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FOR IMMEDIATE RELEASE

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Four Public Employee Organizations Seek Pay Raise for State Workers in Texas **Higher Salaries Needed to Offset \$500 Million Increase in Health Care Costs**

AUSTIN, Texas (October 27, 2003) – Four organizations representing state workers are asking Gov. Rick Perry and legislative leaders to increase employee salaries to offset \$500 million in health care costs that were shifted to state workers earlier this year.

The Texas Public Employees Association (TPEA), Texas Alcoholic Beverage Commission Agents Association (TABCAA), Texas Game Warden Peace Officers Association (TGWPOA), and Texas Department of Public Safety Officers Association (DPSOA) made the request in separate letters to Perry and the 10-member Legislative Budget Board.

“We are asking you to increase state employee compensation to partially offset the increased health care costs we have borne since May 1. Unless employees compensation is rebalanced to offset shifted health care costs, the state will not be able to maintain a competent and well-trained workforce,” TPEA Executive Director Gary Anderson wrote in his letter to Texas leaders.

The Employees Retirement System (ERS) estimates that under the 2004-05 state budget public employees enrolled in the ERS group insurance plan will experience an average \$900 increase annually in out-of-pocket health care costs. The budget, however, also contains money to meet emergencies that might arise during the 2004-05 biennium. The organizations recommend that Gov. Perry and the LBB use their budget execution authority to use a portion of those funds to increase public employee salaries.

“We know money is tight, but we hope you will consider easing the financial straits for state employees who are struggling to meet their health care needs. We stand ready to work with you and your staff in crafting a meaningful and realistic solution to the problems facing state employees,” DPSOA President Brian Hawthorne, who is a Texas Department of Public Safety sergeant, wrote in his letter.

With health care costs inflating at a 12-15 percent rate annually, the Legislature has found it extremely challenging to maintain those benefits for state workers during the last 10-12 years. Public employees, who have received only three raises in the last 10 years, paid the price when the recent budget crisis forced severe cuts in their health benefits.

Shifting a half billion dollars in higher health care costs to state employees, while not even providing a 3 percent cost-of-living raise, is aggravating an already difficult financial situation because a lack of sufficient pay raises has left them unable to absorb the higher health care costs. And, the 2004-05 state budget does not contain a pay raise for public employees.

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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