

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 20, 2019

TO: Honorable Dennis Bonnen, Speaker of the House, House of Representatives

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB2261 by Walle (Relating to the physician education loan repayment program.), As Passed 2nd House

Estimated Two-year Net Impact to General Revenue Related Funds for HB2261, As Passed 2nd House: an impact of \$0 through the biennium ending August 31, 2021.

The Texas Higher Education Coordinating Board is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the Higher Education Coordinating Board may, but is not required to implement a provision of this Act using other appropriations available.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	\$0
2021	\$0
2022	\$0
2023	\$0
2024	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from Physician Ed. Loan Repayment 5144
2020	(\$2,670,078)
2021	(\$2,272,215)
2022	(\$4,595,580)
2023	(\$5,325,000)
2024	(\$5,325,000)

Fiscal Analysis

The bill would amend the Education Code to increase loan repayment assistance through the Physician Education Loan Repayment Program (PELRP) by \$5,000 per year. The program is administered by the Higher Education Coordinating Board and recruits and retains physicians in health professional shortage areas.

Methodology

Funds appropriated to the PELRP are from General Revenue Account 5144. The program is supported by a tax on smokeless tobacco that also generates revenue for the General Revenue Fund.

The total amount of loan repayment assistance currently available through the program is \$160,000 for four years. The bill would increase the total loan repayment assistance to \$180,000. The Higher Education Coordinating Board's estimate assumes that 100 new program participants under the bill would have at least \$180,000 in student loan debt. In practice, participants with less than \$180,000 in student loan debt would have their award amounts scaled to repay the debt over a period of four years. The costs to GR Account 5144 reflect the amounts over the current level of appropriation that would be needed to allow for the increased award amounts.

The Comptroller of Public Accounts indicates that sometime after 2024 the unencumbered beginning balance in GR Account 5144 would be expected to be insufficient to fund appropriations and there would be a shift of tobacco tax revenue from General Revenue to GR Account 5144.

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Local Government Impact

No fiscal implication to units of local government is anticipated.

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

LBB Staff: WP, GO, JGAn, AF, JQ, BH