

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 21, 2017

TO: Honorable Byron Cook, Chair, House Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1615 by Alonzo (Relating to a salary career ladder for certain state employees.), As Introduced

Due to the unavailability of data regarding specific state employee salaries and how the career ladder provisions would be implemented, the cost to the State is indeterminate but could be significant.

The bill would amend Government Code to require executive directors and governing bodies of state agencies to adopt salary career ladders for employees whose annual salary is less than \$75,000. Under provisions of the bill, eligible employees would be entitled to an annual salary increase equal to one-tenth of the difference between the current annual salary and the minimum annual salary of an employee in the next highest classification. The bill would take effect September 1, 2017.

The State Auditor's Office indicates that there are approximately 138,000 classified, regular, full-time state employees whose salaries are less than \$75,000. Combining cost estimates from the Office of the Attorney General, the Ethics Commission, the Board of Nursing, and the Department of Motor Vehicles, yields an average per capita annual cost per eligible employee of approximately \$375. Using the product of these two figures, the cost to the state would be \$50 million per year; note this does not include potential cost from agencies with significant number of employees with salaries under \$75,000. The career ladders could vary across agencies, with associated variable cost, and costs could be higher in agencies with high concentration of lower-salaried individuals.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 308 State Auditor's Office, 356 Texas Ethics Commission, 507 Texas Board of Nursing, 529 Health and Human Services Commission, 551 Department of Agriculture, 608 Department of Motor Vehicles

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