

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 5, 2005

TO: Honorable Suzanna Gratia Hupp, Chair, House Committee on Human Services

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB1995 by Villarreal (Relating to a grant program to encourage investment of federal earned income tax credit funds.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The provisions of the bill amends the Texas Labor Code. The provisions develop a matching grant program to encourage investment of federal earned income tax credit funds. It directs the Texas Workforce Commission (TWC) to distribute \$1.0 million during each state fiscal biennium to local workforce development boards from available discretionary funds received from the Temporary Assistance to Needy Families program (TANF). TWC is currently allocated TANF funds to administer the TANF/Choices employment and training program. If necessary, the comptroller shall transfer funds received under the block grant that are available for discretionary purposes from the Health and Human Service Commission (HHSC) to TWC.

According to TWC, because TANF Choices and other workforce area block grants do not expressly include amounts for such a matching grant program, administration of such a matching grants program would cost TWC \$500,000 per year in TANF funds each fiscal year from its current funding.

The bill would take effect September 1, 2005.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 529 Health and Human Services Commission

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