

PUBLIC AGENDA ITEM - #7

7. Discussion and Consideration of One-Time \$800 Retention Payments to ERS Employees as Approved by the 81st Legislature

August 25, 2009

BACKGROUND:

Section 89 of the supplemental appropriations bill, House Bill 4586, passed by the 81st Texas Legislature, authorizes a single \$800 retention payment to full-time state employees who were continuously employed by their respective agency from March 31, 2009 through August 1, 2009. Part-time employees were also granted the retention payment pro rata based on the number of weekly hours worked. House Bill 4586 further stipulates that the retention payments be made within the month of August, 2009.

The provision applies to each employee of each state agency with a base annual salary of less than \$100,000 unless specifically excluded in the bill. Some of the state employees excluded from receiving the one-time retention payment include certain higher education employees, elected officials, judges, and individuals holding law enforcement or peace officer positions that were otherwise provided a salary increase in Senate Bill 1, the General Appropriations Act.

While Section 89 of House Bill 4586 applies to employees of the Employees Retirement System of Texas (ERS), ERS will not receive state appropriations for the retention payments. ERS operational and compensation costs are paid from the ERS expense account in accordance to §815.208 of the Texas Government Code and as approved by the ERS Board of Trustees (Board).

EXECUTIVE DIRECTOR RECOMMENDATION:

The ERS Chief Financial Officer has certified that there is a sufficient amount remaining in the ERS fiscal year 2009 operating budget for classified salaries and other salary costs to fund the \$201,100 needed to make one-time retention payments to 250 eligible full-time ERS employees and two eligible part-time ERS employees.

In order to extend to ERS employees the intent of the 81st Texas Legislature, to recognize and award State of Texas employees for their work and dedication, the ERS Executive Director recommends that the Board approve using a portion of unexpended funds from the fiscal year 2009 ERS operating budget to make one-time retention payments to eligible ERS employees in accordance to House Bill 4586.

ATTACHMENT – 1

Exhibit A – Enrolled Version of House Bill 4586, Section 89

PROPOSED ACTION - #7

7. Discussion and Consideration of One-Time \$800 Retention Payments to ERS Employees as
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The Executive Director recommends the following motion to the Board of Trustees:

I move that the Board of Trustees of the Employees Retirement System of Texas approve expending \$201,100 of unused fiscal year 2009 ERS operating budget funds for the purpose of providing one-time retention payments to eligible ERS employees in August, 2009 and in accordance to House Bill 4586 as passed by the 81st Texas Legislature.