

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 23, 2007

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

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

IN RE: HB3037 by Rose (Relating to employment leave to comply with certain family or medical obligations; providing a civil penalty.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3037, Committee Report 1st House, Substituted: a negative impact of (\$348,876) 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 | (\$178,938) |
| 2009 | (\$169,938) |
| 2010 | (\$169,938) |
| 2011 | (\$169,938) |
| 2012 | (\$169,938) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable (Cost) from GENERAL REVENUE FUND 1 | Change in Number of State Employees from FY 2007 |
|--------------------|--|---|
| 2008 | (\$178,938) | 2.5 |
| 2009 | (\$169,938) | 2.5 |
| 2010 | (\$169,938) | 2.5 |
| 2011 | (\$169,938) | 2.5 |
| 2012 | (\$169,938) | 2.5 |

Fiscal Analysis

The bill would amend the Labor Code relating to employment leave to comply with certain family or medical obligations. The bill would also require penalty revenue to be deposited to the credit of the General Revenue Fund.

This bill would take effect September 1, 2007. In addition, the bill would require TWC to adopt associated rules by November 1, 2007 and the provisions of the bill relating to employee absences would not take effect until January 1, 2008.

Methodology

In determining the number of complaints that could be received in Texas, TWC relied on information provided by the U.S. Department of Labor, Wage and Hour Division (USDOL), which administers the Federal Family Medical Leave Act (FMLA). TWC estimates the number of USDOL FMLA complaints received for Texas which result in investigations per year is approximately 121. Based on this analysis TWC estimates 2.5 Investigator III positions will be needed to implement these provisions.

Estimates provided by TWC include costs associated with creating forms, publications, mailing, database maintenance and salaries. Total cost for fiscal year 2008 includes: salaries and wages (\$110,108); benefits (\$31,150); administrative and support costs (\$22,022); equipment (\$5,728); professional services, rent, and travel costs (\$1,410); and other costs (\$8,520). Total cost of \$169,938 each fiscal year for fiscal years 2009-2012 includes: salaries and wages (\$110,108); benefits (\$31,150); administrative and support costs (\$22,022); equipment (\$5,248); and professional services, rent, and travel costs (\$1,410).

The Office of the Attorney General anticipates any legal work resulting from the passage of this bill could be reasonably absorbed with current resources. Based on the analysis of the Comptroller of Public Accounts and the Teacher Retirement System it is assumed that costs associated with duties and responsibilities of implementing the provisions of the bill could be absorbed utilizing existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 323 Teacher Retirement System

LBB Staff: JOB, TGI, JRO, MW, NV