

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

February 20, 2007

TO: Honorable Joe Deshotel, Chair, House Committee on Economic Development

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

IN RE: HB936 by Burnam (Relating to the minimum wage.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Labor Code relating to the minimum wage. Based on the analysis of the Comptroller of Public Accounts, State Auditor's Office, Building and Procurement Commission, Texas Workforce Commission, Department of Transportation and Health and Human Services Commission, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

This bill would take effect September 1, 2007.

Local Government Impact

For local government entities, costs to implement the bill would depend on two factors: 1) the current minimum wage of the local government, and 2) the number of employees of the local government currently earning a wage below the minimum proposed in the bill.

Most local governmental employees that earn less than the minimum wage proposed in the bill are interns and part-time employees. Increasing the salaries of those who earn less than the minimum proposed in the bill would put some of those employees at the same salary as higher skilled and more senior employees. This is called compression, which is also part of the costs of implementing the proposed legislation.

Source Agencies: 303 Building and Procurement Commission, 304 Comptroller of Public Accounts, 308 State Auditor's Office, 320 Texas Workforce Commission, 539 Aging and Disability Services, Department of, 601 Department of Transportation

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