

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

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

**April 5, 2009**

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

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

**IN RE: HB3241** by Martinez, "Mando" (Relating to economic development in the state by creating economic development opportunities in counties that contain colonias and by developing the workforce by increasing adult literacy rates.), **As Introduced**

<b>Estimated Two-year Net Impact to General Revenue Related Funds</b> for HB3241, As Introduced: a negative impact of (\$376,807) through the biennium ending August 31, 2011.
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**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2010	(\$219,203)
2011	(\$157,604)
2012	(\$157,604)
2013	(\$157,604)
2014	(\$157,604)

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

<b>Fiscal Year</b>	<b>Probable (Cost) from General Revenue Fund 1</b>
2010	(\$219,203)
2011	(\$157,604)
2012	(\$157,604)
2013	(\$157,604)
2014	(\$157,604)

<b>Fiscal Year</b>	<b>Change in Number of State Employees from FY 2009</b>
2010	1.0
2011	1.0
2012	1.0
2013	1.0
2014	0.0

**Fiscal Analysis**

Under provisions of the bill, the Higher Education Coordinating Board would be required to establish a colonia counties work group comprised of representatives of institutions of higher education and

heads of agencies or their designees as specified in the legislation. The workgroup would meet at least quarterly in Austin and not later than November 1st of each numbered year, submit a report recommending appropriate policies to address those issues, including any proposals for legislation to implement the policies, to the presiding officer of each legislative standing committee with primary jurisdiction over higher education or economic development.

The bill would also establish the Texas Colonia Counties Strategic Investment Commission comprised of the Lieutenant Governor, the Speaker of the House of Representatives, the Comptroller, the Commissioner of Agriculture, the Chair of the Senate Finance Committee, the Chair of the House Appropriations Committee or their designees. Not later than December 1 of each even-numbered year, the commission shall identify and recommend funding for strategic investment initiatives in counties that contain a colonia. Not later than December 1 of each even-numbered year, the commission shall file a report with the legislature that states the strategic investment initiatives recommended by the commission during the preceding two-year period and identify the initiatives that received funding during the preceding fiscal biennium. The report must include any recommendations for legislative action the commission considers appropriate to further the creation or function of the commission.

As specified in the legislation, an agency that is considering a rule that may have an adverse economic impact on a business in a county that contains a colonia must prepare an economic impact statement and a regulatory flexibility analysis that includes the agency's consideration of alternative methods of achieving the purpose of the proposed rule.

The Higher Education Coordinating Board, the Texas Education Agency and the Texas Workforce Commission would also be required to coordinate with one another to improve the adult education and literacy services in the state. The Texas Workforce Commission would also be required to identify opportunities for federal funding of adult education and literacy programs, including waivers to federal requirements and restrictions; and apply for available waivers to the Workforce Investment Act of 1998, or other federal programs, to transfer funds between adult, youth, and dislocated worker programs if: A) the commission determines that a waiver would benefit literacy programs; B) a local workforce development board requests in writing that the commission apply for the waiver; and C) the county to which the waiver applies contains a colonia, as defined under Section 5.1781 of the Water Code.

## **Methodology**

The Higher Education Coordinating Board has indicated that they will need to add 1 FTE (program director) to coordinate the activities of the Higher Education Colonias County Work Group. The Higher Education Coordinating Board would also require one professional service contractor to facilitate work group meetings, coordinate research and data collection, prepare reviews of the research literature on colonias in Texas and the report due each biennium to the legislature. The contract will be higher in fiscal year 2010 to facilitate the start-up needs for the work group. Funds will be needed for maintenance activities and to produce the annual progress reports and the required biennium report to the legislature.

The estimated cost for salaries and benefits for the program director is \$89,203 for fiscal year 2010 and \$77,604 for fiscal year 2011 and subsequent years. The estimated cost for staff travel is \$5,000 per year. The estimated cost for one professional service contract is \$125,000 for fiscal year 2010 and \$75,000 for fiscal year 2012 and subsequent years. The estimated cost for the professional service contract is based upon the estimated cost historically funded by the Higher Education Coordinating Board that provides similar services (i.e. meeting facilitation, literature reviews, data collection, legislative reports). The professional service contract is reduced for the second year as some of the products will not be necessary on an annual basis.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 302 Office of the Attorney General, 305 General Land Office and Veterans' Land Board,

307 Secretary of State, 320 Texas Workforce Commission, 332 Department of Housing and Community Affairs, 357 Office of Rural Community Affairs, 529 Health and Human Services Commission, 537 State Health Services, Department of, 580 Water Development Board, 582 Commission on Environmental Quality, 601 Department of Transportation, 701 Central Education Agency, 716 Texas Engineering Extension Service, 781 Higher Education Coordinating Board

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