

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 30, 2009

TO: Honorable Lois W. Kolkhorst, Chair, House Committee on Public Health

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

IN RE: HB2154 by Edwards (Relating to the physician education loan repayment program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2154, As Introduced: an impact of \$0 through the biennium ending August 31, 2011.

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
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>Physician Education Loan Repayment Fund</i>	Probable Revenue Gain/ (Loss) from <i>General Revenue Fund 1</i>	Probable Revenue Gain from <i>Foundation School Fund 193</i>
2010	\$748,000	(\$299,000)	\$299,000
2011	\$816,000	(\$326,000)	\$326,000
2012	\$816,000	(\$326,000)	\$326,000
2013	\$816,000	(\$326,000)	\$326,000
2014	\$816,000	(\$326,000)	\$326,000

Fiscal Analysis

The bill would implement a recommendation in the Legislative Budget Board *Government Effectiveness and Efficiency Report* entitled "Funding Options for the Physician Education Loan Repayment Program."

The bill would amend Chapter 153 of the Occupations Code to add a \$25 fee to initial and renewal medical licenses, increasing the fee from \$400 to \$425. The revenue allocation would be changed by increasing the allocation for the Foundation School Fund from \$100 to \$110; allocating \$25 to a new General Revenue-Dedicated Account, Physician Education Loan Repayment; and allocating the remainder to the General Revenue Fund (a decrease from \$300 to \$290).

The bill would amend Chapter 61 of the Education Code to create a new General Revenue-Dedicated account with money in the account to be appropriated only for the Physician Education Loan Repayment Program.

The bill would also amend the Education Code so that the coordinating board could make electronic payments to the physician's lending agency.

The bill would take effect September 1, 2009.

Methodology

The Comptroller of Public Accounts (CPA) estimated the revenue gain shown in the tables above from public and private sources, including comptroller files, then extrapolated through fiscal 2014. The fiscal implications for fiscal 2010 assume 11 months permit surcharge revenue are affected by the changes provided by this bill; the first month reflects current law. The General Revenue Fund would lose \$10 from each permit surcharge; the Foundation School Fund would gain \$10 from each permit surcharge. The new General Revenue-Dedicated Account, Physician Education Loan Repayment, would receive an allocation of \$25 from each surcharge.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 503 Texas Medical Board, 781 Higher Education Coordinating Board

LBB Staff: JOB, CL, JI, BH