

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 15, 2007

TO: Honorable Geanie Morrison, Chair, House Committee on Higher Education

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

IN RE: HB3443 by Howard, Donna (Relating to the creation of the Texas Hospital-Based Nursing Education Partnership Grant Program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3443, As Introduced: 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 creates the Texas Hospital-Based Nursing Education Partnership Grant Program to increase

the number of nurses in Texas by fostering innovation through partnership models between non state or federally owned and operated hospitals and accredited nursing education programs at institutions of higher education. Grant funds must be expended on costs related to the development and operation of nursing programs that lead to initial licensure as a registered nurse and must confer associate degrees or bachelors degrees in nursing. Funds may also be used to support bridge programs for associate degree to undergraduate and/or masters degrees in nursing as well as to fund accelerated Bachelor of Science nursing degree programs. A grant from the hospital-based nursing education partnership program is contingent on the hospital-based nursing education partnership program having been approved by the Higher Education Coordinating Board and the Board of Nurse Examiners.

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, 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, 781 Higher Education Coordinating Board

LBB Staff: JOB, MN, RT, GO