

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

1 SB203

2
3
4 ENROLLED, An Act,

5 To amend Sections 16-47-76, 16-47-77, 16-47-78,
6 16-47-79, 16-47-80, and 16-47-81, Code of Alabama 1975,
7 relating to the Board of Dental Scholarship Awards; to
8 establish and describe the Alabama Dental Service Program, to
9 be established and operated by the Board; to state that the
10 program shall be funded by direct appropriation from the
11 Education Trust Fund; to outline the procedure for the Board
12 to award loans to applicants and to require participants in
13 the Program to repay loans by working in full-time clinical
14 practice as licensed dentists in medically underserved areas
15 known as areas of critical need; to specify the lengths of
16 service required to repay a loan; to require the Board to
17 define areas of critical need using certain guidelines; to
18 require Program participants to participate in the state
19 Medicaid program; to create penalties for breach of contract
20 by Program participants; to modify how the Board may use the
21 list of localities in need of dentists; to further outline the
22 powers and duties of the Board relating to the Alabama Dental
23 Service Program.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

3 "§16-47-76.

4 There is hereby created and established a board to
5 be known as the Board of Dental Scholarship Awards, which
6 shall be authorized and required to establish scholarships to
7 provide for and further dental training, in pursuance of a
8 dental degree, of qualified applicants for admission to the
9 University of Alabama School of Dentistry or any other dental
10 school accredited by the Council on Dental Education of the
11 American Dental Association. The board shall give first
12 priority to Alabama students who will attend dental school in
13 Alabama. The board also shall establish the Alabama Dental
14 Service Program as set out in Sections 16-47-77 through
15 16-47-81. The board shall also establish the Rural Dental
16 Health Scholars Program for the purpose of awarding
17 scholarships to high school students who are interested in the
18 practice of dentistry in rural areas. Also, the board shall
19 establish the Rural Dental Scholars Program for dental
20 students and shall award scholarships and reimbursements for
21 expenses for such dental students. The board shall promulgate
22 rules for the implementation and administration of the
23 programs. The board shall be composed of the Secretary of the
24 Alabama Dental Association, who shall serve as chairman of the
25 board; one dentist elected from each component society of the

1 Alabama Dental Association, whose terms of office shall be
2 staggered, two dentists being elected for a term of one year,
3 two dentists being elected for a term of two years, two
4 dentists being elected for a term of three years, and two
5 dentists being elected for a term of four years, and at the
6 end of each term of office, successors shall be elected for a
7 term of four years; the Director of the Bureau of Dental
8 Health of the Health Department of Alabama; the Dean of the
9 University of Alabama School of Dentistry or his designee; and
10 the Chairman of the University of Alabama School of Dentistry
11 Admissions Committee.

12 "§16-47-77.

13 The Board of Dental Scholarship awards shall have
14 power and authority to make reasonable rules and regulations
15 not inconsistent with the laws of this state as may be
16 necessary for the regulation of its proceedings and for the
17 discharge of the duties imposed on it. ~~Said board shall~~
18 ~~receive and review all applications for scholarship loans and~~
19 ~~awards, shall make a careful and thorough investigation of the~~
20 ~~ability, character and qualifications of each applicant and~~
21 ~~shall be responsible for the further administration of the~~
22 ~~scholarship program subject to the provisions of this article.~~
23 The Board shall receive and review all applications for
24 scholarship loans and awards, and for loans awarded under the
25 Alabama Dental Service Program, shall make a careful and

1 thorough investigation of the ability, character and
2 qualifications of each applicant, and shall be responsible for
3 the further administration of the scholarship loans and awards
4 and of the Program, subject to the provisions of this article.
5 Also, the Board annually shall report on the condition and
6 accomplishments of the Program to the Governor, lieutenant
7 governor, speaker of the House, president pro-tem of the
8 Senate and the chairs of the House and Senate health
9 committees. The report shall include for the reporting year
10 the locations where participants agreed to serve, or where
11 dentists were serving, to repay Program loans. The report also
12 shall include for the reporting year the number of
13 participating dentists who demonstrated to the Board's
14 satisfaction that an average of at least 20 percent of his or
15 her active patients were indigent or covered by Medicaid, and
16 the number of participating dentists who demonstrated to the
17 Board's satisfaction that an average of at least 30 percent of
18 his or her active patients were indigent or covered by
19 Medicaid.

20 "§16-47-78.

21 (a) The board shall establish four types of
22 scholarships as follows:

23 (1) A number of loans equal to 20 percent of the
24 number of students enrolled in the University of Alabama
25 School of Dentistry, based on the economic need and scholastic

1 ability of the applicant, in an amount not to exceed the
2 annual tuition per annum or four times that amount over a
3 four-year period, shall be available to any bona fide resident
4 of Alabama of good character who has been accepted for
5 matriculation by the University of Alabama School of Dentistry
6 or any other educational institution accredited by the Council
7 on Dental Education of the American Dental Association. This
8 section shall also apply to graduate students at the
9 discretion of the board.

10 (2) A number of nonrefundable merit scholarship
11 awards equal in number to five percent of the number of
12 students enrolled in the University of Alabama School of
13 Dentistry, in an amount not to exceed the annual tuition per
14 annum or four times that amount over a four-year period, shall
15 be available to outstanding students, one fourth of which
16 shall be awarded each year to members of the entering class at
17 the University of Alabama School of Dentistry, who, in the
18 judgment of the board, have the highest scholastic achievement
19 in undergraduate studies, sufficient dental aptitude,
20 excellence of character, and other pertinent qualifications.

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

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

4 (b) Any appropriations made pursuant to Sections
5 16-47-76 through 16-47-81, or funds received by the Board of
6 Dental Scholarship Awards remaining at the end of any fiscal
7 year shall remain with the board and not revert to any other
8 fund. This section shall have retroactive effect to September
9 30, 2005.

10 (c) (1) The Board shall operate the Alabama Dental
11 Service Program, under which loans may be awarded by the Board
12 to applicants of good character who are enrolled in the
13 University of Alabama School of Dentistry or any other
14 educational institution accredited by the Council on Dental
15 Education of the American Dental Association, but only to
16 applicants who have agreed in writing to a contract as
17 provided in subsection 16-47-79 (d). Loans awarded under the
18 Program shall be based in part on the economic need and
19 scholastic ability of each applicant. For applicants it
20 approves to participate in the Program, the Board may award
21 each participant, for as many as four years, an annual loan
22 worth up to the annual cost of in-state tuition and required
23 fees at the University of Alabama School of Dentistry.

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

1 "§16-47-79.

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

13 (b) Scholarship loans to be repaid under this
14 subsection shall be repaid to the Board of Dental Scholarship
15 Awards in full at an interest rate of six percent per annum
16 from the date of graduation from dental school. Payments are
17 to be made annually, the first of which is due one year after
18 the recipient enters the practice of dentistry or one year
19 after completion of specialty training, whichever occurs
20 first. Repayment in full shall be completed within eight years
21 from initiation of repayment. Any recipient who fails for any
22 reason to continue his or her dental education shall repay all
23 loan amounts in accordance with terms and conditions
24 established by the Board of Dental Scholarship Awards. The
25 interest rate on such unpaid loan amounts shall be fixed at

1 six percent per annum from date of his or her departure or
2 removal from dental school.

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

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

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

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

1 least 30 percent of his or her active patients were indigent
2 or covered by Medicaid during that time.

3 An applicant who has signed such a contract with the
4 Board may postpone choosing an area of critical need in which
5 to work to a time set by the Board.

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

12 (3) An area of critical need shall be an area in
13 Alabama with a critical need, as determined by the Board, for
14 dentists, and shall not be a part of, or within five miles of,
15 an urbanized area as defined most recently by the U.S. Census
16 Bureau. The Board shall adopt rules under the Administrative
17 Procedure Act to implement this section.

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

21 "§16-47-80.

22 (a) Each recipient of a scholarship loan under the
23 provisions of this article shall enter into a contract with
24 the Board of Dental Scholarship Awards whereby he agrees to
25 repay the scholarship loan in a manner prescribed by the board

1 not inconsistent with any provision of this article. Breach of
2 contract by the recipient shall make him immediately liable
3 for the unpaid balance of the loan and shall constitute a
4 ground for the revocation of his certificate or license to
5 practice dentistry in the State of Alabama. In the event of
6 death or total and permanent disability of the recipient to
7 engage in the practice of dentistry, repayment of the loan may
8 be excused by the board. The Attorney General of Alabama, upon
9 request of the Board of Dental Scholarship Awards, shall
10 institute proceedings in the name of the state for the purpose
11 of recovering any amount due the state under the provisions of
12 this article. The proceedings to have such dentist's
13 certificate or license revoked shall be commenced upon the
14 written complaint of the Board of Dental Scholarship Awards to
15 the State Board of Dental Examiners. The proceedings shall be
16 in accordance with the provisions of Alabama law pertaining to
17 the revocation of licenses to practice dentistry.

18 Notwithstanding any other provision of this section,
19 applicants and participants in the Alabama Dental Service
20 Program (Program) shall repay loans as called for in written
21 contracts outlined in subsection 16-47-79 (d).

22 (b) In addition to penalties for breach of contract
23 outlined above in this section, participants in the Program
24 shall pay an additional penalty for breach of contract as
25 specified:

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

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

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

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

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

18 "§16-47-81.

19 Any incorporated or unincorporated municipality or
20 locality in the state having a population of less than 100,000
21 desiring additional dentists and wishing to be designated as a
22 locality needing additional dentists may apply to the Board of
23 Dental Scholarship Awards to be placed on a list of localities
24 in need of additional dentists, which shall be maintained by
25 the board. Such application may be made either by the

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

15 Section 2. This act shall become effective
16 immediately following its passage and approval by the
17 Governor, or its otherwise becoming law.
18

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB203

Senate 22-MAR-16

I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris
Secretary

House of Representatives
Passed: 27-APR-16

By: Senator Bussman