

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 7, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1524 by Farrar (Relating to the languages in which certain labor and employment notices must be provided.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1524, As Introduced: a negative impact of (\$16,857,021) 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	(\$9,075,594)
2017	(\$7,781,427)
2018	(\$7,781,427)
2019	(\$7,781,427)
2020	(\$7,781,427)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Probable (Cost) from Unempl Comp Sp Adm Acct 165	Probable Revenue Gain from Dept Ins Operating Acct 36	Probable (Cost) from Dept Ins Operating Acct 36
2016	(\$9,075,594)	(\$182,877)	\$487,605	(\$487,605)
2017	(\$7,781,427)	(\$26,640)	\$481,605	(\$481,605)
2018	(\$7,781,427)	(\$26,640)	\$481,605	(\$481,605)
2019	(\$7,781,427)	(\$26,640)	\$481,605	(\$481,605)
2020	(\$7,781,427)	(\$26,640)	\$481,605	(\$481,605)

Fiscal Year	Change in Number of State Employees from FY 2015
2016	19.0
2017	6.0
2018	6.0
2019	6.0
2020	6.0

Fiscal Analysis

This bill would amend the Labor Code relating to the language in which certain labor and employment notices must be provided. This bill would require the Texas Workforce Commission (TWC) and the Texas Department of Insurance Division of Workers Compensation (TDI) to provide any notice that the two entities are required to provide under the Texas Payday Law, Texas Unemployment Compensation Act (TUCA), and Texas Workers Compensation Act (TWCA), in the two languages that are most commonly spoken in Texas. This bill would take effect September 1, 2015.

Methodology

Based on information provided by TWC, it is estimated that the agency would be required to translate approximately 500 decisions per workday related to the Texas Payday Law and TUCA. TWC would require recurring costs of \$5,170,600 for professional translating services and \$2,637,467 for mailing costs, and an initial one-time start up cost of \$1,450,404 for 13.0 FTEs to make necessary modifications to current TWC systems.

Based on information provided by TDI, it is estimated that the agency would require 6.0 additional FTEs to translate approximately 12,000 annual notifications related to TWCA. The agency estimates that these positions would require recurring costs of \$351,438 in salaries and \$113,796 in related support and benefit costs each fiscal year. Additional program costs include a one-time start up cost of \$6,000 for technology and \$16,371 for ongoing operating expenses.

This analysis assumes that expenses related to the Texas Payday Law will be paid from General Revenue-Dedicated Fund 165, expenses related to TUCA will be paid from the General Revenue Fund, and expenses related to TWCA will be paid from General Revenue-Dedicated Fund 36. Since Fund 36 is a self-leveling account, this analysis assumes that TDI would adjust the assessment of the maintenance tax to account for any additional costs resulting from the implementation of the bill.

Technology

TWC estimates nonrecurring technology costs of \$1,450,404 in fiscal year 2016 related to the 13.0 FTEs needed to modify the agency's technology systems. Costs include \$942,861 in salaries and \$507,543 in related support and benefit costs. TDI estimates nonrecurring technology costs of \$6,000 in fiscal year 2016 related to technology equipment for the 6.0 additional FTEs. Combined costs for the two agencies total \$1,456,404.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission, 454 Department of Insurance

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