

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 5, 2023

TO: Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1755 by Button (Relating to the creation of the Lone Star Workforce of the Future Fund.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1755, As Engrossed : a negative impact of (\$360,230) through the biennium ending August 31, 2025.

The Texas Workforce Commission is required to implement a provision of the bill only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the Texas Workforce Commission may, but is not required to, implement a provision of the bill using other appropriations available for that purpose.

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>
2024	(\$180,027)
2025	(\$180,203)
2026	(\$180,381)
2027	(\$180,561)
2028	(\$180,743)

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	(\$180,027)	2.0
2025	(\$180,203)	2.0
2026	(\$180,381)	2.0
2027	(\$180,561)	2.0
2028	(\$180,743)	2.0

Fiscal Analysis

The bill would require the Texas Workforce Commission (TWC) to establish and administer the Lone Star Workforce of the Future Fund. This program is funded through legislative appropriations, interest earned, gifts, grants, and donations.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either in, with, or outside the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Methodology

The Texas Workforce Commission (TWC) anticipates and this estimate assumes that the Lone Star Workforce of the Future grant program would operate similarly to the Skills Development Fund, Job and Education for Texans (JET) program, and the Self-Sufficiency Fund and would have similar agency administrative and workload requirements. Based on this assumption and analysis of TWC, the full-time equivalent (FTE) requirements for the agency would include 1.0 Program Specialist IV and 1.0 Grant Specialist III. The FTEs would perform daily tasks including, but not limited to, program management and administration, organizing the functions of the program's advisory board, rule promulgation, and contract management.

The identified 2.0 FTEs would have a salary and wages cost of \$59,473 per FTE each fiscal year in General Revenue and an estimated cost of \$18,038 per FTE each fiscal year for employee benefits. Additionally, the total cost for other operating expenses for all FTEs is \$25,004 per fiscal year in General Revenue.

The bill would establish a new General Revenue-dedicated account specifically for the Lone Star Workforce of the Future Fund.

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

LBB Staff: JMc, MOc, SZ, GDZ, LBI, CMA