

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 8, 2019

TO: Honorable Dan Patrick, Lieutenant Governor, Senate

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **SB1055** by Zaffirini (Relating to the administration by the Texas Workforce Commission of a workforce diploma pilot program.), **As Passed 2nd House**

The fiscal implications of the bill cannot be determined at this time due to the uncertainty of the number of participating providers.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill. The Texas Workforce Commission is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the agency may, but is not required to, implement a provision of this Act using other appropriations available for that purpose.

The bill would amend the Labor Code relating to the administration by the Texas Workforce Commission (TWC) of a workforce diploma pilot program. Under the provisions of the bill, TWC, in consultation with the Texas Education Agency, would be required to establish and administer a workforce diploma pilot program to reimburse eligible providers for assisting adult students in obtaining a high school diploma and developing technical career readiness skills and employability. The bill states that TWC is required to reimburse each eligible participating provider for certain achievement milestones by students, to the extent money is available for the program. The bill requires that TWC establish rules to determine eligibility guidelines for providers and minimum performance standards that must be met in order for providers to continue participating in the program.

The fiscal implications of the bill cannot be determined at this time due to the uncertainty of the number of participating providers. The potential costs and reimbursements awarded would be dependent on the adoption of TWC rules relating to provider eligibility, reimbursement, and provider performance review requirements. In addition, the agency by rule would be required to define terms, such as regional accrediting body, credit and half credit, employability skills, graduation rate, and diplomas and industry-recognized credentials, which would ultimately impact the number of eligible providers and reimbursements provided.

The pilot program would expire September 1, 2025.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission, 701 Texas Education Agency

LBB Staff: WP, SZ, SGr, CP, CLo