SB203

173621-3

By Senator Bussman

RFD: Finance and Taxation Education

First Read: 11-FEB-16
ENROLLED, An Act,

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

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:
Section 1. Sections 16-47-76 through 16-47-81 are amended to read as follows:

"§16-47-76.

There is hereby created and established a board to be known as the Board of Dental Scholarship Awards, which shall be authorized and required to establish scholarships to provide for and further dental training, in pursuance of a dental degree, of qualified applicants for admission to the University of Alabama School of Dentistry or any other dental school accredited by the Council on Dental Education of the American Dental Association. The board shall give first priority to Alabama students who will attend dental school in Alabama. The board shall also establish the Alabama Dental Service Program as set out in Sections 16-47-77 through 16-47-81. The board shall also establish the Rural Dental Health Scholars Program for the purpose of awarding scholarships to high school students who are interested in the practice of dentistry in rural areas. Also, the board shall establish the Rural Dental Scholars Program for dental students and shall award scholarships and reimbursements for expenses for such dental students. The board shall promulgate rules for the implementation and administration of the programs. The board shall be composed of the Secretary of the Alabama Dental Association, who shall serve as chairman of the board; one dentist elected from each component society of the
Alabama Dental Association, whose terms of office shall be staggered, two dentists being elected for a term of one year, two dentists being elected for a term of two years, two dentists being elected for a term of three years, and two dentists being elected for a term of four years, and at the end of each term of office, successors shall be elected for a term of four years; the Director of the Bureau of Dental Health of the Health Department of Alabama; the Dean of the University of Alabama School of Dentistry or his designee; and the Chairman of the University of Alabama School of Dentistry Admissions Committee.

§16-47-77.

The Board of Dental Scholarship awards shall have power and authority to make reasonable rules and regulations not inconsistent with the laws of this state as may be necessary for the regulation of its proceedings and for the discharge of the duties imposed on it. Said board shall receive and review all applications for scholarship loans and awards, shall make a careful and thorough investigation of the ability, character and qualifications of each applicant and shall be responsible for the further administration of the scholarship program subject to the provisions of this article. The Board shall receive and review all applications for scholarship loans and awards, and for loans awarded under the Alabama Dental Service Program, shall make a careful and
thorough investigation of the ability, character and qualifications of each applicant, and shall be responsible for the further administration of the scholarship loans and awards and of the Program, subject to the provisions of this article. Also, the Board annually shall report on the condition and accomplishments of the Program to the Governor, lieutenant governor, speaker of the House, president pro-tem of the Senate and the chairs of the House and Senate health committees. The report shall include for the reporting year the locations where participants agreed to serve, or where dentists were serving, to repay Program loans. The report also shall include for the reporting year the number of participating dentists who demonstrated to the Board’s satisfaction that an average of at least 20 percent of his or her active patients were indigent or covered by Medicaid, and the number of participating dentists who demonstrated to the Board’s satisfaction that an average of at least 30 percent of his or her active patients were indigent or covered by Medicaid.

"§16-47-78.

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

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

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

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

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

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

(2) The Program shall be funded by direct appropriation from the Education Trust Fund.
"§16-47-79.

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

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

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

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

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

(3) Practice for a five-year period in a community
of more than 15,000 but less than 100,000 population which has
been deemed by the Board of Dental Scholarship Awards to be
critically in need of additional dental practitioners, and
repayment of one half the loan plus six percent interest per
annum in five annual payments, beginning at the end of the
first year of practice.
(4) Practice for five years in a position in Alabama in public health or as a dentist in a state institution approved by the Board of Dental Scholarship Awards.

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

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

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

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

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

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

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

§16-47-80.

(a) Each recipient of a scholarship loan under the provisions of this article shall enter into a contract with the Board of Dental Scholarship Awards whereby he agrees to repay the scholarship loan in a manner prescribed by the board
not inconsistent with any provision of this article. Breach of contract by the recipient shall make him immediately liable for the unpaid balance of the loan and shall constitute a ground for the revocation of his certificate or license to practice dentistry in the State of Alabama. In the event of death or total and permanent disability of the recipient to engage in the practice of dentistry, repayment of the loan may be excused by the board. The Attorney General of Alabama, upon request of the Board of Dental Scholarship Awards, shall institute proceedings in the name of the state for the purpose of recovering any amount due the state under the provisions of this article. The proceedings to have such dentist's certificate or license revoked shall be commenced upon the written complaint of the Board of Dental Scholarship Awards to the State Board of Dental Examiners. The proceedings shall be in accordance with the provisions of Alabama law pertaining to the revocation of licenses to practice dentistry.

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

(b) In addition to penalties for breach of contract outlined above in this section, participants in the Program shall pay an additional penalty for breach of contract as specified:
(1) For breach of contract under which a year’s worth of loans has been received, a penalty equal to 20 percent of the total principal amount of the loan.

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

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

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

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

"§16-47-81.

Any incorporated or unincorporated municipality or locality in the state having a population of less than 100,000 desiring additional dentists and wishing to be designated as a locality needing additional dentists may apply to the Board of Dental Scholarship Awards to be placed on a list of localities in need of additional dentists, which shall be maintained by the board. Such application may be made either by the
municipal governing body or by a petition signed by at least one twentieth of the qualified electors of the municipality or locality. If the Board of Dental Scholarship Awards determines that such locality is in need of dentists, it shall place the locality on the list of localities in need of dentists from which recipients of scholarships may upon graduation select an area in which to practice. In compiling and maintaining the list, the board may place any locality thereon which, in its opinion, needs additional dentists. A locality on the list shall qualify as a place where participants in the Alabama Dental Service Program (Program) may work to repay loans awarded by the Program only if the locality also is defined as an area of critical need as outlined in subdivision 16-47-79 (d) (3).

Section 2. This act shall become effective immediately following its passage and approval by the Governor, or its otherwise becoming law.
SB203

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