

BILL ANALYSIS

Senate Research Center
78R9190 KEG-D

H.B. 1318
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Government Organization
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Engrossed

DIGEST AND PURPOSE

Currently, state agencies are facing certain problems in human resource management, including high turnover and an aging workforce, which lead to managerial staffing often surpassing the national norm. H.B. 1318 provides for one time recruitment payments to prospective employees and retention payments to certain employees that meet prescribed qualifying criteria and provides a framework for agencies to begin working toward the suggested ratio of one manager for every eleven employees.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the governor in SECTION 4 (Section 651.004, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter K, Chapter 659, Government Code, by adding Section 659.262, as follows:

Sec. 659.262. ADDITIONAL COMPENSATION FOR CERTAIN CLASSIFIED STATE EMPLOYEES. (a) Defines “state agency.”

(b) Authorizes a state agency, to enhance the recruitment of competent personnel for certain classified employee positions, to provide to a state employee, at the time of the employee’s hiring for a classified position, additional compensation in the form of a one-time recruitment payment not to exceed \$5,000. Requires the employee, if the employee discontinues employment with the state agency for any reason less than three months after the date of receiving the recruitment payment, to refund to the state agency the full amount of the recruitment payment. Requires the employee, if the employee discontinues employment with the state agency for any reason three months or longer but less than 12 months after the date of receiving the recruitment payment, to refund to the state agency an amount computed by a certain method.

(c) Authorizes a state agency, to enhance the retention of employees who are employed in certain classified positions that are identified by the chief administrator of a state agency as essential for the state agency’s operations, to enter into a deferred compensation contract with a classified employee to provide to the employee a one-time additional compensation payment not to exceed \$5,000 to be added to the employee’s salary payment the month after the conclusion of the 12-month period of service under the deferred compensation contract.

(d) Requires a state employee, to be eligible to enter into a contract for deferred compensation under Subsection (c), to have already completed at least 12 months of service in a classified position.

(e) Requires the chief administrator of a state agency to determine whether additional compensation is necessary under this section on a case-by-case basis,

considering certain factors.

(f) Requires the chief administrator of the state agency, before an agency provides or enters into a contract to provide additional compensation to an employee under this section, to certify to the comptroller in writing the reasons why the additional compensation is necessary.

(g) Provides that additional compensation paid to an employee under this section is specifically exempted from any limitation on salary or salary increases prescribed by this chapter.

SECTION 2. Amends Section 2056.0021, Government Code, as follows:

Sec. 2056.0021. **WORKFORCE PLANNING.** (a) Created from existing text.

(b) Requires a workforce plan required by this section to include certain information.

(c) Requires the state auditor to analyze the workforce plans submitted by state agencies in accordance with this section and use information gathered from the analysis to perform certain acts.

(d) Requires the state auditor, in addition to providing targeted information under Subsection (c), to, on request, provide training and technical assistance to any state agency to help the agency develop and improve a workforce plan required by this section.

SECTION 3. Amends Subtitle B, Title 6, Government Code, by adding Chapter 670, as follows:

CHAPTER 670. MANAGEMENT PERFORMANCE PROGRAM

Sec. 670.001. **DEFINITION.** Defines “state agency.”

Sec. 670.002. **UPPER MANAGEMENT PERFORMANCE AGREEMENTS.** (a) Requires the governing body of a state agency to develop and enter into agreements with employees of the agency who serve in upper management positions, including the chief executive or chief administrator of the agency.

(b) Requires an agreement under this section to meet certain guidelines.

SECTION 4. Amends Section 651.004, Government Code, effective September 1, 2003, by adding Subsections (c-1) and (d), as follows:

(c-1) Prohibits a state agency in the executive branch of state government that employs more than 100 full-time equivalent employees from, after August 31, 2004, employing more than one full-time equivalent employee in a management position for every eight full-time equivalent employees that the agency employs in nonmanagerial staff positions. Provides that this subsection expires September 1, 2005.

(d) Authorizes a state agency that believes that the minimum management-to-staff ratios required by this section are inappropriate for that agency to appeal to the governor. Provides that the governor’s decision regarding management-to-staff ratios is final. Requires the governor by rule to adopt appeal procedures.

SECTION 5. Amends Section 651.004, Government Code, effective September 1, 2004, by adding Subsection (c-2), to prohibit a state agency in the executive branch of state government that employs more than 100 full-time equivalent employees from, after August 31, 2005, employing more than one full-time equivalent employee in a management position for every nine full-time equivalent employees that the agency employs in nonmanagerial staff positions.

Provides that this subsection expires September 1, 2006.

SECTION 6. Amends Section 651.004, Government Code, effective September 1, 2005, by adding Subsection (c-3), to prohibit a state agency in the executive branch of state government that employs more than 100 full-time equivalent employees from, after August 31, 2006, employing more than one full-time equivalent employee in a management position for every 10 full-time equivalent employees that the agency employs in nonmanagerial staff positions.

Provides that this subsection expires September 1, 2007.

SECTION 7. (a) Amends Section 651.004, Government Code, effective September 1, 2006, by adding Subsection (c), to prohibit a state agency in the executive branch of state government that employs more than 100 full-time equivalent employees from employing more than one full-time equivalent employee in a management position for every 11 full-time equivalent employees that the agency employs in nonmanagerial staff positions.

(b) Requires a state agency in the executive branch of government to achieve the management-to-staff ratio required by Section 651.004(c), Government Code, as added by this section, not later than August 31, 2007.

SECTION 8. Repealer: Section 656.048(b) (rule adoption and public funds), Government Code.

SECTION 9. Effective date: September 1, 2003, except as otherwise provided by this Act.