

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 5, 2015

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB860** by Rodriguez, Eddie (Relating to employer retaliation against employees who seek recovery of unpaid wages and procedures in wage claim hearings conducted by the Texas Workforce Commission; providing administrative penalties.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB860, As Introduced: an impact of \$0 through the biennium ending August 31, 2017.

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
2016	\$0
2017	\$0
2018	\$0
2019	\$0
2020	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>Unempl Comp Sp Adm Acct</i> 165	Probable (Cost) from <i>Unempl Comp Sp Adm Acct</i> 165	Change in Number of State Employees from FY 2015
2016	\$256,000	(\$248,935)	2.8
2017	\$256,000	(\$228,280)	2.8
2018	\$256,000	(\$228,280)	2.8
2019	\$256,000	(\$228,280)	2.8
2020	\$256,000	(\$228,280)	2.8

Fiscal Analysis

This bill would amend the Labor Code relating to employer retaliation against employees who seek recovery of unpaid wages and procedures in wage claim hearings conducted by the Texas

Workforce Commission; providing administrative penalties.

This bill would require TWC to create a complaint form necessary to implement an administrative process for investigating retaliation complaints. The bill would also require the administrative penalty against employers for retaliation to be included with the preliminary wage determination order which would provide appeal rights. The bill would provide for an administrative penalty against employers found to have retaliated against employees for seeking assistance in collecting unpaid wages. The bill would require the agency to adopt rules to implement the provisions of the bill.

This bill would take effect September 1, 2015.

### **Methodology**

Based on information provided by TWC, it is estimated that the agency would receive approximately 320 annual retaliation complaints associated with the provisions of the bill. TWC would require 2.8 new investigators to handle the increased workload. The agency estimates that these positions would require recurring costs of \$143,357 in salaries and \$48,569 in related support and benefit costs each fiscal year, and an initial one-time start up cost of \$5,385 for the purchase of technology equipment for the additional FTEs. Additional program costs include \$36,354 in recurring costs and \$15,270 in one-time start up costs in fiscal year 2016.

Estimated combined technology and administrative costs would total \$248,935 in fiscal year 2016 and \$228,280 in each subsequent fiscal year totaling \$1,162,055 for the five year period.

TWC estimates that the mandatory \$1,000 retaliation penalty created under the provisions of the bill would generate approximately \$256,000 each year, which would be deposited in the Unemployment Insurance Special Administration Fund established under Subchapter E, Chapter 203, Texas Labor Code.

### **Technology**

TWC estimates nonrecurring technology costs of \$5,385 in fiscal year 2016 related to the purchase of equipment for the anticipated 2.8 FTEs needed to carry out the provisions of the bill.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 320 Texas Workforce Commission

**LBB Staff:** UP, CL, NV, JLi