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Texas Public Employees Association

TPEA Concerned New State Budget Could Impact Services to Taxpayers
Cuts in Agencies, Workforce Reductions Strain Remaining Resources

AUSTIN (AUGUST 29, 2003) – Texas Public Employees Association (TPEA) Executive Director Gary Anderson expressed concern today that Texas taxpayers could see a reduction in services as a result of state budget cuts that take effect Sept. 1.

“A combination of factors in the 2004-05 state budget cycle could ultimately reduce the state employee workforce by up to 10,000 people. These factors include incentive payments for our most seasoned and experienced employees to take retirement as soon as they are eligible, and reduced health care benefits and stagnant pay for remaining state workers,” Anderson said.

The 2004-05 state budget cuts general revenue spending by \$2.6 billion during the next two years, a roughly 10 percent reduction from the previous biennium.

“Workers at state agencies, whose pay is already up to 24 percent below market rates, did not receive salary offsets to mitigate the higher out-of-pocket health care costs and their agencies cannot make up the difference because they are operating on bare-bones budgets,” Anderson said.

“It is clear that dedicated, hard-working state employees shouldered a disproportionate share in balancing the 2004-05 state budget. As the economy improves, state employees will face increased pressure to leave public service for better paying jobs, further exacerbating an already difficult situation,” he said.

The magnitude of budget cuts are reflected in state agency staffing levels where, according to the Legislative Budget Board, full time equivalent positions (FTEs) for fiscal year 2005 are recommended to be 225,665, down from the 2003 level of 231,365. Additionally, the Legislature consolidated 14 health and human service agencies into four “super” agencies.

“TPEA understands the fiscal challenges that confronted the Legislature during

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the last session and the tough choices that had to be made. The result is state employees will continue to do more with fewer resources,” Anderson said.

“But lawmakers know, and the public will soon learn, that staffing levels to carry out essential state services are already seriously undermined and the new budget is going to put additional pressure on a shrinking workforce. This is at a time when Texas’ growing population is demanding increased services,” he said.

Established in 1946, TPEA is a professional trade association and is the oldest and largest non-union legislative advocacy group representing current and retired state employees

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