-2017 Up to 200 Wisconsin residents at \$11,670 per resident, per year is \$2,334,000 (\$947,600 over the base budget).



Be The Difference.

TO: Connie Hutchison, Executive Secretary
Higher Educational Aids Board

FROM: Mary Czech-Mrochinski
Director of Governmental and Community Affairs

DATE: July 23, 2010

RE: State Dental Education Contract for Marquette University School of Dentistry

History of the Dental Education Contract

Under Wisconsin State Statute **20.235(1)(d)** the Dental Education Contract is defined as follows:

The amounts in the schedule for support of those Wisconsin residents enrolled as full-time students in the pursuit of a doctor of dental surgery (D.D.S.) degree. An amount of \$8,753 in each fiscal shall be disbursed under [.39](#) for each Wisconsin resident enrolled as a full-time student. The maximum number of Wisconsin residents to be funded under this appropriation is 145 in the 2003-04 fiscal year and 160 in the 2004-05 fiscal year and thereafter.

Since 1973, the partnership between the State of Wisconsin and Marquette University School of Dentistry (MUSOD) under the terms of the Dental Education Contract has successfully provided qualified dentists to serve the needs of Wisconsin's citizens. Dental school is a four-year program. The current class size at MUSOD is 80 students per class, for a total of 320. Historically, 70% of Wisconsin residents enrolled at MUSOD remain in the State to practice; 10% of non-residents enrolled at MUSOD remain in the State to practice. For more recent graduates, (1997 to 2009), 81.3% of Wisconsin residents enrolled at MUSOD have remained in the State to practice and 15.2 % of non-residents enrolled at MUSOD have remained in the State to practice.

The Dental Education Contract creates an in-state tuition subsidy for Wisconsin residents enrolled at the State's only dental school, the Marquette University School of Dentistry. Similarly, the State of Wisconsin has in-state tuition rates or subsidies for its professional schools in the University of Wisconsin System and the Medical College of Wisconsin. From 1994-5 to 2002-3 the tuition subsidy was \$11,670. The in-state tuition rate is the dental tuition rate less the tuition subsidy.

In 2003, due to the State's fiscal challenges, the governor's budget proposed decreasing the \$11,670 tuition subsidy per Wisconsin resident by 50% (he proposed the same 50% reduction for the Medical College of Wisconsin Capitation Program administered by HEAB). The Legislature's Joint Committee on Finance agreed to restore some of the funding for this program feeling that the 50% reduction would have too negative an impact on Wisconsin's future dental workforce. A payment of \$8,753 per resident was the final result.

In 1999 the State, through the Building Commission, solidified its partnership with MUSOD by providing 50% of the funds to build the new dental school facility. In 2001 HEAB increased the number of Wisconsin residents eligible for the program from up to 100 residents (25 students per class per year) to up to 160 Wisconsin residents (40 Wisconsin students

per class per year). The state acknowledged concerns regarding dental workforce coupled with MUSOD's proven track record of retaining Wisconsin residents to practice in Wisconsin.

Assuming a qualified applicant pool, up to 50% of each class at MUSOD can be Wisconsin residents. Last year, MUSOD received more than 2,500 applications; nearly 200 were from Wisconsin. Of these 200 applications from Wisconsin, MUSOD enrolled 40 in its class of 80 students. From 2001 to 2006, on average, 66 Wisconsin residents were enrolled in a dental school within the United States; 40 were at Marquette. It is in the best interest of the State to increase the number of Wisconsin residents eligible for the Dental Education Contract.

2009-2011 Budget Request and Action

The Governor's Task Force on Oral Health Care report included two recommendations related to the Dental Education Contract. Those recommendations were:

The Task Force recommends that the state increase the annual funding from the Higher Educational Aids Board to support annual capitation payments for 50 Wisconsin students in each future class at the Marquette University School of Dentistry. This is an increase of 10 Wisconsin students per class. Funding would begin in the Fall 2006 semester.

In addition, the Task Force recommended that the State increase the tuition subsidy for Wisconsin residents who attend the Marquette University School of Dentistry from \$8,753 to \$11,670 per year.

At the August 2009 meeting, HEAB unanimously supported both of these recommendations should funds be available. Ultimately, neither recommendation was included in the governor's budget proposal.

In 2009, the tuition subsidy amount was further decreased by 1% to \$8,665 per resident. For the 2010-11 academic year the Wisconsin resident tuition will be \$37,930 annually, and the capitation payment remains \$8,665 per resident. The value of the payment as a percentage of tuition will be 18.6% versus 115% when the program began. Obviously, the value of the subsidy as a percentage of tuition has significantly eroded over time. Non-resident tuition will be \$46,590 for the fall of 2010. Attached is a copy of the history of the dental education contract.

2011-2013 Budget Request

Understanding the difficult budget climate for 2011-2013, MUSOD respectfully requests that HEAB support for the two recommendations made by the Governor's Task Force on Oral Health Care: 1) increase the number of Wisconsin resident dental students to 50 per class, and 2) increase the tuition subsidy from \$8,665 to \$11,670 per Wisconsin resident student per year. The first recommendation could be implemented in the Fall of 2012 and be phased in over four years. The second recommendation could be implemented in the fall of 2011.

The current appropriation for the Dental Education Contract is \$1,386,400 and provides up to 160 residents with a tuition subsidy of \$8,665 per year. If the Board chooses to make a change to adopt either or both of these recommendations, it has several options:

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2016-2017 Up to 200 Wisconsin residents at \$11,670 per resident, per year is \$2,334,000 (\$947,600 over the base budget).

Rana Altenburg, Vice President for Public Affairs, and I will be available at the Board meeting to answer any questions that you or members may have at that time.

Thank you in advance for your consideration of these matters.

MCM:r
Attachment

cc: William K. Lobb, DDS, MS, MPH
Dean, Marquette University School of Dentistry

FOR INTERNAL USAGE ONLY

For Interpretation, contact the Marquette University Office of Public Affairs

MU DENTAL TUITION AND STATE CAPITATION CONTRACT PAYMENT HISTORY

<u>Year</u>	<u>Dental Tuition Non- Residents</u>	<u>Tuition for Wisconsin Residents</u>	<u>Contract Payment</u>	<u>Contract payment as a % of tuition</u>	<u>Total State Tuition Aid</u>	<u>Capitation Statutory Limit</u>	<u>Number of Residents Receiving Aid</u>
1973-74	\$ 2,608	\$ 2,608	\$ 3,000	115 percent	\$1,305,000	No limit	435
1974-75	2,800	2,800	3,000	107 percent	\$1,362,000	No limit	454
1975-76	3,000	3,000	2,800	93.3 percent	\$1,373,400	500	491
1976-77	3,286	3,286	2,800	85.2 percent	\$1,393,000	500	498
1977-78	3,780	3,780	3,300	87.3 percent	\$1,620,300	500	491
1978-79	4,350	4,350	3,450	79.3 percent	\$1,709,475	500	496
1979-80	9,500	5,000	3,920	41.3 percent	\$1,871,800	500	478
1980-81	10,250	5,750	4,050	39.5 percent	\$1,812,375	500	448
1981-82	11,100	6,600	4,374	39.4 percent	\$1,810,836	450	414
1982-83	12,300	7,600	4,724	38.4 percent	\$1,773,862	400	376
1983-84	13,850	8,350	4,866	35.1 percent	\$1,605,708	350	330
1984-85	14,500	9,000	5,012	34.6 percent	\$1,543,696	350	308
1985-86	15,100	9,600	5,012	33.2 percent	\$1,258,013	265	251
1986-87	15,160	10,150	5,012	33.1 percent	\$1,009,917	214	201
1987-88	15,990	10,980	5,012	31.3 percent	\$839,510	175	168
1988-89	17,190	12,180	5,012	29.2 percent	\$606,452	132	121
1989-90	18,220	13,210	5,217	28.6 percent	\$521,700	100	100
1990-91	19,310	13,860	5,447	28.2 percent	\$490,200	90	90
1991-92	20,500	12,000	8,500	41.5 percent	\$786,250	93	92.5
1992-93	21,730	10,730	11,000	50.6 percent	\$1,094,500	100	99.5
1993-94	22,990	11,660	11,330	49.3 percent	\$1,133,000	100	100
1994-95	24,140	12,470	11,670	48.3 percent	\$1,167,000	100	100
1995-96	25,710	14,040	11,670	45.4 percent	\$1,167,000	100	100
1996-97	27,000	15,330	11,670	43.2 percent	\$1,167,000	100	100
1997-98	28,000	16,330	11,670	41.7 percent	\$1,167,000	100	100
1998-99	28,840	17,170	11,670	40.5 percent	\$1,167,000	100	100
1999-2000	29,960	18,290	11,670	39 percent	\$1,167,000	100	100
2000-2001	31,000	19,330	11,670	37.6 percent	\$1,167,000	100	100
2001-2002	32,240	20,570	11,670	36.2 percent	\$1,342,100	115	104
2002-2003	33,840	22,170	11,670	34.5 percent	\$1,517,100	130	114
2003-04	35,400	26,650	8,753	24.7 percent	\$1,146,643	145	131
2004-05	36,820	28,070	8,753	23.8 percent	\$1,242,926	160	142
2005-06	38,300	29,550	8,753	22.9 percent	\$1,391,727	160	159
2006-07	39,830	31,080	8,753	22 percent	\$1,382,974	160	158
2007-08	41,420	32,670	8,753	21.1 percent	\$1,400,400	160	160
2008-09	43,080	34,330	8,753	20.3 percent	\$1,400,400	160	160
2009-10	44,800	36,140	8,665	19.3 percent	\$1,386,400	160	160
2010-2011	46,590	37,930	8,665	18.6 percent	\$1,386,400	160	160

Note that from 1990 - 2000 The Marquette University School of Dentistry enrolled more residents than were permitted under the Dental Capitation Contract and the University absorbed this difference. The University did this for 104 Wisconsin residents during this time period.