

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 14, 2005

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: SB960 by Shapiro (Relating to hospital and clinic fees collected by certain public medical schools.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB960, As Introduced: an impact of \$0 through the biennium ending August 31, 2007.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$0
2007	\$0
2008	\$0
2009	\$0
2010	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings from <i>EST OTH EDUC & GEN INCO</i> 770	Probable (Cost) from <i>Other Local Funds</i>
2006	\$5,364,216	(\$5,364,216)
2007	\$5,364,216	(\$5,364,216)
2008	\$5,364,216	(\$5,364,216)
2009	\$5,364,216	(\$5,364,216)
2010	\$5,364,216	(\$5,364,216)

Fiscal Analysis

This bill relates to hospital and clinic fees collected by certain public medical schools. The bill amends Section 51.009 of the Education Code. Hospital and clinic fees received by a state-owned clinical care facility could only be counted as educational and general funds if general revenue fund appropriations are used to fund the operations of the facility.

The hospital and clinic fees received by a state owned clinical care facility, that does not receive general revenue for operations, would be excluded from the calculation of the proportionality ratio to pay for salary and wage related benefits.

Methodology

Excluding the hospital and clinic fees from the calculation of the proportionality ratio would save approximately \$5.3 million per year in General Revenue Dedicated - Other Education and General

Income because this method of finance could no longer be used to pay for salary and wage related benefits. These costs would be absorbed by other local funds.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 720 The University of Texas System Administration, 739 Texas Tech University Health Sciences Center, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 710 Texas A&M University System Administrative and General Offices, 763 University of North Texas Health Science Center at Fort Worth

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