

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 23, 2025

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2851 by Howard (Relating to including nursing school applications in a consolidated application service.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2851, Committee Report 2nd House, Substituted: a negative impact of (\$3,728,217) through the biennium ending August 31, 2027.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$1,909,059)
2027	(\$1,819,158)
2028	(\$1,571,391)
2029	(\$1,256,380)
2030	(\$737,056)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Probable Savings/(Cost) from Institutional Funds</i>	<i>Probable Revenue Gain from Application Fee (Institutional Funds)</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$1,909,059)	\$0	\$0	10.0
2027	(\$1,819,158)	(\$229,120)	\$229,120	10.0
2028	(\$1,571,391)	(\$475,900)	\$475,900	10.0
2029	(\$1,256,380)	(\$825,740)	\$825,740	10.0
2030	(\$737,056)	(\$1,383,600)	\$1,383,600	10.0

Fiscal Analysis

The bill would require services or organizations that provide consolidated application services for applications to medical or dental schools to include applications for nursing schools, including the Texas Health Education Service at The University of Texas System.

The bill would require the Texas Health Education Service at The University of Texas System to establish an advisory board to develop recommendations for including applications for nursing schools in consolidated application services and to publish a plan for implementing the recommendations.

Methodology

The Texas Health Education Service administers the Texas Medical and Dental Schools Application Service (TMDSAS). According to The University of Texas System, the cost to expand TMDSAS as required by the bill would total \$3,728,217 in the 2026-27 biennium and will decrease in subsequent biennia. The System estimates an additional 10.0 full-time equivalents would be needed, totaling \$1,938,398 in the 2026-27 biennium for salaries and benefits. Other costs include technology costs to support the application platform and internal maintenance and operations expenses.

TMDSAS would begin with a piloted cohort of approximately 6 schools in fiscal year 2027 with plans to grow to 50 by fiscal year 2030. TMDSAS would assess an application fee on submitted applications and expects to raise \$229,120 in fee revenue in the 2026-27 biennium based on a fiscal year 2027 estimated 2,400 applications.

Fee revenue generated would be used to supplement any appropriated General Revenue in the continued operation of the application service. The System estimates that fee revenue will increase in future years as the number of applications and partner institutions increases and will eventually sustain TMDSAS without the need for additional General Revenue.

The System estimates a one-time cost of \$150,000 for consulting services to help develop the implementation plan that the advisory board is responsible for producing under the bill's provisions.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 720 The University of Texas System Administration, 781 Higher Education Coordinating Board
LBB Staff: JMc, NPe, LBO, BCa, NV