

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 8, 2019

TO: Honorable James B. Frank, Chair, House Committee on Human Services

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

IN RE: HB3111 by Klick (Relating to student loan repayment assistance for certain nurses employed by a long-term care facility.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3111, As Introduced: a negative impact of (\$18,266,260) through the biennium ending August 31, 2021.

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
2020	(\$6,179,501)
2021	(\$12,086,759)
2022	(\$18,086,759)
2023	(\$24,086,759)
2024	(\$30,086,759)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
2020	(\$6,179,501)
2021	(\$12,086,759)
2022	(\$18,086,759)
2023	(\$24,086,759)
2024	(\$30,086,759)

Fiscal Year	Change in Number of State Employees from FY 2019
2020	1.5
2021	1.5
2022	1.5
2023	1.5
2024	1.5

Fiscal Analysis

The bill would create a student loan repayment assistance program for certain nurses employed by a long-term care facility. The program would be administered by the Higher Education Coordinating Board. Under provisions of the bill, a qualified nurse may receive loan repayment assistance for not more than five years.

Methodology

The Board of Nursing reports that as of June, 2018, 14,122 nurses are employed by nursing homes or extended care facilities. The Higher Education Coordinating Board estimates that 1,000 nurses would enroll in the program each year and would receive loan repayment awards of \$6,000 per year beginning in fiscal year 2020. Based on these assumptions, the General Revenue cost for fiscal year 2020 is \$6,000,000. The General Revenue costs would increase in fiscal year 2021 through 2024 as new cohorts of nurses are added to the program.

The Higher Education Coordinating Board indicates they would need to hire a contractor in fiscal year 2020 to do the programming for the new loan program at an estimated one-time cost of \$84,375. The Higher Education Coordinating Board indicates they would need to hire 1.5 additional loan representatives to administer the program at an additional cost for salary and benefits of \$70,603 per year. Technology and other costs associated with the program are estimated at \$24,523 in fiscal year 2020 and \$16,156 beginning in fiscal year 2021.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 507 Texas Board of Nursing, 781 Higher Education Coordinating Board
LBB Staff: WP, AKi, DEH, GO