

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**March 30, 2021**

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

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB3938** by Bell, Keith (Relating to the establishment of the industry-based certification advisory council and the transfer of certain duties to that advisory council.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3938, As Introduced : a negative impact of (\$714,848) 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	(\$357,424)
2023	(\$357,424)
2024	(\$357,424)
2025	(\$357,424)
2026	(\$357,424)

**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	(\$357,424)	3.0
2023	(\$357,424)	3.0
2024	(\$357,424)	3.0
2025	(\$357,424)	3.0
2026	(\$357,424)	3.0

The bill establishes an industry-based certification advisory council to advise the Texas Workforce Commission on the alignment of public high school career technology education programs with current and future workforce needs. Members of the council are not to be provided compensation, but they are entitled to reimbursement for necessary travel expenses incurred in performing their role on the council.

The bill transfers certain duties currently carried out by the Texas Education Agency, the Texas Workforce Commission, and the Texas Higher Education Coordinating Board to the council.

## **Fiscal Analysis**

The bill does not designate an agency to provide administrative and staff support to the council that would be established. This analysis assumes that the Office of the Governor, through the Trusteed Programs, would provide this function.

According to the Office of the Governor, the provisions of the bill would create a fiscal impact to the state of \$1.8 million over 5 years. This cost would involve the hiring of three FTEs, professional services related to the consultation of outside research expert, travel, and equipment.

According to the Texas Workforce Commission, the bill could require the commission to provide copies of final inventory and to provide consultation to the council. The agency assumes that these impacts can be absorbed with current resources.

According to the Texas Higher Education Coordinating Board and the Comptroller's Office of Public Accounts, no fiscal implication is anticipated.

## **Methodology**

The Office of the Governor assumes that one senior staff will lead and direct work related to the council's responsibilities, one data analyst will assist the council in carrying out and analyzing research related to industry-based certifications, and one administrative assistant will support all administrative, travel, and meeting coordination functions. These council staff members would require essential office equipment (phone, computer, printer) and supplies. Members of the council would also be reimbursed for travel expenses and an outside research expert would need to be consulted to determine how statewide industry-based certifications would be accepted in the state.

The Office of the Governor based their estimated staffing costs per fiscal year of \$98,000 for a Director I, \$65,000 for a Data Analyst IV, and \$30,000 for an Administrative Assistant II are all based on the staff assigned to the Texas Skill Standard Board when it was an advisory council staffed by TWIC. The benefits for these FTEs are calculated at \$65,659 per fiscal year. Calculated travel expenses of \$9,372 per year are based on the five-year averages for the Texas Workforce Investment Council. Yearly equipment (\$2,196) and supply (\$2,197) costs are based on TWIC's three-year average. The estimated cost of \$85,000 per year for an outside research expert is based off the cost of a currently existing contract between the Texas Education Agency and a university research group performing the same function to that created by the provisions outlined in the bill.

## **Local Government Impact**

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

**Source Agencies:** 300 Trusteed Programs - Gov, 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 781 Higher Education Coordinating Board

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