

**DISCUSSION/ACTION**  
**August 3, 2012**

**HIGHER EDUCATIONAL AIDS BOARD**

**BOARD REPORT #13-07**

**BIENNIAL BUDGET ISSUES**

**MARQUETTE SCHOOL OF DENTISTRY CAPITATION PROGRAM**



**MARQUETTE**  
UNIVERSITY

June 29, 2012

Executive Secretary John Reinemann  
Higher Educational Aids Board  
P.O. Box 7885  
Madison, Wisconsin 53707-7885

Dear Secretary Reinemann:

RE: State Dental Education or Capitation Contract

**Background and History of the Contract for Dental Education**

Founded in 1894, the Marquette University School of Dentistry (MUSOD) is a fully accredited, nationally recognized school with a reputation for graduating highly skilled, caring dentists who give back to their communities. Since 1973, the partnership between the State of Wisconsin and MUSOD under the terms of the Dental Education Contract has successfully provided qualified dentists to serve the needs of Wisconsin's citizens. The Dental Education Contract under Wisconsin State Statute 20.235(1)(d), creates an in-state tuition rate through a subsidy of \$8,665 per year for a maximum of 160 Wisconsin residents (40 residents per class or half the class) enrolled full-time at Wisconsin's de facto dental school, the Marquette University School of Dentistry. The current appropriation for the Dental Education Contract is \$1,386,400.

Dental education requires the equivalent of four years of instruction. The current class size at MUSOD is 80 students per class. Historically, 70% of those who enrolled at MUSOD as Wisconsin residents remained in the State to practice; whereas, historically only 10% of non-residents who enrolled at MUSOD remained in the State to practice. In more recent years, from 1997 to 2009, 81.3% of the 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. This Contract has served the citizens of Wisconsin well as exemplified by the fact that MUSOD alumni live and practice in almost every county in Wisconsin. MUSOD alumni provide dental services in 69 of Wisconsin's 72 counties and more than 60 percent of Wisconsin's dentists are MUSOD alumni. In addition, for 2010-2011 MUSOD students provided care to patients from 66 of Wisconsin's 72 counties.

Last year, MUSOD had over 2,500 applicants, and nearly 200 of these individuals were from Wisconsin. From 2001 to 2006, on average, approximately 66 Wisconsin residents enrolled in a dental school within the United States. We believe it is in the best interest of the State to increase the number of Wisconsin residents eligible for support through the Dental Education Contract to enable more Wisconsin resident dental students to remain in our state to study and ultimately practice dentistry.

The 2004 Governor's Task Force on Oral Health Care recommended two items related to the Dental Capitation Contract: 1) Increasing the class size by 10 Wisconsin students to 50 per class for a total of up to 200 Wisconsin residents per year; and 2) increase the tuition subsidy for Wisconsin residents who

attend the Marquette University School of Dentistry from the then rate of \$8,753 to the pre-2003 budget rate of \$11,670 per Wisconsin resident, per year. The value of the subsidy as a percentage of tuition has eroded significantly over time.

### **2013-2015 Budget Request**

MUSOD appreciates HEAB's longstanding support of the Contract for Dental Education and since 2005 the unanimous recommendations to restore the tuition subsidy from \$8,665 to \$11,670 per resident enrolled at MUSOD as well as to 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 should funds be available. MUSOD once again respectfully requests the support of HEAB for these two changes at its annual budget meeting on August 3, 2012. MUSOD understands that an affirmative vote does not necessarily guarantee the inclusion of such provisions in the Governor's 2013-2015 proposed budget.

MUSOD will begin recruiting for its 2013-2014 class in fall of 2012. Offers of acceptance to MUSOD applicants will be made in December of 2012, and those individuals have until February of 2013 to accept the offer. MUSOD also has a wait-list and it is not out of the question for a wait-listed applicant to be admitted as late as the day before classes beginning in August. Though the MUSOD admissions and acceptance process for the class of 2013-2014 begins prior to the state budget process, MUSOD would still hope to phase in an increase in the number of eligible Wisconsin residents during this 2013-2015 budget cycle with the understanding that MUSOD might not hit the maximum yearly increase targets as a result of the overlapping timelines. MUSOD is requesting that such a recommendation be phased in over a four year period.

The 2011-2013 State Budget provided \$8 million in funding through the State Building Commission for a 40,000 square foot expansion of the Marquette University School of Dentistry to help proactively address the State's dental workforce issues (The State provided \$15 million, half the funds, for the facility construction in 1999). The expansion will allow MUSOD to increase its class size from 80 students per class to 100, increasing enrollment from 320 to 400 students. It was envisioned that the State would have a desire to support half the class. The expansion also enables MUSOD to increase clinical operations at the main campus facility as well as around the state, providing increased oral health care services to underserved communities in Wisconsin.

Tuition for 2012-2013 will be \$40,990 for Wisconsin residents and \$49,650 for non-Wisconsin residents. If the Board chooses to make a change in the program, there are several options.

### **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. MUSOD would want the 2013-2015 state budget to reflect the phase-in and provide real dollars for up to 200 Wisconsin residents with the understanding that any excess funds above the defined levels would be lapsed back each fiscal year.

This would result in the following:

2013-2014 Up to 170 Wisconsin residents at \$8,665 per resident, per year is \$1,473,050 (\$86,650 over the base budget).

2014-2015 Up to 180 Wisconsin residents at \$8,665 per resident, per year is \$1,559,700 (\$173,300 over the base budget).

2015-2016 Up to 190 Wisconsin residents at \$8,665 per resident, per year is \$1,646,350 (\$259,950 over the base budget).

2016-2017 Up to 200 Wisconsin residents at \$8,665 per resident, per year is \$1,733,000 (\$346,600 over the base budget).

**Option 2**

Restore the tuition subsidy from \$8,665 to \$11,670 per resident enrolled at MUSOD and also 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. MUSOD would want the 2013-2015 state budget to reflect the phase-in and provide real dollars for up to 200 Wisconsin residents with the understanding that any excess funds above the defined levels would be lapsed back each fiscal year.

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

2013-2014 Up to 170 Wisconsin residents at \$11,670 per resident, per year is \$1,983,900 (\$597,500 over the base budget).

2014-2015 Up to 180 Wisconsin residents at \$11,670 per resident, per year is \$2,100,600 (\$714,200 over the base budget).

2015-2016 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).

Thank you in advance for your consideration of these matters.

I will be available at the Board meeting to answer any questions that you or members may have at that time.

Sincerely,



Mary Czech-Mrochinski  
Director of Governmental and Community Affairs

MCM:d

cc: Rana H. Altenburg  
Dr. William K. Lobb