

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 3, 2011

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

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

IN RE: SB793 by Nelson (Relating to incentives to recruit and retain allied health education program faculty.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB793, As Introduced: a negative impact of (\$1,000,000) through the biennium ending August 31, 2013.

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
2012	(\$500,000)
2013	(\$500,000)
2014	(\$500,000)
2015	(\$500,000)
2016	(\$500,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1
2012	(\$500,000)
2013	(\$500,000)
2014	(\$500,000)
2015	(\$500,000)
2016	(\$500,000)

Fiscal Analysis

The bill has three provisions that will be addressed separately.

The bill adds Section 54.225 of the Education Code which would provide tuition exemptions for an undergraduate student who is a Texas resident and is enrolled in a Texas institution of higher education, if the student is the child of a person who is either employed or contracted as faculty or staff in a Texas higher education institution’s allied health program. The bill makes the exemption contingent upon appropriations.

The bill adds Section 54.226 of the Education Code which would provide tuition exemptions of up to \$500, according to what is owed, for (a) a Texas resident who is enrolled as student at a Texas institution of higher education, holds a license, certificate, or registration in an undergraduate allied

health profession, and is serving as preceptor for an undergraduate allied health program for the semester or other academic term for which the exemption is sought or (b) is a Texas resident enrolled as an undergraduate student, and is a child of a preceptor who meets the requirements of (a).

The bill adds Section 61.9781 through 61.9785 of the Education Code which would allow the Higher Education Coordinating Board to establish the Allied Health Faculty Enhancement Grants program to assist allied health programs in the education, recruitment, or retention of faculty members. The grant could be used for salary supplements and enhancements and reducing the number of hours a faculty member must teach. The Higher Education Coordinating Board may require the receiving institution to provide matching funds or may give preference in awarding a grant to an institution that provides matching funds. The bill makes the program contingent upon appropriations.

Methodology

The following estimates for the three provisions was based on information provided by the Higher Education Coordinating Board.

In fiscal year 2010, 96 children of nurse faculty received tuition exemptions totaling \$234,000. Allied health graduates equal approximately 90 percent of nurse graduates. Based on these statistics for nurses, institutions may expect about 85 tuition exemptions for an overall cost of about \$210,000 per fiscal year. The decrease in tuition revenue is not considered significant.

In fiscal year 2010, 276 nurse preceptors and children of nurse preceptors received exemptions totaling \$178,000. Allied health graduates equal approximately 90 percent of nurse graduates. Based on these statistics for nurses, institutions may expect about 250 tuition exemptions for up to \$500 each. This would result in a loss of tuition revenue of \$125,000 per fiscal year which is not considered significant.

In fiscal year 2009, there were 2,200 budgeted nursing faculty full time equivalent positions. Allied health graduates equal approximately 90 percent of nurse graduates. Based on these statistics, there would be approximately 2,000 allied health faculty full time equivalent positions. The turn-over rate for nursing faculty was about 13 percent. If allied health faculty have a similar turnover rate and faculty enhancement grant would be targeted at that portion of the faculty, aproximately 250 allied health faculty would receive faculty development benefits. Assuming the grant award would be \$2,000 per year per faculty in the program, the funding would be \$500,000 per year. Administrative costs associated with the program would be absorbed within current resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: JOB, KK, RT, GO