

**SUBJECT:** Student loan repayment for dentists working in underserved areas

**COMMITTEE:** Higher Education — committee substitute recommended

**VOTE:** 7 ayes — Rangel, Cuellar, F. Brown, Goolsby, J. Jones, Morrison, E. Reyna  
0 nays  
2 absent — Farabee, Wohlgemuth

**WITNESSES:** For — Todd Hillyard, Texas Dental Association; Laji Joseph James; Adam Kristoff  
Against — None  
On — James S. Cole, Baylor College of Dentistry and Texas A&M Health Science Center

**DIGEST:** CSHB 3544 would establish a loan repayment assistance program through the Texas Higher Education Coordination Board for dentists providing care in underserved areas.

Each Texas dental school would transfer to the comptroller two percent of the tuition charges for resident students in a dental degree program. The money would be held in the state treasury and used only for funding the program. The coordinating board also could accept gifts, grants, donations, and appropriations for the program. A dentist who had practiced at least one year in an underserved area would apply to the board for up to five years of repayment assistance.

All student loans, including undergraduate loans, would be eligible for repayment assistance under the program. Pro rata repayment could be authorized for part-time practice. The coordinating board could withhold repayment assistance for a student loan in default at the time of the dentist's application.

The coordinating board would make repayments in a lump sum payable to the lender and the dentist. The total repayment assistance each year could not exceed the amount available for the program.

The coordinating board would have rule-making authority to implement the program. It would provide those rules to each dental school, appropriate state agency, and professional association in Texas. The coordinating board could appoint an advisory committee and request help from the Oral Health Services Advisory Committee in implementing CSHB 3544.

The bill would take effect September 1, 1999.

**SUPPORTERS  
SAY:**

CSHB 3544 would help Texas deal with the shortage of dentists in underserved areas of Texas. Dental school graduates on average nationwide run up \$94,000 in debt for student loans, while the overall Texas debt average is \$90,000.

The Texas Department of Health has identified 87 areas where there are shortages of dentists. While many dental students come from underserved areas, they do not return home because start-up costs are too high, debts must be repaid, and earning potential is too low. CSHB 3544 would make it easier to establish a new dental practices in these areas of Texas. It also would enable dentists to receive partial help repaying their loans for practicing part time in these areas.

The bill not only would help bring more dental care to these areas, but could help keep costs down. With lower debt loads, dentists also potentially could charge less for services. Lower dental costs would encourage more people to seek dental care. CSHB 3544 would promote the public health immediately and in the long term.

CSHB 3544 would be good policy in terms of the public health and the public's pocket book. The program would be funded through two percent of tuition collected in Texas public dental schools. This would cost the state nothing in e appropriated funds. It would cost about \$118,000 to all public dental schools in Texas through the tuition set-aside program.

**OPPONENTS  
SAY:**

The reason dentists do not practice in underserved areas is because of a lack of earning potential in the areas. In other words, there are not enough patients

who can pay for dental services. Even if CSHB 3544 would increase the number of dentists in underserved areas temporarily or on a part-time basis, it would not increase the dental services provided over the long-term, as dentists would be lured to more profitable areas once they had repaid their loans. The real solution to public health problems associated with a lack of dentists is to improve local economies so that the population can afford dental services.

NOTES: The committee substitute corrected the effective date.