

STATE GOVERNMENT EMPLOYMENT: THE CURRENT SITUATION

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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.thecb.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.

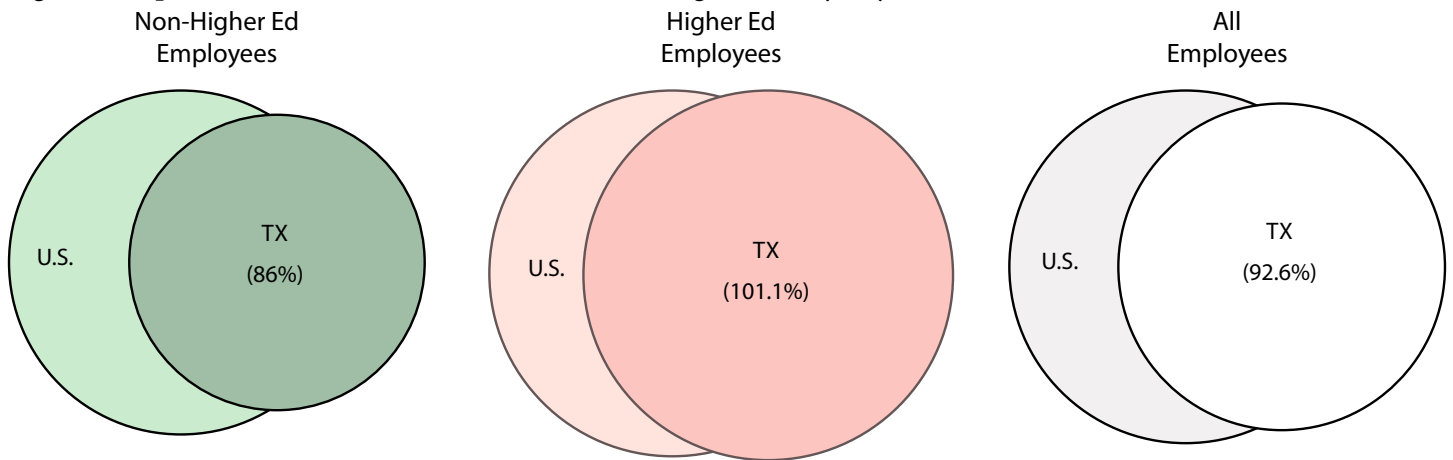
When examining a comparison of general state government employment pay to higher education employment pay, we also find that pay for general state government employees lags behind as well. According to Census data for both 2000 and 2009 (Table 2), non-higher education employees in Texas earned less than 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%

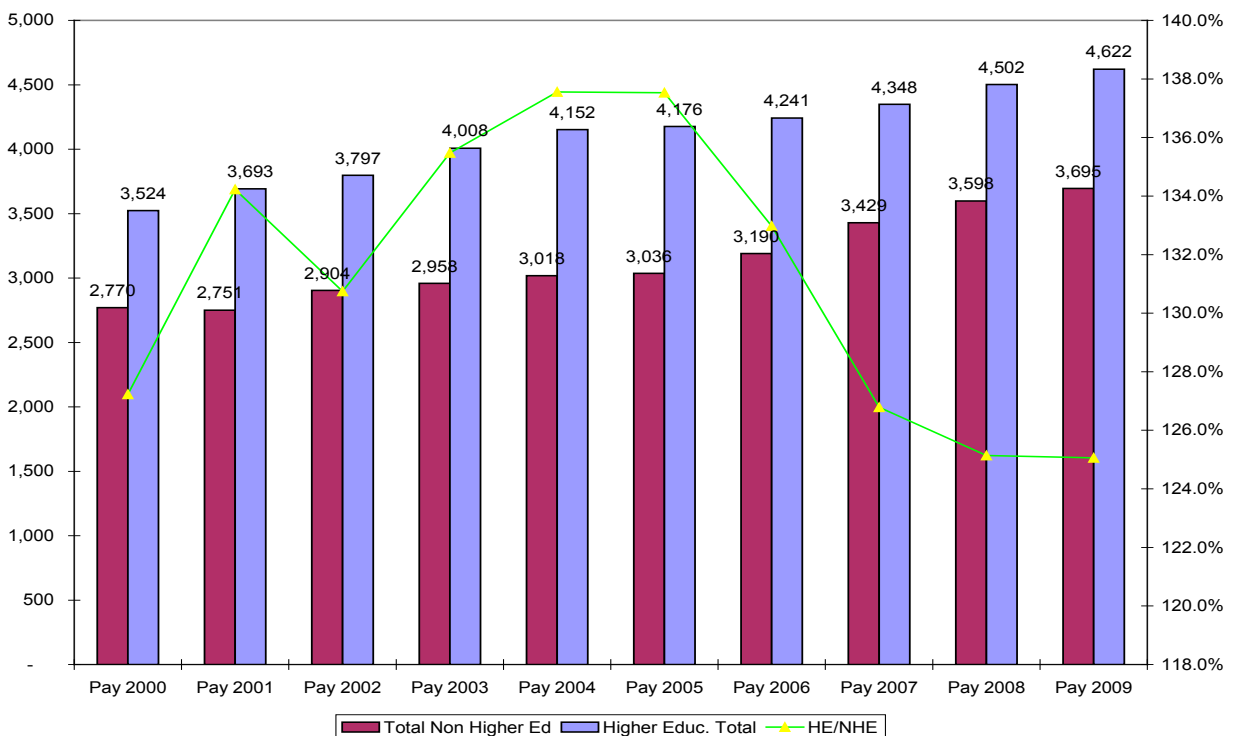
Source: Bureau of Census, State Government Employment and Payroll, <http://www.census.gov/govs/www/apesst.htm>

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).

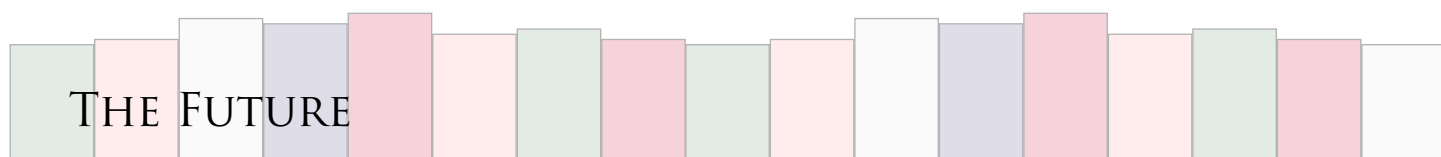
Figure 2: Average Monthly Pay, Higher Education and Non-Higher Education Employees 2000-2009



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.

