

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 8, 2011

TO: Honorable Rick Hardcastle, Chair, House Committee on Agriculture & Livestock

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

IN RE: HB947 by Lozano (Relating to a pilot program to expand access to career and technical education partnerships in rural areas.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB947, As Introduced: a negative impact of (\$955,764) through the biennium ending August 31, 2013.

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
2012	(\$481,882)
2013	(\$473,882)
2014	(\$473,882)
2015	(\$473,882)
2016	(\$473,882)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2011
2012	(\$481,882)	1.0
2013	(\$473,882)	1.0
2014	(\$473,882)	1.0
2015	(\$473,882)	1.0
2016	(\$473,882)	1.0

Fiscal Analysis

The bill would amend the Agriculture Code to create the Rural Workforce Investment Pilot Program. This pilot program would develop partnerships in rural areas among school districts, public junior colleges, public technical institutes, general academic teaching institutions, and business and industry to provide greater access to career and technical education and industry certification to high school students in rural areas.

The bill would take effect immediately if it receives a vote of two-thirds of all members elected to each house; otherwise it would take effect September 1, 2011.

Methodology

The bill states that the program is subject to available funding and limits the Department of Agriculture (TDA) to issue no more than four grants each biennium, but does not specify the size of each grant that is contemplated. For the purpose of this analysis, an average grant amount of \$200,000 is assumed. Therefore it is anticipated that \$800,000 would be provided in grant funding in each fiscal biennium (or \$400,000 in each fiscal year) under the Rural Workforce Investment Pilot Program.

It is anticipated that TDA would need 1.0 additional FTE to assist in the administration of this program. The annual salary for this position would be \$53,061, with estimated annual benefits costs of \$14,783. Related travel, equipment, and other operating expenses are estimated to be \$14,038 in fiscal year 2012 and \$6,038 in subsequent years.

Technology

The cost for computer equipment, software, and data center services would be \$4,700 in fiscal year 2012 and \$1,200 in subsequent years.

Local Government Impact

The bill would allow a "rural area" as defined by the provisions of the bill to submit an application for a grant to participate in the Rural Workforce Investment Pilot Program. A local governmental entity that chose to participate in the program would be required to commit public or private funds to match the grant to be eligible to apply for a grant. The fiscal impact to local governmental entities would vary depending on an entity's decision to participate, and ability to provide local matching funds.

Source Agencies: 320 Texas Workforce Commission, 551 Department of Agriculture, 701 Central Education Agency, 781 Higher Education Coordinating Board

LBB Staff: JOB, SZ, ZS, AH, KKR