

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 21, 2021

TO: Honorable Brandon Creighton, Chair, Senate Committee on Higher Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3767 by Murphy (relating to measures to support the alignment of education and workforce development in the state with state workforce needs, including the establishment of the Tri-Agency Workforce Initiative.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3767, Committee Report 2nd House, Substituted : a negative impact of (\$2,236,767) through the biennium ending August 31, 2023.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$1,592,524)
2023	(\$644,243)
2024	(\$156,955)
2025	(\$156,955)
2026	(\$156,955)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$1,592,524)	15.6
2023	(\$644,243)	7.0
2024	(\$156,955)	2.0
2025	(\$156,955)	2.0
2026	(\$156,955)	2.0

Fiscal Analysis

The bill would establish the Tri-Agency Workforce Initiative, which would guide state policy on career education and workforce training. The bill would direct the Texas Education Agency (TEA), the Texas Higher Education Coordinating Board (THECB), and the Texas Workforce Commission (TWC) to enter into an interagency agreement related to the Tri-Agency Workforce Initiative that would facilitate sharing staff, data, and other resources. Full-time Equivalents (FTEs) associated with the Tri-Agency Workforce Initiative would not count toward the FTE cap of the three agencies.

Among its provisions, the bill would require TEA, THECB, and TWC to establish a web-based library of credentials and also develop a web site for the Tri-Agency Workforce Initiative that includes career and workforce information for the public. The bill would require TEA, THECB, and TWC to update the Tri-Agency Workforce Initiative's web site to include certain information related to career education and workforce training, including information on career pathways. The bill would also require THECB to develop a strategic plan for a workforce data repository, in conjunction with TEA and THECB. The bill would require TWC to implement a pilot program for the reporting and collection of enhanced wage filing data.

Methodology

For the purposes of this analysis, the increase in FTEs required by the bill are included in the analysis for informational purposes.

TWC identified the need to add 15.6 FTEs in fiscal year 2022, a number which would decline to 7.0 FTEs in fiscal year 2023. These FTEs would be attributable to the enhanced wage filing data pilot program. This would include eight Account Examiner III positions, two Program Specialist IVs, one Accounts Examiner IV, 0.5 Manager IV, and 4.1 Information Technology FTEs.

Total costs reported by the agency, which also would include rent, other operating expenses, consumable supplies, utilities, and employee benefits, would total \$1,592,524 in fiscal year 2022 and \$644,243 in fiscal year 2023, in addition to out-year costs.

The bill would have no significant fiscal impact on TEA and THECB.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 701 Texas Education Agency, 781 Higher Education Coordinating Board

LBB Staff: JMc, LBO, AH, THO, SZ, CMA