
OVERVIEW OF THE EFFECTIVENESS OF TARGETED PAY RAISES

Targeted pay raises affect a small, defined subset of Texas state employees. The Legislature has used these types of pay raises to improve retention in certain high-turnover jobs and to maintain a competitive salary relationship between state agency positions and similar positions in a relevant labor market. Since the 2010–11 biennium, 15 General Appropriations Act provisions or other actions by the Legislature have provided funding for targeted pay raises.

Legislative Budget Board staff analyzed targeted pay raises enacted during three recent biennia. This analysis indicated that the positions targeted for raises typically had higher voluntary separation rates before the targeted pay raise than positions not targeted for pay raises. Voluntary separation rates for most of these positions decreased during the year following the pay raise.

FACTS AND FINDINGS

- ◆ Since the 2010–11 biennium, there have been 15 General Appropriations Act provisions or other actions that provide funding for targeted pay raises. These raises have affected 16 agencies (counting the 14 Courts of Appeal as a single entity) and 144,794 state employees. The pay increases had a combined value of approximately \$747.8 million in All Funds, including approximately \$612.1 million in General Revenue Funds. These totals represent the marginal cost increase during the year the raises were authorized and not the ongoing cost to maintain them.
- ◆ Legislative Budget Board staff analysis indicates that lower-paid workers are the most likely employees to voluntarily separate and to involuntarily separate from employment. During fiscal year 2017, the voluntary separation rate for employees who earned less than \$30,000 per year was 22.2 percent, compared to 11.3 percent for all state employees.
- ◆ Most of the positions targeted for pay raises from fiscal years 2010 to 2017 had relatively higher rates of voluntary separation than positions not targeted for pay raises. In most cases, the positions that received targeted pay raises had decreases in the voluntary separation rates relative to the nontargeted positions.

- ◆ The targeted pay raises that were not associated with a decrease in a position's voluntary separation rate were in child welfare and corrections. Targeted raises do not address working conditions or caseloads. Research indicates that job satisfaction, work environment, and stress are important factors in voluntary separations in these disciplines.
- ◆ Voluntary separations from the Department of Family and Protective Services for staff who received a targeted pay raise decreased substantially relative to nontargeted positions during calendar year 2017 following a critical needs package approved in December 2016. Unlike previous targeted pay raises for workers at the agency, the critical needs package included components to improve both the work environment and increase quality of service by decreasing caseloads.

DISCUSSION

Targeted pay raises differ from across-the-board pay raises in that they affect a small, defined subset of state employees. The Legislature has used targeted pay raises to improve retention in certain high-turnover positions and to maintain a competitive salary relationship between state agency positions and similar positions in a relevant labor market. For instance, the Legislature has appropriated funds specifically for pay raises for direct care staff at State Supported Living Centers and for commissioned law enforcement (State Salary Schedule C) employees.

Provisions that provided funding for targeted pay raises were included in the 2010–11, 2014–15, and 2016–17 biennial General Appropriations Acts (GAA). In addition, the critical needs funding approved for the Department of Family and Protective Services (DFPS) in December 2016 included pay raises for certain employees. In total, these provisions have affected 16 agencies (counting the 14 Courts of Appeal as a single entity) and 144,794 state employees. The pay increases had a combined value of approximately \$747.8 million in All Funds, including approximately \$612.1 million in General Revenue Funds. These totals represent the marginal cost increase during the year the raises were authorized and not the ongoing cost to maintain them. **Appendices A, B, and C** show the agencies, employees, and appropriations for these

**FIGURE 1
TARGETED PAY RAISES FOR STATE EMPLOYEES IN THE GENERAL APPROPRIATIONS ACTS, 2010–11, 2014–15, 2016–17 BIENNIA, AND CRITICAL NEEDS FUNDING APPROVED DECEMBER 2016**

AGENCY	STAFF	ALL FUNDS	GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS	BIENNIUM OF TARGETED PAY RAISE(S)
Texas State Library and Archives Commission	69	\$400,000	\$400,000	2016–17
Department of Family and Protective Services	14,465	\$82,293,917	\$80,070,058	2014–15; 2016–17
Health and Human Services Commission (1)	16,105	\$60,770,508	\$35,816,909	2014–15
Supreme Court of Texas	25	\$289,000	\$289,000	2014–15
Court of Criminal Appeals	46	\$482,439	\$482,439	2014–15
14 Courts of Appeal	299	\$4,052,516	\$4,052,516	2014–15
Office of Court Administration, Texas Judicial Council	59	\$204,642	\$105,884	2014–15
Texas Alcoholic Beverage Commission	725	\$5,184,750	\$5,184,750	2010–11; 2014–15; 2016–17
Texas Department of Criminal Justice	94,818	\$441,443,935	\$441,443,935	2010–11; 2014–15; 2016–17
Texas Juvenile Justice Department	4,032	\$10,263,804	\$10,263,804	2014–15
Department of Public Safety	10,925	\$95,157,696	\$878,254	2010–11; 2014–15; 2016–17
Texas Commission on Environmental Quality	266	\$2,000,000	\$2,000,000	2016–17
Parks and Wildlife Department	2,646	\$24,591,018	\$24,310,286	2010–11; 2014–15; 2016–17
Railroad Commission of Texas	314	\$3,600,000	\$3,600,000	2014–15
Total	144,794	\$747,755,316	\$612,119,484	

NOTES:

(1) The Health and Human Services Commission amounts include provisions affecting positions previously at the Department of Aging and Disability Services and Department of State Health Services.

(2) Allocations for additional benefits were included in the provision affecting State Salary Schedule C employees.

SOURCES: Legislative Budget Board; Texas State Library and Archives Commission; Department of Family and Protective Services; Health and Human Services Commission; Supreme Court of Texas; Court of Criminal Appeals; Courts of Appeal; Office of Court Administration, Texas Judicial Council; Texas Alcoholic Beverage Commission; Texas Department of Criminal Justice; Department of Public Safety; Texas Commission on Environmental Quality; Parks and Wildlife Department; Railroad Commission of Texas.

targeted pay raises by biennium. Legislative Budget Board (LBB) staff analysis excludes provisions that authorized pay raises that included expansions of responsibilities or working hours, such as a provision in the Eighty-fourth Legislature, GAA, 2016–17 Biennium, that authorized funding to attain a 50.0-hour work week for Department of Public Safety (DPS) commissioned law enforcement officers. **Figure 1** shows, in GAA order, the agencies, employee counts, and appropriations associated with these provisions.

EFFECTS OF TARGETED PAY RAISES

Each state agency reports personnel actions to the Comptroller of Public Accounts (CPA) using one of three systems:

- the Standardized Payroll/Personnel Reporting System;
- the Human Resource Information System; or
- the Centralized Accounting and Payroll/Personnel System.

FIGURE 2
CHANGE IN VOLUNTARY SEPARATION RATE FOR SALARY GROUPS OF STATE EMPLOYEES
FISCAL YEARS 2008 AND 2017

SALARY RANGE	VOLUNTARY SEPARATION RATE		
	2008	2017	PERCENTAGE CHANGE
Less than \$30,000	18.2%	22.2%	21.8%
\$30,000 to \$40,000	8.9%	16.1%	80.9%
\$40,000 to \$50,000	5.6%	7.1%	27.4%
\$50,000 to \$60,000	4.5%	6.1%	37.2%
\$60,000 to \$70,000	4.0%	4.9%	22.2%
\$70,000 to \$80,000	3.5%	3.5%	(0.8%)
\$80,000 to \$90,000	2.7%	2.8%	3.8%
\$90,000 to \$100,000	3.8%	3.9%	4.4%
More than \$100,000	4.5%	3.1%	(31.0%)
Total	10.7%	11.3%	5.5%

SOURCE: Legislative Budget Board.

Agencies report wages paid, salary actions, changes in employment information, and reasons for employee separation from the agency. CPA provides this information to the State Auditor's Office, Classification Team, which provided LBB staff with a deidentified version of this data. LBB staff used this data to analyze trends in separation from employment for all employees and for those who work in positions that the Legislature targeted for pay raises. LBB staff compared those trends to trends in the positions that did not receive pay raises.

During fiscal year 2017, the state averaged approximately 155,399 employees, excluding employees of Institutions of Higher Education, and had 17,498 voluntary separations from state agency employment and 6,649 involuntary separations. Involuntary separations include termination at will, dismissal for cause, decrease in workforce, and resignation in lieu of involuntary separation. Based on this analysis, lower-paid workers are the most likely employees to voluntarily separate and to involuntarily separate from employment.

During fiscal year 2017, the voluntary separation rate (total voluntary separations divided by total number of employees) for employees who earned less than \$30,000 per year was 22.2 percent. The voluntary separation rate for all state employees was 11.3 percent. During 2017, 81.6 percent of state employees who voluntarily separated earned less than \$50,000 per year.

From fiscal years 2008 to 2017, the voluntary separation rate increased for all salary groups included in this analysis (by \$10,000 increments, starting with less than \$30,000) except for two groups. The rate for employees who earned from \$70,000 to \$80,000 decreased less than 1.0 percent, and the rate for employees who earned more than \$100,000 per year decreased by 31.6 percent. For every salary group, the voluntary separation rate was lowest during either fiscal years 2009 or 2010. At the end of fiscal year 2009, the Legislature provided a onetime payment of \$800 for state employees who had been in continuous employment with their state agencies from March 2009 to August 2009. **Figure 2** shows the change in voluntary separation rate for different salary groups from fiscal years 2008 to 2017. Salaries include direct compensation only and exclude benefits.

TARGETED PAY RAISES

With the exception of the positions targeted by the Eighty-first Legislature, Regular Session, 2009, the positions that the Legislature targeted for pay raises from fiscal years 2010 to 2017 had relatively higher voluntary separation rates before the targeted pay raises than positions that were not targeted for pay raises. One way to identify whether an effect was likely from the targeted pay raise on voluntary separation rates is to use the positions that were not targeted for a pay raise as a control group.

Figure 3 shows a comparison of the voluntary separation rates of targeted positions and all other positions during the year before and the year after a targeted pay raise. The data

FIGURE 3
VOLUNTARY SEPARATION RATES AMONG STATE EMPLOYEES DURING THE YEAR BEFORE AND AFTER A TARGETED PAY RAISE, 2010–11 TO 2016–17 BIENNIA

BIENNIUM	POSITIONS	VOLUNTARY SEPARATION RATE		
		YEAR BEFORE TARGETED PAY RAISE	YEAR AFTER TARGETED PAY RAISE	PERCENTAGE POINT CHANGE
2010–11	Targeted Pay Raise	8.4%	7.7%	(0.7%)
	Nontargeted Pay Raise	8.4%	8.2%	(0.2%)
	Difference	0.0%	(0.5%)	(0.5%)
2014–15	Targeted Pay Raise	13.3%	13.0%	(0.3%)
	Nontargeted Pay Raise	8.7%	8.4%	(0.3%)
	Difference	4.6%	4.6%	0.0%
2016–17	Targeted Pay Raise	14.0%	12.9%	(1.1%)
	Nontargeted Pay Raise	9.3%	9.2%	(0.1%)
	Difference	4.7%	3.7%	(1.0%)
Department of Family and Protective Services Critical Needs, December 2016	Targeted Pay Raise	18.3%	10.4%	(7.8%)
	Nontargeted Pay Raise	10.3%	11.4%	(1.1%)
	Difference	7.9%	(1.0%)	(8.9%)

NOTE: Legislative Budget Board staff analysis compared the difference between the voluntary separation rates of targeted positions to nontargeted positions during the year before and after a targeted raise. A negative percentage-point change of the differences indicates that the targeted pay raise contributed to a decrease in the voluntary separation rate of targeted positions relative to nontargeted positions after the raise was implemented. If the percentage-point change of the differences is positive, then the voluntary separation rate of the targeted positions increased relative to the nontargeted positions. Values have been rounded.
 SOURCE: Legislative Budget Board.

shows the percentage-point change of the differences for the two populations. A more negative percentage-point change in the differences indicates a greater relative change in the separation rates. **Figure 3** shows that in all but the 2014–15 biennium, the percentage-point change of the differences is negative. This change indicates that those targeted pay raises may have contributed to decreases in the voluntary separation rates of the targeted positions relative to nontargeted positions. Typically, the relative decrease in the voluntary separation rates of the targeted positions lasts one year. Further analysis of all these pay raises, including those during the 2014–15 biennium, is shown in **Figure 3**.

2010–11 BIENNIA

The Eighty-first Legislature, GAA, 2010–11 Biennium, included four targeted pay-raise provisions. These provisions

included one affecting State Salary Schedule C employees at Texas Alcoholic Beverage Commission (TABC), Texas Department of Criminal Justice (TDCJ), Texas Parks and Wildlife Department (TPWD), and Department of Public Safety (DPS) and provisions targeting other positions at TPWD and TDCJ. **Appendix A** shows the agencies, employees, and appropriations for each of the targeted pay raises during the 2010–11 biennium. **Figure 4** shows the combined totals for these provisions in GAA order.

The targeted pay raises authorized by the 2010–11 GAA went into effect September 1, 2009. During fiscal years 2008 and 2009, the targeted pay raise positions had similar voluntary separation rates to the positions that did not receive pay raises. After the pay raises went into effect, the separation rates for both groups decreased during fiscal year 2010, with larger decreases for the targeted pay raise

**FIGURE 4
PROVISIONS INCLUDED IN THE GENERAL APPROPRIATIONS ACT, 2010–11 BIENNIUM, REGARDING TARGETED PAY RAISES FOR STATE EMPLOYEES**

AGENCY	STAFF	ALL FUNDS	GENERAL REVENUE FUNDS AND GENERAL
			REVENUE–DEDICATED FUNDS
Texas Alcoholic Beverage Commission	272	\$1,395,570	\$1,395,570
Texas Department of Criminal Justice	37,714	\$128,621,250	\$128,621,250
Department of Public Safety	3,612	\$19,335,454	\$0
Parks and Wildlife Department	1,614	\$14,936,576	\$14,655,844
Additional Benefits		\$3,768,000	\$688,260
Total	43,212	\$168,056,850	\$145,360,924

NOTE: Allocations for additional benefits were included in the provision affecting State Salary Schedule C employees.
SOURCES: Texas Alcoholic Beverage Commission; Texas Department of Criminal Justice; Department of Public Safety; Parks and Wildlife Department.

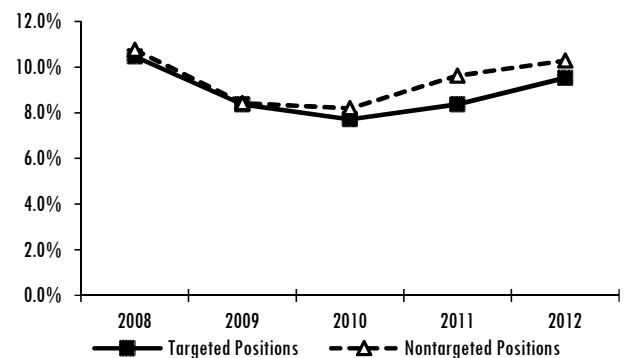
positions. **Figure 5** shows voluntary separation rates for both groups of positions from fiscal years 2008 to 2012.

2014–15 BIENNIUM

The Eighty-third Legislature, GAA, 2014–15 Biennium, included a provision authorizing pay raises for Salary Schedule C employees and a provision authorizing targeted pay raises at 10 agencies. **Appendix B** shows the agencies, employees, and appropriations for each of the targeted pay raises during the 2014–15 biennium. **Figure 6** shows the combined totals for these provisions.

The targeted pay raises authorized in the 2014–15 GAA included positions that employed approximately one-third of the state’s workforce. The 2014–15 GAA also included across-the-board salary increases of 1.0 percent for fiscal year 2014 and 2.0 percent for fiscal year 2015 for employees who did not receive targeted pay raises. The targeted pay raises went into effect at the beginning of fiscal year 2014. During the year before the targeted pay raise, the voluntary separation rate for employees in the targeted pay raise positions was 4.6 percentage points higher than for employees in nontargeted positions. After the implementation of the targeted pay raise, the difference in voluntary separation rates was unchanged at 4.6 percentage points. During fiscal year 2015, the voluntary separation rate of the targeted positions increased relative to nontargeted positions. During fiscal year 2015, the nontargeted positions received a 2.0 percent across-the-board salary increase, which might partially explain the relative increase in voluntary separation rate of the targeted positions in that year. **Figure 7** shows voluntary separation rates for both groups of positions from fiscal years 2011 to 2016.

**FIGURE 5
VOLUNTARY SEPARATION RATES FOR STATE EMPLOYEE POSITIONS TARGETED FOR PAY RAISES DURING THE 2010–11 BIENNIUM COMPARED TO NONTARGETED POSITIONS FISCAL YEARS 2008 TO 2012**



SOURCE: Legislative Budget Board.

These targeted pay raises occurred at a time when the voluntary separation rate of the targeted positions at DFPS had been increasing. From fiscal years 2011 to 2016, voluntary separations increased by 145.4 percent at DFPS and increased by 2.5 percent for the targeted positions at other state agencies. The voluntary separation rate of the targeted positions at DFPS increased by 6.4 percentage points during the same period, compared to a 1.0 percentage-point increase among state targeted positions.

LBB staff analyzed the effects of the pay raise on the targeted positions at DFPS and other state targeted positions separately to determine any effect on the positions at other agencies. During the year before the targeted pay raise, the voluntary separation rate of the targeted positions at DFPS

**FIGURE 6
TARGETED PAY RAISES FOR STATE EMPLOYEES INCLUDED IN THE EIGHTY-THIRD LEGISLATURE, GENERAL APPROPRIATIONS ACT, 2014–15 BIENNIUM**

AGENCY	STAFF	ALL FUNDS	GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS
Department of Aging and Disability Services	6,366	\$32,721,362	\$13,751,152
Department of Family and Protective Services	7,666	\$20,711,836	\$18,487,977
Department of State Health Services	2,863	\$14,790,336	\$14,790,336
Supreme Court of Texas	25	\$289,000	\$289,000
Court of Criminal Appeals	46	\$482,439	\$482,439
14 Courts of Appeal	299	\$4,052,516	\$4,052,516
Office of Court Administration, Texas Judicial Council	59	\$204,642	\$105,884
Texas Alcoholic Beverage Commission	452	\$3,784,402	\$3,784,402
Texas Department of Criminal Justice	27,824	\$122,564,693	\$122,564,693
Texas Juvenile Justice Department	1,420	\$5,988,086	\$5,988,086
Department of Public Safety	3,583	\$74,889,097	\$0
Parks and Wildlife Department	521	\$9,111,332	\$9,111,332
Railroad Commission of Texas	314	\$3,600,000	\$3,600,000
Additional Benefits (2)		\$13,020,073	\$2,308,961
Total	51,438	\$306,209,814	\$2,308,961

NOTES:

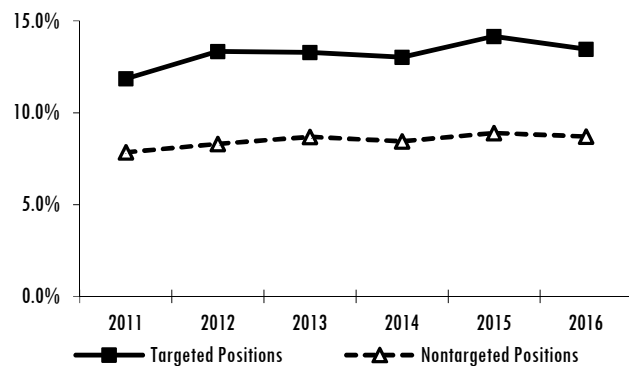
- (1) A targeted pay raise for nonstate employees at the University of Texas Medical Branch at Galveston and Texas Tech University Health Sciences Center was included in the Eighty-third Legislature, General Appropriations Act, 2014–15 Biennium, but excluded from this analysis.
- (2) Allocations for additional benefits were included in the provision affecting State Salary Schedule C employees.

SOURCES: Legislative Budget Board; Department of State Health Services; Department of Family and Protective Services; Supreme Court of Texas; Court of Criminal Appeals; Courts of Appeal; Office of Court Administration, Texas Judicial Council; Texas Alcoholic Beverage Commission; Texas Department of Criminal Justice; Texas Juvenile Justice Department; Department of Public Safety; Parks and Wildlife Department; Railroad Commission of Texas.

was 2.2 percentage points higher than for the nontargeted positions. During the year after the targeted pay raise, the voluntary separation rate of the targeted positions was 4.4 percentage points higher than for the nontargeted positions. This result suggests that the pay raise did not decrease the rate at DFPS. This result is consistent with research showing that stress, burnout, and a lack of job satisfaction can be more important than income as factors contributing to turnover in child welfare and social work positions.

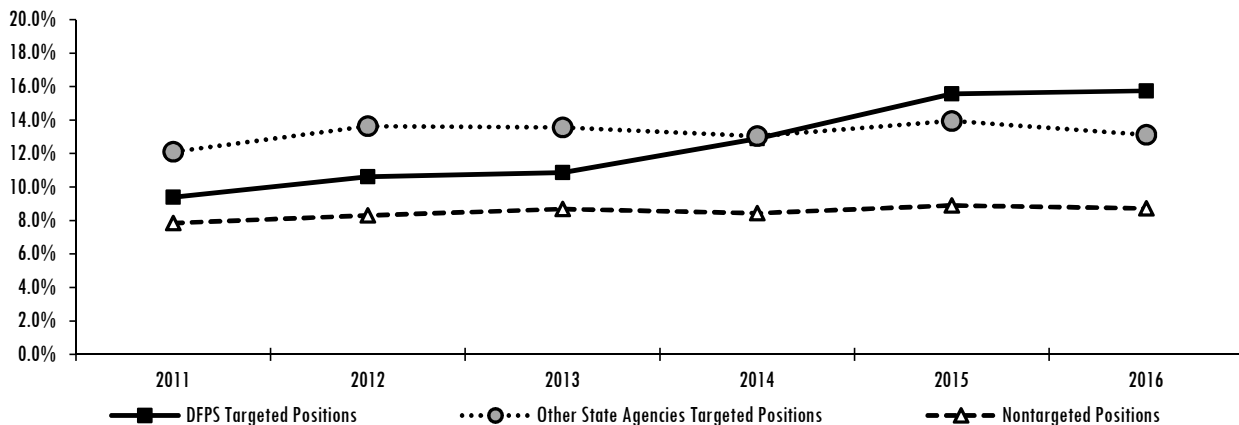
However, the voluntary separation rate among the targeted positions at other state agencies was 4.9 percentage points higher than the nontargeted positions during the year before the pay raise and 4.6 percentage points higher than the nontargeted positions during the year after the pay raise. The decrease in the differences indicates that the pay raise may have had the effect of decreasing voluntary separations rates among targeted positions relative to nontargeted positions.

**FIGURE 7
VOLUNTARY SEPARATION RATES FOR STATE EMPLOYEE POSITIONS TARGETED FOR PAY RAISES DURING THE 2014–15 BIENNIUM COMPARED TO NONTARGETED POSITIONS, FISCAL YEARS 2011 TO 2016**



SOURCE: Legislative Budget Board.

FIGURE 8
VOLUNTARY SEPARATION RATES OF POSITIONS AT THE DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES TARGETED FOR PAY RAISES DURING THE 2014–15 BIENNIUM, TARGETED POSITIONS AT OTHER STATE AGENCIES, AND NONTARGETED POSITIONS, FISCAL YEARS 2011 TO 2016



SOURCE: Legislative Budget Board.

Figure 8 shows the annual voluntary separation rates for targeted positions at DFPS, all other targeted positions, and all state nontargeted positions from fiscal years 2011 to 2016.

2016–17 BIENNIUM

The 2016–17 GAA included targeted pay raises for positions at 11 agencies. Appendix C shows the agencies, employees, and appropriations for each of the targeted pay raises during the 2016–17 biennium. Figure 9 shows the combined totals for these provisions.

The 2016–17 GAA included targeted pay raises for positions that employ approximately one-third of the state’s workforce. The 2016–17 GAA also included an across-the-board salary increase for state employees during fiscal year 2016 to offset an increase to the member retirement contribution. The targeted pay raises went into effect at the beginning of fiscal year 2016. During the year before the targeted pay raise, the voluntary separation rate for employees in the targeted pay raise positions was 4.7 percentage points higher than for employees in nontargeted positions. After the implementation

FIGURE 9
TARGETED PAY RAISES FOR STATE EMPLOYEES INCLUDED IN THE EIGHTY-FOURTH LEGISLATURE, GENERAL APPROPRIATIONS ACT, 2016–17 BIENNIUM

AGENCY	STAFF	ALL FUNDS	GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS
Library and Archives Commission	69	\$400,000	\$400,000
Health and Human Services Commission	6,876	\$13,258,810	\$7,275,421
Texas Alcoholic Beverage Commission	1	\$4,778	\$4,778
Texas Department of Criminal Justice	29,280	\$190,257,992	\$190,257,992
Texas Juvenile Justice Department	2,612	\$4,275,718	\$4,275,718
Department of Public Safety	3,730	\$933,145	\$878,254
Texas Commission on Environmental Quality	266	\$2,000,000	\$2,000,000
Parks and Wildlife Department	511	\$543,110	\$543,110
Additional Benefits (1)		\$233,018	\$224,428
Total	43,345	\$211,906,571	\$205,859,701

NOTE: Allocations for Additional Benefits were included in the provision affecting Salary Schedule C employees.

SOURCES: Legislative Budget Board; Library and Archives Commission; Health and Human Services Commission; Texas Alcoholic Beverage Commission; Texas Department of Criminal Justice; Texas Juvenile Justice Department; Department of Public Safety; Texas Commission on Environmental Quality; Parks and Wildlife Department.

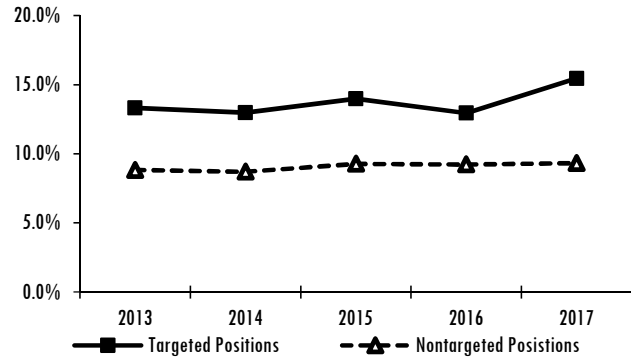
of the targeted pay raise, voluntary separation rates for the targeted positions and nontargeted positions each decreased during fiscal year 2016, with greater decreases among the targeted pay raise positions. During the year after the pay raise, the voluntary separation rate for the targeted positions was 3.7 percentage points higher than for the nontargeted positions. The 1.0 percentage point decrease in the differences indicates that the targeted pay raise may have been effective at decreasing the voluntary separation rate of the targeted positions. During fiscal year 2017, the voluntary separation rates of the targeted positions increased relative to nontargeted positions, primarily as a result of increased voluntary separation rates in targeted positions at the Department of Aging and Disability Services, Department of State Health Services, TDCJ, and the Texas Juvenile Justice Department (TJJD). **Figure 10** shows voluntary separation rates for both groups of positions from fiscal years 2013 to 2017.

One notable exception to the improvement in the turnover rate among targeted positions is the group of targeted positions at TJJD. During the year before the raise, the positions at TJJD had a voluntary separation rate that was 10.3 percentage points higher than the rate for nontargeted positions. During the year after the pay raise, the difference increased to 14.2 percentage points. The 3.9 percentage-point increase in the differences suggests that the pay raise did not decrease the voluntary separation rate of the targeted positions at TJJD relative to the nontargeted positions. Similarly to the increase in voluntary separation rates among the positions at DFPS following a targeted pay raise, research indicates that nonfinancial factors, including overall job satisfaction, degree of burnout, and the work environment, are important factors in whether employees choose to separate from positions in correctional institutions.

DFPS CRITICAL NEEDS FUNDING

The Critical Needs funding for DFPS approved by the Legislative Budget Board on December 1, 2016, included funding for salary increases for current employees in Child Protective Services (CPS) Direct Delivery Staff and Program Support. This funding differed from the previous DFPS targeted pay raise because it also included funding for

FIGURE 10
VOLUNTARY SEPARATION RATES FOR STATE EMPLOYEE POSITIONS TARGETED FOR PAY RAISES DURING THE 2016–17 BIENNIUM COMPARED TO NONTARGETED POSITIONS, FISCAL YEARS 2013 TO 2017



SOURCE: Legislative Budget Board.

approximately 810 new CPS staff members. **Figure 11** shows the amounts and employee counts affected by the targeted pay raise for existing employees.

In December 2016, the LBB approved a package of funding for DFPS that included targeted pay raises for certain child and family protective service employees. During fiscal year 2016, the voluntary separation rate of employees for the targeted positions was 8.0 percentage points higher than for nontargeted positions. This rate was at least 6.5 percentage points higher than for nontargeted positions each year from fiscal years 2008 to 2016. The targeted pay raise went into effect during the second quarter of fiscal year 2017. During fiscal year 2017, the voluntary separation rate for the targeted positions was 0.4 percentage points higher than for the nontargeted positions. **Figure 12** shows the voluntary separation rates for the agency’s targeted and nontargeted positions from fiscal years 2008 to 2017.

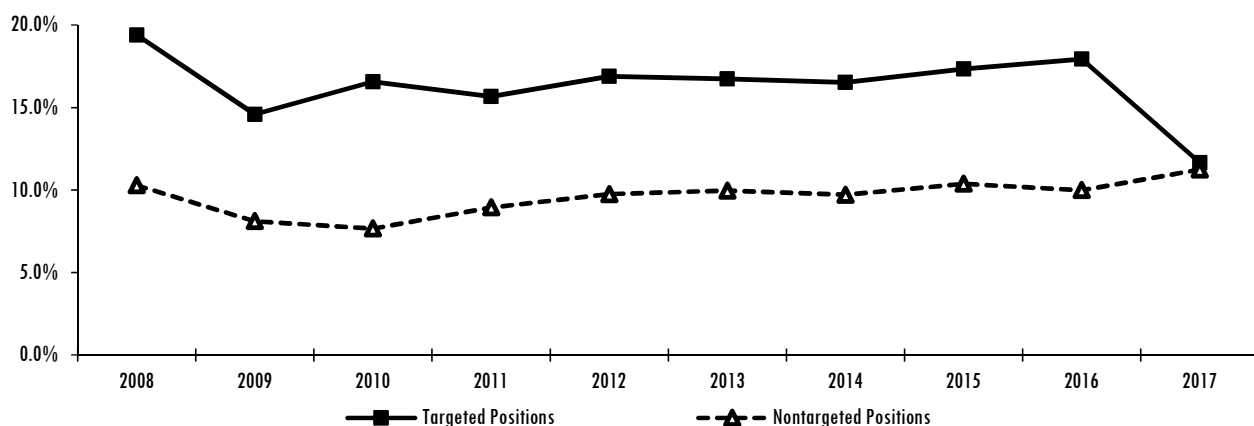
To analyze the effects of this targeted pay raise, LBB staff compared the difference between the voluntary separation rates of the targeted positions and the nontargeted positions during the four fiscal quarters before the implementation of the pay raise—from the second quarter of fiscal year 2016 to the first quarter of fiscal year 2017—to the difference of the

FIGURE 11
DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES CRITICAL NEEDS FUNDING, APPROVED DECEMBER 1, 2016

AGENCY	STAFF	ALL FUNDS	GENERAL REVENUE FUNDS AND GENERAL REVENUE—DEDICATED FUNDS
Department of Family and Protective Services	6,799	\$61,582,081	\$61,582,081

SOURCE: Department of Family and Protective Services.

FIGURE 12
VOLUNTARY SEPARATION RATES OF DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES POSITIONS TARGETED FOR PAY RAISES IN DECEMBER 2016 AND NONTARGETED POSITIONS, FISCAL YEARS 2008 TO 2017



SOURCE: Legislative Budget Board; State Auditor's Office.

rates during the four fiscal quarters after the implementation—from the second quarter of fiscal year 2017 to the first quarter of fiscal year 2018. During the four quarters before the pay raise, the voluntary separation rate for the targeted positions was 7.9 percentage points higher than for the nontargeted positions. During the four quarters after the pay raise, the voluntary separation rate for the targeted positions was 1.0 percentage point less than for the nontargeted positions. The 8.9 percentage-point decrease in the difference indicates that the critical needs funding package that included the targeted pay raise was effective at decreasing voluntary separation for the targeted positions. Unlike previous targeted pay raises for workers at DFPS, the critical needs package included components to improve both the work environment and quality of service by decreasing caseloads.

ADDITIONAL DETAIL REGARDING TARGETED PAY RAISES

The Legislature has used targeted pay raises to address turnover and equity issues among state employees. In most of these cases, the pay increases were associated with a short-term decrease in the turnover rate.

Appendices A, B and C show the targeted pay raise provisions from the 2010–11, 2014–15, and 2016–17 biennial GAAs that are shown in Figure 1.

APPENDIX A – 2010–11 BIENNIUM

The Eighty-first Legislature, General Appropriations Act (GAA), 2010–11 Biennium, included four provisions authorizing targeted pay raises.

Figure A–1 shows a provision affecting State Salary Schedule C employees.

FIGURE A–1
APPROPRIATION FOR A SALARY INCREASE FOR STATE EMPLOYEES IN SALARY SCHEDULE C, EIGHTY-FIRST LEGISLATURE, GENERAL APPROPRIATIONS ACT, 2010–11 BIENNIUM, ARTICLE IX, SECTION 17.01

AGENCY	STAFF	ALL FUNDS	GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS
Texas Alcoholic Beverage Commission	272	\$1,395,570	\$1,395,570
Texas Department of Criminal Justice	112	\$433,292	\$433,292
Parks and Wildlife Department	499	\$2,835,684	\$2,554,952
Department of Public Safety	3,612	\$19,335,454	\$0
Additional Benefits		\$3,768,000	\$688,260
Total	4,513	\$27,768,000	\$5,072,074

SOURCE: Legislative Budget Board.

The 2010–11 GAA, Article VI, Parks and Wildlife Department, Rider 27, provided \$12.1 million in General Revenue–Dedicated funds “to address salary and equity compensation issues for staff in wildlife, fishery, law enforcement and support divisions.” **Figure A–2** shows the All Funds and General Revenue–Dedicated Funds appropriations for this provision, and the number of employees affected by it.

FIGURE A–2
EIGHTY-FIRST LEGISLATURE, GENERAL APPROPRIATIONS ACT, 2010–11 BIENNIUM, ARTICLE VI, PARKS AND WILDLIFE DEPARTMENT, RIDER 27, APPROPRIATION OF RECEIPTS FROM GENERAL REVENUE–DEDICATED ACCOUNTS

AGENCY	STAFF	ALL FUNDS	GENERAL REVENUE–DEDICATED FUNDS
Parks and Wildlife Department	1,115	\$12,100,892	\$12,100,892

SOURCE: Legislative Budget Board.

The 2010–11 GAA, Article V, Department of Criminal Justice, Rider 84, appropriated \$15.2 million in General Revenue Funds for a 3.5 percent pay increase during each year of the biennium for TDCJ Other Unit Staff. Staff included industrial specialists, unit clerical and maintenance staff, and substance abuse treatment staff. This increase was in addition to a pay raise for correctional officers. **Figures A–3 and A–4** show the All Funds and General Revenue Funds appropriations to the agency for these pay raises.

FIGURE A–3
EIGHTY-FIRST LEGISLATURE, GENERAL APPROPRIATIONS ACT, 2010–11 BIENNIUM, ARTICLE V, TEXAS DEPARTMENT OF CRIMINAL JUSTICE, RIDER 84, SALARY INCREASE FOR CERTAIN DEPARTMENT EMPLOYEES

AGENCY	STAFF	ALL FUNDS	GENERAL REVENUE FUNDS
Texas Department of Criminal Justice	5,413	\$15,150,515	\$15,150,515

SOURCE: Legislative Budget Board.

FIGURE A-4
EIGHTY-FIRST LEGISLATURE, GENERAL APPROPRIATIONS ACT, 2010-11 BIENNIUM, ARTICLE V, TEXAS DEPARTMENT OF CRIMINAL JUSTICE, CORRECTIONAL OFFICER PAY RAISE

AGENCY	STAFF	ALL FUNDS	GENERAL REVENUE FUNDS
Texas Department of Criminal Justice	32,189	\$113,037,443	\$113,037,443

SOURCE: Legislative Budget Board.

APPENDIX B – 2014–15 BIENNIUM

The Eighty-third Legislature, General Appropriations Act (GAA), 2014–15 Biennium, included provisions authorizing targeted pay raises for certain state employees.

Figure B–1 shows a provision authorizing a pay raise for employees in State Salary Schedule C.

FIGURE B–1
EIGHTY-THIRD LEGISLATURE, GENERAL APPROPRIATIONS ACT, 2014–15 BIENNIUM, ARTICLE IX, SECTION 17.07,
APPROPRIATION FOR SALARY INCREASE FOR STATE EMPLOYEES IN SALARY SCHEDULE C

AGENCY	STAFF	ALL FUNDS	GENERAL REVENUE FUNDS, GENERAL REVENUE-DEDICATED FUNDS, AND OTHER FUNDS
Texas Alcoholic Beverage Commission	452	\$3,784,402	\$3,784,402
Texas Department of Criminal Justice	124	\$1,952,893	\$1,952,893
Parks and Wildlife Department	521	\$9,111,332	\$9,111,332
Department of Public Safety	3,583	\$74,889,097	\$0
Additional Benefits		\$13,020,073	\$2,308,961
Total	4,680	\$102,757,797	\$17,157,588

SOURCE: Legislative Budget Board.

In addition to the Salary Schedule C provision, the 2014–15 GAA, Article IX, Section 17.11, appropriated \$203.5 million in All Funds, including \$182.2 in General Revenue Funds and General Revenue–Dedicated Funds, for state employee pay raises targeted at various positions in 11 agencies. Provisions in this rider affected approximately 47,000 state employees. **Figure B–2** shows the agencies included in this section, excluding provisions that did not affect state employees.

FIGURE B–2
CERTAIN TARGETED SALARY INCREASES FOR STATE EMPLOYEES PROVIDED IN THE EIGHTY-THIRD LEGISLATURE, GENERAL APPROPRIATIONS ACT, 2014–15 BIENNIUM, ARTICLE IX, SECTION 17.11

AGENCY	STAFF	ALL FUNDS	GENERAL REVENUE FUNDS AND GENERAL REVENUE-DEDICATED FUNDS
Department of Aging and Disability Services	6,366	\$32,721,362	\$13,751,152
Department of Family and Protective Services	7,666	\$20,711,836	\$18,487,977
Department of State Health Services	2,863	\$14,790,336	\$14,790,336
Supreme Court of Texas	25	\$289,000	\$289,000
Court of Criminal Appeals	46	\$482,439	\$482,439
14 Courts of Appeal	299	\$4,052,516	\$4,052,516
Office of Court Administration, Texas Judicial Council	59	\$204,642	\$105,884
Texas Department of Criminal Justice	27,700	\$120,611,800	\$120,611,800
Texas Juvenile Justice Department	1,420	\$5,988,086	\$5,988,086
Railroad Commission	314	\$3,600,000	\$3,600,000
Total	46,758	\$203,452,017	\$182,159,190

SOURCE: Legislative Budget Board.

APPENDIX C – 2016–17 BIENNIUM

Figure C–1 shows a salary increase included in the Eighty-fourth Legislature, General Appropriations Act (GAA), 2016–17 Biennium, for employees in State Salary Schedule C.

**FIGURE C–1
EIGHTY-FOURTH LEGISLATURE, GENERAL APPROPRIATIONS ACT, 2016–17 BIENNIUM, ARTICLE IX, SECTION 17.05,
APPROPRIATIONS FOR SALARY INCREASES FOR CERTAIN STATE EMPLOYEES IN SALARY SCHEDULE C**

AGENCY	STAFF	ALL FUNDS	GENERAL REVENUE FUNDS AND GENERAL REVENUE–DEDICATED FUNDS
Texas Alcoholic Beverage Commission	1	\$4,778	\$4,778
Texas Department of Criminal Justice	9	\$7,906	\$7,906
Texas Parks and Wildlife Department	511	\$543,110	\$543,110
Department of Public Safety	3,730	\$933,145	\$878,254
Additional Benefits		\$233,018	\$224,428
Total	4,251	\$1,721,957	\$1,658,476

SOURCE: Legislative Budget Board.

In addition to the provision affecting Salary Schedule C employees, the 2016–17 GAA included four other provisions that gave pay raises to certain state employees. The 2016–17 GAA, Article I, Library and Archive Commission, Rider 11, allocated \$200,000 for each year of the biennium to the agency’s strategies to “provide competitive wages for parity with other state agencies and libraries.” **Figure C–2** shows the amount included in and employees affected by this provision.

**FIGURE C–2
EIGHTY-FOURTH LEGISLATURE, GENERAL APPROPRIATIONS ACT, 2016–17 BIENNIUM, ARTICLE I, LIBRARY AND ARCHIVES
COMMISSION, RIDER 11**

AGENCY	STAFF	ALL FUNDS	GENERAL REVENUE FUNDS
Library and Archives Commissions	69	\$400,000	\$400,000

SOURCE: Legislative Budget Board.

The 2016–17 GAA, Article II, Special Provisions, Section 48, directed the Department of Aging and Disability Services and the Department of State Health Services to spend approximately \$6.6 million in All Funds, including approximately \$4.4 million in General Revenue Funds, to provide wage increases for registered nurses (RN) and licensed vocational nurses (LVN) at State Supported Living Centers (SSLC) and State Hospitals with the highest turnover rates. Client services of both agencies were transferred to the Health and Human Services Commission (HHSC) pursuant to Senate Bill 200, Eighty-fourth Legislature, 2015. **Figure C–3** shows the LVNs and RNs affected by the provision by institution.

**FIGURE C–3
LICENSED VOCATIONAL NURSES AND REGISTERED NURSES AFFECTED BY EIGHTY-FOURTH LEGISLATURE, GENERAL
APPROPRIATIONS ACT, 2016–17 BIENNIUM, ARTICLE II, SPECIAL PROVISIONS, SECTION 48**

ENTITY	LICENSED VOCATIONAL NURSES	REGISTERED NURSES	TOTAL
State Hospitals	228	311	539
State Supported Living Centers	176	76	252
Total	404	387	791

SOURCE: Health and Human Services Commission.

Figure C–4 shows the total number of employees affected and the All Funds and General Revenue Funds costs of the provision.

FIGURE C-4
TARGETED WAGE INCREASES PROVIDED IN THE EIGHTY-FOURTH LEGISLATURE, GENERAL APPROPRIATIONS ACT, 2016-17 BIENNIUM, ARTICLE II, SPECIAL PROVISIONS, SECTION 48

AGENCY	STAFF	ALL FUNDS	GENERAL REVENUE FUNDS
Department of Aging and Disability Services and Department of State Health Services	791	\$6,607,056	\$4,404,298

SOURCE: Legislative Budget Board.

The 2016-17 GAA, Article V, Department of Criminal Justice, Rider 63, included six provisions providing funding increases for multiple programs and positions. **Figure C-5** shows the provisions providing 8.0 percent wage increases to state employees.

FIGURE C-5
FUNDING INCREASES PROVIDED IN THE EIGHTY-FOURTH LEGISLATURE, GENERAL APPROPRIATIONS ACT, 2016-17 BIENNIUM, ARTICLE V, DEPARTMENT OF CRIMINAL JUSTICE, RIDER 63(A) AND (F)

SECTION	STAFF	ALL FUNDS	GENERAL REVENUE FUNDS
(a) Correctional and Parole Officers	28,961	\$188,000,218	\$188,000,218
(f) Board of Pardons and Paroles parole officers	310	\$2,249,868	\$2,249,868
Total	29,271	\$190,250,086	\$190,250,086

SOURCE: Legislative Budget Board.

The 2016-17 GAA, Article VI, Commission on Environmental Quality, Rider 31, provided \$1.0 million for each year of the biennium for salary increases for specialized job classifications, including accountants, chemists, engineers, and administrators, among others. **Figure C-6** shows the amounts and employees affected by this provision.

FIGURE C-6
SALARY INCREASE PROVIDED IN THE EIGHTY-FOURTH LEGISLATURE, GENERAL APPROPRIATIONS ACT, 2016-17 BIENNIUM, ARTICLE VI, COMMISSION ON ENVIRONMENTAL QUALITY, RIDER 31

AGENCY	STAFF	ALL FUNDS	GENERAL REVENUE FUNDS
Texas Commission on Environmental Quality	266	\$2,000,000	\$2,000,000

SOURCE: Legislative Budget Board.

In addition to these provisions, the 2016-17 GAA included items that allocated funds for targeted pay raises for direct support professionals working in SSLCs at HHSC and for juvenile correctional and parole officers at the Texas Juvenile Justice Department. **Figure C-7** shows the employees and amounts affected by these items.

FIGURE C-7
PAY RAISES PROVIDED TO THE HEALTH AND HUMAN SERVICES COMMISSION AND JUVENILE JUSTICE DEPARTMENT IN THE EIGHTY-FOURTH LEGISLATURE, GENERAL APPROPRIATIONS ACT, 2016-17 BIENNIUM

AGENCY	STAFF	ALL FUNDS	GENERAL REVENUE FUNDS
Health and Human Services Commission	6,085	\$6,651,754	\$2,871,123
Texas Juvenile Justice Department	2,612	\$4,275,718	\$4,275,718
Total	8,697	\$10,927,472	\$7,146,841

SOURCE: Legislative Budget Board.