

Senate Finance Committee, Workgroup on Compensation
 Senator Duncan, Leader
 Members: Senator Whitmire, Senator Zaffirini
 Decision Document

Decisions as of 3/5/13 at 7:30 p.m.

Compensation (Benefits) Total, Compensation (Benefits)	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 <u>2014-15 Biennial Total</u>		Pended Items <u>2014-15 Biennial Total</u>		Priority 1 <u>2014-15 Biennial Total</u>		Priority 2 <u>2014-15 Biennial Total</u>	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
Employees Retirement System								
Total, Outstanding Items / Tentative Decisions	\$ 265,412,385	\$ 412,145,726			\$ 52,124,652	\$ 77,798,823		
Total, Full-time Equivalents / Tentative Decisions	0.0	0.0			0.0	0.0		
Teachers Retirement System								
Total, Outstanding Items / Tentative Decisions	\$ 374,113,160	\$ 395,720,208			\$ 103,383,979	\$ 124,385,467		
Total, Full-time Equivalents / Tentative Decisions	13.0	15.0			28.0	28.0		
Optional Retirement Program								
Total, Outstanding Items / Tentative Decisions	\$ -	\$ -			\$ -	\$ -	\$ 12,390,227	\$ 12,390,227
Total, Full-time Equivalents / Tentative Decisions	0.0	0.0			0.0	0.0	0.0	0.0
Higher Education Group Insurance								
Total, Outstanding Items / Tentative Decisions	\$ -	\$ -			\$ 45,005,927	\$ 45,005,927		
Total, Full-time Equivalents / Tentative Decisions	0.0	0.0			0.0	0.0		
Department of Criminal Justice								
Total, Outstanding Items / Tentative Decisions	\$ 17,630,504	\$ 17,630,504			\$ -	\$ -	\$ 10,578,302	\$ 10,578,302
Total, Full-time Equivalents / Tentative Decisions	0.0	0.0			0.0	0.0	0.0	0.0
Total, Outstanding Items / Tentative Decisions	\$ 657,156,049	\$ 825,496,438	\$ -	\$ -	\$ 200,514,558	\$ 247,190,217	\$ 22,968,529	\$ 22,968,529
	FY 2010	FY 2011	FY 2010	FY 2011	FY 2010	FY 2011	FY 2010	FY 2011
Total, Full-time Equivalents / Tentative Decisions	13.00	15.00	0.00	0.00	28.00	28.00	0.00	0.00

Article I, General Government Employees Retirement System	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2014-15 Biennial Total		Pended Items 2014-15 Biennial Total		Priority 1 2014-15 Biennial Total		Priority 2 2014-15 Biennial Total	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
Technical Adjustments:								
1. None.								
Performance Review & Other Budget Recommendations								
1. None.								
Agency Requests:								
1. Provide the constitutional maximum level of funding, 10 percent, to the ERS Retirement fund. This level of funding, with maximum employee contribution of 6.5 percent, is not enough to reach the actuarially sound contribution level of 18.25 percent. An increase of 1.75 percent to the state contribution rate would cost another \$199,981,250 in All Funds (\$129,051,225 in GR and GR-Dedicated). Also revise Rider 1, Information Listing of Appropriated Funds and Rider 4, State Contribution to Employees Retirement Program. Workgroup decision: Provide incremental state matching retirement contribution increase from 6.5 percent in FY 2014 to 7.65 percent in FY 2015.	\$ 258,102,449	\$ 399,962,500			\$ 44,814,716	\$65,615,597		
2. Provide an actuarially sound level of funding to the Judicial Retirement System - Plan II (JRS-II), which is an increase of 9.02 percent from the recommended funding level. (Total contribution rate based on an average member contribution of 6.48 percent and a state contribution of 15.52 percent). Also revise Rider 1, Information Listing of Appropriated Funds and Rider 5, State Contribution to Judicial Retirement Program (JRS - 2).	\$ 7,309,936	\$ 12,183,226			\$ 7,309,936	\$ 12,183,226		
Total, Exceptional Items / Tentative Decisions	\$ 265,412,385	\$ 412,145,726	\$ -	\$ -	\$ 52,124,652	\$ 77,798,823	\$ -	\$ -
	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015
Total, Full-time Equivalents / Tentative Decisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Article III, Public Education Teacher Retirement System	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 <u>2014-15 Biennial Total</u>		Pended Items <u>2014-15 Biennial Total</u>		Priority 1 <u>2014-15 Biennial Total</u>		Priority 2 <u>2014-15 Biennial Total</u>	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
Technical Adjustments:								
1. None.								
Performance Review & Other Budget Recommendations								
1. None.								
Agency Requests:								
1. State Retirement Contributions. Item would provide for incremental state matching retirement increases to 6.9 percent in FY14 and 7.4 percent in FY15. Workgroup Decision: Provide a 6.4 percent state contribution rate in FY 2014 and increase to 6.7 percent in FY 2015 and fund Public Community/Junior Colleges retirement contribution at 50 percent of benefit cost.	\$ 374,113,160	\$ 374,718,720			\$ 103,383,979	\$ 103,383,979		
2. TRS Enterprise Application Modernization (TEAM). Item would provide additional funding for the TEAM technology initiative.	\$ -	\$ 19,247,242			\$ -	\$ 19,247,242		
3. Full-time Equivalent Positions. Item would increase funding for additional TEAM and administrative operations FTE positions dedicated to TEAM related activities, open records requests, and transparency demands. (13 FTEs) Workgroup Decision: Increase FTE cap from 475.3 to 503.3 for the 2014-15 biennium.	\$ -	\$ 1,754,246			\$ -	\$ 1,754,246		
Total, Exceptional Items / Tentative Decisions	\$ 374,113,160	\$ 395,720,208	\$ -	\$ -	\$ 103,383,979	\$ 124,385,467	\$ -	\$ -
	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015
Total, Full-time Equivalents / Tentative Decisions	13.0	15.0	0.0	0.0	28.0	28.0	0.0	0.0

Article III, Public Education Optional Retirement Program	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in HB/SB 1 <u>2014-15 Biennial Total</u>		Pended Items <u>2014-15 Biennial Total</u>		Priority 1 <u>2014-15 Biennial Total</u>		Priority 2 <u>2014-15 Biennial Total</u>	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
Technical Adjustments:								
1. Performance Measure Update. Item would revise performance measure target to reflect updated actual 2012 membership participation in the ORP and one percent annual growth in participation for 2013, 2014, and 2015.					Adopt			
<u>Performance Review & Other Budget Recommendations</u>								
1. None.								
<u>Agency Requests:</u>								
1. None.								
<u>Member Requests</u>								
1. State Retirement Contributions - Incremental state matching retirement contribution increase from 6.4 percent in FY 2014 to 6.7 percent in FY 2015.							\$ 12,390,227	\$ 12,390,227
Total, Exceptional Items / Tentative Decisions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,390,227	\$ 12,390,227
	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015
Total, Full-time Equivalents / Tentative Decisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Article III - Higher Education Employees Group Insurance Contributions	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in HB/SB 1 2014-15 Biennial Total		Pended Items 2014-15 Biennial Total		Priority 1 2014-15 Biennial Total		Priority 2 2014-15 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
<u>Technical Adjustments:</u>								
1. None.								
<u>Performance Review & Other Budget Recommendations</u>								
1. None.								
<u>Agency Requests:</u>								
1. Increase the premium contribution rates by 37.5 percent of the difference between 2010-11 rates compared to 2014-15 recommended rates for UT System, A&M System, and the Employees Retirement System employees at Institutions of Higher Education, excluding Public Community and Junior Colleges.					\$ 45,005,927	\$ 45,005,927		
Total, Exceptional Items / Tentative Decisions	\$ -	\$ -	\$ -	\$ -	\$ 45,005,927	\$ 45,005,927	\$ -	\$ -
	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015
Total, Full-time Equivalents / Tentative Decisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Article V, Public Safety and Criminal Justice Department of Criminal Justice	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 <u>2014-15 Biennial Total</u>		Pended Items <u>2014-15 Biennial Total</u>		Priority 1 <u>2014-15 Biennial Total</u>		Priority 2 <u>2014-15 Biennial Total</u>	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
Technical Adjustments:								
1. None.								
Performance Review & Other Budget Recommendations								
1. None.								
Agency Requests:								
1. Community supervision and corrections departments (CSCDs) state health insurance cost increases. Per statute, CSCDs employees health insurance is provided through the Employees Retirement System and paid for from TDCJ appropriations.	\$17,630,504	\$ 17,630,504					\$ 10,578,302	\$ 10,578,302
Total, Exceptional Items / Tentative Decisions	\$ 17,630,504	\$ 17,630,504	\$ -	\$ -	\$ -	\$ -	\$ 10,578,302	\$ 10,578,302
	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015
Total, Full-time Equivalents / Tentative Decisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0