

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 30, 2009**

**TO:** Honorable David Dewhurst , Lieutenant Governor, Senate  
Honorable Joe Straus, Speaker of the House, House of Representatives

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

**IN RE: HB1935** by Villarreal (relating to the establishment of certain programs to support adult and postsecondary education and workforce development in high-demand occupations and green jobs.), **Conference Committee Report**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1935, Conference Committee Report: a negative impact of (\$35,000,000) through the biennium ending August 31, 2011.

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
2010	(\$17,500,000)
2011	(\$17,500,000)
2012	(\$17,500,000)
2013	(\$17,500,000)
2014	(\$17,500,000)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2010	(\$17,500,000)
2011	(\$17,500,000)
2012	(\$17,500,000)
2013	(\$17,500,000)
2014	(\$17,500,000)

**Fiscal Analysis**

The bill would amend the Government Code and create the Jobs and Education for Texans Fund and provide that the Comptroller of Public Accounts (CPA) establish and administer the Jobs and Education for Texans (JET) Grant program to provide grants to public junior colleges and public technical institutes, and would establish and administer the GR Dedicated Account—Jobs and Education for Texans (JET) Fund, which could receive legislative appropriations, interest earnings, gifts, grants, and donations from public and private sources for facilitating this program. The bill would authorize the Comptroller to award grants for innovative and successful programs, grants for career and technical education programs, and scholarships for public junior college or public technical institute students. In addition, the bill would create an advisory board to assist the CPA in

administering the program and provide that the CPA conduct a feasibility study.

The bill would also amend the Government Code relating to the establishment and funding of a green job skills training program to be administered by the Texas Workforce Commission (TWC). The bill creates the Texas Green Job Skills Development Fund which is an account in the General Revenue Fund. The bill states that the account is composed of legislative appropriations, gifts, grants, donations, matching funds and other money required by law to be deposited in the account. The bill would direct TWC to establish a green job skills grant program to award grants for the implementation, expansion and operation of training programs.

### **Methodology**

For purposes of this fiscal note it is assumed that the legislature would appropriate, in the General Appropriations Act, \$12,500,000 per year for the Jobs and Education for Texans Grant program. Any costs associated with administration of the program, creation of the advisory board, and conducting the feasibility study could be absorbed within existing resources.

The bill requires that TWC establish a green jobs skills training program, provided that funding is appropriated, but does not specify the size of the program that is contemplated. TWC assumes an initial program size in the range of \$5 million each fiscal year (\$25 million over a five year period) and three additional FTEs would be required each fiscal year (3 Program Specialists in Salary Group B11 at \$57,000 each year) to implement the provisions of this bill. TWC estimates costs for salaries at \$171,000 each fiscal year, totaling \$855,000 for the five year period. TWC also estimates benefits at \$48,855 each year totaling \$244,275 for the five-year period.

TWC estimates other operating expenses for personal computers, modular workstations and chairs, installation of data cable, installation of phone lines, utilities, phone service, maintenance and supplies are estimated at \$26,328 for FY 2010 and \$6,105 for each year thereafter totaling \$50,748 for the five-year period. The agency estimates indirect and administrative support costs of \$34,200 each year totaling \$171,000 for the five-year period.

According to the analysis provided by the Comptroller, this legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either within or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

### **Local Government Impact**

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

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

**LBB Staff:** JOB, KK, JM, JRO, SD, RT, GO