

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 25, 2023

TO: Honorable Todd Hunter, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3924 by Oliverson (relating to state agency employment openings and aptitude assessments.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB3924, Committee Report 1st House, Substituted : a negative impact of (\$7,946,423) 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.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2024	(\$3,436,696)
2025	(\$4,509,727)
2026	(\$3,233,727)
2027	(\$3,233,727)
2028	(\$3,233,727)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable (Cost) from General Revenue Fund 1	Probable (Cost) from GR Match For Medicaid 758	Probable (Cost) from Federal Funds 555
2024	(\$3,249,010)	(\$187,686)	(\$191,952)
2025	(\$4,308,092)	(\$201,635)	(\$206,219)
2026	(\$3,032,092)	(\$201,635)	(\$206,219)
2027	(\$3,032,092)	(\$201,635)	(\$206,219)
2028	(\$3,032,092)	(\$201,635)	(\$206,219)

Fiscal Analysis

The bill would allow applicants applying for classified state positions to complete a single state application and a standardized aptitude assessment online.

Methodology

The Texas Workforce Commission (TWC) administers and operates the WorkInTexas (WIT) application, which will be the sole impacted application regarding the provisions of this bill. WIT is an application that provides core business functionality and is the state's current online Labor Exchange system.

This analysis assumes that implementation of the bill's provisions by TWC requires the development and the buildout of the current IT system WIT to incorporate the standardized aptitude test for state employment and the various notifications as required by this bill. A total onetime technology cost of \$2,000,000 in fiscal year 2024 would be required for the buildout of WIT to incorporate the standardized aptitude test for state employment and the various notifications as required by this bill. Fiscal year 2025 and beyond includes \$400,000 in ongoing annual costs for WIT.

This analysis assumes that implementation of the bill's provisions by the State Auditor's Office (SAO) requires the development of standardized aptitude tests to be incorporated into WIT for state employment applicants. It is assumed that no significant cost would be incurred by the SAO until 2025. A total onetime cost of \$2,566,250 would be required in fiscal year 2025 for the initial development of the standardized tests. Fiscal year 2026 and beyond includes \$1,200,000 for continued maintenance and updating of tests and \$90,250 for ongoing costs. This analysis assumes SAO will use subcontractors to develop, maintain, and update the test each fiscal year.

This analysis assumes that the Health and Human Services Commission (HHSC) would need onetime funding to ensure system interfaces can access the aptitude assessment from WIT and ongoing funding for the current human resources and payroll services vendor to perform the annual review of classified positions at the agency. Total costs to HHSC are estimated to be \$3,378,344 in All Funds for the 2024-25 biennium.

Technology

As mentioned above, the Texas Workforce System (TWC) would require onetime costs of \$2,000,000 in fiscal year 2024 for the buildout of WIT to incorporate the standardized aptitude test for state employment and \$400,000 each fiscal year after that for ongoing annual costs.

Local Government Impact

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

Source Agencies: 308 State Auditor's Office, 320 Texas Workforce Commission, 452 Department of Licensing and Regulation, 529 Health and Human Services Commission

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