

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 1, 2017

TO: Honorable John Kuempel, Chair, House Committee on Licensing & Administrative Procedures

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2541 by Lucio III (Relating to funding for apprenticeship training programs through a lottery game.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2541, As Introduced: a negative impact of (\$8,420,000) through the biennium ending August 31, 2019.

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
2018	(\$4,210,000)
2019	(\$4,210,000)
2020	(\$4,210,000)
2021	(\$4,210,000)
2022	(\$4,210,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>Foundation School Fund 193</i>	Probable Revenue Gain/(Loss) from <i>New General Revenue Dedicated</i>	Probable Savings/(Cost) from <i>New General Revenue Dedicated</i>
2018	(\$4,210,000)	\$4,210,000	(\$4,210,000)
2019	(\$4,210,000)	\$4,210,000	(\$4,210,000)
2020	(\$4,210,000)	\$4,210,000	(\$4,210,000)
2021	(\$4,210,000)	\$4,210,000	(\$4,210,000)
2022	(\$4,210,000)	\$4,210,000	(\$4,210,000)

Fiscal Analysis

The bill would amend the Government Code relating to funding for apprenticeship training programs through a lottery game. The bill would direct the Texas Lottery Commission (TLC) to

develop, operate, and market an instant-ticket lottery game whose net proceeds would be transferred from the State Lottery Account to a dedicated account in the General Revenue Fund to be appropriated to the Texas Workforce Commission (TWC) to support apprenticeship programs in accordance with Chapter 133 of the Education Code. The bill requires TLC to begin selling tickets for this purpose no later than January 1, 2018, and the provisions of the bill apply only to transfers from the State Lottery Account made on or after January 1, 2018.

Unless otherwise specified, the bill would take effect immediately upon receipt of a two-thirds vote of all members elected to each house or on September 1, 2017.

Methodology

Based on the analysis of the Comptroller of Public Accounts (CPA), it is assumed that the creation of the new instant-ticket lottery game whose revenues would be transferred to a dedicated account in the General Revenue Fund to support apprenticeship programs would result in a corresponding loss of sales to other current instant-ticket lottery games. As a result, revenue that otherwise would have been transferred to the Foundation School Fund 0193 would now be transferred into the new account to benefit the Chapter 133 apprenticeship program.

Based on information provided by TWC, the agency estimates serving approximately 140 additional apprentices for every \$100,000 in additional funding generated.

Based on the analysis of TWC, the CPA, and the Texas Education Agency, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 320 Texas Workforce Commission

LBB Staff: UP, AO, SD