

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 20, 2009

TO: Honorable Mark Strama, Chair, House Committee on Technology, Economic Development & Workforce

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1935 by Villarreal (Relating to the establishment of the Texas Adult Career Education Grant Program to support community-based initiatives that assist unemployed and underemployed adults in receiving postsecondary education necessary to obtain employment in local, high-demand occupations.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1935, As Introduced: a negative impact of (\$7,097,812) through the biennium ending August 31, 2011.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$3,548,906)
2011	(\$3,548,906)
2012	(\$3,548,906)
2013	(\$3,548,906)
2014	(\$3,548,906)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2010	(\$3,548,906)
2011	(\$3,548,906)
2012	(\$3,548,906)
2013	(\$3,548,906)
2014	(\$3,548,906)

Fiscal Year	Change in Number of State Employees from FY 2009
2010	1.5
2011	1.5
2012	1.5
2013	1.5
2014	1.5

Fiscal Analysis

Under provisions of the bill, the Higher Education Coordinating Board would be required to establish

and administer the Texas Adult Career Education Grant Program. The program would provide grants to enable eligible non-profit organizations, in partnership with public junior colleges to administer community based initiatives that assist unemployed and underemployed adults in receiving postsecondary education necessary to obtain employment in local, high-demand occupations. Grants could be used to provide the unemployed, or underemployed adults with child care, counseling, case management, monitoring, transportation, emergency assistance, financial assistance toward the cost of tuition, fees, books and other assistance.

Methodology

For purposes of this fiscal note it is assumed one Texas Adult Career Education Project would be established that would serve 600 students per year. Based on information provided by the Higher Education Coordinating Board, the average cost for each student would be approximately \$5,650. This cost includes tuition and fees, estimated to be \$1,240 per year at a community college, \$436 for childcare, \$124 for emergency living expenses, \$3,335 for program staff costs, which includes case management and counseling and \$513 in administrative costs. The Higher Education Coordinating Board based these estimates on data collected from current community-based organizations providing the same program services as outlined in the bill.

The remaining costs associated with the bill are for the Higher Education Coordinating Board to administer the program. These costs include hiring a new program director to award the grants and monitor the program and an additional 0.5 FTE to collect, analyze and evaluate the grant program to support community-based initiatives. The salary and benefit costs, as well as travel costs associated with compliance visits, total approximately \$158,000 per year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board

LBB Staff: JOB, JRO, RT, GO