

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 11, 2003

TO: Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB281 by Nelson (Relating to the continuation of the Council on Workforce and Economic Competitiveness as the Texas Workforce Investment Council and to the functions performed by the council.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would continue the Council on Workforce and Economic Competitiveness under the new name of the Texas Workforce Investment Council as well as remove old language that contain responsibilities no longer being performed by the Council. The bill would also improve the Council's ability to carry out its charge to strategically plan and evaluate workforce development efforts. The provisions related to the strategic planning function include designating the executive directors, rather than the board chair, of each of the Council's five member state agencies to represent their agency as an ex officio member of the Council; require the Council to focus on resolving problems that span several of its member agencies; clearly identify the duties of each agency in implementing specific strategies of the Council's long-range strategic plan; and transfer the responsibility for establishing and maintaining an automated follow-up and evaluation system from the Council to the Texas Workforce Commission (TWC).

The bill authorizes the Council to transfer any funds as needed to the Texas Workforce Commission for administering the automated follow-up and evaluation system. According to the Sunset Advisory Commission, in fiscal year 2002 the costs paid for the follow-up activities was approximately \$263,000, which was paid from federal Workforce Investment Act funds from each member agency. The majority of the funds was paid by the TWC (approximately \$155,000) and, under current law, would be transferred to the Council. However, the bill would transfer the responsibility of administering the follow-up system to the TWC, therefore, TWC would retain the funds rather than transfer them to the Council; the Council would continue to collect the remaining funds from other member agencies and forward those funds to TWC, resulting in no net fiscal impact to the state to continue the follow-up activities.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 301 Office of the Governor, 116 Sunset Advisory Commission, 302 Office of the Attorney General, 320 Texas Workforce Commission, 781 Higher Education Coordinating Board

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