

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 9, 2007

TO: Honorable Frank Corte, Jr., Chair, House Committee on Defense Affairs & State-Federal Relations

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

IN RE: HB1275 by McClendon (Relating to the appeal by an individual entitled to a veteran's preference of certain adverse employment decisions.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1275, As Introduced: a negative impact of (\$67,285) through the biennium ending August 31, 2009.

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
2008	(\$35,408)
2009	(\$31,877)
2010	(\$31,911)
2011	(\$31,967)
2012	(\$32,025)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1
2008	(\$35,408)
2009	(\$31,877)
2010	(\$31,911)
2011	(\$31,967)
2012	(\$32,025)

Fiscal Year	Change in Number of State Employees from FY 2007
2008	0.5
2009	0.5
2010	0.5
2011	0.5
2012	0.5

Fiscal Analysis

The bill would allow an individual entitled to a veteran's employment preference who is aggrieved by a decision of a public entity or public work of this state to appeal the decision in the manner prescribed for an appeal of an unlawful employment practice under current law.

Methodology

Under current federal law and state law, veteran's preference is not a protected class as it relates to employment discrimination. The Texas Workforce Commission does not currently receive funding from the Equal Employment Opportunity Commission (EEOC) to investigate employment discrimination based on veteran's employment preference.

It is assumed that the number of veteran's preference complaints will be similar to the number of complaints filed by Texas federal workers with the Office of Personnel Management.

According to the federal Office of Personnel Management (OPM), the average number of federal employees in Texas over the period 2004-2006 is 1,683,966. An average of 100 annual complaints is equivalent to a rate of 1 claim per every 16,840 employees. According to the State Auditor's Office, the number of state employees as of February 28, 2007, was 269,104. Comparing the ratio of complaints by federal employees, $(269,140 / 16,840)$ the comparable number for state employee complaints would be 15.9, rounded to 16 complaints per year.

It is estimated that 0.50 full-time equivalents (FTE) in the position of an Investigator V would be needed to handle this case load, assuming 16 cases per year. The costs of 0.50 FTEs, including salaries, benefits, space, supplies, and one-time furniture and equipment costs is estimated to be \$35,408 in fiscal year 2008 and on-going costs of \$31,877 in fiscal year 2009.

Technology

No impact to technology is anticipated from implementation of provisions of the bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission, 403 Veterans Commission

LBB Staff: JOB, ES, EP