

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 13, 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 scholarship program.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB31, Committee Report 1st House, Substituted: a negative impact of (\$550,000) 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2008	(\$200,000)
2009	(\$350,000)
2010	(\$500,000)
2011	(\$650,000)
2012	(\$800,000)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from GENERAL REVENUE FUND 1</b>
2008	(\$200,000)
2009	(\$350,000)
2010	(\$500,000)
2011	(\$650,000)
2012	(\$800,000)

**Fiscal Analysis**

The bill would create a rural physician training scholarship program. Under provisions of the bill, the Office of Rural and Community Affairs 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 Office of Rural Community Affairs estimates that 15 grants will be awarded in fiscal year 2008 and is based on the number of students that are enrolled in the rural physician track at the University of North Texas Health Science Center. In fiscal year 2009, 30 grants, which includes renewal

applicants, would be awarded. They estimate the average scholarship award to be \$10,000 per student, resulting in a estimated general revenue cost of \$150,000 in fiscal year 2008 and \$300,000 in fiscal year 2009. The number of grants would increase as other health related institutions would develop rural physician tracks in their curriculum.

The agency has indicated they would need \$50,000 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