

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 24, 2003

**TO:** Honorable Helen Giddings, Chair, House Committee on Business & Industry

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB574** by Farrar (Relating to the prohibition of employment discrimination on the basis of sexual orientation or gender identity.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB574, As Introduced: a negative impact of (\$131,697) through the biennium ending August 31, 2005.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$47,257)
2005	(\$84,440)
2006	(\$79,898)
2007	(\$79,898)
2008	(\$79,898)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1
2004	(\$47,257)
2005	(\$84,440)
2006	(\$79,898)
2007	(\$79,898)
2008	(\$79,898)

Fiscal Analysis

The bill would add Chapter 23 to the Labor Code prohibiting employment discrimination on the basis of sexual orientation or gender identity. The Texas Commission on Human Rights (TCHR) has estimated that approximately 200 complaints will be received each year starting in FY 2003. Currently, an investigator closes approximately 100 cases per year and cases will begin immediately after the effective date of September 1, 2003.

Methodology

The TCHR estimates one additional Investigator III (B8) would be needed starting in FY 2004 for building initial infrastructure (development of rules and tracking system) and investigations for a fiscal year impact of \$47,257 (annual salary of \$31,068, Fringe Benefits of \$8,842 (28.46%), and Other

Operating Expenses of \$7,347 which include one-time costs such as a personal computer and office equipment and furniture). For FY 2005, an Investigator II would be added resulting in a fiscal year impact of \$84,440 (annual salaries of \$58,608, Fringe Benefits of \$16,680 (28.46%), and Other Operating Expenses of \$9,152 which include one-time costs such as a personal computer and office equipment and furniture). For FY 2006-08, a fiscal year impact of \$79,898 (annual salaries of \$58,608, Fringe Benefits of \$16,680 (28.46%), and Other Operating Expenses of \$4,610.

**Technology**

There will be a one-time technology cost of \$2,061 in fiscal year 2004 and \$2,061 in fiscal year 2005 for telephone, workstation, and cabling equipment.

**Local Government Impact**

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

**Source Agencies:** 344 Commission on Human Rights  
**LBB Staff:** JK, MS, JRO, BL