

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 16, 2021

TO: Honorable Angie Chen Button, Chair, House Committee on International Relations & Economic Development

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB755 by Fierro (Relating to consumer information regarding career schools and colleges.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB755, As Introduced : a negative impact of (\$148,373) through the biennium ending August 31, 2023.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$114,911)
2023	(\$33,462)
2024	(\$33,462)
2025	(\$33,462)
2026	(\$33,462)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from Career Schools and Colleges 8013</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$114,911)	0.9
2023	(\$33,462)	0.3
2024	(\$33,462)	0.3
2025	(\$33,462)	0.3
2026	(\$33,462)	0.3

Fiscal Analysis

The bill would amend Chapter 132, Education Code to require the Texas Workforce Commission (TWC) to include in its searchable database of licensed career schools and colleges the student loan default rates and average per-student student loan debt no later than January 1, 2022. The bill would require career schools to provide student loan data from this database to prospective students.

Methodology

According to TWC, implementing the provisions of the bill would require an additional 0.6 Information Technology full-time equivalents (FTEs) in fiscal year 2022 to develop the required database. Additionally, the agency anticipates it would need another 0.3 Program FTEs to provide continued monitoring of the data and

data entry by the career schools.

Based on information provided by TWC, the 0.9 FTEs would require \$72,575 in salaries and \$24,690 in benefits and payroll contributions in fiscal year 2022 in General Revenue Funds. In fiscal year 2023 and beyond, the 0.3 FTEs would incur an annual cost of \$21,707 in salaries and \$7,385 in benefits and payroll contributions to the General Revenue Fund. Additional costs to the General Revenue Fund for other operating expenses, rent, utilities, consumable supplies, and indirect costs for these FTEs are estimated to be \$17,646 in fiscal year 2022 and \$4,370 in fiscal year 2023 and beyond.

Based on information provided by TWC, it is estimated that implementing the provisions of the bill would result in a total cost of \$114,911 in fiscal year 2022 and \$33,462 each fiscal year thereafter from General Revenue Funds.

Technology

TWC anticipates a five-year technology cost of \$1,113 for personal laptop and Office 365 lease.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission, 781 Higher Education Coordinating Board

LBB Staff: JMc, SZ, MB, DFR