

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 22, 2013

TO: Honorable John Davis, Chair, House Committee on Economic & Small Business Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB533** by Lozano (Relating to a development of a workforce investment partnership in rural areas.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB533, Committee Report 1st House, Substituted: a negative impact of (\$891,817) through the biennium ending August 31, 2015.

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
2014	(\$462,907)
2015	(\$428,910)
2016	(\$428,910)
2017	(\$428,910)
2018	(\$428,910)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund	Change in Number of State Employees from FY 2013
	1	
2014	(\$462,907)	0.5
2015	(\$428,910)	0.5
2016	(\$428,910)	0.5
2017	(\$428,910)	0.5
2018	(\$428,910)	0.5

Fiscal Analysis

The bill would amend the Agriculture Code to allow the Texas Department of Agriculture (TDA) to create the Rural Workforce Investment Program. The 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.

Methodology

The bill states that the program is subject to available funding. For the purpose of this analysis, it is anticipated that \$800,000 would be provided in grant funding in each fiscal biennium (or \$400,000 in each fiscal year).

According to TDA, the agency would need an additional part-time (0.5) FTE to assist in the administration of this program. The annual salary for this position would be \$21,276, with estimated annual benefits costs of \$6,327. Recurring travel costs related to the position's grant management responsibilities are estimated to be \$1,307 each fiscal year. The estimate in the table above also includes first-year rulemaking costs, which according to TDA are estimated to be \$33,997 in fiscal year 2014 only.

Local Government Impact

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

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

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