



## LEGISLATIVE BUDGET BOARD

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August 25, 2009

To Affected State Agency Heads:

During the last regular session, the Legislature passed an \$800 retention payment for certain state employees who earn less than \$100,000 per year. A question has arisen about specific language in House Bill 4586 that requires that an employee be continuously employed by one state agency between March and August of this year. Use of the phrase "by the agency" has resulted in the exclusion of employees who transferred from one state agency to another state agency during the prescribed time period.

It was the intent of the Legislature that all employees who had continuously worked for the State of Texas during the prescribed time period receive the \$800 payment. For that reason, I ask that you use existing appropriations to provide the \$800 payment to affected transfer employees under the terms of Chapter 659, Government Code, which allows state agencies to provide bonuses to employees who have been employed with the agency for six months. These payments will need to be rolled out as employees become eligible within the parameters of Chapter 659.

To the extent that the award of the \$800 payment causes a hardship on your agency, please contact your LBB analyst or me to discuss the problem and potential options to resolve the shortfall.

Sincerely,

A handwritten signature in black ink, appearing to read "John O'Brien".

John O'Brien, Director

cc: Lt. Governor David Dewhurst                      Speaker Joe Straus  
Sen. Steve Ogden    Rep. Jim Pitts  
Mary Katherine Stout, Director, Governor's Office of Budget, Planning & Policy  
Suzy Whittenton, Director of Fiscal Management, Comptroller of Public Accounts