

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 7, 2003

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1028 by Gallegos (Relating to a community health center revolving loan program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1028, As Introduced: a negative impact of (\$6,750,000) through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$2,250,000)
2005	(\$4,500,000)
2006	(\$4,500,000)
2007	(\$4,500,000)
2008	(\$4,500,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1
2004	(\$2,250,000)
2005	(\$4,500,000)
2006	(\$4,500,000)
2007	(\$4,500,000)
2008	(\$4,500,000)

Fiscal Analysis

The bill would make several changes to the Texas Community Health Center Revolving Loan Fund. References to "fund" would be replaced by "program". The bill would clarify that grants may be awarded to development corporations. The bill would delete provisions requiring annual audits of community health centers, semi-annual status reports of each loan, and state oversight of the development corporation. The bill also would delete provisions requiring development of the program as a revolving loan fund that will become self-funding over the life of the program.

The bill would also delete provisions that establish the community health center as revolving loan fund as a trust fund outside the state treasury.

Methodology

It is assumed that monies in the fund would come from money appropriated by the legislature, gifts or grants, and other income. It is assumed that the program would be implemented by March 1, 2004. The average loan would be \$750,000 according to the Texas Association of Community Health Centers. It is assumed that \$4,500,000 in General Revenue per year would be needed to fund the program. It is assumed that the development corporation would not recoup a significant amount of revenue from the loans in the first five years.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 324 Department of Human Services, 529 Health and Human Services Commission

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