

Chairperson: Tim B. Hunter, M.D.

JLBC Analyst: Amy Strauss

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Approved	FY 2009 Approved
SPECIAL LINE ITEMS				
Medical Student Financial Assistance	0	1,809,800	1,809,800	1,809,800
Medical Student Loans	292,700	0	0	0
Medical Student Scholarships	1,500,000	0	0	0
AGENCY TOTAL	1,792,700	1,809,800	1,809,800^{1/}	1,809,800^{1/}

FUND SOURCES

General Fund	1,500,000	1,500,000	1,500,000	1,500,000
<u>Other Appropriated Funds</u>				
Arizona Medical Board Fund	283,400	0	0	0
Medical Student Loan Fund	9,300	309,800	309,800	309,800
SUBTOTAL - Other Appropriated Funds	292,700	309,800	309,800	309,800
SUBTOTAL - Appropriated Funds	1,792,700	1,809,800	1,809,800	1,809,800
TOTAL - ALL SOURCES	1,792,700	1,809,800	1,809,800	1,809,800

AGENCY DESCRIPTION — The Board of Medical Student Loans distributes financial aid to qualified resident students enrolled at the University of Arizona College of Medicine or private medical schools within Arizona. The University of Arizona College of Medicine and Midwestern University provide the board with support services at no cost.

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2008 Approved
PERFORMANCE MEASURES				
• % of physicians meeting service requirement	96	93	91	93
• Customer satisfaction rating (Scale 1-8)	7.3	6.5	NA	7.5
Comments: The agency did not submit information for this measure in FY 2006 as required by the General Appropriation Act. The agency reports that it does not want to survey the same, relatively small group of physicians year after year.				

Special Line Items

Medical Student Financial Assistance

The budget provides \$1,809,800 for Medical Student Financial Assistance in FY 2008 and FY 2009. This amount consists of:

	FY 2008	FY 2009
General Fund	\$1,500,000	\$1,500,000
Medical Student Loan Fund	309,800	309,800

These amounts are unchanged from FY 2007.

The Medical Student Financial Assistance Program funds the newly reorganized Medical Student Loan Program and any existing medical student scholarship students currently under contract. As the board no longer provides scholarships, only loans will be provided under this program in the future. (See the Medical Student Scholarships Special Line Item for more information.)

The Medical Student Loan Program distributes monies on a first come, first serve basis. Preference is given to those students who demonstrate a strong commitment to attend residency programs and practice medicine in-state. The board funds loans according to private and public tuition rates plus a living allowance.

Medical students who participate in the loan program agree to practice in the state’s medically underserved areas 1 year for each year of loan support, but at least 2 years, in return for loan forgiveness. Borrowers not meeting the service requirement must repay the entire amounts of their loans, plus 7% interest and additional penalties.

The board must use at least half of its appropriation to provide loans for students at private medical schools. Only students who are entering into Family Practice, Obstetrics/Gynecology, General Internal Medicine, General Pediatrics, combined Medicine and Pediatrics, or any specialty approved by the board are considered for loans.

^{1/} General Appropriation Act funds are appropriated as a Special Line Items by Agency.

At the FY 2007 funding level, the board plans on providing loans for 36 students, 7 of which are former scholarship students. In total this includes 16 University of Arizona College of Medicine students, who will receive up to \$35,786, and 20 Arizona College of Osteopathic Medicine students, who will receive up to \$58,908. This is approximately 100% of the cost of public medical school education and 94% of the cost of private medical school education.

The board estimates it will provide 38 loans totaling \$1,879,720 in FY 2008. The final number of students and loan amount may be adjusted according to the availability of funds.

Medical Student Loans

The budget provides no funding for the Medical Student Loans Special Line Item in FY 2008 and FY 2009. The Medical Student Loan program is now funded under the Medical Student Financial Assistance Special Line Item.

Medical Student Scholarships

The budget provides no funding for the Medical Student Scholarships Special Line Item in FY 2008 and FY 2009. The FY 2007 Higher Education Budget Reconciliation Bill (Laws 2006, Chapter 352) repealed the Medical Student Scholarship program, instead funding both loan students and existing scholarship students under the Medical Student Financial Assistance Special Line Item. In FY 2006, the Medical Student Scholarship program received an appropriation of \$1,500,000 in General Fund monies. This program was in existence for only 1 year. Those funds were transferred into the Medical Student Loan Program in FY 2007, and all scholarship students will receive loans in FY 2007.

<i>Additional Legislation</i>

Medical Student Loan Fund

The Higher Education Budget Reconciliation Bill (Laws 2007, Chapter 265) includes a statutory change to avoid double appropriating General Fund monies in the Medical Student Loan Fund.