

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**April 6, 2005**

**TO:** Honorable Jerry Madden, Chair, House Committee on Corrections

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

**IN RE: HB2745** by Deshotel (Relating to the overtime compensation of employees of the Texas Department of Criminal Justice.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2745, As Introduced: a negative impact of (\$65,271,518) through the biennium ending August 31, 2007.

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
2006	(\$32,635,759)
2007	(\$32,635,759)
2008	(\$32,635,759)
2009	(\$32,635,759)
2010	(\$32,635,759)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1
2006	(\$32,635,759)
2007	(\$32,635,759)
2008	(\$32,635,759)
2009	(\$32,635,759)
2010	(\$32,635,759)

**Fiscal Analysis**

The bill would amend the Government Code to prohibit the lapse of accrued compensatory time for Texas Department of Criminal Justice (TDCJ) employees. The bill would also require TDCJ employees to be paid at the rate of 1.5 times the employee's regular pay rate for any overtime over five hours in a week. Under the provisions of the bill, TDCJ employees would be entitled to pay at their regular rate for any accumulated compensatory time upon separation from the department. The bill would take effect immediately if receiving a vote of two-thirds of all members of each house, or September 1, 2005.

**Methodology**

TDCJ reports their average employee hourly pay rate is \$13.94 (average annual salary of \$29,000 divided by annual working hours of 2,080) In fiscal year 2004, TDCJ expended \$3.3 million for overtime payments.

No data is available for the average amount of compensatory time that is currently forfeited by departing TDCJ employees, or for the average number of compensatory hours taken by employees. This fiscal analysis assumes that all hours worked in excess of forty hours a week will be valued at 1.5 times the hours earned, and equalizes across fiscal years the cost of paying out accrued compensatory time to employees separating from employment.

The estimated cost per year to implement the provisions of the bill would be \$32,635,759 ((average hourly rate of \$13.94 X overtime pay rate of 1.5 X average monthly compensatory time accrued of 143,216 hours X 12 months) minus \$3,300,000 for fiscal year 2004 overtime payments = \$32,635,759).

**Local Government Impact**

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

**Source Agencies:** 696 Department of Criminal Justice  
**LBB Staff:** JOB, KJG, VDS, AM