

GOVERNMENT CODE
CHAPTER 659. COMPENSATION
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 659.001. EQUAL WORK, EQUAL PAY. A woman who performs public service for this state is entitled to be paid the same compensation for her service as is paid to a man who performs the same kind, grade, and quantity of service, and a distinction in compensation may not be made because of sex.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 659.002. DEDUCTIONS. (a) A state agency may not make a deduction from the compensation paid to an officer or employee whose compensation is paid in full or in part from state funds unless the deduction is authorized by law.

(b) In this section "state agency" means:

(1) a board, commission, department, office, or other agency that is in the executive branch of state government and that was created by the constitution or a statute of this state, including an institution of higher education as defined by Section 61.003, Education Code, other than a public junior college;

(2) the legislature or a legislative agency; or

(3) the supreme court, the court of criminal appeals, a court of appeals, the state bar, or another state judicial agency.

(c) To the extent that the laws, regulations, and rules of this state or the United States do not specify the priority of deductions, the comptroller by rule may determine the priority for compensation paid by a state governmental body.

(d) The state shall withhold money from salaries and wages paid to state officers and employees in accordance with applicable federal law, including federal law relating to withholding for purposes of the federal income tax. The state shall make any required employer contributions in accordance with applicable federal law. The comptroller shall make payments in accordance with this subsection.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1995, 74th Leg., ch. 76, Sec. 5.14(a), eff. Sept. 1, 1995; Acts 1999, 76th Leg., ch. 279, Sec. 9, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 118, Sec. 2.12, eff. Sept. 1, 2001.

Sec. 659.003. OFFICER MAY DECLINE REMUNERATION. (a) In this section:

(1) "Officer" means an elected officer or appointed officer, as those terms are defined by Chapter 572. The term includes a person who has received a certificate of election to such an office or who has been appointed or nominated to such an office but has not been confirmed.

(2) "Remuneration" includes salary, compensatory per diem, expense per diem, reimbursement for expenses, longevity pay, and fees.

(b) An officer may decline remuneration associated with the office. To decline remuneration, the officer shall execute a declination form prescribed by the secretary of state. The form shall be designed to permit the person to decline all remuneration or to decline particular remuneration from among various types associated with the office. The form shall be filed with the secretary of state.

(c) A declination is effective on the date it is filed with the secretary of state.

(d) A declination filed after an officer has qualified for office may be revoked at any time. A declination filed before a person has qualified for office may not be revoked during the term of office to which the person is appointed or elected.

(e) A person who has irrevocably declined remuneration under this section is not considered to be compensated directly or indirectly for purposes of state law, except that declination of remuneration under this section does not change the character of an office as an office of emolument or a lucrative office for purposes of a provision of the Texas Constitution.

Added by Acts 1995, 74th Leg., ch. 49, Sec. 1, eff. May 8, 1995.

Sec. 659.004. PAYROLL AND PERSONNEL REPORTING. (a) In this section, "state agency" has the meaning assigned by Section 658.001.

(b) The comptroller, in consultation with the state auditor, shall adopt rules that prescribe uniform procedures for payroll and personnel reporting for all state agencies and that are designed to:

(1) facilitate the auditing of payrolls;

(2) facilitate a classification compliance audit under Chapter 654;

(3) assure conformity with this chapter and the General Appropriations Act; and

(4) provide the legislative audit committee with current information on employment and wage rate practices in state government.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 10, eff. Sept. 1, 1999.

Sec. 659.005. WITNESS FEES; JURY SERVICE. (a) A deduction may not be made from the salary or wages of a state employee because the employee is called for jury service, including a deduction for any fee or compensation the employee receives for the jury service.

(b) A state officer or employee who appears as a witness in an official capacity in a judicial proceeding or legislative hearing may not accept or receive a witness fee for the appearance.

(c) A state officer or employee who appears as a witness, in a capacity other than as a state officer or employee, in a judicial proceeding or legislative hearing to testify from personal knowledge concerning matters related to the proceeding or hearing is entitled to receive any customary witness fees for the appearance.

(d) A state officer or employee who appears as an expert witness in a judicial proceeding or legislative hearing may accept compensation for the appearance only if the person is not also compensated by the state for the person's time in making the appearance and may accept reimbursement for travel expenses only if the expenses are not reimbursed by the state. For purposes of this subsection, paid leave is not considered time compensated by the state.

(e) A state officer or employee may receive reimbursement for travel and a per diem or reimbursement for expenses connected to an appearance in an official capacity as a witness in a judicial proceeding or legislative hearing only from the state or the judicial body, but not from both the state and the judicial body.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 10, eff. Sept. 1, 1999.

Sec. 659.006. ADJUSTMENT FOR INACCURATE PAYMENT. The comptroller by rule shall prescribe procedures for state agencies to follow in making adjustments to payrolls for the pay period immediately following the period in which an inaccurate payment or deduction is made or in which other error occurs.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 10, eff. Sept. 1, 1999.

SUBCHAPTER B. SALARY AMOUNTS; OVERTIME AND COMPENSATORY TIME

Sec. 659.011. SALARIES SET IN APPROPRIATIONS ACT. The salaries of all state officers and employees are in the amounts provided by the biennial appropriations act.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 659.012. JUDICIAL SALARIES. (a) Notwithstanding Section 659.011:

(1) a judge of a district court is entitled to an annual salary from the state of at least \$125,000, except that the combined salary of a district judge from state and county sources, including compensation for any extrajudicial services performed on behalf of the county, may not exceed the amount that is \$5,000 less than the salary provided for a justice of a court of appeals other than a chief justice;

(2) a justice of a court of appeals other than the chief justice is entitled to an annual salary from the state that is equal to 110 percent of the salary of a district judge, except that the combined salary of a justice of the court of appeals other than the chief justice from all state and county sources, including compensation for any extrajudicial services performed on behalf of the county, may not exceed the amount that is \$5,000 less than the salary provided for a justice of the supreme court;

(3) a justice of the supreme court other than the chief justice or a judge of the court of criminal appeals other than the presiding judge is entitled to an annual salary from the state that is equal to 120 percent of the salary of a district judge; and

(4) the chief justice or presiding judge of an appellate court is entitled to an annual salary from the state that is \$2,500 more than the salary provided for the other justices or judges of the court, except that the combined salary of the chief justice of a court of appeals may not exceed the amount that is \$2,500 less than the salary provided for a justice of the supreme court.

(b) To the extent of any conflict, the salary limitations

provided by this section for the combined salary of a state judge or justice from state and local sources prevails over any provision of Chapter 31 or 32 that authorizes the payment of additional compensation to a state judge or justice.

(c) Blank

(d) In a county with more than five district courts, a district judge who serves as a local administrative district judge under Section 74.091 is entitled to an annual salary from the state that is \$5,000 more than the salary from the state to which the judge is otherwise entitled under Subsection (a)(1).

(e) For the purpose of salary payments by the state, the comptroller shall determine from sworn statements filed by the justices of the courts of appeals and district judges that the required salary limitations provided by this section are maintained. If a salary combined with additional compensation from a county would be in excess of the limitations provided by this section, the comptroller shall reduce the state salary by the amount of the excess.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1993, 73rd Leg., ch. 268, Sec. 21, eff. Sept. 1, 1993; Acts 1997, 75th Leg., ch. 1113, Sec. 1, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1166, Sec. 1, eff. Sept. 1, 1997; Acts 2005, 79th Leg., 2nd C.S., ch. 3, Sec. 1, eff. Dec. 1, 2005. For text of section effective until December 1, 2005, see Sec. 659.012, ante.

Sec. 659.013. STATUTORY SALARIES SUSPENDED. (a) Except as provided by this section, a law setting the salary of a state officer or employee is suspended to the extent that the law conflicts with this subchapter.

(b) The suspension does not apply to:

(1) a law specifying or regulating the salary or compensation of an officer or employee for whom the biennial appropriations act does not specify or regulate the salary or compensation; and

(2) Chapter 654.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 659.014. SUSPENDED LAWS CONTINUED IN EFFECT. Those laws suspended by the operation of Section 659.013 are continued in effect, although suspended, as those laws existed September 1, 1993, including:

(1) Article 6813, Revised Statutes (setting annual salaries for named officers and employees);

(2) Chapter 277, Acts of the 40th Legislature, Regular Session, 1927 (Article 6813a, Vernon's Texas Civil Statutes) (setting and regulating the salary of members of the Railroad Commission of Texas); and

(3) Article 6824, Revised Statutes (prohibiting an increase or decrease of salary during an officer's term of office).

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 659.015. OVERTIME COMPENSATION FOR EMPLOYEES SUBJECT TO FAIR LABOR STANDARDS ACT. (a) This section applies only to a state employee who is subject to the overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.) and who is not an employee of the legislature, including an employee of the lieutenant governor, or of a legislative agency.

(b) The employee is entitled to compensation for overtime as provided by federal law and this section. To the extent that this section and federal law prescribe a different rule for the same circumstance, federal law controls without regard to whether this section or federal law prescribes a stricter rule.

(c) An employee who is required to work hours in excess of 40 hours in a workweek is entitled to compensation for the excess hours either by:

(1) the agency allowing or requiring the employee to take compensatory time off at the rate of 1-1/2 hours off for each hour of overtime; or

(2) at the discretion of the employing agency, in cases in which granting compensatory time off is impractical, the employee receiving pay for the overtime at the rate equal to 1-1/2 times the employee's regular rate of pay.

(d) Holidays or other paid leave taken during a workweek are not counted as hours worked in computing the number of overtime hours under Subsection (c) or (e).

(e) An employee may not accumulate more than 240 hours of overtime credit that may be taken as compensatory leave under

Subsection (c)(1), except that an employee engaged in a public safety activity, an emergency response activity, or a seasonal activity may accumulate, in accordance with 29 U.S.C. Section 207(o)(3)(A), not more than 480 hours of overtime credit that may be taken as compensatory leave under Subsection (c)(1). An employee must be paid at the rate prescribed by Subsection (c)(2) for the number of overtime hours the employee works that cause the employee to exceed the amount of overtime credit the employee may accumulate. In this subsection, "overtime credit" means the number of hours that is computed by multiplying the number of overtime hours worked by 1-1/2.

(f) When an employee does not work more than 40 hours in a workweek but the number of hours worked plus the number of hours of holiday or other paid leave taken during the workweek exceeds 40 hours, the employee is entitled to compensatory time off at the rate of one hour off for each of the excess hours. When an employee does work 40 or more hours in a workweek and in addition takes holiday or other paid leave during the workweek, and the total number of hours worked still exceeds 40 after subtracting the hours compensable under Subsections (c)-(e), the employee is entitled to compensatory time off at the rate of one hour off for each of the remaining hours in excess of 40. When an employee does not work more than 40 hours in a workweek and the number of hours worked plus the number of hours of holiday or other paid leave taken during the week does not exceed 40 hours, the employee may not accrue compensatory time for the week under this section.

(g) Compensatory time off to which an employee is entitled under Subsection (f) must be taken during the 12-month period following the end of the workweek in which the compensatory time was accrued or it lapses. An employee may not be paid for that compensatory time. However, an employee of an institution of higher education as defined by Section 61.003, Education Code, or an employee engaged in a public safety activity, including highway construction and maintenance or an emergency response activity, may be paid at the employee's regular rate of pay for that compensatory time if the employer determines that taking the compensatory time off would disrupt normal teaching, research, or other critical functions.

(h) Exceptions to the workweek overtime computation for public safety, emergency response, or seasonal situations shall be made in accordance with the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.).

Added by Acts 1999, 76th Leg., ch. 279, Sec. 12, eff. Sept. 1, 1999.

Sec. 659.016. OVERTIME COMPENSATION FOR EMPLOYEES NOT SUBJECT TO FAIR LABOR STANDARDS ACT; REDUCTIONS IN PAY. (a) This section applies only to a state employee who is not subject to the overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.) and who is not an employee of the legislature, including an employee of the lieutenant governor, or of a legislative agency.

(b) When the sum of hours worked plus holiday or other paid leave taken by a full-time employee during a workweek exceeds 40 hours, and not otherwise, the employee may be allowed to accrue compensatory time for the number of hours that exceeds 40 hours. When the sum of hours worked plus holiday or other paid leave taken by a part-time employee during a workweek exceeds the number of hours that the part-time employee is designated to work during the workweek, and not otherwise, the employee may be allowed to accrue compensatory time for the number of hours that exceeds the number of hours that the employee is designated to work during the workweek.

(c) An employee who is exempt as an executive, professional, or administrative employee under 29 U.S.C. Section 213(a)(1) may be allowed compensatory time off during the 12-month period following the end of the workweek in which the time that exceeds 40 hours under Subsection (b) was accrued, at a rate not to exceed one hour of compensatory time off for each hour of time that exceeds 40 hours under Subsection (b) accrued.

(d) In accordance with 29 C.F.R. Section 541.118 and subject to that section's exceptions as described by this section, an employee who is exempt as an executive, professional, or administrative employee under 29 U.S.C. Section 213(a)(1) is entitled to receive full salary for any week in which the employee performs work without regard to the number of days and hours worked. This is also subject to the general rule that an employee need not be paid for any workweek in which the employee performs no work.

(e) A deduction may be made from the salary of an employee who is exempt as an executive, professional, or administrative employee under 29 U.S.C. Section 213(a)(1) if:

(1) the employee is not at work for a full day or longer for personal reasons other than sickness, accident, jury duty, attendance as a witness at a judicial proceeding, or temporary military leave;

(2) the employee is not at work for a full day or longer because of sickness or disability, including sickness or disability covered by workers' compensation benefits, and the employee's paid sick leave or workers' compensation benefits have been exhausted;

(3) the deduction is a penalty imposed for a violation of a significant safety rule relating to prevention of serious danger in the workplace to other persons, including other employees; or

(4) in accordance with the special provisions applicable to executive, professional, or administrative employees of public agencies set forth in 29 C.F.R. Section 541.5d, the employee is not at work for less than one day for personal reasons or because of illness or injury and accrued leave is not used by the employee because:

(A) permission to use accrued leave was not sought or was denied;

(B) accrued leave has been exhausted; or

(C) the employee chooses to use leave without pay.

(f) In accordance with 29 C.F.R. Section 541.5d, a deduction from the pay of an executive, professional, or administrative employee because of an absence from work caused by a furlough related to the budget does not affect the employee's status as an employee paid on a salary basis, except for any workweek in which the furlough occurs and for which the employee's pay is accordingly reduced.

(g) If a deduction is made from an employee's salary in violation of United States Department of Labor regulations, the employee is entitled to reimbursement of the amount that should not have been deducted.

(h) An employee who is not subject to the federal Fair Labor Standards Act of 1938 under 29 U.S.C. Section 203(e)(2)(C) because the employee is a staff member, appointee, or immediate adviser of an elected officeholder may be allowed compensatory time off under the terms and conditions determined by the officeholder.

(i) An employee covered by this section may not be paid for any unused compensatory time.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 12, eff. Sept. 1, 1999.

Sec. 659.017. OVERTIME COMPENSATION FOR LEGISLATIVE EMPLOYEES. Consistent with the requirements of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.), overtime pay and compensatory time off for employees of the legislative branch, including employees of the lieutenant governor, are determined:

(1) for employees of the house of representatives or the senate, by the presiding officer of the appropriate house of the legislature;

(2) for employees of an elected officeholder, by the employing officeholder; and

(3) for employees of a legislative agency, by the administrative head of the agency.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 12, eff. Sept. 1, 1999.

Sec. 659.018. COMPENSATORY TIME: PLACE WHERE WORK PERFORMED. Except under circumstances specified in the General Appropriations Act, an employee of a state agency as defined by Section 658.001 may not, for hours worked during any calendar week, accumulate compensatory time off under Section 659.015(f) or 659.016 to the extent that the hours are attributable to work performed at a location other than the employee's regular or temporarily assigned place of employment. The employee's personal residence may not be considered the employee's regular or temporarily assigned place of employment.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 12, eff. Sept. 1, 1999.

Sec. 659.019. PART-TIME AND HOURLY EMPLOYMENT. (a) In computing the salary of a part-time or hourly employee, the rate of pay must be proportional to the rate authorized by the General Appropriations Act for full-time employment in the same classified

position, or if the position is not under the state's position classification plan, for full-time employment in the applicable exempt position.

(b) A part-time employee is subject to Subchapter K and to the leave without pay provisions of Section 659.085.

(c) The comptroller may adopt rules to determine the hourly rate of an employee paid on an hourly basis.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 12, eff. Sept. 1, 1999.

Sec. 659.020. SALARY SUPPLEMENTATION. A state employee employed by a state agency as defined by Section 658.001 whose position is classified under Chapter 654 or whose exempt position is funded by the General Appropriations Act may not receive a salary supplement from any source unless a specific grant of authority to do so is provided by the General Appropriations Act or other law.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 12, eff. Sept. 1, 1999.

Sec. 659.021. ADMINISTRATIVE HEAD OF AGENCY. The administrative head of a state agency as defined by Section 658.001 whose salary as administrative head is established by the General Appropriations Act may not receive a salary higher than that established salary, even if the administrative head performs duties assigned to a position title classified in the state's position classification plan that is assigned to a salary group that would pay a higher salary, unless the General Appropriations Act specifically provides that a higher salary may be received.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 12, eff. Sept. 1, 1999.

Sec. 659.022. USE OF COMPENSATORY TIME BEFORE LAPSING. (a) If an employee of a state agency as defined by Section 658.001 who wishes to use accrued compensatory time that is subject to lapsing submits a written request for permission to use the accrued compensatory time to the employing state agency not later than the 90th day before the date on which the accrued compensatory time will lapse, the employing state agency shall:

(1) approve in writing the employee's request; or

(2) provide the employee with an alternate date on which the employee may use the compensatory time.

(b) The employee may request permission to use the accrued compensatory time within 90 days of the date on which it will lapse, and the employing agency is encouraged to reasonably accommodate the employee's use of the accrued compensatory time before it lapses.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 12, eff. Sept. 1, 1999.

Sec. 659.023. COMPENSATORY TIME POLICY. (a) A state agency shall notify its employees annually of the state's policy on compensatory time.

(b) A state agency shall accommodate to the extent practicable an employee's request to use accrued compensatory time.

(c) A state agency shall:

(1) provide an employee activated to military service as a member of the reserve component of the armed forces with a statement containing the balance of the employee's accrued state compensatory time; and

(2) accommodate an employee's request to use the balance of the employee's accrued state compensatory time before the compensatory time expires.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 12, eff. Sept. 1, 1999.

Amended by Acts 2003, 78th Leg., ch. 175, Sec. 3, eff. Sept. 1, 2003.

Sec. 659.024. COMPENSATORY TIME FOR PERSONS GOVERNING STATE AGENCIES. (a) In this section, "state agency" has the meaning assigned by Section 658.001.

(b) This section does not apply to an employee who acts as the administrative head of a state agency, including an executive director.

(c) A member of the governing body of a state agency or a single state officer who governs a state agency may not accrue compensatory time under this subchapter or another state statute.

Added by Acts 2003, 78th Leg., ch. 793, Sec. 1, eff. Sept. 1, 2003.

SUBCHAPTER C. PER DIEM

Sec. 659.031. DEFINITION. In this subchapter, "state board" means a board, commission, committee, council, or similar agency in the executive or judicial branch of state government that is composed of two or more members. The term does not include a board, commission, committee, council, or similar agency whose membership is elected by vote of the people.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1997, 75th Leg., ch. 1300, Sec. 11, eff. Sept. 1, 1997.

Sec. 659.032. PER DIEM ENTITLEMENT. (a) A member of a state board is entitled to a per diem in an amount set by the General Appropriations Act for the member's service on the board.

(b) This section does not apply to a member of the legislature who serves on a board by virtue of the member's office as a legislator.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 659.033. STATUTORY PER DIEM SUSPENDED. (a) A law setting the amount of per diem for members of a state board is suspended to the extent of conflict with this subchapter.

(b) The law setting the amount of per diem for a member of a state board is not suspended if the General Appropriations Act does not set the amount of per diem to which the member is entitled.

(c) A law setting a limit on the number of days for which a state board member is entitled to a per diem is not suspended by this subchapter.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

SUBCHAPTER D. LONGEVITY PAY

Sec. 659.041. DEFINITIONS. In this subchapter:

(1) "Appointment" means a job title.

(2) "Full-time state employee" means:

(A) a state employee who works in the executive or judicial branch of state government, other than a state institution of higher education, and who is normally scheduled to work a total of at least 40 hours a week for a single state agency;

(B) a state employee who works for a state institution of higher education and who is normally scheduled to work a total of at least 40 hours a week in one position, as determined under Section 659.0411; or

(C) a state employee who works in the legislative branch of state government and who is normally scheduled to work a total of 40 or more hours a week in all positions held in the legislative branch.

(3) "Part-time state employee" means a state employee who is not a full-time state employee.

(4) "State employee" means an individual who:

(A) is covered by Chapter 654;

(B) holds a line item or exempt position;

(C) works in a nonacademic position at a state institution of higher education at least 20 hours a week for at least 4.5 consecutive months; or

(D) is an hourly employee of the state.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1997, 75th Leg., ch. 1035, Sec. 33, eff. June 19, 1997.

Sec. 659.0411. APPOINTMENTS AT STATE INSTITUTIONS OF HIGHER EDUCATION. (a) A state institution of higher education shall determine whether a state employee who has more than one appointment with the institution holds only one position or holds one position for each appointment.

(b) A board of regents shall determine whether a state employee who has an appointment with at least two state institutions of higher education under the board's jurisdiction holds only one position or holds one position for each appointment.

(c) A state employee who has an appointment with at least two state institutions of higher education holds more than one position if those institutions are not governed by the same board of regents.

Added by Acts 1997, 75th Leg., ch. 1035, Sec. 34, eff. June 19, 1997.

Sec. 659.042. EXCLUSIONS. The following are not entitled to longevity pay under this subchapter:

(1) a member of the legislature;

(2) an individual who holds a statewide office that is normally filled by vote of the people;

(3) an independent contractor or an employee of an independent contractor;

(4) a temporary employee;

(5) an officer or employee of a public junior college;

(6) an academic employee of a state institution of higher education; or

(7) a state employee who retired from state employment on or after June 1, 2005, and who receives an annuity based wholly

or partly on service as a state officer or state employee in a public retirement system, as defined by Section 802.001, that was credited to the state employee.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 2005, 79th Leg., ch. 899, Sec. 13.01, eff. Sept. 1, 2005.

Sec. 659.043. ENTITLEMENT. (a) A state employee is entitled to longevity pay to be included in the employee's monthly compensation if the employee:

(1) is a full-time state employee on the first workday of the month;

(2) is not on leave without pay on the first workday of the month; and

(3) has accrued at least two years of lifetime service credit not later than the last day of the preceding month.

(b) Notwithstanding Subsection (a)(2), an employee of the Texas School for the Blind and Visually Impaired or the Texas School for the Deaf who is otherwise eligible for longevity pay is entitled to longevity pay for each month that the employee is in a full-time paid status on the first workday for which the school has work scheduled for the employee.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1999, 76th Leg., ch. 1277, Sec. 1, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 1158, Sec. 31, eff. June 15, 2001; Acts 2005, 79th Leg., ch. 899, Sec. 13.02, eff. Sept. 1, 2005.

Sec. 659.044. AMOUNT. (a) Except as provided by Subsections (e) and (f), the monthly amount of longevity pay is \$20 for every two years of lifetime service credit.

(b) The amount increases when the 4th, 6th, 8th, 10th, 12th, 14th, 16th, 18th, 20th, 22nd, 24th, 26th, 28th, 30th, 32nd, 34th, 36th, 38th, 40th, and 42nd years of lifetime service credit are accrued.

(c) An increase is effective beginning with the month following the month in which the 4th, 6th, 8th, 10th, 12th, 14th, 16th, 18th, 20th, 22nd, 24th, 26th, 28th, 30th, 32nd, 34th, 36th, 38th, 40th, and 42nd years of lifetime service credit are accrued.

(d) An employee may not receive from the state as longevity pay more than the amount determined under Subsection (a) or (e), as applicable, regardless of the number of positions the employee holds or the number of hours the employee works each week.

(e) This subsection applies only to an employee of the Texas Youth Commission who is receiving less than the maximum amount of hazardous duty pay that the commission may pay to the employee under Section 659.303. The employee's monthly amount of longevity pay is the sum of:

(1) \$4 for each year of lifetime service credit, which may not include any period served in a hazardous duty position; and

(2) the lesser of:

(A) \$4 for each year served in a hazardous duty position; or

(B) the difference between:

(i) \$7 for each year served in a hazardous duty position; and

(ii) the amount paid by the commission for each year served in a hazardous duty position.

(f) A state employee who retired from state employment before June 1, 2005, and who returned to state employment before September 1, 2005, is entitled to receive longevity pay. The monthly amount of longevity pay the employee is entitled to receive equals the amount of longevity pay the employee was entitled to receive immediately before September 1, 2005. A state employee who retired from state employment before June 1, 2005, and who returns to state employment on or after September 1, 2005, is not entitled to receive longevity pay.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1997, 75th Leg., ch. 1035, Sec. 35, eff. June 19, 1997; Acts 2001, 77th Leg., ch. 1158, Sec. 32, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1158, Sec. 104, eff. June 15, 2001; Acts 2005, 79th Leg., ch. 899, Sec. 13.03, eff. Sept. 1, 2005.

Sec. 659.045. CHANGE IN STATUS. If a state employee ceases being a full-time state employee after the first workday of a month but otherwise qualifies for longevity pay, the employee's compensation for the month includes full longevity pay.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 659.046. ACCRUAL OF LIFETIME SERVICE CREDIT. (a) An

employee accrues lifetime service credit for the period in which the employee:

- (1) serves as a full-time, part-time, or temporary state employee or otherwise serves as an employee of the state;
- (2) serves as a member of the legislature;
- (3) holds a statewide office that is normally filled by vote of the people; or
- (4) serves as an academic employee of a state institution of higher education.

(b) An employee who is on leave without pay for an entire calendar month does not accrue lifetime service credit for the month. An employee who is on leave without pay for less than an entire calendar month accrues lifetime service credit for the month if the employee otherwise qualifies to accrue credit under Subsection (a).

(c) An employee who simultaneously holds two or more positions that each accrue lifetime service credit accrues credit for only one of the positions.

(d) An employee who begins working on the first workday of a month in a position that accrues lifetime service credit is considered to have begun working on the first day of the month.

(e) An employee does not accrue lifetime service credit for a period in which the employee serves as an officer or employee of a public junior college.

(f) The amount of an employee's lifetime service credit does not include the period served in a hazardous duty position if the employee is:

- (1) entitled to receive hazardous duty pay under Section 659.302; or
- (2) receiving the maximum amount of hazardous duty pay that the Texas Youth Commission may pay to the employee under Section 659.303.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 2001, 77th Leg., ch. 1158, Sec. 33, eff. Sept. 1, 2001.

Sec. 659.047. COMPTROLLER RULES. The comptroller shall adopt rules to administer this subchapter.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

SUBCHAPTER E. ADDITIONAL COMPENSATION AND EXPENSES

Sec. 659.061. EXPENSES OF EMPLOYEES INJURED OR KILLED WHILE ON DUTY. In addition to other benefits of employment provided by law, a state agency may, to the extent authorized by an appropriation for the purpose, spend appropriated funds to pay for drugs and medical, hospital, laboratory, and funeral expenses of an employee under the jurisdiction and control of the agency:

- (1) who is injured or killed while engaged in the performance of a necessary governmental function assigned to the employee; or
- (2) whose duties require the employee to be exposed to unavoidable dangers peculiar to the performance of a necessary governmental function.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

SUBCHAPTER F. METHOD AND FREQUENCY OF PAYMENT

Sec. 659.081. PAYMENT ONCE A MONTH. Except as provided by this subchapter or the General Appropriations Act, annual salaries for state officers and employees shall be paid once a month.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1999, 76th Leg., ch. 279, Sec. 13, eff. Sept. 1, 1999.

Sec. 659.082. PAYMENT TWICE A MONTH. (a) An employee is entitled to be paid employment compensation twice a month if:

- (1) the employee is employed by:
 - (A) the Texas Department of Mental Health and Mental Retardation;
 - (B) the Texas Department of Transportation;
 - (C) the Texas Department of Human Services;
 - (D) the Texas Workforce Commission;
 - (E) the Department of Public Safety; or
 - (F) any other state agency designated by the comptroller;

(2) the employee holds a classified position under the state's position classification plan;

(3) the employee's position is classified below salary group A12 under classification salary Schedule A in the General Appropriations Act;

(4) the employing state agency satisfies the comptroller's requirements relating to the payment of compensation twice a month; and

(5) at least 30 percent of the eligible employees of the agency choose to be paid twice a month.

(b) Employees of an institution of higher education as defined by Section 61.003, Education Code, may be paid twice a month at the election of the employing institution of higher education. Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1997, 75th Leg., ch. 734, Sec. 1, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 279, Sec. 14, eff. Sept. 1, 1999.

Sec. 659.083. PAYDAY. (a) Except as provided by Subsection (b), the comptroller may not pay the salary of a state officer or employee before the first working day of the month following the payroll period.

(b) The comptroller shall pay an employee who is paid twice a month under Section 659.082 on:

(1) the first working day of the month following the payroll period that covers the last half of the preceding month; and

(2) the 15th day of the month or the first working day after the 15th for the payroll period that covers the first half of the month.

(c) In this section, "working day" means a day other than Saturday, Sunday, or a national holiday as listed in the General Appropriations Act or Chapter 662. A day does not cease to be a national holiday because a state agency maintains or is required to maintain a minimum working staff on the holiday.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1997, 75th Leg., ch. 1035, Sec. 1, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1423, Sec. 8.43, eff. Sept. 1, 1997.

Sec. 659.084. ELECTRONIC FUNDS TRANSFER. Salaries for state officers and employees paid once a month shall be paid through electronic funds transfer under Section 403.016 unless paid on warrant as permitted under that section.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 659.085. DETERMINING AMOUNT OF MONTHLY OR HOURLY PAY; PROPORTIONATE REQUIREMENT FOR PART-TIME PAY. (a) The amount of monthly salary for an annual employee who maintains a 40-hour workweek and is covered under Chapter 658 is computed in accordance with the General Appropriations Act and equitable rules adopted by the comptroller.

(b) For purposes of partial payment or other applicable situations, an employee's equivalent hourly rate of pay for a given month is computed in accordance with the General Appropriations Act and equitable rules adopted by the comptroller. Alternatively, an institution of higher education as defined by Section 61.003, Education Code, may compute an employee's equivalent hourly rate of pay for a given month by dividing the employee's annual salary by 2080, which is the number of working hours in the standard work year. This subsection applies only to full-time employees described by Subsection (a) and to part-time salaried employees.

(c) When an employee is on leave without pay, compensation for the pay period will be reduced by an amount computed in accordance with the General Appropriations Act and equitable rules adopted by the comptroller.

(d) An agency that may contract with its employees for employment for less than a 12-month period may make equal monthly salary payments under the contract during the contract period or during the fiscal year in accordance with the General Appropriations Act and equitable rules adopted by the comptroller. Added by Acts 1999, 76th Leg., ch. 279, Sec. 15, eff. Sept. 1, 1999.

SUBCHAPTER G. SUPPLEMENTAL DEDUCTIONS

Sec. 659.101. DEFINITION. In this subchapter, "state agency" means a department, commission, board, office, or other agency of any branch of state government, including an institution of higher education as defined by Section 61.003, Education Code. Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.16(a), eff. Sept. 1, 1995.

Sec. 659.102. DEDUCTION FOR SUPPLEMENTAL OPTIONAL BENEFITS PROGRAM. (a) An employee of a state agency may authorize in writing a deduction each pay period from the employee's salary or wage payment for coverage of the employee under an eligible supplemental optional benefits program.

(b) The Employees Retirement System of Texas shall designate supplemental optional benefits programs that are eligible under this section and that promote the interests of the state and state agency employees.

(c) The supplemental optional benefits program may include permanent life insurance, catastrophic illness insurance, disability insurance, prepaid legal services, or a qualified transportation benefit.

(d) A qualified transportation benefit is a transportation benefit meeting the requirements of Section 132(f), Internal Revenue Code of 1986. The Employees Retirement System of Texas shall determine a fee or charge that may be paid as a qualified transportation benefit.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.16(a), eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 1111, Sec. 9, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1310, Sec. 31, eff. June 20, 2003.

Sec. 659.103. DEDUCTION TO CREDIT UNION. (a) An employee of a state agency may authorize in writing a deduction each pay period from the employee's salary or wage payment for payment to a credit union to be credited to a share or deposit account of the employee.

(b) A designation by the Employees Retirement System of Texas is not necessary for a deduction under this section.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.16(a), eff. Sept. 1, 1995.

Sec. 659.1031. DEDUCTION OF MEMBERSHIP FEES FOR ELIGIBLE STATE EMPLOYEE ORGANIZATIONS. (a) An employee of a state agency may authorize in writing a deduction each pay period from the employee's salary or wage payment for payment to an eligible state employee organization of a membership fee in the organization.

(b) In this section, "eligible state employee organization" means a state employee organization with a membership of at least 2,000 active or retired state employees who hold or who have held certification from the Commission on Law Enforcement Officer Standards and Education.

Added by Acts 2003, 78th Leg., ch. 1310, Sec. 32, eff. June 20, 2003.

Sec. 659.104. AUTHORIZATION. (a) An authorization for a deduction under this subchapter must direct the comptroller or, if applicable, the appropriate financial officer of an institution of higher education to transfer the withheld funds to the program, eligible state employee organization, or credit union designated by the employee.

(b) The comptroller or financial officer shall comply with the direction.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.16(a), eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 1310, Sec. 33, eff. June 20, 2003.

Sec. 659.105. FORM AND MANNER. A deduction under this subchapter must be made in a form and manner prescribed by the comptroller or the appropriate financial officer of an institution of higher education.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.16(a), eff. Sept. 1, 1995.

Sec. 659.106. DURATION. (a) An employee authorizing a deduction under this subchapter or a person designated by the employee may change or revoke the authorization by delivering written notice of the change or revocation to the comptroller or the appropriate financial officer of an institution of higher education.

(b) An authorization is effective until the comptroller or financial officer receives the notice.

(c) The notice must be given in the form and manner prescribed by the comptroller or financial officer.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.16(a), eff. Sept. 1, 1995.

Sec. 659.107. AUTHORIZATION VOLUNTARY. The making of an authorization for a deduction under this subchapter by the employee is voluntary.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.16(a), eff. Sept. 1, 1995.

Sec. 659.108. WITHHOLDING OF ADMINISTRATIVE FEE. (a) The state may withhold from the employee's salary or wage payment an administrative fee for making a deduction under this subchapter.

(b) An institution of higher education that is authorized to

operate a payroll system reimbursable from the state treasury may withhold from the employee's salary or wage payment an administrative fee for making the deduction under this subchapter.

(c) The administrative fee may not exceed the lower of the actual administrative cost of making the deduction or the highest fee charged by the state or institution, as appropriate, for making another similar deduction.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.16(a), eff. Sept. 1, 1995.

Sec. 659.109. ALLOCATION OF ADMINISTRATIVE FEES. The state shall allocate and pay to each state agency that incurs costs in administering this subchapter the agency's proportional amount of the administrative fees collected by the state under this subchapter.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.16(a), eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1035, Sec. 40, eff. June 19, 1997.

Sec. 659.110. RULES. The comptroller may establish procedures and adopt rules to administer the credit union and the eligible state employee organization membership fee deduction programs authorized by this subchapter.

Added by Acts 1997, 75th Leg., ch. 1035, Sec. 16, eff. June 19, 1997. Amended by Acts 2003, 78th Leg., ch. 1310, Sec. 34, eff. June 20, 2003.

SUBCHAPTER H. BENEFIT REPLACEMENT PAY

Sec. 659.121. DEFINITIONS. In this subchapter:

(1) "Compensation" means, except as provided by Section 659.124, salary or wages subject to tax under the Federal Insurance Contributions Act.

(2) "Eligible state employee" means an individual who was on August 31, 1995:

(A) employed by a state agency and eligible for state payment of the employee tax under Section 606.064 as that section existed on that date;

(B) using unpaid leave from a position with a state agency, if the individual would have been eligible for state payment of the employee tax under Section 606.064 as that section existed on that date had the individual not been using unpaid leave from the position; or

(C) not working for a state agency if:

(i) the individual was not working on that date solely because the individual's employment with the agency customarily does not include the summer months;

(ii) the individual had contracted with the agency not later than that date for the individual to resume working for the agency not later than September 2, 1995; and

(iii) the position held by the individual on September 2, 1995, would have made the individual eligible for state payment of the employee tax under Section 606.064 as that section existed on August 31, 1995, if the employee had held the position on that date.

(3) "Eligible state-paid judge" means an individual who on August 31, 1995:

(A) held office; and

(B) was eligible for state payment of the employee tax under Section 606.065 as that section existed on that date.

(4) "Employee tax" means the tax that state employees and state-paid judges pay under the Federal Insurance Contributions Act.

(5) "Retirement contribution" means a mandatory contribution by an eligible state employee or eligible state-paid judge to a retirement system.

(6) "Retirement system" means the Teacher Retirement System of Texas, the Employees Retirement System of Texas, the optional retirement program governed by Chapter 830, the Judicial Retirement System of Texas Plan One, or the Judicial Retirement System of Texas Plan Two.

(7) "State agency" has the meaning assigned by Section 606.061.

Added by Acts 1995, 74th Leg., ch. 417, Sec. 3, eff. Sept. 1, 1995.

Sec. 659.122. INCLUSION OF BENEFIT REPLACEMENT PAY. The salary or wages paid after December 31, 1995, to an eligible state employee or an eligible state-paid judge includes benefit replacement pay in the amount provided by Section 659.123.

Added by Acts 1995, 74th Leg., ch. 417, Sec. 3, eff. Sept. 1, 1995.

Sec. 659.123. AMOUNT OF BENEFIT REPLACEMENT PAY. (a) Except as provided by Section 659.124, the benefit replacement pay of an eligible state employee or an eligible state-paid judge for a pay period is equal to the sum of:

(1) 5.85 percent of the compensation earned by the employee or judge during the pay period, subject to the limit provided by Subsection (b); and

(2) an additional amount equal to the retirement contribution paid by the employee or judge because of the benefit replacement pay provided by this subsection.

(b) The amount paid to an eligible state employee or an eligible state-paid judge under Subsection (a)(1) may not exceed \$965.25 each calendar year.

Added by Acts 1995, 74th Leg., ch. 417, Sec. 3, eff. Sept. 1, 1995.

Sec. 659.124. AMOUNT OF BENEFIT REPLACEMENT PAY FOR HIGHER EDUCATION EMPLOYEES. (a) For a state employee employed by an institution of higher education, the benefit replacement pay is an increase in compensation equal to the sum of:

(1) 5.85 percent of the employee's compensation as of October 31, 1995, subject to the limit provided by Subsection (b); and

(2) an additional amount equal to the retirement contribution paid by the employee because of the benefit replacement pay provided by this subsection.

(b) The amount paid to an eligible state employee of an institution of higher education under Subsection (a)(1) may not exceed \$965.25.

(c) In this section, "compensation" means annualized base salary or wages, including longevity and hazardous duty pay.

Added by Acts 1995, 74th Leg., ch. 417, Sec. 3, eff. Sept. 1, 1995.

Sec. 659.125. PAYING BENEFIT REPLACEMENT PAY IN EQUAL INSTALLMENTS. (a) Unless prohibited by a state agency under Subsection (b), an eligible state employee or an eligible state-paid judge may choose for the benefit replacement pay that the employee or judge is eligible to receive in a calendar year to be paid in equal installments in that year. The employee or judge must exercise this option before the beginning of the year. This subsection applies only to an eligible state employee or an eligible state-paid judge whose benefit replacement pay under Section 659.123(a)(1) will be \$965.25 during that year if the employee or judge remains in the position at the same compensation during the year.

(b) A state agency may prohibit an eligible state employee or an eligible state-paid judge from exercising the option described by Subsection (a) if the agency pays the employee's or judge's compensation.

(c) An eligible state employee or an eligible state-paid judge who exercises the option described by Subsection (a) for a calendar year and who terminates employment or leaves office before the end of that year is ineligible to be paid the difference between the benefit replacement pay received by the employee or judge and the benefit replacement pay the employee or judge would have received had the employee or judge not exercised the option described by Subsection (a).

Added by Acts 1995, 74th Leg., ch. 417, Sec. 3, eff. Sept. 1, 1995.

Sec. 659.126. LOSS OF ELIGIBILITY TO RECEIVE BENEFIT REPLACEMENT PAY. (a) An eligible state employee who leaves state employment after August 31, 1995, for at least 30 consecutive days, on returning to state employment or on assuming a state office, is ineligible to receive benefit replacement pay.

(b) An eligible state-paid judge who leaves office after August 31, 1995, for at least 30 consecutive days, on return to state office or on accepting a state employment, is ineligible to receive benefit replacement pay.

(c) For purposes of Subsection (a), a state employee is not considered to have left state employment:

(1) while the state employee is on an unpaid leave of absence as provided by Section 661.909; or

(2) during a period of time the employee is not working for the state because the employee's employment with the state customarily does not include that period of time, such as a teacher whose employment does not invariably include the summer months.

(d) An eligible state employee who retired from state employment on or after June 1, 2005, and who receives an annuity

based wholly or partly on service as a state officer or state employee in a public retirement system, as defined by Section 802.001, that was credited to the state employee is ineligible to receive benefit replacement pay.

Added by Acts 1995, 74th Leg., ch. 417, Sec. 3, eff. Sept. 1, 1995. Amended by Acts 2005, 79th Leg., ch. 899, Sec. 13.04, eff. Sept. 1, 2005.

Sec. 659.127. ADMINISTRATION. The comptroller may adopt rules and establish procedures and reporting requirements to administer this subchapter.

Added by Acts 1995, 74th Leg., ch. 417, Sec. 3, eff. Sept. 1, 1995.

SUBCHAPTER I. CHARITABLE CONTRIBUTIONS

Sec. 659.131. DEFINITIONS. In this subchapter:

(1) "Campaign manager" means a local campaign manager or state campaign manager.

(2) "Charitable organization" means an organization that:

(A) is organized for charitable purposes under the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes) or holds a certificate of authority issued under that Act;

(B) is exempt from taxation under Section 501(a) of the Internal Revenue Code of 1986 as an organization described in Section 501(c)(3) of that code and to which contributions are deductible for income tax purposes under Section 170 of that code;

(C) complies with all applicable federal nondiscrimination law, including Chapter 21, Title 42, United States Code;

(D) complies with all state statutes and rules relating to charitable organizations; and

(E) is not a private foundation.

(3) "Direct services" means providing funds or programs for health and human services that directly benefit the recipients.

(4) "Eligible charitable organization" means a charitable organization eligible to participate in the state employee charitable contribution campaign as provided by Section 659.146.

(5) "Federated community campaign organization" means a federation or fund that:

(A) has demonstrated expertise in conducting workplace charitable campaigns; and

(B) distributes funds raised through a cooperative community campaign to at least five agencies that provide direct services to residents of the campaign area.

(6) "Federation or fund" means a fund-raising entity that:

(A) is a charitable organization;

(B) acts as an agent for at least five charitable organizations;

(C) is not organized exclusively to solicit contributions from state employees; and

(D) is supported by voluntary contributions by the public and is:

(i) incorporated in this state and has an established physical presence in this state in the form of an office or service facility that is staffed at least 20 hours a week; or

(ii) incorporated outside this state, includes at least 10 affiliated charitable organizations, has existed at least three years, and participates in state employee charitable campaigns in at least 10 other states.

(7) "Health and human services" means services provided by a charitable organization that:

(A) benefit residents of this state, including children, youth, adults, elderly individuals, ill or infirm individuals, or individuals with a mental or physical disability; and

(B) consist of:

(i) human care, medical or other research in the field of human health, education, social adjustment, or rehabilitation;

(ii) relief for victims of natural disaster or other emergencies; or

(iii) assistance to impoverished individuals in need of food, shelter, clothing, or other basic

needs.

(8) "Indirect services" means services that:

(A) enable, augment, or otherwise support the direct delivery of health and human services; and

(B) demonstrably benefit residents of this state.

(9) "Institution of higher education" has the meaning assigned by Section 61.003, Education Code.

(10) Repealed by Acts 2003, 78th Leg., ch. 1310, Sec. 121(9).

(11) "Local campaign area" means the county or counties in which a local campaign manager conducts a state employee charitable campaign.

(12) "Local campaign manager" means the local campaign manager selected by the local employee committee as provided by Section 659.144.

(13) "Local charitable organization" means a charitable organization that:

(A) provides direct or indirect health and human services; and

(B) is accessible to state employees in the local campaign area by maintaining:

(i) a publicly identified office with a professional or volunteer staff within the local campaign area that is open at least 20 hours a week during normal working hours; and

(ii) a locally listed telephone number.

(14) "Local employee committee" means a local state employee charitable campaign committee selected as provided by Section 659.143.

(15) "State advisory committee" means the state employee charitable campaign advisory committee appointed under Section 659.142.

(16) "State agency" means a department, commission, board, office, institution of higher education, or other agency of state government.

(17) "State campaign manager" means the state campaign manager selected by the state policy committee under Section 659.140(e)(2).

(18) "State employee" means an employee of a state agency.

(19) "State employee charitable campaign" means an annual campaign conducted in communities or areas in which state employees solicit contributions to an eligible charitable organization.

(20) "State policy committee" means the state employee charitable campaign policy committee appointed under Section 659.140.

(21) "Statewide charitable organization" means a federation or fund and its affiliated agencies that:

(A) provide direct or indirect health and human services to residents of two or more noncontiguous standard metropolitan statistical areas of this state; and

(B) have demonstrated the federation or fund is accessible to state employees by maintaining:

(i) a staff or volunteer representative residing in this state who is accessible at least 20 hours a week during normal working hours; and

(ii) a toll-free long-distance telephone number.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 1310, Sec. 35, 121(9), eff. June 20, 2003.

Sec. 659.1311. PUBLIC JUNIOR COLLEGES. (a) For purposes of this subchapter, a public junior college is considered to be an institution of higher education and employees of the public junior college are considered to be state employees during a state fiscal year unless an affirmative decision not to participate under this subchapter is made by the governing board of the public junior college not later than April 1 of the preceding state fiscal year.

(b) An employee of a public junior college that elects not to participate in the state employee charitable contribution program may authorize a deduction from the employee's salary or wage payment for a charitable contribution as provided by the policy of the governing board of the public junior college.

(c) Participation by an employee of a public junior college

under this section is voluntary.

Added by Acts 1997, 75th Leg., ch. 1253, Sec. 1, eff. Sept. 1, 1997.

Sec. 659.132. DEDUCTION AUTHORIZED. (a) A state employee may authorize a deduction each pay period from the employee's salary or wage payment for a charitable contribution as provided by this subchapter.

(b) Except as provided by Subsections (c), (d), and (e), a state employee may authorize a deduction only during a state employee charitable campaign.

(c) A state employee who begins working for the state when a campaign is not being conducted may authorize a deduction according to the comptroller's requirements.

(d) A state employee who works for a state agency that does not allow deduction authorizations under Subsection (i) may authorize a deduction that is effective with the first full payroll period after the agency is converted to a system in which uniform statewide payroll procedures are followed.

(e) A state employee who works for a state agency that does not allow deduction authorizations under Subsection (i) may authorize a deduction after transferring from that agency to:

(1) a state agency that allows deduction authorizations even though it may prohibit them under Subsection (i); or

(2) a state agency not covered by Subsection (i).

(f) A state employee who authorized a deduction while working for a state agency may continue the deduction after transferring to another state agency if the comptroller's rules for continuing the deduction are followed.

(g) An authorization must direct the comptroller to distribute the deducted funds to a participating federation or fund and a local campaign manager as prescribed by rule.

(h) A deduction under this subchapter must be in the form prescribed by the comptroller.

(i) A state agency other than an institution of higher education is not required to permit an employee to authorize a deduction under this subchapter until the first full payroll period after the agency converts to a system in which uniform statewide payroll procedures are followed.

(j) The comptroller by rule may establish a reasonable minimum deduction for each pay period.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1035, Sec. 36, eff. June 19, 1997.

Sec. 659.133. VOLUNTARY PARTICIPATION. (a) Participation by a state employee in a state employee charitable campaign is voluntary. Each campaign manager, local employee committee, charitable organization, state employee, and state agency shall inform state employees that deductions are voluntary.

(b) The comptroller shall adopt rules establishing a process for hearing employee complaints regarding coercive activity in a state employee charitable campaign.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995.

Sec. 659.134. DESIGNATION OF AN ELIGIBLE CHARITABLE ORGANIZATION. (a) A state employee may designate in the authorization an eligible charitable organization to receive the deductions.

(b) If a state employee does not designate an eligible charitable organization, the employee's deductions shall be distributed to each participating federation or fund and eligible local charitable organization in the proportion that the deductions designated for that charitable organization bear to the total of designated deductions in the local state employee charitable campaign.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995.

Sec. 659.135. CONFIDENTIALITY. (a) Except as necessary to administer this subchapter or on written authorization of the employee, the following information is confidential:

(1) whether a state employee has authorized a deduction under this subchapter;

(2) the amount of the deduction; and

(3) the name of a federation or fund or local charitable organization that a state employee has designated to receive contributions.

(b) The designation of a charitable organization by a state employee is not confidential if the employee executes a written pledge card or other document indicating that the employee wishes to receive an acknowledgement from the charitable organization. Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995.

Sec. 659.136. REVOCATION OR CHANGE OF AUTHORIZATION. (a) A state employee may revoke or change an authorization by giving notice to the employing state agency. A state employee may not change the eligible charitable organization designated to receive the employee's deductions.

(b) The notice must be in the form and manner prescribed by the comptroller.

(c) A revocation or change takes effect on the date designated by the comptroller by rule.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1035, Sec. 37, eff. June 19, 1997.

Sec. 659.137. DURATION OF DEDUCTION. (a) A deduction under this subchapter begins on the date designated by the comptroller by rule.

(b) A deduction under this subchapter is effective for a maximum of one campaign year and, unless revoked or changed under Section 659.136, ends on the date designated by the comptroller by rule.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1035, Sec. 38, eff. June 19, 1997.

Sec. 659.138. TIME OF CAMPAIGN. A state employee charitable campaign shall be conducted each autumn.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995.

Sec. 659.139. FAIR AND EQUITABLE MANAGEMENT OF CAMPAIGN. A state employee charitable campaign must be managed fairly and equitably in accordance with this subchapter and the policies and procedures established by the state policy committee.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995.

Sec. 659.140. STATE EMPLOYEE CHARITABLE CAMPAIGN POLICY COMMITTEE. (a) The state employee charitable campaign policy committee consists of not more than 10 members.

(b) The governor may appoint not more than four members. The lieutenant governor and the comptroller may appoint not more than three members each.

(c) Each member of the state policy committee must be a state employee. The membership must represent employees at different levels of employee classification.

(d) Appointments shall be made to the state policy committee to ensure that the committee reflects the race, ethnicity, and national origin of the residents of this state.

(e) The state policy committee shall:

(1) establish local campaign areas based on recommendations by the state advisory committee;

(2) select as the state campaign manager:

(A) a federated community campaign organization;

or

(B) in the absence of an application by an organization described by Paragraph (A), a charitable organization determined by the state policy committee to have demonstrated the capacity to conduct a state campaign;

(3) determine the eligibility of a federation or fund and its affiliated agencies for statewide participation in the state employee charitable campaign;

(4) approve the recommended campaign plan, budget, and generic materials to be used by campaign managers;

(5) oversee the state employee charitable campaign to ensure that all campaign activities are conducted fairly and equitably to promote unified solicitation on behalf of all participants; and

(6) perform other duties prescribed by the comptroller's rules.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1319, Sec. 1, eff. Sept. 1, 1997.

Sec. 659.141. STATE CAMPAIGN MANAGER. The state campaign

manager shall:

- (1) develop a campaign plan;
- (2) prepare a statewide campaign budget in cooperation with local campaign managers;
- (3) prepare generic materials to be used by campaign managers;
- (4) coordinate and facilitate campaign services to state employees throughout the state;
- (5) ensure that all state employee charitable campaign activities are conducted fairly and equitably to promote unified solicitation on behalf of all participants; and
- (6) perform other duties prescribed by the comptroller's rules.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995.

Sec. 659.142. STATE EMPLOYEE CHARITABLE CAMPAIGN ADVISORY COMMITTEE. (a) The state employee charitable campaign advisory committee consists of eight members appointed by the governor.

(b) Four members must represent campaign managers. Four members must represent federations or funds that are not campaign managers.

(c) The governor shall appoint members to the state advisory committee to ensure that the committee reflects the race, ethnicity, and national origin of the residents of this state.

(d) With the advice of the state advisory committee, the comptroller shall adopt rules for the administration of this subchapter.

(e) The state advisory committee shall:

(1) advise the comptroller and state policy committee in adopting rules and establishing procedures for the operation and management of the state employee charitable campaign;

(2) recommend the number, not to exceed 50, and geographic scope of local campaign areas to the state policy committee; and

(3) review and submit the recommended campaign plan, budget, and generic materials to be used by campaign managers.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995.

Sec. 659.143. LOCAL STATE EMPLOYEE CHARITABLE CAMPAIGN COMMITTEE. (a) The state policy committee shall appoint the presiding officer of a local state employee charitable campaign committee in each local campaign area.

(b) The presiding officer of a local employee committee shall recruit at least five but not more than 10 additional members. The members must represent different levels of employee classification.

(c) Each member of a local employee committee may vote on matters before the committee.

(d) Appointments shall be made to a local employee committee to ensure that the committee reflects the race, ethnicity, and national origin of the residents of the local campaign area.

(e) The local employee committee shall:

(1) select as the local campaign manager:

(A) a federated community campaign organization;

or

(B) in the absence of an application by an organization described by Paragraph (A), a charitable organization determined by the local employee committee to have demonstrated the capacity to conduct a local campaign;

(2) determine the eligibility of local charitable organizations to participate in the state employee charitable campaign;

(3) in consultation with the local campaign manager, approve the recommended campaign plan, budget, and generic materials to be used by campaign managers;

(4) oversee the local state employee charitable campaign to ensure that all local campaign activities are conducted fairly and equitably to promote unified solicitation on behalf of all participants; and

(5) perform other duties prescribed by the comptroller's rules.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1319, Sec. 2, eff. Sept. 1, 1997.

Sec. 659.144. LOCAL CAMPAIGN MANAGER. (a) A local employee

committee shall select a federated community campaign organization to be the local campaign manager.

(b) A local campaign manager must have demonstrated expertise to:

(1) provide effective campaign counsel and management; and

(2) serve as fiscal agent for the eligible local charitable organizations.

(c) A local campaign manager shall:

(1) in consultation with the local employee committee, develop a cooperative plan, budget, and local campaign materials for the local state employee charitable campaign;

(2) manage the local state employee charitable campaign in the campaign area and provide for the effective involvement of each participating federation or fund;

(3) ensure that all local state employee charitable campaign activities are conducted fairly and equitably to promote unified solicitation on behalf of all participants; and

(4) perform other duties prescribed by the comptroller's rules.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995.

Sec. 659.145. TERMS OF COMMITTEE MEMBERS; COMPENSATION. (a) A member of the state advisory committee, the state policy committee, or a local employee committee serves a two-year term.

(b) A member of the state advisory committee, the state policy committee, or a local employee committee may not receive compensation for serving on the committee and is not entitled to reimbursement from state funds for expenses incurred in performing functions as a member of the committee.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1319, Sec. 3, eff. Sept. 1, 1997.

Sec. 659.146. ELIGIBILITY OF CHARITABLE ORGANIZATIONS IN GENERAL; ELIGIBILITY OF FEDERATIONS AND FUNDS FOR STATEWIDE PARTICIPATION. (a) To be eligible to participate in a state employee charitable campaign, a charitable organization must:

(1) be governed by a voluntary board of citizens that meets at least twice each year to set policy and manage the affairs of the organization;

(2) if the organization's annual budget:

(A) does not exceed \$100,000, provide a completed Internal Revenue Service Form 990 and an accountant's review that offers full and open disclosure of the organization's internal operations; or

(B) exceeds \$100,000, be audited annually in accordance with generally accepted auditing standards of the American Institute of Certified Public Accountants; and

(3) not spend more than 25 percent of its annual revenue for administrative and fund-raising expenses.

(b) Repealed by Acts 2003, 78th Leg., ch. 1310, Sec. 121(10).

(c) A federation or fund that seeks statewide participation in a state employee charitable campaign must apply on behalf of itself and its affiliated agencies to the state policy committee during the annual eligibility determination period specified by the committee. The state policy committee shall review each application and may approve a federation or fund for statewide participation only if the federation or fund qualifies as a statewide charitable organization. The state policy committee may approve an affiliated charitable organization for statewide participation only if the organization qualifies as a statewide charitable organization.

(d) The state policy committee may use outside expertise and resources available to it to assess the eligibility of a charitable organization that seeks to participate in a state employee charitable campaign.

(e) An appeal from a decision of the state policy committee shall be conducted in the manner prescribed by the committee. The appeals process must permit a charitable organization that is not approved for statewide participation to apply for participation in a local state employee charitable campaign.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1035, Sec. 41, eff. June

19, 1997; Acts 2003, 78th Leg., ch. 1310, Sec. 36, 121(10), eff. June 20, 2003.

Sec. 659.147. ELIGIBILITY OF CHARITABLE ORGANIZATIONS FOR LOCAL PARTICIPATION. (a) A charitable organization that seeks local participation in a state employee charitable campaign must apply to the appropriate local employee committee during the annual eligibility determination period specified by the state policy committee.

(b) The local employee committee shall review each application and may approve a charitable organization for local participation only if the organization qualifies as a local charitable organization and is:

(1) an unaffiliated local organization; or

(2) a federation or fund or an affiliate of a federation or fund that is not approved for statewide participation.

(c) An affiliated organization of an eligible federation or fund that does not qualify as a statewide charitable organization under Section 659.146 because it does not provide services in two or more noncontiguous standard metropolitan statistical areas may apply to a local employee committee for participation in a local state employee charitable campaign.

(d) An appeal from a decision of a local employee committee shall be conducted in the manner prescribed by the state policy committee.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995.

Sec. 659.148. FEES. (a) A campaign manager may not charge a fee to the comptroller, a state agency, or a state employee for the services the campaign manager provides in connection with a state employee charitable campaign.

(b) A campaign manager may charge a reasonable and necessary fee for actual campaign expenses to the participating charitable organizations in the same proportion that the contributions to that charitable organization bear to the total of contributions in the state employee charitable campaign.

(c) A fee under Subsection (b) must be based on the combined expenses of the state campaign manager and each local campaign manager and may not exceed 10 percent of the total amount collected in the state employee charitable campaign unless the state policy committee approves a higher amount to accommodate reasonable documented costs.

(d) Except as provided by this subsection, the comptroller shall charge an administrative fee to cover costs incurred by the comptroller and employing state agencies in the implementation of this subchapter to the charitable organizations participating in the first state employee charitable campaign conducted under this subchapter in the same proportion that the contributions to that charitable organization bear to the total of contributions in that campaign. Except as provided by this subsection, the comptroller shall charge an administrative fee to cover costs incurred by the comptroller and employing state agencies in the administration of this subchapter to the charitable organizations in each subsequent state employee charitable campaign in the same proportion that the contributions to that charitable organization bear to the total of contributions in that campaign. The comptroller may decline to charge an administrative fee if the comptroller determines the costs that would be covered by the fee are insignificant. The comptroller shall determine the most efficient and effective method of collecting the administrative fee and shall adopt rules for the implementation of this section.

(e) An institution of higher education that is authorized to operate a payroll system reimbursable from the state treasury shall charge an administrative fee to the participating charitable organizations to cover the actual costs incurred in the administration of this subchapter. The fee shall be assessed and collected annually and shall be charged in the same proportion that the contributions to the charitable organization bear to the total contributions in that campaign.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1035, Sec. 39, eff. June 19, 1997.

Sec. 659.149. FUND-RAISING PRACTICES. The fund-raising practices of a participating charitable organization must:

(1) be truthful and consumer-oriented;

(2) clearly identify and distinguish community-based organizations from statewide and international organizations; and

(3) ensure protection against:

(A) unauthorized use of a list of contributors to the organization;

(B) payment of commissions, kickbacks, finder fees, percentages, bonuses, or overrides for fund-raising;

(C) mailing of unordered merchandise or tickets with a request for money in return; and

(D) general telephone solicitation of the public.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995.

Sec. 659.150. LIMITATION ON THE USE OF CONTRIBUTIONS. (a) A participating charitable organization may use contributions under this subchapter only to provide health and human services or to fund a charitable organization that provides health and human services.

(b) A participating charitable organization may not use contributions under this subchapter to:

(1) directly or indirectly fund litigation; or

(2) make expenditures that would require the organization to register under Chapter 305 if the organization were not an entity exempt from registration under that chapter.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 1310, Sec. 37, eff. June 20, 2003.

Sec. 659.151. MISAPPLICATION OF CONTRIBUTIONS; AUDIT. (a) The state policy committee may request the comptroller or state auditor to audit a participating charitable organization, a campaign manager, or a local employee committee that the state policy committee reasonably believes has misapplied contributions under this subchapter.

(b) If an audit under this section reveals gross negligence or intentional misconduct on the part of a campaign manager or a local employee committee, the state policy committee shall remove the campaign manager or local employee committee. A person removed under this subsection is not eligible to serve in the capacity from which the person was removed before the fifth anniversary of the date the person was removed.

(c) If an audit under this section reveals intentional misconduct on the part of a campaign manager or a local employee committee, the state policy committee shall forward its findings to the appropriate law enforcement agency.

(d) The attorney general may bring an action to recover misapplied contributions.

(e) If an investigation or lawsuit results in a recovery of misapplied contributions and there is not a judgment distributing the amounts recovered, the state policy committee shall instruct the comptroller as to the manner of refunding contributions to the appropriate state employees.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.17(a), eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 15.01, eff. Sept. 1, 1997.

Sec. 659.153. LEGAL REPRESENTATION. The attorney general shall represent the state policy committee and each local employee committee in all legal matters.

Added by Acts 1997, 75th Leg., ch. 1319, Sec. 4, eff. Sept. 1, 1997.

SUBCHAPTER J. PAYROLL REDUCTION OR DEDUCTION FOR CERTAIN EMPLOYEE BENEFITS AT INSTITUTIONS OF HIGHER EDUCATION

Sec. 659.201. DEFINITION. In this subchapter, "institution of higher education" has the meaning assigned by Section 61.003, Education Code.

Added by Acts 1997, 75th Leg., ch. 808, Sec. 1, eff. June 17, 1997.

Sec. 659.202. PAYROLL REDUCTION OR DEDUCTION AUTHORIZED; USE OF FUNDS. (a) An employee of an institution of higher education may authorize in writing a reduction each pay period from the employee's salary or wage payment for the payment of any fee or charge for parking, a parking permit, a transportation pass, or other qualified transportation benefit authorized under section 132(f), Internal Revenue Code of 1986, as amended. An authorization for a reduction under this subchapter by the employee must be voluntary. The institution shall determine which fee or charge an employee may pay under this subsection.

(b) An employee of an institution of higher education may authorize in writing a deduction each pay period from the

employee's salary or wage payment for the payment of any fee or charge for parking or for a club membership, recreational sports membership, or similar activity or program. An authorization for a deduction under this subchapter by the employee must be voluntary. The institution shall determine which fee or charge an employee may pay under this subsection.

Added by Acts 1997, 75th Leg., ch. 808, Sec. 1, eff. June 17, 1997. Amended by Acts 2001, 77th Leg., ch. 118, Sec. 2.08, eff. Sept. 1, 2001.

Sec. 659.203. FORM AND MANNER. A deduction under this subchapter must be made in a form and manner prescribed by the appropriate financial officer of the institution of higher education.

Added by Acts 1997, 75th Leg., ch. 808, Sec. 1, eff. June 17, 1997.

Sec. 659.204. CHANGE; DURATION. (a) An employee authorizing a deduction under this subchapter may change or revoke the authorization by delivering written notice of the change or revocation to the financial officer of the institution of higher education.

(b) An authorization under this subchapter is effective until the financial officer receives a notice under Subsection (a) changing or revoking the authorization.

(c) The notice given under Subsection (a) must be in the form and manner prescribed by the appropriate financial officer of the institution of higher education.

Added by Acts 1997, 75th Leg., ch. 808, Sec. 1, eff. June 17, 1997.

Sec. 659.205. STATUS OF DEDUCTION OR SALARY REDUCTION. (a) If so designated by the employing institution of higher education, a salary deduction made by an employee under this subchapter shall be considered compensation under this chapter and salary and wages and member compensation under Title 8.

(b) If authorized by federal law, a salary deduction or salary reduction under this subchapter may be made on a pretax basis.

Added by Acts 2001, 77th Leg., ch. 118, Sec. 2.09, eff. Sept. 1, 2001.

SUBCHAPTER K. PROMOTIONS, RECLASSIFICATIONS, AND OTHER ADJUSTMENTS TO SALARY

Sec. 659.251. APPLICABILITY. (a) This subchapter applies only to a state employee employed in the executive or judicial branch of state government.

(b) The policies for promotions, demotions, and other adjustments to salary for employees of the legislative branch, including employees of the lieutenant governor, are determined as follows:

(1) for employees of either house of the legislature, a member of the legislature, or the lieutenant governor, by the presiding officer of the appropriate house of the legislature; and

(2) for employees of a legislative agency, by the administrative head of the agency.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 16, eff. Sept. 1, 1999.

Sec. 659.252. DEFINITION. In this subchapter, "state agency" means the state department, institution, entity, or other agency in the executive or judicial branch of state government that employs a state employee.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 16, eff. Sept. 1, 1999.

Sec. 659.253. TRANSFER WITHIN AGENCY FROM EXEMPT TO CLASSIFIED POSITION. (a) Except as provided by Subsection (b), a state employee who transfers within a state agency from an exempt position to a classified position is entitled to receive an annual salary in the salary group to which the classified position is allocated.

(b) During the fiscal biennium in which a state employee transfers within a state agency from an exempt position to a classified position, the employee's annual salary rate after the transfer may not exceed:

(1) the rate for the salary step equal to the rate received by the employee when holding the exempt position or the rate for the next higher salary step, if the classified position is allocated to a salary group that is divided into steps; or

(2) the rate received by the employee when holding the exempt position or the maximum rate of the salary group to which the classified position is allocated, whichever is lower, if the classified position is allocated to a salary group that is not divided into steps.

(c) A merit salary increase for a state employee who transfers to a classified position from an exempt position for which the salary is specifically established in the General Appropriations Act may not take effect if:

(1) the employee has spent less than six months in the classified position; or

(2) the increase would cause the salary limitation prescribed by Subsection (b) to be exceeded.

(d) The Legislative Budget Board and the governor together may approve an exception to the salary limitations prescribed by Subsection (b) for a state employee:

(1) on receiving the employing state agency's application for the exception; and

(2) if the employee's job responsibilities with the state agency have changed substantially during the biennium.

(e) In this section:

(1) "Classified position" means a position classified under the state's position classification plan.

(2) "Exempt position" means a position exempt from the state's position classification plan.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 16, eff. Sept. 1, 1999. Amended by Acts 2003, 78th Leg., ch. 1310, Sec. 38, eff. Sept. 1, 2003.

Sec. 659.2531. TRANSFER WITHIN AGENCY BETWEEN CLASSIFIED POSITIONS ALLOCATED TO SAME SALARY GROUP. (a) In this section:

(1) "Classified position" means a position classified under the state's position classification plan.

(2) "Transfer" means the transfer of a state employee within a state agency between two classified positions that:

(A) are allocated to the same salary group; and

(B) have different position titles as listed in the General Appropriations Act.

(b) Except as provided by Subsection (c), a state employee's annual salary rate immediately after a transfer may not exceed:

(1) the rate for the salary step that is one step higher than the salary step at which the employee was paid immediately before the transfer, if the classified position to which the employee transfers is allocated to a salary group that is divided into steps; or

(2) 103.4 percent of the employee's annual salary rate immediately before the transfer, if the classified position to which the employee transfers is allocated to a salary group that is not divided into steps.

(c) A state employee's annual salary rate immediately after a transfer may not exceed the maximum rate for the appropriate salary group.

Added by Acts 2003, 78th Leg., ch. 1310, Sec. 39, eff. Sept. 1, 2003.

Sec. 659.254. CLASSIFIED POSITION REALLOCATED OR RECLASSIFIED TO DIFFERENT SALARY GROUP. (a) This section applies only to positions classified under the state's position classification plan.

(b) In this section:

(1) "higher salary group" means a salary group with a higher minimum salary rate; and

(2) "lower salary group" means a salary group with a lower minimum salary rate.

(c) An employee whose classified position is reallocated by the General Appropriations Act or reclassified under Chapter 654 to a higher salary group will be paid at the minimum salary rate in the higher salary group or at the salary rate the employee would have received without the reallocation or reclassification, whichever rate is higher, except to maintain desirable salary relationships among employees in the affected positions, the salary may be adjusted not more than:

(1) two steps higher, if the employee's salary group is divided into steps by the General Appropriations Act; or

(2) 6.8 percent higher, if the employee's salary group is not divided into steps by the General Appropriations Act.

(d) An employee whose classified position is reallocated by the General Appropriations Act or reclassified under Chapter 654 to a lower salary group will be paid at the salary rate that the employee would have received had the position not been reallocated or reclassified, not to exceed the maximum rate of the lower salary group.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 16, eff. Sept. 1, 1999.
Amended by Acts 2001, 77th Leg., ch. 1158, Sec. 34, eff. Sept. 1, 2001.

Sec. 659.255. MERIT SALARY INCREASES; ONE-TIME MERIT PAYMENTS. (a) In this section:

(1) "Classified employee" means a state employee who holds a classified position.

(2) "Classified position" means a position classified under the state's position classification plan.

(3) "Merit salary increase" means an increase in compensation to:

(A) a higher step rate in the same classified salary group, if the classified employee is compensated under Salary Schedule A of the General Appropriations Act; or

(B) a higher rate within the range of the same classified salary group, if the classified employee is compensated under Salary Schedule B of the General Appropriations Act.

(b) The comptroller shall prescribe accounting and reporting procedures as necessary to ensure the availability of information reflecting each state agency's use of merit salary increases, including one-time merit payments.

(c) Each state agency shall establish:

(1) a procedure for determining the eligibility of a classified employee to receive a merit salary increase or a one-time merit payment from the agency; and

(2) requirements for substantiating the eligibility of a classified employee who receives a merit salary increase or a one-time merit payment from the agency.

(d) Merit salary increases and one-time merit payments shall be applied throughout the range of classified salary groups used by each state agency.

(e) A state agency may award a merit salary increase to a classified employee in relation to the employee's performance in the current classified position held by the employee if:

(1) the employee has been employed by the agency in that position for at least six continuous months before the effective date of the increase;

(2) the effective date of the increase is at least six months after the effective date of the employee's last:

(A) promotion; or

(B) merit salary increase for performance in that position;

(3) the agency has complied with Subsection (c);

(4) the employee's job performance and productivity in that position are consistently above that normally expected or required; and

(5) the effective date of the increase is at least six months after the effective date of the agency's last:

(A) payment to the employee of an enhanced compensation award authorized by the General Appropriations Act; or

(B) one-time merit payment for performance in that position.

(f) A state agency may make a one-time merit payment to a classified employee in relation to the employee's performance in the current classified position held by the employee if:

(1) the employee has been employed by the agency in that position for at least six continuous months before the effective date of the payment;

(2) the effective date of the payment is at least six months after the effective date of the employee's last:

(A) promotion; or

(B) merit salary increase for performance in that position;

(3) the agency has complied with Subsection (c);

(4) the employee's job performance and productivity in that position are consistently above that normally expected or required; and

(5) the effective date of the payment is at least six months after the effective date of the agency's last:

(A) payment to the employee of an enhanced compensation award authorized by the General Appropriations Act; or

(B) one-time merit payment for performance in that position.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 16, eff. Sept. 1, 1999. Amended by Acts 2003, 78th Leg., ch. 1310, Sec. 40, eff. Sept. 1, 2003.

Sec. 659.2551. PERFORMANCE LINKED TO AGENCY GOALS. Each state agency shall adopt policies to ensure that an employee's performance expectations are linked to the goals in the agency's strategic plan adopted under Chapter 2056.

Added by Acts 2001, 77th Leg., ch. 1158, Sec. 35, eff. June 15, 2001.

Sec. 659.256. PROMOTIONS. (a) This section applies only to positions classified under the state's position classification plan.

(b) A promotion is an employee's change in duty assignment within a state agency from one classified position to another classified position that:

(1) is in a salary group with a higher minimum salary rate;

(2) requires higher qualifications, such as greater skill or longer experience; and

(3) involves a higher level of responsibility.

(c) When an employee is promoted to a position in a higher salary group in Salary Schedule A of the General Appropriations Act, the employee shall receive a salary rate at least one step higher than the employee's salary rate before promotion or the minimum rate of the new salary range, whichever is higher, and may, at the discretion of the state agency administrator, receive an annual salary rate up to and including the maximum rate of the new salary range. When an employee is promoted from a position in Salary Schedule B or C of the General Appropriations Act to a position in Salary Schedule A of the General Appropriations Act, the employee shall receive a step rate that is at least one step above the rate the employee received before promotion or the minimum rate of the new salary range, whichever is higher, and may, at the discretion of the state agency administrator, receive an annual rate up to and including the maximum rate of the new salary range.

(d) When an employee is promoted in Salary Schedule B of the General Appropriations Act or from Salary Schedule A or C of the General Appropriations Act to Salary Schedule B of the General Appropriations Act, the employee shall receive a salary rate that is at least 3.4 percent higher than the employee's salary before promotion or the minimum rate of the new salary range, whichever is higher, and may, at the discretion of the state agency administrator, receive an annual rate up to and including the maximum rate of the new salary range.

(e) When an employee is promoted in Salary Schedule C of the General Appropriations Act or from Salary Schedule A or B of the General Appropriations Act to Salary Schedule C of the General Appropriations Act, the employee shall receive the rate set in the schedule for that salary group.

(f) Notwithstanding the other provisions of this section, an employee whose salary prior to promotion exceeds the maximum rate of the employee's assigned salary group may not receive more than the maximum rate of the new salary group, even if the increase is less than one step in Salary Schedule A of the General Appropriations Act or 3.4 percent in Salary Schedule B of the General Appropriations Act.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 16, eff. Sept. 1, 1999.

Sec. 659.257. DEMOTIONS. (a) This section applies only to positions classified under the state's position classification plan.

(b) A demotion is an employee's change in duty assignment within a state agency from one classified position to another classified position that is in a salary group with a lower minimum salary rate.

(c) When an employee is demoted to a position in a lower salary group in Salary Schedule A of the General Appropriations Act, the employee will receive a salary rate at least one step below the rate the employee received before demotion. When an employee is demoted from a position in Salary Schedule B or C of the General Appropriations Act to a position in Salary Schedule A of the General Appropriations Act, the employee shall receive a step rate that is at least 3.4 percent below the rate the employee received before demotion.

(d) When an employee is demoted within Salary Schedule B of

the General Appropriations Act or from Salary Schedule A or C of the General Appropriations Act to Salary Schedule B of the General Appropriations Act, the employee will receive a salary rate of at least 3.4 percent below the rate the employee received before demotion.

(e) When an employee is demoted to a position in a lower salary group in Salary Schedule C of the General Appropriations Act or from Salary Schedule A or B of the General Appropriations Act to Salary Schedule C of the General Appropriations Act, the employee will receive the rate set in the schedule for that salary group.

(f) As exceptions to the other provisions in this section, an agency is not required to reduce an employee's salary if:

(1) the employee accepts a position in another classification in a lower salary group in lieu of a layoff under a reduction in force; or

(2) the employee is selected for another position in a classification in a lower salary group as a result of applying for the position.

(g) An employee demoted in the manner described by Subsection (f) may not receive a salary rate that exceeds the maximum rate of the lower salary group. In addition, an employee demoted as described by Subsection (f)(1) may not receive a salary rate that exceeds the employee's salary rate before the demotion.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 16, eff. Sept. 1, 1999.

Sec. 659.258. SALARY REDUCTION FOR DISCIPLINARY REASONS. (a) This section applies only to positions classified under the state's position classification plan.

(b) The administrative head of a state agency may reduce an employee's salary for disciplinary reasons, if warranted by the employee's performance, to a rate in the employee's designated salary group not lower than the minimum rate. The agency may, as the employee's performance improves, restore the employee's pay to any rate that does not exceed the employee's prior salary rate without accounting for the restoration as a merit salary increase.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 16, eff. Sept. 1, 1999.

Sec. 659.259. SALARY LIMITED TO MAXIMUM GROUP RATE. (a) This section applies only to positions classified under the state's position classification plan.

(b) A salary adjustment authorized by this subchapter may not result in an employee's receiving an annual salary that exceeds the maximum rate of the salary group to which the employee's position is allocated.

(c) Employees who are paid above the maximum of their job class' designated salary group on August 1, 1999, will be allowed to maintain their salaries. However, in no case may they be allowed to receive additional salary increases, including across-the-board increases and merit increases, including one-time merit payments, until the salary maximum for their designated salary group encompasses their salary. These employees must be paid in the salary range if they are promoted, demoted, or reclassified.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 16, eff. Sept. 1, 1999.

Sec. 659.260. TEMPORARY ASSIGNMENT. (a) To facilitate a state agency's work during an emergency or other special circumstance, an employee may be temporarily assigned to other duties for a period not to exceed six months. The employee is entitled to receive during the period of reassignment at least the same rate of pay that the employee received immediately before the reassignment. An employee may not be temporarily assigned under this subsection to a position classified in a salary group with a lower minimum salary rate.

(b) An employee may not be assigned temporary duties under this section for more than six months during a twelve-month period.

(c) An employee temporarily designated to act as the administrative head of a state agency may continue to receive a salary for a classified position in an amount not to exceed the amount established by the General Appropriations Act for the administrative head of the agency.

(d) While the employee is temporarily assigned under this section, the state agency may not:

(1) award a merit salary increase to the employee; or

(2) promote or demote the employee.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 16, eff. Sept. 1, 1999.

Amended by Acts 2001, 77th Leg., ch. 1158, Sec. 36, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 1310, Sec. 41, eff. June 20, 2003.

Sec. 659.261. SALARY CAP. (a) The maximum amount a state

agency spends for merit salary increases in and promotions to classified positions during a fiscal year may not exceed, without the written approval of the budget division of the governor's office and the Legislative Budget Board, the amount computed by multiplying the total amount spent by the agency in the preceding fiscal year for classified salaries times the percentage set by the General Appropriations Act for purposes of this computation.

(b) The maximum amount that may be spent for merit salary increases in and promotions to classified positions shall be computed separately for each year of the state fiscal biennium. Merit salary increases and promotions awarded in the first fiscal year of a biennium do not count against the maximum amount that may be spent for those increases in the second fiscal year of that biennium.

(c) Money spent to pay a salary increase for an employee who is promoted to a classified position title counts against the limitation prescribed by this section only if, as a result of the promotion, the number of agency employees in that position title exceeds the maximum number of agency employees who have been in that position title at any time during the preceding six-month period.

(d) A request to exceed the limitation prescribed by this section must be submitted by the governing body of the agency, or by the head of the agency if the agency is not governed by a multimember governing body, and must include at least:

(1) the date on which the governing body or the head of the agency approved the request;

(2) a statement justifying the need to exceed the limitation; and

(3) the source of funds to be used to pay the salary increases.

(e) The comptroller shall prescribe accounting and reporting procedures necessary to ensure that the amount spent for merit salary increases and promotions does not exceed the limitations established by this section.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 16, eff. Sept. 1, 1999.

Sec. 659.262. ADDITIONAL COMPENSATION FOR CERTAIN CLASSIFIED STATE EMPLOYEES. (a) In this section, "state agency" means an agency of any branch of state government that employs individuals who are classified under Chapter 654.

(b) To enhance the recruitment of competent personnel for certain classified employee positions, a state agency may provide to a state employee, at the time of the employee's hiring for a classified position, additional compensation in the form of a one-time recruitment payment not to exceed \$5,000. If the employee discontinues employment with the state agency for any reason less than three months after the date of receiving the recruitment payment, the employee shall refund to the state agency the full amount of the recruitment payment. If the employee discontinues employment with the state agency for any reason three months or longer but less than 12 months after the date of receiving the recruitment payment, the employee shall refund to the state agency an amount computed by:

(1) subtracting from 12 months the number of complete calendar months the employee worked after the date of receiving the recruitment payment;

(2) dividing the number of months computed under Subdivision (1) by 12 months; and

(3) multiplying the fraction computed under Subdivision (2) by the amount of the recruitment payment.

(c) To enhance the retention of employees who are employed in certain classified positions that are identified by the chief administrator of a state agency as essential for the state agency's operations, a state agency may enter into a deferred compensation contract with a classified employee to provide to the employee a one-time additional compensation payment not to exceed \$5,000 to be added to the employee's salary payment the month after the conclusion of the 12-month period of service under the deferred compensation contract.

(d) To be eligible to enter into a contract for deferred compensation under Subsection (c), a state employee must have already completed at least 12 months of service in a classified position.

(e) The chief administrator of a state agency shall determine whether additional compensation is necessary under this section on a case-by-case basis, considering:

(1) the criticality of the employee position in the operations of the state agency;

(2) evidence of high turnover rates among employees filling the position or an extended period during which the position is or has in the past been vacant;

(3) evidence of a shortage of employees qualified to fill the position or a shortage of qualified applicants; and

(4) other relevant factors.

(f) Before an agency provides or enters into a contract to provide additional compensation to an employee under this section, the chief administrator of the state agency must certify to the comptroller in writing the reasons why the additional compensation is necessary.

(g) Additional compensation paid to an employee under this section is specifically exempted from any limitation on salary or salary increases prescribed by this chapter.

Added by Acts 2003, 78th Leg., ch. 200, Sec. 16(f), eff. Sept. 1, 2003.

Sec. 659.263. ADMINISTRATION. The comptroller may establish procedures and adopt rules to administer this subchapter. Added by Acts 2003, 78th Leg., ch. 1310, Sec. 42, eff. Sept. 1, 2003. Renumbered from V.T.C.A., Government Code Sec. 659.262 by Acts 2005, 79th Leg., ch. 728, Sec. 23.001(36), eff. Sept. 1, 2005.

Sec. 659.264. VETERANS PERFORMANCE INCENTIVE AWARD. A state agency may make a performance incentive award to a classified employee for providing services to veterans as provided by the Jobs for Veterans Act (Pub. L. No. 107-288), if:

(1) the employee has been employed by the agency in the employee's current position for at least six continuous months before the effective date of the award; and

(2) the employee's documented job performance and productivity in that position are consistently above that normally expected or required.

Added by Acts 2005, 79th Leg., ch. 653, Sec. 1, eff. Sept. 1, 2005.

SUBCHAPTER L. HAZARDOUS DUTY PAY

Sec. 659.301. DEFINITIONS. In this subchapter:

(1) "Full-time state employee" means a state employee who normally works at least 40 hours each week.

(2) "Hazardous duty position" means a position in the service of this state that:

(A) renders any individual holding that position a state employee; or

(B) requires the performance of hazardous duty.

(3) "Institution of higher education" has the meaning assigned by Section 61.003, Education Code.

(4) "Part-time state employee" means a state employee who is not a full-time state employee.

(5) "State employee" means an individual who:

(A) is a commissioned law enforcement officer of the Department of Public Safety, the General Services Commission, the Texas Alcoholic Beverage Commission, or the institutional division of the Texas Department of Criminal Justice;

(B) is a commissioned security officer of the comptroller;

(C) is a law enforcement officer commissioned by the Parks and Wildlife Commission;

(D) is a commissioned peace officer of an institution of higher education;

(E) is an employee or official of the Board of Pardons and Paroles or the pardons and paroles division of the Texas Department of Criminal Justice if the employee or official has routine direct contact with inmates of any penal or correctional institution or with administratively released prisoners subject to the board's jurisdiction;

(F) has been certified to the Employees Retirement System of Texas under Section 815.505 as having begun employment as a law enforcement officer or custodial officer, unless the individual has been certified to the system as having ceased employment as a law enforcement officer or custodial officer; or

(G) before May 29, 1987, received hazardous duty pay based on the terms of any state law if the individual holds a position designated under that law as eligible for the pay.

(6) "Workday" means any day that is not a Saturday, a Sunday, or a state or national holiday under Section 662.003. The

term includes a state or national holiday that the General Appropriations Act prohibits state agencies from observing. Added by Acts 2001, 77th Leg., ch. 1158, Sec. 37, eff. Sept. 1, 2001.

Sec. 659.302. ENTITLEMENT TO RECEIVE HAZARDOUS DUTY PAY. (a) Hazardous duty pay is included in the compensation paid to an individual for services rendered during a month if the individual:

(1) is a state employee for any portion of the first workday of the month; and

(2) has completed at least 12 months of lifetime service credit not later than the last day of the preceding month.

(b) This section does not apply to an employee of the Texas Youth Commission.

Added by Acts 2001, 77th Leg., ch. 1158, Sec. 37, eff. Sept. 1, 2001.

Sec. 659.303. TEXAS YOUTH COMMISSION EMPLOYEES. (a) The commission may include hazardous duty pay in the compensation paid to an individual for services rendered during a month if the individual:

(1) has routine direct contact with youth:

(A) placed in a residential facility of the commission; or

(B) released under the commission's supervision; and

(2) has completed at least 12 months of lifetime service credit not later than the last day of the preceding month.

(b) For purposes of Subsection (a)(1), an individual who is having routine direct contact with youth on any portion of the first workday of a month is considered to have routine direct contact with youth for the entire month.

(c) The commission's authority under Subsection (a) is subject to any conditions or limitations in the General Appropriations Act.

(d) The commission may not pay hazardous duty pay:

(1) from funds authorized for payment of an across-the-board employee salary increase; or

(2) to an employee who works at the commission's central office.

(e) In this section, "commission" means the Texas Youth Commission.

Added by Acts 2001, 77th Leg., ch. 1158, Sec. 37, eff. Sept. 1, 2001.

Sec. 659.304. INELIGIBILITY TO RECEIVE HAZARDOUS DUTY PAY. Hazardous duty pay may be paid only to an individual who is:

(1) entitled to receive the pay under Section 659.302;

or

(2) eligible to receive the pay under Section 659.303.

Added by Acts 2001, 77th Leg., ch. 1158, Sec. 37, eff. Sept. 1, 2001.

Sec. 659.305. AMOUNT OF HAZARDOUS DUTY PAY. (a) Except as provided by Subsection (b), the amount of a full-time state employee's hazardous duty pay for a particular month is the lesser of:

(1) \$10 for each 12-month period of lifetime service credit accrued by the employee; or

(2) \$300.

(b) This subsection applies only to a state employee whose compensation for services provided to the state during any month before August 1987 included hazardous duty pay that was based on total state service performed before May 29, 1987. The amount of a full-time state employee's hazardous duty pay for a particular month is the sum of:

(1) \$10 for each 12-month period of state service credit the employee finished accruing before May 29, 1987; and

(2) \$10 for each 12-month period of lifetime service credit that the employee accrued after the date, which must be before May 29, 1987, on which the employee finished accruing the last 12-month period of state service credit.

(c) The amount determined under Subsection (b)(2) may not exceed \$300.

(d) For purposes of Subsections (a)(1) and (b)(2), the number of 12-month periods of lifetime service credit that the employee has accrued must be determined as of the last day of the preceding month.

(e) A state employee is considered to be a full-time state employee for purposes of Subsection (a) or (b) if the employee is a full-time state employee for any portion of the first workday of the month.

(f) The amount of a part-time state employee's hazardous duty pay is proportional to the amount of a full-time state employee's pay under Subsection (a) or (b).

(g) A state employee may not receive more than \$10 for each 12-month period of lifetime service credit, regardless of:

(1) the number of positions the employee holds; or

(2) the number of hours the employee works each week.

Added by Acts 2001, 77th Leg., ch. 1158, Sec. 37, eff. Sept. 1, 2001. Amended by Acts 2005, 79th Leg., ch. 899, Sec. 13.06, eff. Sept. 1, 2005.

Sec. 659.306. RESPONSIBILITY FOR PAYING HAZARDOUS DUTY PAY. The state agency that employs an individual at the beginning of the first workday of a month must pay any hazardous duty pay that is included in the compensation paid to the individual for services rendered during that month. If the individual transfers to a second state agency during that month, the first agency remains responsible for paying the full amount of hazardous duty pay for that month.

Added by Acts 2001, 77th Leg., ch. 1158, Sec. 37, eff. Sept. 1, 2001.

Sec. 659.307. SERVICE CREDIT. (a) The amount of an individual's lifetime service credit equals the number of months the individual has served in a hazardous duty position during the individual's lifetime.

(b) The amount of an individual's state service credit equals the sum of:

(1) the amount of the individual's lifetime service credit, as determined under Subsection (a); and

(2) the number of months during the individual's lifetime that the individual has provided services to the state in a position that is not a hazardous duty position.

Added by Acts 2001, 77th Leg., ch. 1158, Sec. 37, eff. Sept. 1, 2001.

Sec. 659.308. ADMINISTRATION. The comptroller may establish procedures and adopt rules to administer this subchapter. Added by Acts 2001, 77th Leg., ch. 1158, Sec. 37, eff. Sept. 1, 2001.