

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 8, 2015

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1155** by Alvarado (Relating to the creation of the Recruit Texas Program to facilitate the relocation to or expansion in this state of employers offering complex or high-skilled employment opportunities.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1155, As Engrossed: a negative impact of (\$10,328,632) through the biennium ending August 31, 2017.

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
2016	(\$5,164,316)
2017	(\$5,164,316)
2018	(\$5,164,316)
2019	(\$5,164,316)
2020	(\$5,164,316)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2015
2016	(\$5,164,316)	10.0
2017	(\$5,164,316)	10.0
2018	(\$5,164,316)	10.0
2019	(\$5,164,316)	10.0
2020	(\$5,164,316)	10.0

Fiscal Analysis

This bill would amend the Labor Code relating to creation of the Recruit Texas Program to facilitate the relocation to or expansion in this state of employers offering complex or high-skilled

employment opportunities.

This bill would require the Texas Workforce Commission (TWC) to provide leadership and direction to out-of-state employers, economic development organizations, local workforce development boards, public junior colleges, and public technical institutes to address the employers' needs for recruitment and hiring for complex or high skilled employment opportunities in Texas. The bill also provides for the awarding of grants to assist with the rapid curriculum development and instructor certification needed to provide the associated workforce training.

This bill would take effect September 1, 2015.

Methodology

For the purpose of this analysis TWC estimates a five-year cost of \$25.8 million in General Revenue funds to establish and administer the Recruit Texas Program with a focus on assisting and recruiting employers who will provide complex or high skilled employment opportunities in Texas. Of the total five-year estimate, TWC anticipates awarding \$21.2 million in grants to community colleges to assist with rapid curriculum development, instructor certification, labor market information, equipment/infrastructure cost, and up-front assessments of the business' needs for customized training.

Based on information provided by TWC, it is estimated that the agency would require 10.0 additional full-time equivalent (FTEs) positions to create and implement the Recruit Texas Program. The agency estimates that these positions would require recurring costs of \$484,995 in salaries and \$261,073 in related support and benefit costs each fiscal year. Additional program costs include \$4,215,000 for workforce training grants and \$203,248 in other related operating expenses.

Technology

TWC estimates recurring technology costs of \$17,950 each fiscal year related to personal computers and software for the anticipated 10.0 FTEs needed to carry out the provisions of the bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission, 719 Texas State Technical College System Administration, 781 Higher Education Coordinating Board

LBB Staff: UP, SZ, NV, JLi, CL, ED