

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 10, 2003

TO: Honorable Jaime Capelo, Chair, House Committee on Public Health

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB3126 by Truitt (Relating to increasing the number of registered nurses and other health care professionals.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3126, As Introduced: a negative impact of (\$12,054,720) through the biennium ending August 31, 2005.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$6,027,360)
2005	(\$6,027,360)
2006	(\$6,027,360)
2007	(\$6,027,360)
2008	(\$6,027,360)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from <i>GENERAL REVENUE FUND 1</i>	Probable Revenue Gain/ (Loss) from <i>New General Revenue Dedicated</i>	Probable (Cost) from <i>New General Revenue Dedicated</i>
2004	(\$6,027,360)	\$47,138	(\$47,138)
2005	(\$6,027,360)	\$31,138	(\$31,138)
2006	(\$6,027,360)	\$31,138	(\$31,138)
2007	(\$6,027,360)	\$31,138	(\$31,138)
2008	(\$6,027,360)	\$31,138	(\$31,138)

Fiscal Analysis

The bill would establish two new grant programs, the Faculty Grant Program and the Health Care Worker Transition Grant Program to be administered by The Texas Higher Education Coordinating Board (THECB). The bill would also modify eligibility and award requirements for two existing grant programs, the Nursing, Allied Health and Other Health-Related Education Grant Program and the TEXAS Grant Program (Health Care Profession Student Grant). Additionally, the bill would allow the Board of Nurse Examiners and Board of Vocational Nurse Examiners to add a surcharge of not more than \$10 to its license or license renewal fee to fund the nursing workforce data center.

Methodology

According to the Texas Higher Education Coordinating Board (THECB), there would be a cost to establish new initiatives to support nursing education. The THECB assumed the following would occur: (1) the Faculty Grant Program and Health Care Worker Transition Program would have new costs; (2) there would be a 50 percent match on all grants from institutions; and (3) all other grant programs would be funded from existing state appropriations.

Based on data reported by higher education institutions and information provided by the Texas Nurses Association, the THECB has estimated the following costs. For the Faculty Grant Program, registered nurse preparation enrollment for fall 2002 was 13,500 students. With the average student to faculty ratio at 10:1, it is estimated the number of eligible faculty for this grant would be 1,350. Assuming the average increase to faculty salary is \$2,500 (includes the reduction for the 50 percent institution match), it is estimated it would cost \$3,375,000 per fiscal year.

For the Health Care Worker Transition Grant Program, the THECB has estimated there would be an increase in enrollment of 15 percent or 2,025 students. The percentage of registered nurse preparation students at community colleges is 59 percent or 1,195 students. Assuming the average per student (full-time, resident status) costs for tuition, fees, books and supplies is \$1,706 at community colleges, it is estimated the cost would be \$1,019,335 (includes the reduction for the 50 percent institution match). The percentage of registered nurse preparation students at universities is 41 percent or 830 students. Assuming the average per student (full-time, resident status) costs for tuition, fees, books and supplies (private institutions costs are not included) is \$3,395 at universities, it is estimated it would cost \$1,633,025 (includes the reduction for the 50 percent institution match) per fiscal year. Total estimated cost is for the program is \$2,652,360 per year.

The Board of Nurse Examiners (BNE) has assumed the following would occur to implement the Nursing Workforce Data Center: (1) the center would be contracted out to a third party; (2) the BNE would assess a licensing surcharge to fund the center; (3) the BNE would appoint, administratively support, and reimburse expenses of the executive committee overseeing the center; and (4) the BNE anticipates appointing up to nine member of the executive committee and holding six meetings in fiscal year 2004 and up to four meetings per fiscal year thereafter.

For fiscal year 2004, the BNE has estimated there would be a cost of \$20,000 to purchase additional software, hardware, and make the required programming changes to BNE databases. It is also assumed in the first year of operation at the center there would be administrative cost of \$27,138 in fiscal year 2004 for administrative support and reimbursement of executive committee expenses. In addition, the BNE has estimated there would be ongoing cost of \$10,000 for revisions to software programs and forms and administrative cost of \$21,138 in each successive fiscal year.

Technology

The bill would require the Board of Nurse Examiners (BNE) to purchase additional software, hardware and programming to capture new data from registered nurses within the existing BNE database. Additionally, the BNE has assumed there would be the need for ongoing revisions to software programs and forms as data requirements are added to the nurse workforce center. The BNE has estimated the cost to be \$20,000 for fiscal year 2004 and \$10,000 in each successive fiscal year.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 507 Board of Nurse Examiners, 511 Board of Vocational Nurse Examiners, 781 Higher Education Coordinating Board

LBB Staff: JK, JO, EB, PF, GS