

**AGENDA ITEM DETAILS**

**Subject:** Consideration of Proposal to Grant ERS Employees a Salary Increase Equivalent to the Increase Approved by the Legislature for Other State Employees – (Action)

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**RECOMMENDED ACTION:**

Move that the Board approve an amendment to the Fiscal Year 2023 budget to provide a salary increase effective July 1, 2023, in an amount equivalent to the increase set forth in Senate Bill 30 or similar legislation that passes in the 88<sup>th</sup> Regular Session.

The Texas Legislature has proposed legislation to provide salary increases to all classified state employees effective July 1, 2023. The increase is a 5% salary increase to all employees earning \$60,000 or more. For employees earning \$60,000 or less, the salary increase would be an annual increase of \$3,000.

ERS follows the Texas State Classification Plan and Salary Administration policies. The state does not provide funding for these increases to ERS since the agency's budget is paid from the Trust. Historically, ERS has also provided across the board pay increases when enacted by the Legislature.

ERS requests that the Board approve an amendment to the Fiscal Year 2023 budget sufficient to provide increases to ERS employees. The cost is estimated to be \$355,000 for the remainder of Fiscal Year 2023. The full cost would be reflected in the FY24 budget (\$2.2 million).

The legislation also provides for an additional 5%, or \$3,000 annual minimum, to be paid in September of 2024. This amount will be built into the proposed budget for that year. If the proposed legislation does not pass, ERS would not provide an across the board increase.

**ATTACHMENTS:**

1. Slides – Legislative Proposed Salary Increase for State (Classified) Employees