

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

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

**April 20, 2009**

**TO:** Honorable Mark Strama, Chair, House Committee on Technology, Economic Development & Workforce

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

**IN RE: HB1935** by Villarreal (Relating to the establishment of the Texas Adult Career Education Grant Program to support community-based initiatives that assist unemployed and underemployed adults in receiving postsecondary education necessary to obtain employment in local, high-demand occupations. ), **Committee Report 1st House, Substituted**

<b>Estimated Two-year Net Impact to General Revenue Related Funds</b> for HB1935, Committee Report 1st House, Substituted: a negative impact of (\$6,780,000) through the biennium ending August 31, 2011.
--

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$3,390,000)
2011	(\$3,390,000)
2012	(\$3,390,000)
2013	(\$3,390,000)
2014	(\$3,390,000)

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

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2010	(\$3,390,000)
2011	(\$3,390,000)
2012	(\$3,390,000)
2013	(\$3,390,000)
2014	(\$3,390,000)

**Fiscal Analysis**

Under provisions of the bill, the Comptroller of Public Accounts would be required to establish and administer the Texas Adult Career Education Grant Program. The program would provide grants to enable eligible non-profit organizations, in partnership with public junior colleges to administer community based initiatives that assist unemployed and underemployed adults in receiving postsecondary education necessary to obtain employment in local, high-demand occupations. Grants could be used to provide the unemployed, or underemployed adults with child care, counseling, case management, monitoring, transportation, emergency assistance, financial assistance toward the cost of tuition, fees, books and other assistance.

## **Methodology**

The Comptroller of Public Accounts indicated that to administer the grant program would not have a significant fiscal impact. The Comptroller's office also indicated that it could not estimate the fiscal implication of providing grants under the program. However, the Higher Education Coordinating Board provided information on the introduced version of the bill which provides for the same criteria for the grant program. Based on information provided by the Higher Education Coordinating Board one Texas Adult Career Education Project would be established that would serve 600 students per year and the average cost for each student would be approximately \$5,650. This cost includes tuition and fees, estimated to be \$1,240 per year at a community college, \$436 for childcare, \$124 for emergency living expenses, \$3,335 for program staff costs, which includes case management and counseling and \$513 in administrative costs. The Higher Education Coordinating Board based these estimates on data collected from current community-based organizations providing the same program services as outlined in the bill.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

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

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