

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 6, 2025

TO: Honorable Phil King, Chair, Senate Committee on Economic Development

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB2448 by Sparks (Relating to rural workforce development.), **As Introduced**

As the amount of funding which the Legislature would appropriate for the Rural Workforce Development Program to fund competitive grants to local entities and non-profits to improve the employability, earnings, and standard of living of rural Texans through job creation, education, and skills training is unknown, the fiscal impact to the state cannot be determined. However, this estimate assumes the Texas Workforce Commission would require additional resources to implement the grant program if funds were appropriated for this 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.

The bill would amend the Labor Code to establish the Rural Workforce Development Program to be administered by the Texas Workforce Commission (TWC). The bill would require TWC to collaborate with the Texas Education Agency (TEA) and the Texas Higher Education Coordinating Board (THECB) in awarding competitive grants to local entities and non-profits to improve the employability, earnings, and standard of living of rural Texans through job creation, education, and skills training.

The number of grants provided and the award amounts would be subject to Legislative appropriation discretion. As the amount the Legislature would appropriate in funding for this purpose is unknown, this component of the fiscal impact cannot be determined. If funding is appropriated then the TWC would need staffing resources to develop and implement a grant application procedure and establish and administer the program.

For illustrative purposes and based on information provided by the TWC, if the Legislature were to appropriate approximately \$10,000,000 each fiscal year in General Revenue funding for this program to serve an estimated 1,140 participants each year, the agency would require an additional 2.0 Grant Specialist III positions (\$70,662 with \$21,128 in benefits each fiscal year per position) for program administration and to provide grant oversight.

Based on the analysis of the THECB and TEA, this estimate assumes no significant fiscal impact to the state for these agencies to implement the bill's provisions.

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, 701 Texas Education Agency, 781 Higher Education Coordinating Board

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