

Board of Medical Student Loans

JLBC: Justin Narducci
 OSPB: Holly Baumann

DESCRIPTION	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 JLBC	FY 2007 JLBC
OPERATING BUDGET				
<i>Full Time Equivalent Positions</i>	0.0	0.0	0.0	0.0
Medical Student Loans	330,600	296,600	296,600	296,600
AGENCY TOTAL	330,600	296,600	296,600	296,600

FUND SOURCES

Other Appropriated Funds

Arizona Medical Board Fund	283,400	283,400	283,400	283,400
Medical Student Loan Fund	47,200	13,200	13,200	13,200
SUBTOTAL - Other Appropriated Funds	330,600	296,600	296,600	296,600
SUBTOTAL - Appropriated Funds	330,600	296,600	296,600	296,600
TOTAL - ALL SOURCES	330,600	296,600	296,600	296,600

CHANGE IN FUNDING SUMMARY

	FY 2005 to FY 2006 JLBC		FY 2005 to FY 2007 JLBC	
	\$ Change	% Change	\$ Change	% Change
Other Appropriated Funds	0	0.0%	0	0.0%
Total Appropriated Funds	0	0.0%	0	0.0%
Total - All Sources	0	0.0%	0	0.0%

AGENCY DESCRIPTION — The board is authorized to distribute loans to students of the University of Arizona College of Medicine and to qualified students enrolled in private medical schools within Arizona. The University of Arizona College of Medicine and Midwestern University provide support services at no cost to the Board of Medical Student Loans. Medical students who participate in the Medical Student Loans Program agree to serve the State of Arizona in medically underserved areas for at least 2 years, or 1 year of service for each year of loan support, whichever is longer, upon graduation. If the service requirement is not met, the borrower must repay all funds expended on their behalf, plus 7% interest.

PERFORMANCE MEASURES	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 JLBC
• Number of physicians who have finished school and are currently fulfilling service obligation	17	15	16	--
• Cumulative % of physicians providing service with contracts under new law	100	96	100	--
• % of physicians meeting service requirement (NEW)	--	75	--	81
• Number of physicians continuing service after service requirement is met	27	30	24	--
• Administration as a % of total cost	0	0	0	--
• Customer satisfaction rating (Scale 1-8)	NA	7.3	6.1	7.4

Comments: The board did not submit information for any measure labeled as "NA." Based on a 44% response, the board received a FY 2004 customer satisfaction rating of 7.3 from students enrolled in the Medical Student Loan Program. FY 2004 was the first year the board has taken a customer satisfaction survey. The performance measure for the percent of physicians meeting service requirement will replace the performance measure that calculated the cumulative percent of physicians providing service with contracts under new law since the beginning of the program. The new performance measure takes into consideration the number of physicians currently practicing medicine in conjunction with the Medical Student Loans Program, relative to the number of participants not meeting the service obligations of the Medical Student Loans Program (excluding those in military deferment).

RECOMMENDED CHANGES FROM FY 2005

Operating Budget

The JLBC recommends \$296,600 for the operating budget in FY 2006 and FY 2007. These amounts consist of \$283,400 from the Arizona Medical Board Fund and \$13,200 from the Medical Student Loan Fund. These amounts are unchanged from FY 2005. The Medical Student Loan Fund generates revenue from principal and interest payments made by students that default on their contract with the board.

In FY 2004, the Medical Student Loan Program funded a total of 11 medical students, 6 allopathic and 5 osteopathic, at 88% of the average annual cost of public medical education (\$26,963/student). At the recommended funding level, the board will be able to provide loans for 11 students at 78% and 75% of the average annual cost of public medical school in FY 2006 and FY 2007, respectively.

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JLBC RECOMMENDED FORMAT — Lump Sum by Agency

SUMMARY OF FUNDS	FY 2004 Actual	FY 2005 Estimate
Medical Student Loan (MSA3306/A.R.S. § 15-1725)		Appropriated
Source of Revenue: Monies from legislative appropriations, and loan repayments of principal, interest, and penalties received by the board. These monies are exempt from lapsing.		
Purpose of Fund: To provide loans that defray the medical education expenses of resident students attending medical school, in return for a service commitment to the state.		
Funds Expended	47,200	13,200
Year-End Fund Balance	32,900	22,800
Arizona Medical Board (MEA2038/A.R.S. § 32-1406)		Appropriated
Source of Revenue: Monies collected by the board from the examination and licensing of physicians. The board retains 90% of these monies and deposits 10% in the General Fund.		
Purpose of Fund: To examine, license, investigate and regulate physicians, and for board administration costs. The Legislature has also allocated funding to the Board of Medical Student Loans for the Medical Student Loan Program.		
Funds Expended	283,400	283,400
Year-End Fund Balance	0	0

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