

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

February 26, 2007

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

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

IN RE: SB31 by Nelson (Relating to the creation and administration of the rural physician training scholarship program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB31, As Introduced: a negative impact of (\$3,435,294) 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	(\$1,752,567)
2009	(\$1,682,727)
2010	(\$1,682,727)
2011	(\$1,682,727)
2012	(\$1,682,727)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1
2008	(\$1,752,567)
2009	(\$1,682,727)
2010	(\$1,682,727)
2011	(\$1,682,727)
2012	(\$1,682,727)

Fiscal Year	Change in Number of State Employees from FY 2007
2008	1.0
2009	1.0
2010	1.0
2011	1.0
2012	1.0

Fiscal Analysis

The bill would create a rural physician training scholarship program. Under provisions of the bill, the Higher Education Coordinating Board would establish and administer the program aimed at awarding scholarships to medical students who agree to complete their clinical medical education in rural medically underserved areas of the State. The scholarships are considered loans until the person satisfies the requirements of the program.

Methodology

The Higher Education Coordinating Board estimates there are four medical schools whose students are likely candidates for these forgiveness loans: the Texas A&M University Health Science Center, the University of North Texas Health Science Center, the Texas Tech Health Science Center and the University of Texas Health Science Center at San Antonio. Total estimated enrollment for these medical schools is 2,190. The Coordinating Board has estimated that 10% or 219 medical students would have the loans forgiven. The estimated scholarship award is \$7,500 per student, resulting in an estimated general revenue cost per year of \$1,642,500.

The agency would also need to hire a Program Technician VI at a cost (salary and benefits) of \$40,227 per year.

Technology

The Coordinating Board would have start-up costs of \$69,840 in Fiscal Year 2008 to implement a new loan system and other technology costs.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board

LBB Staff: JOB, CL, RT, GO