

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 13, 2007

TO: Honorable Dianne White Delisi, Chair, House Committee on Public Health

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

IN RE: SB31 by Nelson (Relating to the creation and administration of the rural physician and dentist loan repayment program.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB31, As Engrossed: a negative impact of (\$10,300,000) 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	(\$5,150,000)
2009	(\$5,150,000)
2010	(\$5,150,000)
2011	(\$5,150,000)
2012	(\$5,150,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1
2008	(\$5,150,000)
2009	(\$5,150,000)
2010	(\$5,150,000)
2011	(\$5,150,000)
2012	(\$5,150,000)

Fiscal Analysis

The bill would create a rural physician and dentist loan repayment program administered by the Office of Rural and Community Affairs. Under provisions of the bill, a person who applies for the loan repayment must practice medicine or dentistry for at least three years in a rural medically or dentally underserved area.

Methodology

The Office of Rural Community Affairs estimates that approximately 50 awards (medical and dental combined) would be given out per year with an average cost of \$100,000 per award.

The agency has indicated it would need \$150,000 per year to administer the program.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 357 Office of Rural Community Affairs, 781 Higher Education Coordinating Board

LBB Staff: JOB, CL, RT, GO