

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 11, 2013

TO: Honorable René Oliveira, Chair, House Committee On Business & Industry

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1955 by Thompson, Senfronia (Relating to the employment of domestic workers and hotel workers; providing an administrative penalty.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1955, As Introduced: a negative impact of (\$2,837,393) through the biennium ending August 31, 2015.

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
2014	(\$1,202,708)
2015	(\$1,634,685)
2016	(\$2,163,564)
2017	(\$2,125,720)
2018	(\$2,125,960)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2013
2014	(\$1,202,708)	13.0
2015	(\$1,634,685)	19.0
2016	(\$2,163,564)	25.5
2017	(\$2,125,720)	25.5
2018	(\$2,125,960)	25.5

Fiscal Analysis

The bill would amend the Labor Code relating to the employment of domestic workers and hotel workers. The bill authorizes the Texas Workforce Commission (TWC) to review and resolve complaints filed under provisions of the bill. The bill authorizes TWC to adopt rules to administer the chapter, provides definitions, and provides that the rights provided to domestic and hotel workers are cumulative of all other rights to which such workers are entitled under other law.

This bill would take effect September 1, 2013.

Methodology

Based on available labor market and career information data, TWC anticipates that in fiscal year 2014 there will be approximately 37,886 private household workers and approximately 82,937 hotel housekeepers that would be covered under the provisions of the bill. TWC anticipates that the initial complaint rate will be lower during the first two fiscal years because protections for these classifications currently do not exist; however, it is assumed that the number of complaints would gradually increase thereafter. TWC expects approximately a 2 percent complaint rate in fiscal year 2014, a 3 percent complaint rate in fiscal year 2015, and a 4 percent complaint rate in fiscal years 2016-2018.

According to TWC, the agency would require 13 new staff in fiscal year 2014, 19 new staff in fiscal year 2015 and 25.5 new staff in fiscal years 2016-2018 to implement the provisions of the bill. Total costs are estimated at \$1,202,708 in fiscal year 2014, \$1,634,685 in fiscal year 2015, \$2,163,564 in fiscal year 2016, \$2,125,720 in fiscal year 2017 and \$2,125,960 in fiscal year 2018 for salary, technology expenses and other operating expenses.

Technology

For the purpose of this analysis, TWC estimates it will take approximately 650 hours at a one-time cost of \$38,333 in fiscal year 2014 to develop a complaint tracking application that will provide tracking of complaints through a WEB user interface. The application will allow for receipt of fax, e-mail, and paper complaints; capture data from all complaint formats; provide storage and retrieval of documents; and generate reports.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 320 Texas Workforce Commission

LBB Staff: UP, RB, MW, NV