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Senate Finance Committee Delivers \$787 Million Pay Raise to State Employees

Committee Adopts Special Working Group Recommendations on State Employee Pay

(Austin)// The Senate Finance Committee today kept a promise to Texas state employees by adopting special recommendations for a significant state employee pay raise.

The committee approved a plan to boost funding for state employee pay by \$787 million over the 2002-2003 biennium. Last session, with a larger budget surplus to work with, the legislature provided a \$300 million pay raise for all state employees.

The plan includes a 5 percent across-the-board pay raise for state employees with more than 1 year of experience and, to reward and help retain experienced employees, reduces the length of service needed before receiving a longevity pay increase from 5 years to 3 years.

For Texas Department of Criminal Justice employees, the committee approved \$250 million for a 5 percent across the board employee pay raise, and to increase hazardous duty pay for correctional and front line Department of Public Safety officers. These increases include the \$78.3 million interim pay raise for correctional officers approved last summer and already included in the base budget for 2002-2003. Under this plan, the average Texas correctional officer will receive an additional \$2,040 annual raise.

The committee also adopted a recommendation to reclassify certain "front line" jobs in order to further increase their salaries, including certain Mental Health and Mental Retardation, Texas Youth Commission and Protective and Regulatory Services employees. This will be in addition to the across-the-board pay raise recommended for all state employees.

The recommendations are the result of the work of the State Employee Compensation Working Group. Chaired by Senator Gonzalo Barrientos (D-Austin), the working group was created to investigate staffing issues at Texas state agencies and determine the best method to provide a state employee pay raise under current budget constraints. Senator Chris Harris (R-Arlington), Senator Tom Haywood (R-Wichita Falls), and Senator Carlos Truan (D-Corpus Christi) also served on the working group.

"It is no secret that state employees have been my top priority this legislative session," said Senator Barrientos. "We have worked diligently to do the best for our state employees possible considering a difficult budget year. I am proud of what we have done with what we had to work with." "This committee, given the limited resources available this biennium, attempted to benefit the highest number of public sector employees possible while giving consideration to those groups which have the greatest need," said Senator Harris.

"I am very gratified by the pay raise we were able to get for state employees, inadequate as it was," said Senator Haywood. "It was not an easy task to accomplish."

"State government would not exist without state employees," said Truan. "So I am very pleased that we were able to find funds for a pay raise. It is not as much as we would have wanted, but it is the best we could do given our current budget situation."

State employee issues, such as low pay and staffing shortages, have gained increased attention in recent months. Overall, low pay and other issues have contributed to a staff turnover rate of 18.9 percent in Texas state agencies, and it has reached dangerous levels in some areas. For example, the Department of Mental Health and Mental Retardation last year faced a shortfall of 34 percent, and the Department of Criminal Justice reported a shortfall of 2,500 correctional officers in Texas prisons. The day of the prison breakout at the Connally Unit, there were only 94 employees to do the work of 127 workers.

Texas' staffing troubles impact not only the effectiveness of state agencies, but the health of the state budget. According to the State Auditor, high turnover rates in state agencies will cost Texas \$500 million over the biennium. Because wages for state workers have not kept up with the pace of the high tech economy, Texas' state employees

now earn 11 percent less than their counterparts in the private sector. Of the 10 largest states, only Georgia offer less pay to state employees than Texas.

"Securing a real pay increase for hard-working Texas state employees is one of the top issues facing Texas and clearly one of the top concerns of this committee," said Chairman Rodney Ellis (D-Houston). "Back in January, I offered only one promise: we will do our best. The members of the working group and this committee worked diligently to make the goal of a state employee pay raise a reality and deserve the praise of all Texans. Given our budget constraints, we have provided a real pay raise that will significantly help Texas state employees and their families."

Senate Finance Committee Salary Recommendations

Amount to Spend:

\$563 Million General Revenue / \$787 Million All Funds

The Article IX workgroup and the Senate recognize the value of state employees and attempted to utilize available revenue to do as much as possible for each of them.

Several groups of state employees are on the front line everyday. They have difficult jobs and an extremely high turnover rate. The State Auditor has produced an extensive study to reclassify these positions. Exceeding the State Auditors recommendations, these selected groups of employees will be reclassified to a higher level. These groups are within MHMR, TYC, and PRS. This will be in addition to an across-the-board raise we will recommend for all state employees.

Correctional and Juvenile Corrections Employees

Another very important group of state employees are the Texas Department of Criminal Justice Correction Officers and Juvenile Correction Officers at the Texas Youth Commission. We recommend that they receive the across-the-board 5 percent raise with a cost of \$139,785,301 plus an additional \$6 per month, per year of service the first year of the biennium and a second \$6 per month, per year in the second year of the biennium with a cost of \$ 31,932,386. A correctional officer with 10 years of service who is currently making \$28,380 would receive an increase of \$2,379 in 2002 and a total of \$3,243 in 2003 above their 2001 salary. This supplemental income will also apply to law enforcement officers and JCOs. Additionally, fully funding the interim pay raise for correctional officers that was done last summer will increase their salaries by \$78.3 million.

Annual 5 Percent TDCJ CO and TYC JCO Raise	\$139,785,301
CO and JCO Supplement	\$ 31,932,386
Interim Raise for TDCJ Officers in Base	\$ 78,389,000
TDCJ CO and TYC JCO Total	\$250,106,687

All State Employees

We recognize all state employees by recommending a 5 percent across-the-board raise. However, in order to reward tenured employees, we limited this raise to employees with more than 1 year of experience. In addition, we recommend to make \$100 per month the minimum raise any employee would receive. We also help our employees by reducing periods required for the longevity increases from 5 years down to 3 years.

Total Cost for all Recommendations	
Reallocation of TYC for Pay Parity	\$ 5,555,030
MHMR Front Line Workers	\$ 10,189,337
Non-Faculty Higher Education 5 Percent Raise	\$171,549,001
Non-Faculty Higher Education Longevity	\$ 6,853,206
Non-Faculty Higher Education Total This Biennium	\$178,402,207
State Workers 5 Percent Raise	\$303,633,660
Longevity	\$ 16,343,049
Schedule C \$100 per month	\$ 3,009,592
Schedule C, CO, and JCO Supplement	\$ 43,693,997
Judiciary Staff	\$ 2,399,599
General Revenue Pay Total	\$563,221,048