LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 14, 2015

TO: Honorable Myra Crownover, Chair, House Committee on Public Health

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB239** by Schwertner (Relating to student loan repayment assistance for certain mental health professionals.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB239, Committee Report 2nd House, Substituted: a negative impact of ($2,975,000) through the biennium ending August 31, 2017.

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
2016	($850,000)
2017	($2,125,000)
2018	($3,825,000)
2019	($5,950,000)
2020	($8,500,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from *General Revenue Fund* 1
2016	($850,000)
2017	($2,125,000)
2018	($3,825,000)
2019	($5,950,000)
2020	($8,500,000)

Fiscal Analysis

Under provisions of the bill, the Higher Education Coordinating Board shall establish a program to provide loan repayment assistance for certain medical health professionals. Repayment assistance may not be received for more than five years, and certain criteria regarding time,

amount, and type of mental health service would apply. This criteria includes the maximum amount of repayment assistance which is 10 percent in the first year and increases in five percent increments to 30 percent in the fifth year. Under provisions of the bill, the total amount of repayment assistance received by a mental health professional may not exceed: $160,000, for assistance received by a licensed physician; $80,000, for assistance received by a psychologist, a licensed clinical social worker (LCSW) that has received a doctoral degree related to social work, or a licensed professional counselor (LPC) that has received a doctoral degree related to counseling; $60,000 for an advanced practice registered nurse; and $40,000, for assistance received by a licensed clinical social worker or a licensed professional counselor who has not received a doctoral degree. The agency would adopt rules for the program no later than December 1, 2015.

Methodology

For purposes of this fiscal note it is assumed that the Higher Education Coordinating Board would provide loan repayment assistance to eligible mental health professionals beginning in fiscal year 2016.

Based on the criteria established in the bill, the Higher Education Coordinating Board estimates 100 medical health professionals would receive loan repayment assistance beginning in fiscal year 2016. The type of professionals and award amount is as follows: 25 psychiatrists at $16,000, 25 psychologists, LPCs with a doctoral degree or LCSWs with a doctoral degree, at $8,000, 25 advanced practice registered nurses at $6,000 and 25 licensed clinical social workers without a doctoral degree at $4,000. Based on these assumptions, the 100 awards in fiscal year 2016 would result in a total General Revenue cost of $850,000. The cost for the 100 medical health care providers would increase to $1,275,000 in fiscal year 2017 as the maximum award amount increases from 10 percent to 15 percent. The general revenue costs would increase in fiscal year 2018 through 2020 as the maximum amount of loan repayment assistance increases to 30 percent.

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: UP, NB, GO, EMu, DEH