

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 3, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1113 by Meza (Relating to the creation of a low-interest loan program for entrepreneurs with physical or mental disabilities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1113, As Introduced : a negative impact of (\$1,103,181) through the biennium ending August 31, 2025.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill. However, as the amounts and timing of any gifts, grants, and donations are unknown, the fiscal impact for the low-interest loan amount cannot be determined.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2024	(\$575,508)
2025	(\$527,673)
2026	(\$527,673)
2027	(\$527,673)
2028	(\$527,673)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$575,508)	1.0
2025	(\$527,673)	1.0
2026	(\$527,673)	1.0
2027	(\$527,673)	1.0
2028	(\$527,673)	1.0

Fiscal Analysis

The bill would amend the Labor Code to require the Texas Workforce Commission to establish and administer a low-interest loan program for entrepreneurship among persons with physical and mental disabilities. The bill states that TWC may solicit and accept gifts, grants, and donations from public and private entities for the program.

Methodology

This analysis assumes the Texas Workforce Commission (TWC) would utilize General Revenue for administrative costs associated with the low-interest loan program and subcontract the loan administration to local financial institutions. Assuming loans are administered and serviced by local financial institutions, TWC would require 5.0 Full-Time Equivalents (FTE) at the cost of \$1,103,181 in General Revenue for the 2024-25 biennium. Additionally, in fiscal year 2024 one-time startup cost includes \$48,835 for other operating expenses related to the additional FTEs required to implement provisions of the bill.

In fiscal year 2024, required FTEs would complete implementation-related operations and, starting in fiscal year 2025, continuing program operations; FTEs include:

- 1.0 Director III (\$113,022 plus \$35,975 in benefits).
- 1.0 Grant Specialist III (\$59,473 plus \$18,930 in benefits).
- 1.0 Program Specialist III (\$55,602 plus \$17,698 in benefits).
- 1.0 Administrative Assistant III (\$37,914 plus \$12,068 in benefits).
- 1.0 Contract Administration Manager I (\$83,298 plus \$26,514 in benefits).

This analysis assumes the low-interest loans would be funded from gifts, grants, and donations received from public and private entities; however, the number of and amounts from gifts, grants, and donations received from public and private entities is unknown as the amounts and timing of any gifts, grants, and donations are unknown.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 320 Texas Workforce Commission

LBB Staff: JMc, SZ, GDZ, LBI