

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 24, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB865 by Gervin-Hawkins (Relating to the application for funding for certain workforce development programs.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Labor Code to require the Texas Workforce Commission (TWC) to allow nonprofit service providers to apply for funding directly from TWC if a Local Workforce Development Board(s) is not meeting 80 percent of performance standards.

According to TWC, enactment of the bill could result in a conformity issue with federal law, which requires the allocation of 85 percent of its Workforce Innovation Opportunities Act (WIOA) Title I funds to Local Workforce Development Boards (Board), based on the specific funding formulas outlined in federal law, to be used by Boards for the operation of the various WIOA programs. Additionally, enactment of the bill would result in a conformity issue with the Labor Code of this state which does not allow for the direct funding application model as proposed in the bill.

Based on information provided by TWC, this analysis assumes any duties and responsibilities associated with implementing the provisions of the bill could be accomplished by the agency utilizing existing resources.

Local Government Impact

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

Source Agencies: 320 Texas Workforce Commission

LBB Staff: JMc, SZ, GDZ, LBI