

**DISCUSSION/ACTION**  
**August 8, 2008**

**HIGHER EDUCATIONAL AIDS BOARD**

**BOARD REPORT #09-09**

**MARQUETTE SCHOOL OF DENTISTRY CAPITATION PROGRAM**

**REPORT DISTRIBUTED AT MEETING**

**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		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.



TO: Connie Hutchison, Executive Secretary  
Higher Educational Aids Board

FROM: Mary Czech-Mrochinski  
Director of State Relations

DATE: August 5, 2008

RE: State Dental Capitation Contract

As you know, currently, under Wisconsin State Statute **20.235(1)(d)** 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 [s. 39.46](#) 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 the 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. The Dental Education Contract creates an in-state tuition subsidy for Wisconsin residents enrolled at the State's de facto school of dentistry, the Marquette University School of Dentistry. Similarly, the State of Wisconsin has in-state tuition rates for its other professional University of Wisconsin schools and the Medical College of Wisconsin Capitation Program. The current class size at MUSOD is 80 students per class. Dental school is a four-year program. In 1999, the State solidified its partnership with MUSOD by putting up half the funds to build our new dental school facility. In response to concerns regarding the dental workforce and knowing MUSOD did an excellent job of retaining our Wisconsin residents to practice in Wisconsin, in 2001 HEAB and the State decided to increase the number of Wisconsin residents eligible for the program from up to 100 residents or 25 students per class, per year, to up to 160 Wisconsin residents or 40 Wisconsin students per class per year. Assuming that they meet the qualifications, this allows up to half the class to be Wisconsin residents. At that time, MUSOD had approximately 2,000 applicants; roughly 100 of those were Wisconsin residents. On average, less than 40 Wisconsin applicants at that time were enrolled at a dental school anywhere in the country. Last year, MUSOD had over 3,000 applicants, and about 215 of these individuals were from Wisconsin. From 2001 to 2006, on average, approximately 66 Wisconsin residents were enrolled in

a dental school within the United States. Once again, we believe it is in the best interest in the State to raise the number of Wisconsin residents eligible for the Dental Education Contract.

In 2003, due to the State's fiscal crisis, Governor Doyle proposed decreasing the amount of 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. Since 2003, the tuition subsidy amount has remained at \$8,753. I am enclosing a copy of the history of the capitation contract for you and the Board members. When the program began in 1973, tuition at MUSOD was \$2,608 and the annual capitation payment per resident was \$3,000; the value of the payment as a percentage of tuition was 115%. For the 2008-09 academic year dental tuition will be \$43,080 (the Wisconsin resident tuition will be \$34,330) annually, and the capitation payment remains \$8,753 per resident; the value of the payment as a percentage of tuition will be 20.3%. Obviously, the value of the subsidy as a percentage of tuition has significantly eroded over time.

Governor Doyle formed the Governor's Task Force on Oral Health Care in 2004. Among the Task Force's recommendations were two items offered with respect to the Dental Capitation Contract. Those recommendations are as follows:

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 School of Dentistry from \$8,753 to \$11,670 per year.

We are aware that the State has directed each agency to reduce its base budgets for the 2009-2011 State Budget. However, given the importance of this program, MUSOD would respectfully request the support of HEAB for these two changes should funds be made available in their annual budget meeting later this week. MUSOD also understands that an affirmative vote does not necessarily guarantee the inclusion of such provisions in the Governor's 2009-2011 proposed budget.

The first recommendation could realistically be implemented in the Fall Semester of 2010 as we have already begun recruiting our class for 2009-2010 and the state budget process will be completed only a few short months before the Fall Semester begins. Such a recommendation would need to be phased in over a four year period.

As you know, the current appropriation for the Dental Education Contract is \$1,400,400 which provides up to 160 residents (40 per class) with a tuition subsidy of \$8,753 per year. The cost to the State for both of these recommendations would be as follows:

2010-2011 Up to 170 Wisconsin residents at \$11,670 per resident, per year is \$1,983,900 (\$583,500 over the base budget).

2011-2012 Up to 180 Wisconsin residents at \$11,670 per resident, per year is \$2,100,600 (\$700,200 over the base budget).

2012-2013 Up to 190 Wisconsin residents at \$11,670 per resident, per year is \$2,217,300 (\$816,900 over the base budget).

2013-2014 Up to 200 Wisconsin residents at \$11,670 per resident, per year is \$2,334,000 (\$933,600 over the base budget).

I can assure you that there is great need for the in-state tuition rate created by this program. For the MUSOD 2007 graduating class, the average dental debt was \$180,527. However, there was a distinct difference between residents and non-residents. In 2007, the average dental debt for Wisconsin residents was \$163,801 compared to \$196,324 for non-residents enrolled at MUSOD; a difference of \$32,523. Interestingly, the value of the dental educational subsidy during this same period was \$35,012, meaning that the in-state tuition subsidy still plays a role on nearly a dollar per dollar basis in reducing the debt burden for Wisconsin MUSOD students.

One may ask whether or not the State really receives a benefit for this contract. Historically, 70% of those who enrolled at MUSOD as Wisconsin residents remain in the State to practice, whereas historically only 10% of non-residents who enrolled at MUSOD remain in the State to practice. However, in more recent years, from the period of 1997 to 2007, 80.3% of the Wisconsin residents enrolled at MUSOD have remained in the State to practice and 12.8 % of non-residents enrolled at MUSOD have remained in the State to practice.

Again, we respectfully request that the Higher Educational Aids Board support an increase in the number of Wisconsin residents eligible for this program up to a total of 200 Wisconsin residents or 50 per class and also to increase the subsidy amount from \$8,753 annually to \$11,670 annually.

Rana Altenburg, Vice President for Public Affairs, will be available at the Board meeting to answer any questions.

Thank you in advance for your consideration of these matters.