

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 10, 2013

TO: Honorable Bob Deuell, Chair, Senate Committee on Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1297 by Alvarado (Relating to the review of certain skills development fund workforce training programs.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The provisions of the bill would require the Texas A&M Engineering Extension Service (TEEX) and each public community or technical college to conduct a review by October 1 each even-numbered year to determine the effectiveness of its workforce training programs in improving the wages of participants who complete the program. The provisions also require TEEX and the public community or technical colleges to identify strategies for improving the delivery of workforce training to more effectively impact economic development. The report would only be required for programs for which skills development funds were used. The detailed report must be submitted to the Texas Workforce Commission for inclusion in the report to the governor and legislature.

It is assumed that TEEX could implement the provisions of the bill by utilizing current resources. The Texas Workforce Commission would need to amend its rules and policies regarding how the results are reported and has indicated the agency could perform the duties with current resources. According to the Higher Education Coordinating Board (Board), public community colleges currently report salary data to the Board to review the customized training programs. The Board would not need additional resources to review the new reports.

The bill would take effect immediately if it receives a vote of two-thirds of each house; otherwise, it would take effect on September 1, 2013.

Local Government Impact

Based on a survey of several community colleges, it is anticipated that there would be additional duties in determining the effectiveness of the programs in improving the wages of participants who complete the program. Some public community colleges anticipate the need for additional staff or the need to contract with outside personnel for the data collection and analysis. A few community colleges may consider not participating in the grant program if the additional reporting requirements exceeded the benefits of participating in the program.

Source Agencies: 320 Texas Workforce Commission, 716 Texas A&M Engineering
Extension Service, 781 Higher Education Coordinating Board

LBB Staff: UP, RB, SK, DE