

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 21, 2007

TO: Honorable Judith Zaffirini, Chair, Senate Committee on S/C on Higher Education

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

IN RE: SB365 by Nelson (Relating to the creation and implementation of the health professional education grant program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB365, As Introduced: a negative impact of (\$3,128,714) 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	\$0
2009	(\$3,128,714)
2010	(\$3,117,130)
2011	(\$3,117,130)
2012	(\$3,117,130)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1
2008	\$0
2009	(\$3,128,714)
2010	(\$3,117,130)
2011	(\$3,117,130)
2012	(\$3,117,130)

Fiscal Year	Change in Number of State Employees from FY 2007
2008	0.0
2009	1.0
2010	1.0
2011	1.0
2012	1.0

Fiscal Analysis

The bill would create the Health Professional Education Grant Program. Under provisions of the bill, the Higher Education Coordinating Board may award health professional education grants to eligible health professional education programs at public or private institutions of higher education in this state, assist the programs in providing new distance learning or community-based education projects or activities, expanding or enhancing existing distance learning or community-based education projects or activities; and fund other related activities. The Board could not award a grant under this section to replace current funding for an existing distance learning or community-based education project or activity.

Methodology

The following represents the estimated number of programs under each eligible professional education program based on the current definitions included in the bill and others refined by the Higher Education Coordinating Board:

414 - accredited physician resident training programs;

77 - accredited primary care physician resident training programs;

17 - advanced nurse practitioner programs;

9 - physician assistant programs;

580 - public accredited undergraduate or graduate allied health programs that support direct patient care; and

390 - public accredited undergraduate or graduate allied health programs that support high-demand (predicted annual occupational growth rates of 30 percent or higher) programs in professions with direct patient care responsibilities.

In calculating the cost of funding an adequate number institutions under the program, the Higher Education Coordinating Board assumed that five percent of grant applicants would be funded and two-year grant awards would average \$120,000. The grant funds would be distributed evenly across the two-year grant period. Assuming the accredited physician resident training programs, advanced nurse practitioner programs, physician assistant programs and public accredited undergraduate or graduate allied health programs were funded $((414+17+9+580) \times .05)$, the number of two-year grants would be 51. Annual grants \times \$120,000 per grant = \$6.12 million (or \$3.06 million per year). Multiplying the annual grants (51) \times the funding per grant (\$120,000) = \$6.12 million (or \$3.06 million per year).

If the eligibility was limited to primary care physician residency training programs (77), advanced nurse practitioner programs (17), physician assistant programs (9), and high-demand direct patient care allied health programs (390), the number of grants would decrease to 25.

The Coordinating Board has indicated they would need to add one full-time equivalent position (1 FTE) to administer this program. A half-time (.50 FTE) Program Director would be needed to prepare the Request for Proposal, coordinate the grant application and review process, monitor the progress of grants, and prepare the report to the legislature and Governor. An additional one-half (.50 FTE) Administrative Technician III will be needed for clerical support. The personnel cost is estimated at \$68,714 in fiscal year 2009 and \$57,130 thereafter for fiscal year 2010 through fiscal year 2012.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board

LBB Staff: JOB, MN, RT, GO