

1 SB203
2 173621-1
3 By Senator Bussman
4 RFD: Finance and Taxation Education
5 First Read: 11-FEB-16

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8 SYNOPSIS: Under current law, the Board of Dental
9 Scholarship Awards gives scholarships for dental
10 students in Alabama.

11 This bill would amend Sections 16-47-76,
12 16-47-77, 16-47-78, 16-47-79, 16-47-80, and
13 16-47-81, Code of Alabama, 1975, to authorize the
14 Alabama Dental Service Program. This bill would
15 provide for the administration of the Program and
16 would provide that the Program would be funded by
17 appropriations from the Education Trust Fund.

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19 A BILL
20 TO BE ENTITLED
21 AN ACT

22
23 To amend Sections 16-47-76, 16-47-77, 16-47-78,
24 16-47-79, 16-47-80, and 16-47-81, Code of Alabama 1975,
25 relating to the Board of Dental Scholarship Awards; to
26 establish and describe the Alabama Dental Service Program, to
27 be established and operated by the Board; to state that the

1 program shall be funded by direct appropriation from the
2 Education Trust Fund; to outline the procedure for the Board
3 to award loans to applicants and to require participants in
4 the Program to repay loans by working in full-time clinical
5 practice as licensed dentists in medically underserved areas
6 known as areas of critical need; to specify the lengths of
7 service required to repay a loan; to require the Board to
8 define areas of critical need using certain guidelines; to
9 require Program participants to participate in the state
10 Medicaid program; to create penalties for breach of contract
11 by Program participants; to modify how the Board may use the
12 list of localities in need of dentists; to further outline the
13 powers and duties of the Board relating to the Alabama Dental
14 Service Program.

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

16 Section 1. Sections 16-47-76 through 16-47-81 are
17 amended to read as follows:

18 "§16-47-76.

19 There is hereby created and established a board to
20 be known as the Board of Dental Scholarship Awards, which
21 shall be authorized and required to establish scholarships to
22 provide for and further dental training, in pursuance of a
23 dental degree, of qualified applicants for admission to the
24 University of Alabama School of Dentistry or any other dental
25 school accredited by the Council on Dental Education of the
26 American Dental Association. The board shall give first
27 priority to Alabama students who will attend dental school in

1 Alabama. The board also shall establish the Alabama Dental
2 Service Program as set out in Sections 16-47-77 through
3 16-47-81. The board shall also establish the Rural Dental
4 Health Scholars Program for the purpose of awarding
5 scholarships to high school students who are interested in the
6 practice of dentistry in rural areas. Also, the board shall
7 establish the Rural Dental Scholars Program for dental
8 students and shall award scholarships and reimbursements for
9 expenses for such dental students. The board shall promulgate
10 rules for the implementation and administration of the
11 programs. The board shall be composed of the Secretary of the
12 Alabama Dental Association, who shall serve as chairman of the
13 board; one dentist elected from each component society of the
14 Alabama Dental Association, whose terms of office shall be
15 staggered, two dentists being elected for a term of one year,
16 two dentists being elected for a term of two years, two
17 dentists being elected for a term of three years, and two
18 dentists being elected for a term of four years, and at the
19 end of each term of office, successors shall be elected for a
20 term of four years; the Director of the Bureau of Dental
21 Health of the Health Department of Alabama; the Dean of the
22 University of Alabama School of Dentistry or his designee; and
23 the Chairman of the University of Alabama School of Dentistry
24 Admissions Committee.

25 "§16-47-77.

26 The Board of Dental Scholarship awards shall have
27 power and authority to make reasonable rules and regulations

1 not inconsistent with the laws of this state as may be
2 necessary for the regulation of its proceedings and for the
3 discharge of the duties imposed on it. ~~Said board shall~~
4 ~~receive and review all applications for scholarship loans and~~
5 ~~awards, shall make a careful and thorough investigation of the~~
6 ~~ability, character and qualifications of each applicant and~~
7 ~~shall be responsible for the further administration of the~~
8 ~~scholarship program subject to the provisions of this article.~~
9 The Board shall receive and review all applications for
10 scholarship loans and awards, and for loans awarded under the
11 Alabama Dental Service Program, shall make a careful and
12 thorough investigation of the ability, character and
13 qualifications of each applicant, and shall be responsible for
14 the further administration of the scholarship loans and awards
15 and of the Program, subject to the provisions of this article.
16 Also, the Board annually shall report on the condition and
17 accomplishments of the Program to the Governor, lieutenant
18 governor, speaker of the House, president pro-tem of the
19 Senate and the chairs of the House and Senate health
20 committees. The report shall include for the reporting year
21 the locations where participants agreed to serve, or where
22 dentists were serving, to repay Program loans. The report also
23 shall include for the reporting year the number of
24 participating dentists who demonstrated to the Board's
25 satisfaction that an average of at least 20 percent of his or
26 her active patients were indigent or covered by Medicaid, and
27 the number of participating dentists who demonstrated to the

1 Board's satisfaction that an average of at least 30 percent of
2 his or her active patients were indigent or covered by
3 Medicaid.

4 "§16-47-78.

5 (a) The board shall establish four types of
6 scholarships as follows:

7 (1) A number of loans equal to 20 percent of the
8 number of students enrolled in the University of Alabama
9 School of Dentistry, based on the economic need and scholastic
10 ability of the applicant, in an amount not to exceed the
11 annual tuition per annum or four times that amount over a
12 four-year period, shall be available to any bona fide resident
13 of Alabama of good character who has been accepted for
14 matriculation by the University of Alabama School of Dentistry
15 or any other educational institution accredited by the Council
16 on Dental Education of the American Dental Association. This
17 section shall also apply to graduate students at the
18 discretion of the board.

19 (2) A number of nonrefundable merit scholarship
20 awards equal in number to five percent of the number of
21 students enrolled in the University of Alabama School of
22 Dentistry, in an amount not to exceed the annual tuition per
23 annum or four times that amount over a four-year period, shall
24 be available to outstanding students, one fourth of which
25 shall be awarded each year to members of the entering class at
26 the University of Alabama School of Dentistry, who, in the
27 judgment of the board, have the highest scholastic achievement

1 in undergraduate studies, sufficient dental aptitude,
2 excellence of character, and other pertinent qualifications.

3 (3) A number of loans or nonrefundable scholarships
4 for the Rural Dental Health Scholars Program established
5 pursuant to Section 16-47-76 and operated by the College of
6 Community Health Sciences at the University of Alabama and
7 supported by the University of Alabama School of Dentistry.

8 (4) A number of scholarships and reimbursements for
9 expenses for dental students in the Rural Dental Scholars
10 Program established pursuant to Section 16-47-76.

11 (b) Any appropriations made pursuant to Sections
12 16-47-76 through 16-47-81, or funds received by the Board of
13 Dental Scholarship Awards remaining at the end of any fiscal
14 year shall remain with the board and not revert to any other
15 fund. This section shall have retroactive effect to September
16 30, 2005.

17 (c) (1) The Board shall operate the Alabama Dental
18 Service Program, under which loans may be awarded by the Board
19 to applicants of good character who are enrolled in the
20 University of Alabama School of Dentistry or any other
21 educational institution accredited by the Council on Dental
22 Education of the American Dental Association, but only to
23 applicants who have agreed in writing to a contract as
24 provided in subsection 16-47-79 (d). Loans awarded under the
25 Program shall be based in part on the economic need and
26 scholastic ability of each applicant. For applicants it
27 approves to participate in the Program, the Board may award

1 each participant, for as many as four years, an annual loan
2 worth up to the annual cost of in-state tuition and required
3 fees at the University of Alabama School of Dentistry.

4 (2) The Program shall be funded by direct
5 appropriation from the Education Trust Fund.

6 "§16-47-79.

7 (a) Scholarships extended under subdivisions (1) and
8 (3) of Section 16-47-78 shall be repaid following graduation
9 either in cash as is provided under subsection (b) or under
10 the terms of a contract to serve in a needy area in Alabama
11 for a term to be specified by the board as provided in
12 subsection (c). Any moneys received from recipients in
13 repayment of a scholarship loan under subsections (b) and (c)
14 shall upon receipt thereof be retained by the Board of
15 Scholarship Awards to be used for funding of future
16 scholarships. The board shall establish a separate fund for
17 these purposes.

18 (b) Scholarship loans to be repaid under this
19 subsection shall be repaid to the Board of Dental Scholarship
20 Awards in full at an interest rate of six percent per annum
21 from the date of graduation from dental school. Payments are
22 to be made annually, the first of which is due one year after
23 the recipient enters the practice of dentistry or one year
24 after completion of specialty training, whichever occurs
25 first. Repayment in full shall be completed within eight years
26 from initiation of repayment. Any recipient who fails for any
27 reason to continue his or her dental education shall repay all

1 loan amounts in accordance with terms and conditions
2 established by the Board of Dental Scholarship Awards. The
3 interest rate on such unpaid loan amounts shall be fixed at
4 six percent per annum from date of his or her departure or
5 removal from dental school.

6 (c) Scholarship loans to be repaid under this
7 subsection shall be repaid by service in one of the following
8 ways, subject to approval of the Board of Dental Scholarship
9 Awards:

10 (1) Practice for a four-year period in a community
11 of less than 5,000 population in which the dentist-population
12 ratio is less than one to 3,000 and the community is at least
13 30 miles from a city of 50,000 population. This mileage
14 requirement may be waived by the board in its discretion in
15 individual cases.

16 (2) Practice for a five-year period in a community
17 of more than 5,000 population and less than 15,000 population
18 which has been deemed by the Board of Dental Scholarship
19 Awards to be critically in need of additional dental
20 practitioners.

21 (3) Practice for a five-year period in a community
22 of more than 15,000 but less than 100,000 population which has
23 been deemed by the Board of Dental Scholarship Awards to be
24 critically in need of additional dental practitioners, and
25 repayment of one half the loan plus six percent interest per
26 annum in five annual payments, beginning at the end of the
27 first year of practice.

1 (4) Practice for five years in a position in Alabama
2 in public health or as a dentist in a state institution
3 approved by the Board of Dental Scholarship Awards.

4 (5) For loans of less than four years of study, the
5 annual tuition service repayment may be prorated for each year
6 tuition is received.

7 (6) Recipients who elect a service-type repayment
8 pursuant to one of the preceding subdivisions (1), (2), (3),
9 or (4) shall make repayment in cash plus six percent interest
10 per annum on a prorated basis as determined by the Board of
11 Dental Scholarship Awards for any portion of this obligation
12 which is not fulfilled.

13 (d) (1) As a condition of approval by the Board of a
14 loan or loans under the Alabama Dental Service Program, each
15 applicant shall enter into a written contract with the Board,
16 whereby the applicant shall agree to repay each annual loan
17 received under the program by working, in full-time clinical
18 practice as a licensed dentist in an area of critical need
19 approved by the Board, for eighteen (18) months, or fifteen
20 (15) months if the dentist demonstrated to the Board's
21 satisfaction that an average of at least 20 percent of his or
22 her active patients were indigent or covered by Medicaid
23 during that time, or twelve (12) months if the dentist
24 demonstrated to the Board's satisfaction that an average of at
25 least 30 percent of his or her active patients were indigent
26 or covered by Medicaid during that time.

1 (2) A participant in the Program, subject to
2 approval by the Board, may change the area of critical need
3 where he or she will work to repay loans under this Program,
4 but in no case shall the participant work in full-time
5 practice for less than four years in the new area of critical
6 need.

7 (3) a. An area of critical need shall be defined by
8 the Board, but must be in Alabama and must be within a Dental
9 Health Professional Shortage Area (Dental HPSA) for a
10 geographic area, as recognized by the Health Resources and
11 Services Administration (HRSA), or its successor organization,
12 and by the Alabama Office of Primary Care and Rural Health, or
13 its successor organization, or within a Dental HPSA for a
14 low-income population, as recognized by HRSA, or its successor
15 organization, and by the Alabama Office of Primary Care and
16 Rural Health, or its successor organization, but only in a
17 Dental HPSA for a low-income population with a Dental HPSA
18 score of 18 or greater, or a federally qualified health center
19 (FQHC) with a Dental HPSA score of 18 or greater.

20 b. The Board may temporarily change the
21 lowest-eligible HPSA score for loan repayment at a Dental HPSA
22 for a low-income population or at an FQHC, as called for in
23 paragraph (3) a., to the highest possible HPSA score that
24 would result in the number of all HPSAs or FQHCS available for
25 practice for loan repayment under the Program not falling
26 below the number of dentists expected to start work within a
27 six-month period under the Program.

1 (4) Each dentist repaying loans from the Program by
2 working in an area of critical need shall participate in the
3 state Medicaid program.

4 "§16-47-80.

5 (a) Each recipient of a scholarship loan under the
6 provisions of this article shall enter into a contract with
7 the Board of Dental Scholarship Awards whereby he agrees to
8 repay the scholarship loan in a manner prescribed by the board
9 not inconsistent with any provision of this article. Breach of
10 contract by the recipient shall make him immediately liable
11 for the unpaid balance of the loan and shall constitute a
12 ground for the revocation of his certificate or license to
13 practice dentistry in the State of Alabama. In the event of
14 death or total and permanent disability of the recipient to
15 engage in the practice of dentistry, repayment of the loan may
16 be excused by the board. The Attorney General of Alabama, upon
17 request of the Board of Dental Scholarship Awards, shall
18 institute proceedings in the name of the state for the purpose
19 of recovering any amount due the state under the provisions of
20 this article. The proceedings to have such dentist's
21 certificate or license revoked shall be commenced upon the
22 written complaint of the Board of Dental Scholarship Awards to
23 the State Board of Dental Examiners. The proceedings shall be
24 in accordance with the provisions of Alabama law pertaining to
25 the revocation of licenses to practice dentistry.
26 Notwithstanding any other provision of this section,
27 applicants and participants in the Alabama Dental Service

1 Program (Program) shall repay loans as called for in written
2 contracts outlined in subsection 16-47-79 (d).

3 (b) In addition to penalties for breach of contract
4 outlined above in this section, participants in the Program
5 shall pay an additional penalty for breach of contract as
6 specified:

7 (1) For breach of contract under which a year's
8 worth of loans has been received, a penalty equal to 20
9 percent of the total principal amount of the loan.

10 (2) For breach of contract under which two years'
11 worth of loans have been received, a penalty equal to 30
12 percent of the total principal amount of the loan.

13 (3) For breach of contract under which three years'
14 worth of loans have been received, a penalty equal to 40
15 percent of the total principal amount of the loan.

16 (4) For breach of contract under which four years'
17 worth of loans have been received, a penalty equal to 50
18 percent of the total principal amount of the loan.

19 (5) If breach of contract occurs after graduation
20 from dental school but prior to completion of the repayment
21 obligation set forth in Section 16-47-79 (d), a penalty equal
22 to 100 percent of the total principal amount of all loans
23 received by the participant from the program.

24 "§16-47-81.

25 Any incorporated or unincorporated municipality or
26 locality in the state having a population of less than 100,000
27 desiring additional dentists and wishing to be designated as a

1 locality needing additional dentists may apply to the Board of
2 Dental Scholarship Awards to be placed on a list of localities
3 in need of additional dentists, which shall be maintained by
4 the board. Such application may be made either by the
5 municipal governing body or by a petition signed by at least
6 one twentieth of the qualified electors of the municipality or
7 locality. If the Board of Dental Scholarship Awards determines
8 that such locality is in need of dentists, it shall place the
9 locality on the list of localities in need of dentists from
10 which recipients of scholarships may upon graduation select an
11 area in which to practice. In compiling and maintaining the
12 list, the board may place any locality thereon which, in its
13 opinion, needs additional dentists. A locality on the list
14 shall qualify as a place where participants in the Alabama
15 Dental Service Program (Program) may work to repay loans
16 awarded by the Program only if the locality also is defined as
17 an area of critical need as outlined in subdivision 16-47-79
18 (d) (3).

19 Section 2. This act shall become effective
20 immediately following its passage and approval by the
21 Governor, or its otherwise becoming law.

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