



# Investing in the Texas State Government Workforce

Consistent and proactive investment ensures an efficient workforce.

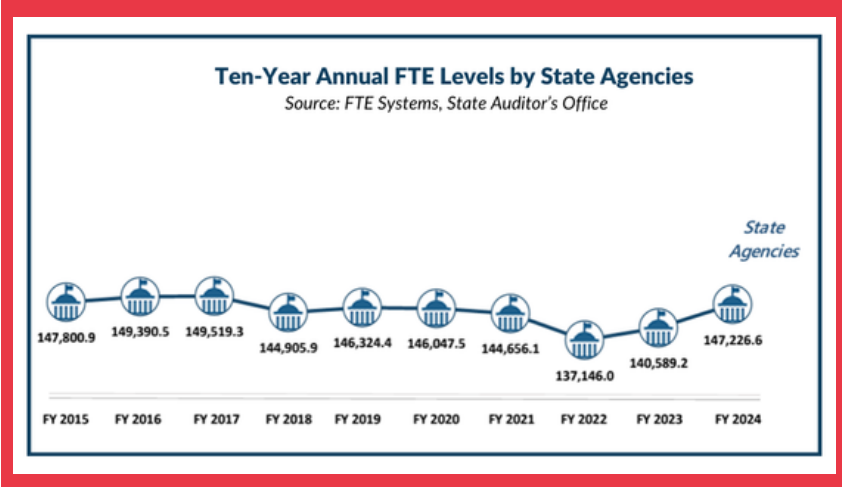
## According to the State Auditor's Office

"...state pay continues to lag behind the market by 7.4% ... further enhancements are necessary to ensure the State's Plan remains competitive."

## State Compensation Continues to Lag Behind the Market

- Nearly 70% of the Exceptional Item requests in the agency LARs for 2026-2027 were related to salary and employee compensation.
- A review of historical data from the SAO confirms that increased compensation effectively lowers employee turnover and stabilizes the state government workforce.

There has been a 5% reduction in the non-higher education state workforce over the last 10 years, while the population and demand for services has grown exponentially.



**STATE GOVERNMENT WORKFORCE COULD BE MEASURABLY MORE EFFICIENT WITH HIGHER RETENTION AND LESS TURNOVER.**

## What happens when compensation is increased?

The 88th Legislature recognized the crisis of crippling turnover in the state government workforce and enacted pay raises to combat retention issues with great success.

## The Result

Data demonstrates that the prospect of increased pay lowers turnover and delays retirements among experienced employees who want the benefit of enhanced retirement payments.

### State Turnover Declines with Pay Raise

FY 2022  
22.7%



FY 2023  
18.7%



FY 2024  
16.5%

**TEXAS** 2036

**Texas 2036 identified the need to build and retain a talented state workforce as its key goal to building a strong Texas future.**

*The Texas state workforce implements legislative and executive policies, and proudly serves all areas of Texas. State employees deserve competitive salaries in order for the State to retain their knowledge and expertise. The State's asset requires regular investment to maintain efficiency and prevent loss of experienced employees and crippling turnover. State leaders can wisely invest in this asset by appropriating funds for the fiscal year 2026-2027 biennium.*



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