

Board of Medical Student Loans Meeting December 11, 2007

The Board of Medical Student Loans held an open public meeting on December 11, 2007 by teleconference from Midwestern University, Barrel Student Center, Room 108C, 19555 N. 59th Avenue, Glendale, AZ 85308. Carol Q. Galper, Ed.D., Chairperson of the Board, called the meeting to order at 11:35 a.m. when a quorum was reached. Board members present were Lane P. Johnson, M.D., M.P.H., Ross J. Kosinski, Ph.D., Patricia Tarango, and Tom McWilliams, D.O. William R. Martin, III, M.D. joined the meeting at a later time. Edwin V. Wehling, D.O., whose letter of appeal was being heard, also joined the teleconference. In attendance: Maggie Gumble, Associate Director, The University of Arizona College of Medicine Financial Aid Office; Carol Dolan, Director, and Tim Rund, Financial Aid Administrator, Office of Student Financial Services, Midwestern University; and Debbie Richards, Assistant Director of Financial Services, A.T. Still University, School of Osteopathic Medicine in Arizona.

The **minutes** of the meeting of October 5, 2007 had been distributed to the Board for review. Tom McWilliams moved that the minutes be accepted; Ross Kosinski seconded the motion and it was unanimously approved.

Financial Review: Maggie Gumble informed the Board that the Joint Legislative Budget Committee (JLBC) staff had been directed to develop budget shortfall options for the current year and the next fiscal year to resolve the budget shortfall in Arizona. These are options and not recommendations and were across the board. The Board of Medical Student Loans' option is \$90,000 lump sum reduction for FY 2008 and \$90,000 for FY 2009. We were asked to respond to that with a statement of programmatic impact. The written response was reviewed by Carol Galper and submitted by Maggie Gumble to the Governor's Office of Strategic Planning and Budgeting (OSPB) as requested. The response indicated that the General Fund appropriation has been designated for 33 specific students who have signed contracts with the State. For FY 2009, it would be expected that the Board would reduce the number of students on the program if the lump sum reduction is put into effect. Maggie checked yesterday with the JLBC Analyst, Amy Strauss, who said that the Governor's Office had not released the responses to JLBC. Maggie called Duane Huffman, OSPB analyst, who said to continue with business as usual. No decisions had been made. Maggie indicated that the last time the Board's appropriation was reduced, it became a permanent reduction. A copy of the "Evaluation of JLBC Budget Shortfall Options" was provided to Board members for review in advance of the meeting.

The July 1, 2007 beginning balance of the Medical Student Loan Fund was \$1,101,008.40. The General Fund appropriation was \$1,500,000.00. Loan repayments have so far totaled \$64,164.60 including the lump sum repayment of \$60,797.96 from one participant. **Expenditures to date for student loans are \$1,290,012.50.** University of Arizona College of Medicine student loans and A. T. Still University student loans have been processed for the Fall semester. Spring semester payments will be processed soon. Midwestern University students are on the quarter system and have received funds for the first quarters, depending on their class year, with additional payments expected in February.

The General Fund appropriation is \$1,500,000.00 and after student loan expenditures, the amount remaining is \$476,400.00 which will be utilized in full. The Medical Student Loan Fund balance is \$898,760.50 after the seven students, originally scholarship students, were paid from that fund. Total expenditures to date from that fund are \$266,412.50.

Projections for the 2007-2008 academic year will leave \$487,332.00 from the non-lapsing appropriation put into the Scholarship Fund which was transferred into the Medical Student Loan Fund. Loan repayments received to date total \$64,164.60. The six new students accepted into the program in October will utilize \$118,506.00 loan repayment funds, leaving a balance of loan repayment funds \$179,615.00.

Charts for JLBC: Maggie Gumble said that Amy Strauss, JLBC analyst, had asked her to update a chart with statistics on the number of students being funded and the dollar amounts being utilized in 2007-2008 and to estimate for 2008-2009. This is for her background for the Board's budget request for FY 2009. Maggie estimated 30 students for renewal for 2008-2009 for an amount totaling \$1,504,799.00. This includes 7 previous scholarship recipients being funded by the non-lapsing funds transferred into the medical student loan account. Maggie used tuition plus \$20,000 as the loan amounts, with estimated tuition figures from Midwestern and A.T. Still University;

their tuition amounts will not be available until March 2008. She did not include an inflationary factor on the \$20,000 living allowance. \$393,476.00 was the amount included for the 7 previous scholarship students and Maggie added that amount into the chart and projected funding 8 new students in 2008-2009. The chart is a working document and will be updated as more information becomes available.

Edwin Wehling, D.O. wrote an appeal to the Board requesting that he be allowed to serve in an eligible service area in Arizona as a general and vascular surgeon instead of repaying his loan. He participated in the teleconference. He has been interviewing in eligible service areas and has signed a contract to practice at Navapache Regional Medical Center, which may be changing the name to Summit Health Care, as a general and vascular surgeon. The hospital serves Show Low and surrounding regions and is in an eligible service area. Dr. Wehling only accepted a loan for one year because he decided to go into Emergency Medicine and later went into Surgery. He has a two-year service commitment. He thought the Board knew his location because he was at the same residency location for five years. Discussion focused on the value of his service to the State in providing general surgery to this rural hospital. Carol Galper stated that all the rural hospitals in the State are very needy for general surgery and could use a vascular surgeon but that most of the demand would be for general surgery. Tom McWilliams pointed out that at the time Dr. Wehling entered the program, there were only specified primary care fields eligible for service and his contract called for primary care service and did not include surgery. Since that time the Board has been given the flexibility to approve other areas of specialty of recognized need in Arizona.

Maggie clarified for Dr. Wehling and the Board that in her review of his exit materials, he had not provided the address of the hospital or the department even though he thought he had done so. Carol Dolan had difficulty finding him because he changed his home address on several occasions without notifying the Board.

Tom McWilliams moved that the Board allow Dr. Wehling to practice general surgery in an eligible service area; Ross Kosinski seconded the motion. After further discussion, Tom amended the motion to include general and vascular surgery and moved that the Board retract the former requirement that Dr. Wehling repay his loan. The motion was unanimously approved.

Melody Jordahl, M.D. wrote a letter requesting approval for extension of her residency training by one year to complete a Junior Faculty position at Banner Good Samaritan Family Medicine Residency and a Faculty Development Fellowship through the University of Arizona. Discussion centered around the value of this extra training to further the State's cause. Tom McWilliams moved to accept her proposal; it was seconded by Bill Martin and unanimously approved.

At 12:08 pm, Tom McWilliams moved that the meeting be adjourned. The motion was seconded by Lane Johnson and passed unanimously.

Minutes available for review December 12, 2007.

Respectfully Submitted,



Maggie Gumble
Executive Director
Board of Medical Student Loans

Approved:



Carol Q. Galper, Ed.D., CHES
Chairperson
Board of Medical Student Loans