

TEXAS



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EMPLOYEE

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VOLUME 66, NO. 1

Balancing Act: Growing State, Shrinking Budget



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TEXAS PUBLIC

EMPLOYEE

THE VOICE OF TEXAS STATE EMPLOYEES

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STATE GOVERNMENT EMPLOYMENT: THE CURRENT SITUATION

BY STUART GREENFIELD

As the 82nd Legislature prepares to meet and address a budget shortfall of around \$30 billion, initial efforts to remedy the current budget deficiency have focused on having agencies reduce expenditures. While the State's leadership has requested agencies to reduce expenditures, it appears that additional reductions will be required.

According to recent Census data, Texas had a population increase of 4.3 million people since 2000, the largest increase of any state in the union. This growth in population and the downturn in economic activity naturally impose a requirement of additional state government services; new roads, various social services to those in need, and the protection of both citizens and environment, on the State. Providing these services requires a qualified and efficient workforce. As this article will show, the State's workforce has been able to support the growing population and the demands this increase causes for public services.

Table 1 shows that the population of the State grew by 18.8 percent between 2000 and 2009. For the same period, there was only a corresponding 11.6 percent increase in total State employees. However, higher education employees accounted for 103 percent of this increase in State employment. To provide services to the 3.8 million new Texans, 1,114 fewer non-higher education, general state government employees were available to provide services to 4.3 million new Texans. This represents a population/employment ratio increase from 119.5 to 143.0, a 19.6 percent increase. Comparing this ratio to the average ratio for all states, Texas' rate for 2009 was 118.8, 17 percent lower than the average state.

Table 1: Population and State Government Employment, 2000 and 2009

	2000	2009	Change	Percent Change
Population	20,851,820	24,782,302	3,836,339	18.8%
Public University Enrollment	414,626	532,226	117,600	28.4%
Non-Higher Ed Employees	174,420	173,308	(1114)	(0.64%)
Higher Ed Employees	89,790	121,917	32,127	35.8%
Total Employees	268,924	300,122	31,198	11.6%

Source: Bureau of Census, State Government Employment and Payroll, <http://www.census.gov/govs/www/apesst.html> and <http://www.theccb.state.tx.us> for enrollment data.

Alternatively, when comparing growth in state government to growth in higher education, we find that growth in higher education enrollment from 2000 to 2009 was 28.4 percent, but the ratio of students to higher education employees declined from 4.6 to 4.4, a 4 percent decline. For the U.S., the student ratio increased from 4.3 to 4.5, while the student-to-instructional staff ratio remained constant at 14.3 over this period. Over the last ten years in Texas, general state government employees are doing more with less while higher education is doing less with more.

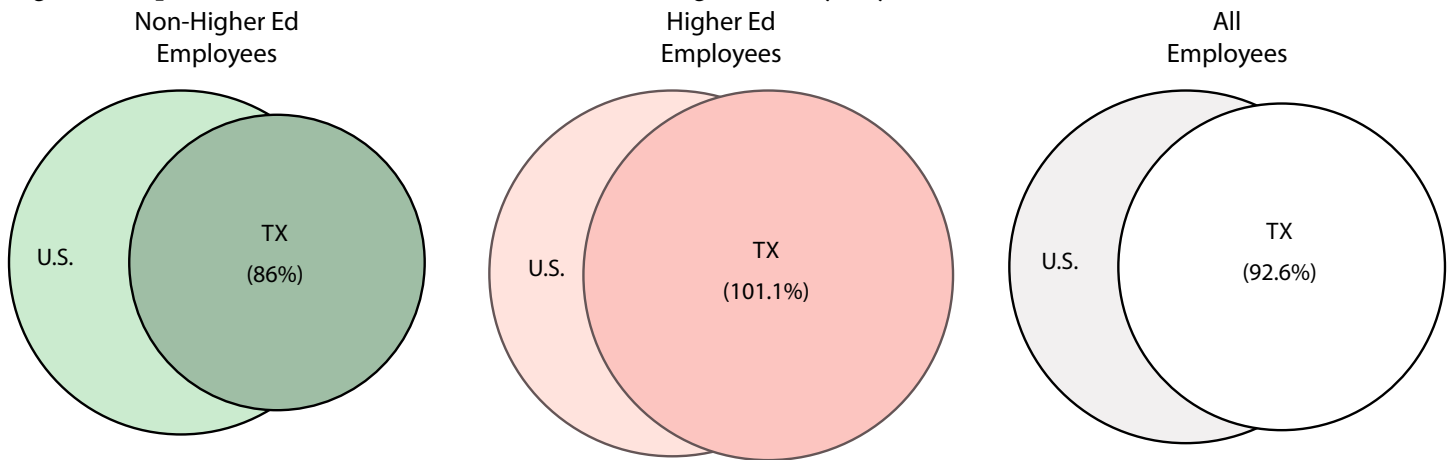
When examining a comparison of general state government employment pay to higher education employment pay, we also find that pay for general state government employees lags behind as well. According to Census data for both 2000 and 2009 (Table 2), non-higher education employees in Texas earned less than other states' non-higher education employees' pay by 13.0 and 14.0 percent, respectively, of what their counterparts in other states earned. On the other hand, higher education employees in Texas were better compensated than their other state counterparts in both years.

Table 2: U.S. and Texas State Government Average Monthly Pay, March 2000 and 2009

	2000	2009	Change	Percent Change
U.S.				
Non-Higher Ed Employees	3,184	4,299	1,115	31.8%
Higher Ed Employees	3,379	4,573	1,194	35.3%
All Employees	3,253	4,408	1,153	32.5%
Texas				
Non-Higher Ed Employees	2,770	3,695	925	33.4%
Higher Ed Employees	3,524	4,622	1,098	31.2%
All Employees	3,024	4,084	1,060	35.0%

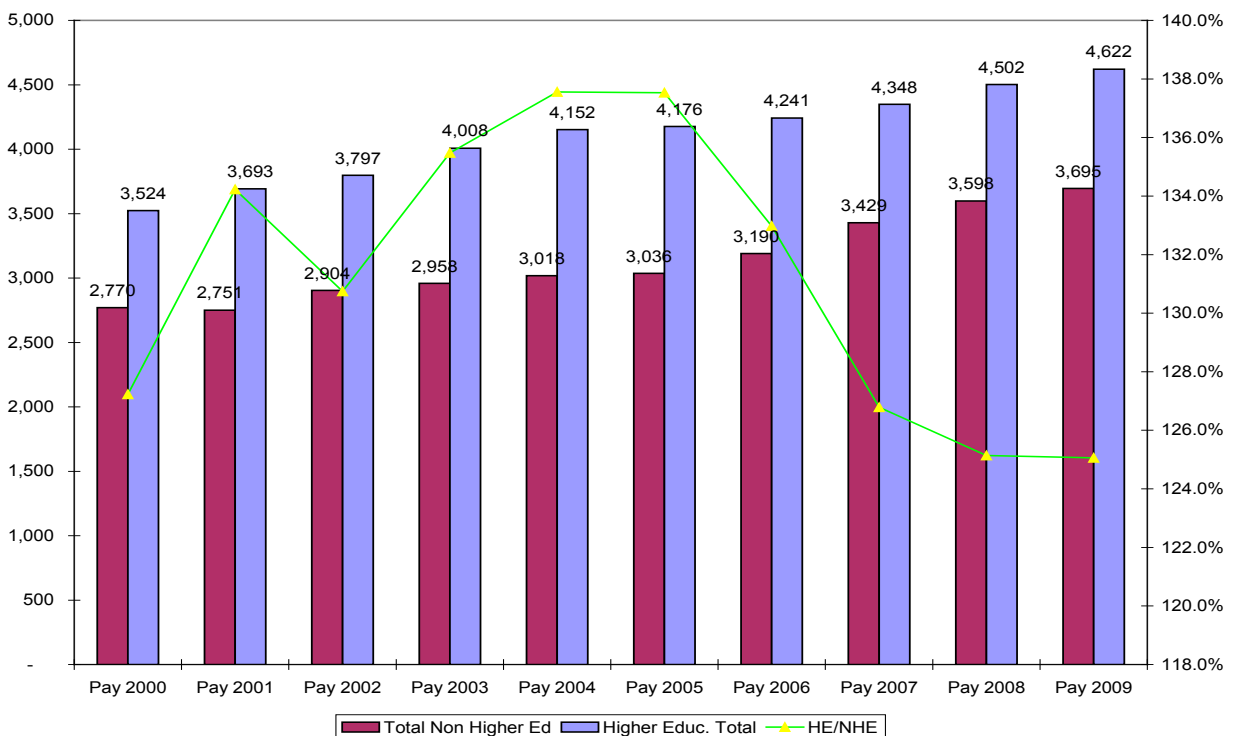
Source: Bureau of Census, State Government Employment and Payroll, <http://www.census.gov/govs/www/apesst.htm>

Fig. 1: Comparison of the size of U.S. and Texas Average Monthly Pay (2009)



In fact, while non-higher education employees have shown an ability to provide service to additional Texans, the disparity in salary between higher education and non-higher education employees has remained constant over the decade. On average, employees in higher education earn over 25 percent more than non-higher education employees (see Figure 2).

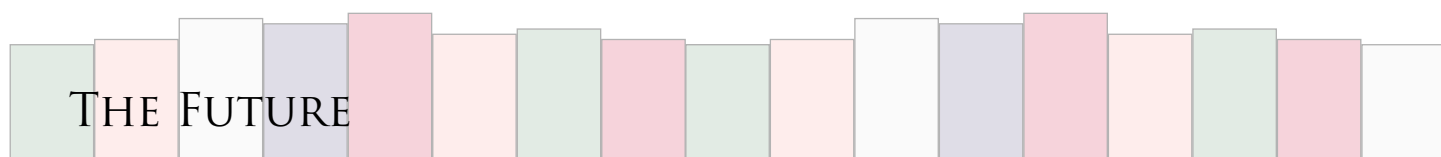
Figure 2: Average Monthly Pay, Higher Education and Non-Higher Education Employees 2000-2009



When comparisons are made among the largest 10 states (Table 3), Texas had the third largest number of non-education employees and second largest number of higher education employees. Texas non-education employees ranked 8th in monthly pay, but still 24.6 percent below the average monthly pay of employees in the other nine states. Texas has the 2nd largest number of higher education employees and the 6th highest average monthly salary among the ten largest states. Higher education pay in Texas was only 2.7 percent below the 10 largest states' average.

Table 3: **Ten Largest States**, Employment and Average Monthly Pay, March 2007 (sorted by Non-Education Monthly Pay)

State Name	Non Education Employees (Rank)	Non Education Employee Monthly Pay (Rank)	Higher Education Employees (Rank)	Higher Education Employee Monthly Pay (Rank)
California	239,814 (1)	5,617 (1)	143,157 (1)	5,255 (1)
New York	197,848 (2)	4,932 (2)	50,865 (10)	4,501 (3)
Illinois	68,923 (10)	4,876 (3)	54,003 (7)	3,889 (9)
Ohio	71,321 (9)	4,330 (4)	69,256 (4)	3,999 (8)
Michigan	71,966 (7)	4,290 (5)	70,493 (3)	4,396 (5)
Pennsylvania	99,021 (5)	3,840 (6)	56,679 (5)	4,535 (2)
North Carolina	86,062 (6)	3,478 (7)	53,912 (8)	3,881 (10)
Texas	174,992 (3)	3,429 (8)	110,581 (2)	4,348 (6)
Florida	128,827 (4)	3,329 (9)	56,564 (6)	4,442 (4)
Georgia	71,928 (8)	3,011 (10)	51,243 (9)	4,141 (7)
U.S.	2,566,401	4,041	1,596,652	4,272

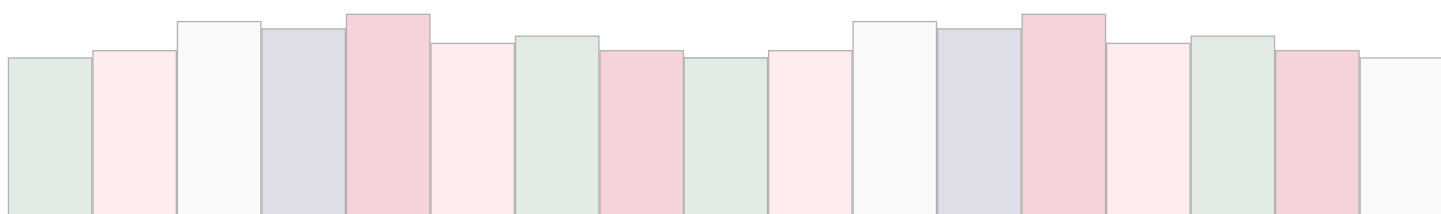


The Texas labor market will face at least three significant issues in the future. The first is implementing policies to stimulate growth. Comptroller Combs recently stated that it will take a few years for employment to return to the 2008 level. The other two concerns are longer term and involve an expected slowing in the growth in the labor force and the loss of skills and talent as baby boomers retire. To address these issues the public sector will need to adopt an effective human resource strategy. This strategy must provide mechanisms to:

- ATTRACT NEW WORKERS
- RETAIN YOUNG WORKERS
- ENERGIZE AND PROLONG CAREERS



Government leaders will be required to develop more proactive recruitment and retention policies to address its aging workforce. As the economy achieves significant growth there will be increased competition for skilled workers. For the State to continue to provide services to an increasing population with either a stable or shrinking workforce it is essential that greater attention be paid to addressing having a public sector workforce which is able to effectively and efficiently provide public services to the citizens of the State.





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LEGISLATURE FACES A TEXAS-SIZED BUDGET CRISIS

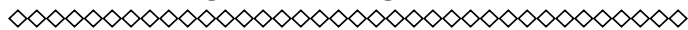
Andy Homer
Director of Government Relations

The 82nd Texas Legislature convened on Tuesday, January 11, for its 140-day Regular Session. Every legislative session has major challenges, but the impact of the state's multi-billion-dollar budget shortfall greatly overshadows every other issue this year. The size of the shortfall has been debated, with most estimates ranging from \$15 to \$27 billion. Any way you cut it, the state's budget crisis poses huge challenges to budget writers and creates serious threats for state employees and retirees. In order to enact a state budget within available revenue, legislators may eliminate thousands of state jobs, significantly reduce health benefits for active and retired employees, and cut or change retirement benefits.

State employees and retirees aren't alone in being threatened by the budget shortfall. Advocates for public education claim they are being underfunded by the base budget by \$9.8 billion. Proponents for Medicaid, higher education and other programs have similarly expressed concern about the impact of budget reductions. This has generated calls by many groups to utilize the state's \$9.4 billion "Rainy Day Fund", to raise taxes, or to otherwise avoid specific budget reductions.

TPEA staff will work closely with the leadership of both the House and Senate to try to mitigate employee layoffs, to maintain state employee and retiree health insurance benefits and to defend our retirement benefits. Everyone will feel the pain of this difficult budget cycle, but TPEA will work to make certain the burden of closing the budget shortfall is shared widely and equitably. We will continue to update you about the ongoing budget deliberations that will take place throughout the session.

Biennial Revenue Estimate and Magnitude of Budget Shortfall



The release of the Comptroller's Biennial Revenue Estimate (BRE) really kicks off the budget process. Comptroller Susan Combs released this session's Biennial Revenue Estimate on January 10, the day before the legislative session began. The BRE essentially tells lawmakers how much money they will have available for the next two year budget. The BRE projects that budget writers will have \$72.2 billion in general revenue for the 2012-2013 biennium, \$15 billion less than the \$87 billion in general revenue used in the current 2010-2011 budget. The BRE also estimates the budget deficit in the current biennium at \$4.3 billion, although this does not reflect some current year spending reductions.

There has been debate about the size of the budget shortfall that Texas faces. In truth, the answer depends on how you define "shortfall". TPEA believes it is fair to say that on a revenue basis, the shortfall is around \$15 billion, the difference between available general revenue in the BRE and the amount used in the current 2010-2011 budget. Additionally, if the growth in costs to maintain current state services through the next biennium are included, the "current services" shortfall is in the range of \$27 billion. Most of the growth in current services costs are attributable to growth in student populations in public and higher education and increased health care costs resulting from caseload growth and medical inflation in Medicaid and other health programs.

HB 1 and the LBB 2011 Government Effectiveness and Efficiency Report



The final decisions about funding and budget cuts will be made in HB 1, the General Appropriations Act. The introduced version of HB 1 appropriates \$156.4 billion from all fund sources, which equates to a \$31 billion or 16.6 percent reduction from current 2010-2011 budget levels. In addition to HB 1, another influential document is the 2011 LBB Government Effectiveness and Efficiency Report, which contains a number of recommendations that could affect state employees and retirees.

State Workforce Reductions

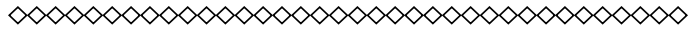


HB 1 shows a decrease in authorized Full-Time Equivalent (FTEs) state positions of 9,287. This includes a reduction of approximately 2000 positions at state institutions of higher education. The largest FTE reductions are in TDCJ and TYC, nearly 3,400 combined. Nearly every agency has some reduction in FTEs, but it is important to note that the reduction amounts compare budgeted FTEs for FY 2011 with recommended FTEs for 2012 and some percentage of budgeted positions are currently not filled. Since state leaders ordered state agencies to reduce their general revenue appropriations by 5 percent early last year, most agencies have effectively been operating under a hiring freeze.

TPEA is very concerned about the potential for layoffs in the state workforce. The real scale of possible staffing reductions won't become apparent until legislators begin the detailed mark up on individual agencies. TPEA has been working to inform legislators that state agencies have been held to an extremely high standard of efficiency, since they are subject to strict FTE caps and undergo constant scrutiny through the Performance Review and Sunset Review processes. The result is that the size of the state's workforce for general government

(non-higher education) agencies has remained nearly flat for the past decade, growing only 3 percent, as compared with the 28 percent growth in the workforce of state universities, as revealed in a State Auditor's report.

Employee and Retiree Health Benefits



HB 1 appropriates almost \$2.5 billion in funding for the ERS Group Benefits Program, the health care program for active and retired state employees. This is the baseline funding level contained in ERS' Legislative Appropriations Request (LAR), but ERS has estimated this funding level is \$591 million (all funds, \$365 million general revenue) below what is necessary to maintain current benefits. ERS has indicated that this level of funding leaves it with two options. Under one option, state premium contribution levels would have to be reduced from 100 percent for employees and 50 percent for dependent coverage to 80 percent and 40 percent, respectively. A slightly smaller change is also recommended in the LBB Government Effectiveness and Efficiency report. A change to 80/40 contribution levels would shift \$95.53 a month in costs for individual coverage and \$135 a month for full family coverage. Or the other alternative would require the plan to establish large medical services deductibles, between \$2,400 and \$3,400 per participant. Both options shift large costs to employees but would affect participants in different ways.

There are two other LBB Efficiency recommendations regarding health insurance that are added as riders in HB 1. One would require ERS to impose tiered coinsurance so that higher cost plan participants would continue to share in costs above the current \$2000 annual out of pocket coinsurance maximum, although at a lower rate. Currently, participants pay 20 percent coinsurance on expenses up to \$10,000 annually. The proposed new coinsurance tiers would require 5 percent coinsurance above that level, up to \$50,000, and a 2 percent coinsurance above that, up to \$100,000. While this proposal is intended to help reduce medical utilization, it will result in significant additional costs for the relatively small percentage of participants who have high medical costs. The LBB report also recommends tiered coinsurance for higher cost prescription drugs and for changes in cost sharing arrangements for Medicare recipients.

The other LBB recommendation added to HB 1 would impose a \$30 per month tobacco user premium surcharge. This would require tobacco users to pay a \$30 surcharge monthly, both as a disincentive to continuing tobacco use and to help cover the higher average health care costs of smokers and other tobacco users.

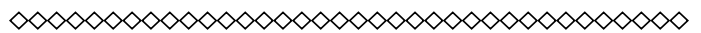
The LBB Efficiency report also recommends changes in premium contributions for retired employees. As with active employees, the report recommends dropping the state share of dependent coverage from 50 to 40 percent for retirees. However, it additionally recommends a tiering of individual retiree premium contributions based on length of service with

the state. This change appears to be retroactive and would affect current retirees, which is extremely problematic.

HB 1 also completely cuts funding for the SKIP program, which is the equivalent of the CHIP program for state employees and helps lower paid employees afford health coverage for their children. TPEA is looking into this issue.

TPEA's legislative goal with regard to health care benefits is to preserve the current premium contribution structure for active and retired employees. The changes proposed by the LBB will simply shift costs and lower take home pay for employees and annuity payments for retirees. Given the scale of the budget shortfall, increasing appropriations for ERS will be difficult, so TPEA is developing other alternative approaches to minimize increased costs to employees and retirees.

ERS Retirement Benefits



HB 1 lowers the state retirement contribution rate from its current 6.95 percent to the constitutional minimum level of 6 percent. Because of changes in state law last session, the recently increased employee contribution rate would also drop to 6 percent. TPEA worked last session to try to help restore the ERS retirement fund to actuarial soundness. A reduction in combined contribution rates will further delay a return to actuarial soundness, which is a necessary condition to allow for any type of benefit increases for ERS retirees.

HB 1 also completely cuts the state contribution to the Law Enforcement and Custodial Officer Supplemental Retirement Fund (LECOSRF).

Finally, the LBB Efficiency report looks at the ERS and TRS pension funds and recommends a study to determine if funding levels or benefits should be changed, or if a hybrid structure should be considered. A rider requiring such a study is included in HB 1. TPEA believes that changes enacted in HB 2559 last session should be given time to take effect and, hopefully, investment returns will improve over the experience of the past decade.

**With Huge Challenges Facing State,
Stay Informed and Involved**



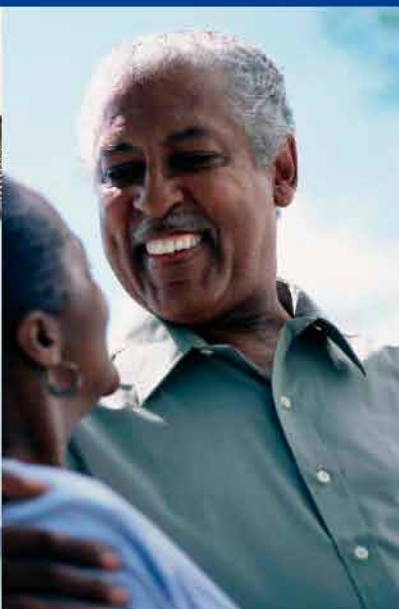
The sheer size of the state's budget shortfall threatens agencies, jobs, and our hard-earned benefits. This could become the most difficult legislative session ever for state employees and retirees. TPEA will continue to do our best to represent your interests and to inform employees and retirees on legislative matters of concern. We also need every state employee and retiree to be informed and involved when needed. If you have not already signed up for TPEA's Advocacy Updates emails, please do so ASAP! Go to www.tpea.org and enter your information into the box in the top left corner of the home page. Encourage fellow employees and retirees to do so also.

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Membership with TPEA is required.



State Retiree Update

State employees and retirees have been waiting for almost a decade for the legislature to recognize its debt to their service. While state employees have received small salary increases and are eligible for promotions (with income increases), retirees have trudged on as though traversing a vast economic desert. Why is this?

The state employee retirement fund is not 100% able to meet its long term unfunded liability and retirees are seriously losing ground from a financial standpoint. According to ERS' Actuarial Valuation report dated December 1, 2010 and based on the fiscal year end financial reports dated August 31, 2010, the retirement fund's ratio of assets to liabilities is 83.2%.

The state's active employee contribution rate has remained static at 6.0% of pay and was not increased from 1977 until 2009 (32 years). The Texas Constitution mandates the state's contribution rate to be not less than 6.0% or greater than 10.0%. The Legislature reduced the state contribution to the minimum 6.0% for ten years, then changed it back to 6.45% when TPEA and ERS finally succeeded in convincing legislators the fund was getting into fiscal difficulty.

According to the ERS Actuarial Consultants, the current combined employee and state contribution rates will "never amortize the unfunded accrued liability." The bottom line is that the legislature has not adjusted state employee and the State's contributions for the retirement fund to keep pace with inflation, which is partially the basis for the unfunded liability.

An equally critical concern is how the current state of the economy has negatively affected the "paper" value of fund investments. Two of the worst bear markets in U.S. history occurred during the past decade, resulting in huge actuarial losses to the ERS fund, though not as dire as those of most other major pension plans.

In addition, the Legislature has passed three early retirement incentives since 1985 that have had substantial negative effects on the retirement fund by removing employee contribution revenue and adding annuity expenditures for retirees.

Excluding the early retirement incentive #1 that began in 1986, there has been a 125+% increase in the number of retirees receiving annuities since incentive #2 in September of 1993. Add

legislative caps on employment to that, and you can readily ascertain that the system is moving towards a 1 to 1 ratio of active employees to retirees/annuitants. Will the system continue to be sustainable when it reaches that state? According to ERS data for the fiscal year ending August 31, 2010, there were 142,490 active employees and 79,311 annuitants. That is a ratio of 1.8 active employees to each annuitant. Annuitants comprise 55.7% of the combined total of both classes.

The following charts, created from ERS data, illustrate this.

Chart #1:

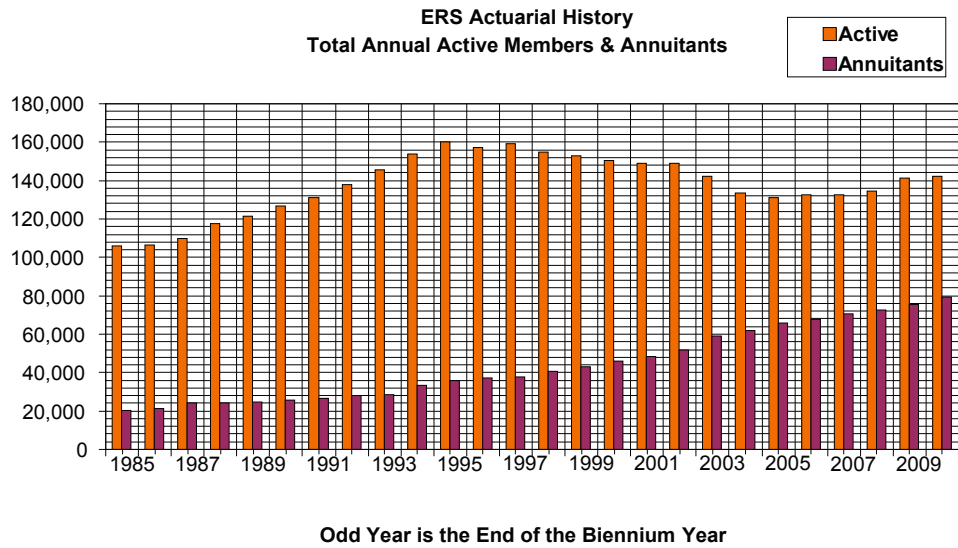
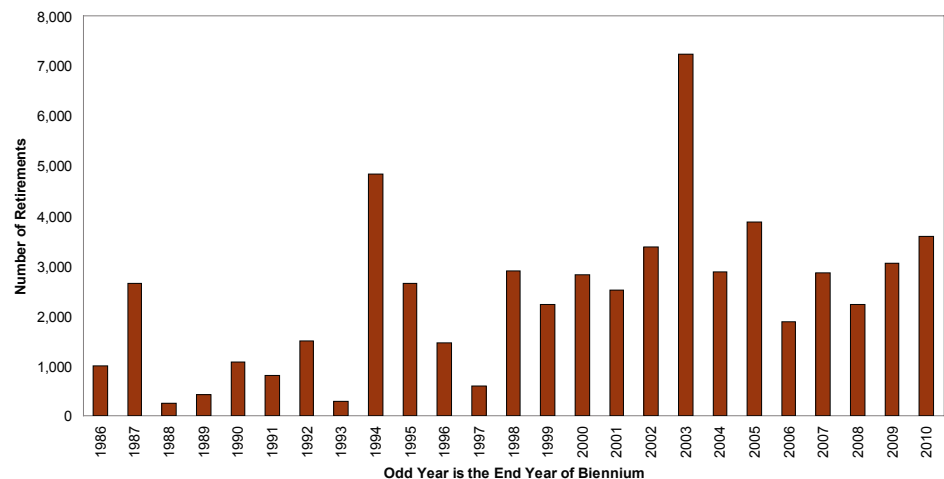


Chart #2 illustrates the actual number of annual retirements more graphically. Fiscal Years 1987, 1994 and 2003 were the beginning years of each of the three legislated retirement incentives. As you will note, there were substantially more retirements in those years.

ERS Annual Retirements
(FY 1987, 1994-5 and 2003-4-5 peaks reflect early retirement incentives)



Issues Plaguing State Employees and Retirees

1. State employee retirees' last increase in their monthly annuity payment was almost a decade ago in January, 2002.
2. The retirement fund has been unable to issue retirees a cost of living bonus check (fondly called a 13th check) due to the retirement fund not being 100% funded to cover long term retirement obligations. This "bonus" payment is generally designed to mitigate inflation but is only issued when funds are available and inflation in the decade since the last annuity increase has devastated retirees' available income.
3. Inflation since December 2001, plus the increase in health care deductibles and co-pays in 2003 and again in 2010 has drastically reduced the purchasing power of a state retiree's annuity. Prior to the 2010 increase in health care costs, for a retiree with no spouse on their health care plan, the inflation toll has been a 28% reduction in purchasing power (analogous to getting only 9 of 12 checks); for a retiree with a spouse on their health care plan it has been 34% (analogous to getting only 8 of 12 checks).
4. The average monthly annuity for a state retiree is less than \$1,500. For those who have no other income, e.g. Social Security, most of these folks are likely eligible for State and Federal assistance. However, there is no agency designated by the legislature to provide assistance for state retirees in making applications to take advantage of these programs.
5. Health care deductibles and co-pays were increased in 2003. Because the FY 2010-2011 Legislative Appropriations Bill did not fund the Group Benefits Program (health care) as presented in the ERS Legislative Appropriations Request, ERS again had to "shift costs" to cover the deficit from the state to employees and retirees by raising co-pays and coinsurance beginning September 1, 2010.
6. With a major funding shortfall facing the legislature in 2011, if adequate funds are not appropriated to cover the Group Benefits Program (health care), ERS will again have to "shift costs" to the employee and retiree during the FY 2012-2013 biennium (most likely effective on September 1, 2011). These increases will be substantial due to the amount of the expected shortfall. The most likely targets will be to require employees and retirees/beneficiaries to share in the cost of insurance premiums, to alter the fundamental health plan model, e.g. to a high deductible plan, or some combination of both.
7. When a retiree that has their spouse on their health care plan dies, the spouse's premium increases 100%. This premium doubling comes at the worst time, when the beneficiary spouse has just lost the income from the retiree's annuity.

What Can State Employees and Retirees Do?

State employee retirees can learn a lot from observing Texas' teachers, who have been successful in letting legislators know what salary and benefits issues they were concerned with and which solutions they support. State employees and retirees, on the other hand, were and even today are neither visible nor vocal in their concerns. We all have heard many times the expression "we prefer to let ERS take care of us." Unfortunately, ERS cannot "take care of us" as they are prevented by statute from lobbying for or against any proposed legislation. Ann Fuelberg, Executive Director of ERS, even commented in her remarks to the annual TPEA Conference in Austin on June 25, 2010 that following the 2009 legislative session, two of her legislative staff members were charged with lobbying and investigated. It is clear that both the legislature and ERS take the statute very seriously. ERS can only provide information to the legislature and cannot function as an employee or retiree advocate.

How Can We Be Both Visible And Vocal?

The first step is to join (and recruit your friends for) an organization that supports the issues you, as a state employee or a retiree, are concerned about. The Texas Public Employees Association has a long history of advocating for state employees. TPEA maintains constant contact with both ERS and the Legislature. More importantly, your individual contact with your elected senator and representative is essential.

The second step: while legislators do listen to organizations such as TPEA, they pay a lot more attention to communications from you, a voter living in their district. How should you contact your legislator if you do not know them personally? Phone calls are logged but rarely transcribed and emails during the press of the legislative session may not even get read. Frankly, the old fashioned "personal" letter in the mail gets the most attention and results! Form letters are disposed of so if you want your communication to be read and acted on, pick a few issues that matter to you and focus on those. This article is a gold mine of issues affecting retirees. Never forget that personal experiences and the outcomes that illustrate and emphasize your concern on an issue are of paramount importance.

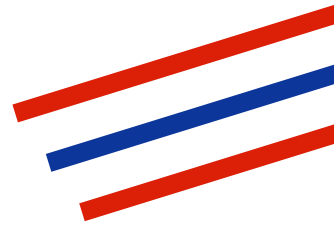
Ted Miller retired from TxDOT in June 1997. His responsibilities included statewide implementation of the Americans with Disabilities Act for TxDOT and preparation of the State of Texas' Transportation Revenue Needs Assessment (1996-2006) for the 1997 legislative session. He has undergraduate and graduate degrees in business and is a Certified Computing Professional specializing in Systems Development. He also currently serves as First Vice President of TPEA's Statewide Retirees' Chapter 149.



Elect Brian Ragland, CPA, MBA to the ERS Board of Trustees

BrianForERS.com

BrianForERS@gmail.com



TPEA has endorsed Brian Ragland to serve on the Employees Retirement System (ERS) Board of Trustees because his exceptional qualifications make him the ideal candidate for the position. The ERS Board of Trustees oversees the operation of ERS, whose role is to administer the state retirement fund's investments and operate the State Group Benefits Program (GBP) which includes insurance, deferred compensation, and flexible benefits. As a Certified Public Accountant (CPA), with a Master of Business Administration (MBA), Brian Ragland's extensive financial management background will allow him to represent the best interests of all state employees and retirees.

For 20 years, Brian has worked in financial management and he currently is the Director of the Finance Division for the Texas Department of Transportation (TXDOT). Also, he is the Chair of the State Agency Coordinating Committee (SACC). Previously, he was the Chief Financial Officer for the State Preservation Board Bob Bullock Museum and a Financial Manager for the UT System Employee Group Insurance Program.

In Brian Ragland's candidate statement to ERS he stated, "As an ERS trustee, I will work for state employees and retirees to protect against threats to our retirement system and health benefits. Controlling provider rate increases through contract negotiations will help manage costs to our health insurance program. Additionally, increasing investment returns for the \$20 billion retirement fund is the fastest way to achieve actuarial soundness so benefits can be increased."



Brian Ragland's Priorities

- ★ Maintain state employee and retiree health care coverage at 100% for employees and 50% for dependents
- ★ Restore ERS retirement fund to actuarial soundness through increased investment returns making future annuity increases possible
- ★ Support tougher negotiation of ERS contracts with hospitals/other providers to reduce costs
- ★ Promote wellness education

Endorsements

Texas Public Employees Association (TPEA)
Texas Department of Public Safety Officers Association (DPSOA)

Affiliations

Texas State Agency Business Administrators Association (TSABAA)
American Institutes of Certified Public Accountants (AIC-PA)
Texas Public Employees Association (TPEA)

TPEA EVENT SCHEDULE FOR 2011

www.tpea.org/schedule.html

Thursday, April 7, 2011 - All State Employee Celebration (5:00 – 7:00 p.m.) at Scholz's Beer Garten Austin, Texas. Featuring the "Texas Tycoons" an all-star band led by Paul Minor performing a variety of Lone Star classics

Friday, April 8, 2011 - TPEA Board of Directors Meeting (9:00am – Noon)

Saturday, July 23, 2011 - TPEA Annual Delegates Meeting AT&T Executive Education and Conference Center, Austin, Texas

October 2011 - Regional All State Employee Celebration (5:00 – 7:00 p.m.) Date and Location to be determined.

ALL STATE EMPLOYEE CELEBRATION

Every Texas State Employee and Retiree is invited to be our guest on **Thursday, April 7, 2011** from 5:00 - 7:00 p.m. at Scholz Garten, 1607 San Jacinto Blvd., Austin. Just show your Texas ID to gain entrance to this celebration. Enjoy complimentary drinks and hors d'oeuvres while listening to live music in the outdoor garden.

This year's event features Texas Tycoons, an all-star band led by Paul Minor performing a variety of Lone Star Classics.

Recognizing the people who make Texas work

Need a pay increase?

What better time to increase your resources than in difficult economic times? Do you need an additional \$50, \$100 or more? As a TPEA member, in addition to being awarded additional cash, you can receive up to \$50 in your choice of gift cards plus be eligible to win a lump sum prize of up to \$500 cash.

Through the TPEA Membership Drive Incentive Plan, Melinda Gonzales (Big Spring), Kiara McGregor-Booth (Santa Fe) and Louis Ledoux (Austin) have already begun receiving rewards for their recruiting efforts and you can too.

If the goal is \$100 you can achieve it by recruiting 2 members per month between June 1, 2010 and May 31, 2011. This would result in your receiving \$50 cash, \$50 in your choice of gift cards, and becoming eligible to win \$500.

For every 5 new members you recruit, you will receive \$10 cash plus a \$10 gift card. Recruit 10 new members and you will have received \$20 cash and \$20 in gift cards, as well as having your name placed in a drawing to for an additional \$250. When you recruit 15 new members you will have received \$30 cash, \$30 in gift cards and will have your name placed in a drawing to win \$500.

Set a goal, recruit your friends and co-workers to join TPEA and enjoy a productive new year!



TPEA Membership Committee representative, Mary Moody, presents Louis Ledoux with a recruitment incentive gift card.

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