

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 16, 2007

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

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

IN RE: HB3443 by Howard, Donna (Relating to the Texas hospital-based nursing education partnership grant program.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3443, As Engrossed: a negative impact of (\$7,869,304) through the biennium ending August 31, 2009.

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
2008	(\$3,934,652)
2009	(\$3,934,652)
2010	(\$4,069,652)
2011	(\$6,569,652)
2012	(\$7,224,462)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1
2008	(\$3,934,652)
2009	(\$3,934,652)
2010	(\$4,069,652)
2011	(\$6,569,652)
2012	(\$7,224,462)

Fiscal Year	Change in Number of State Employees from FY 2007
2008	3.0
2009	3.0
2010	3.0
2011	3.0
2012	3.0

Fiscal Analysis

The bill would establish a hospital-based nursing education partnership grant program. Under provisions of the bill, the Higher Education Coordinating Board would make grants to hospital-based nursing education partnerships to assist those partnerships in meeting the state's needs for registered nurses. The partnerships would be required to meet Higher Education Coordinating Board and Board of Nursing Examiners standards. A grant under the program could only be spent on costs related to the development or operation of a hospital based nursing education partnership that; 1) prepares a student to earn an associate or bachelor of science degree in nursing and to achieve initial licensure as a registered nurse, 2) prepares a student to earn a master of science degree in nursing with a concentration in education or 3) provides a articulation program providing for advancement from an associate degree to a bachelor of science degree in nursing or to a master of science degree in nursing with a concentration in education. Each hospital-based nursing education partnership that receives a grant would be required to submit an annual report including information, including compliance with accountability standards, established by the Coordinating Board.

Methodology

Based on previous nursing education grant competitions, the Higher Education Coordinating Board estimates appropriate grant program funding levels based on the following assumptions:

The Board would conduct two grant competitions, beginning in fiscal year 2008. One would be a competition for large, three-year grants, each averaging \$500,000 per year, for the period of fiscal year 2008, 2009, and 2010. The Coordinating Board would expect to receive nine proposals in the competition and award five grants. The competition would be repeated for the grant period for fiscal year 2011-2013. The Higher Education Coordinating Board estimates that, in this second round of grant competition, 10 proposals would receive grant awards, each averaging \$500,000 per year, for that three-year period.

The second competition to be held in fiscal year 2008 would be for smaller, two-year grants, each averaging \$135,000 per year, for 2008 and 2009. The Coordinating Board would receive 18 proposals in the competition and award nine grants. The competition would be repeated for fiscal year 2010-11 and fiscal year 2012-13. They estimate that 10 proposals would receive grant awards, each averaging \$135,000 per year, for the second round of two-year grants to be awarded in fiscal year 2010. In fiscal year 2012, 15 proposals would receive grants, each averaging \$135,000 per year, for the third round of two-year grants to be awarded.

Based on these assumptions, the Coordinating Board estimates that grant funding needed for the five-year period is as follows: \$3.7 million in both fiscal year 2008 and fiscal year 2009; \$3.8 million in fiscal year 2010; \$6.3 million in fiscal year 2011; and \$7 million in fiscal year 2012.

The Coordinating Board also estimates it would need to hire one Program Director and one Administrative Assistant III (2 FTEs total) to administer the program. Total costs associated with salaries and benefits, overhead, and travel for the additional FTEs is \$138,678 per year. The Board of Nurse Examiners estimates it would need one additional program specialist to implement provisions of the bill at a cost of \$80,974 per year for salary, benefits and travel.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 507 Board of Nurse Examiners, 781 Higher Education Coordinating Board, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 768 Texas Tech University System Administration, 769 University of North Texas System Administration

LBB Staff: JOB, CL, MN, RT, GO