

Key Points of Report

A Quarterly Report of Full-Time Equivalent State Employees For the Quarter Ending February 28, 1998

May 1998

Overall Conclusion

There were 269,085 full-time equivalent (FTE) state employees for the quarter ending February 28, 1998, based on reports submitted by 214 agencies and institutions of higher education. There were 245,636 full-time state employees and 72,245 part-time state employees. The State also used the services of 23,835 consultants and contractors as of the last working day of the quarter.

Key Facts and Findings

- Compared to the previous quarter, overall FTEs decreased by less than one percent with a total decrease of 2,275 FTEs.
- In comparison to the second quarter of 1997, state employment has remained nearly constant with an overall net decrease of less than one tenth of one percent (150 FTEs).
- Total statewide employment has increased by almost 10 percent (over 23,000 FTEs) over the past five years. This increase was due to a 58 percent increase (nearly 16,000 FTEs) at the Department of Criminal Justice and a 12 percent increase (over 12,500 FTEs) among institutions of higher education.
- Seven agencies exceeded their FTE caps without approval from the Legislative Budget Board and the Governor's Office. Explanations from these agencies are included. Three of these seven agencies exceeded their FTE caps by less than 1/10 of an FTE.
- The overall statewide management-to-staff ratio was 1 manager to 13.82 staff. Agencies and institutions of higher education with fewer than 100 employees averaged a 1 manager to 5.33 staff ratio. All other agencies averaged a 1 manager to 11.09 staff ratio. The ratio for all other institutions of higher education was 1 manager to 18.57 staff.

Contact

Kelli Dan, CCP, Manager, (512) 479-4700



Office of the State Auditor

Lawrence F. Alwin, CPA

This report of full-time equivalent positions was prepared in accordance with Texas Government Code, Chapter 2052, Subchapter B.

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Overview

There were 269,085 full-time equivalent (FTE) state employees for the quarter ending February 28, 1998, based on reports submitted by 214 agencies and institutions of higher education. There were 245,636 full-time state employees and 72,245 part-time state employees (see Table I for details). The State also used the services of 23,835 consultants and contractors as of the last day of the quarter (see Table VII for details).

State Employment Analyses

Previous Quarter Comparison

	Quarterly FTEs Increase/(Decrease)	FTEs % Increase/(Decrease)	Full-Time Employees Quarterly Increase/(Decrease)	Full-Time Emp. % Increase/(Decrease)	Part-Time Employees Quarterly Increase/(Decrease)	Part-Time Emp. % Increase/(Decrease)
State Agencies	(505)	(.33)	(348)	(.23%)	310	10.45%
Higher Ed. Institutions	(1,769)	(1.50%)	525	.56%	2,159	3.23%
Statewide	(2,275)	(.84%)	177	.07%	2,469	3.54%

The number of FTEs has decreased from the first quarter of fiscal year 1998 to the second quarter of fiscal year 1998 by 2,275 FTEs (.84 percent).

The agency with the greatest increase in FTEs compared to last quarter was the Department of Criminal Justice (432 FTEs, 1.06 percent of agency FTEs).

The largest decrease in FTEs (800 FTEs, 7.94 percent of agency FTEs) over last quarter was at Texas A&M University. Other significant decreases occurred at the Department of Mental Health and Mental Retardation (609 FTEs, 2.50 percent), the Department of Human Services (362 FTEs, 2.37 percent), and Stephen F. Austin State University (330 FTEs, 21.43 percent).

One-Year Comparison

	Annual FTEs Increase/(Decrease)	FTEs % Increase/(Decrease)	Full-Time Employees Annual Increase/(Decrease)	Full-Time Emp. % Increase/(Decrease)	Part-Time Employees Annual Increase/(Decrease)	Part-Time Emp. % Increase/(Decrease)
State Agencies	(2,142.71)	(1.38%)	(1,779)	(1.16%)	212	6.92%
Higher Ed. Institutions	1,992.71	1.74%	746	.80%	4,406	6.82%
Statewide	(150.00)	(.06%)	(1,033)	(.42%)	4,618	6.83%

The annual decrease of 150 FTEs (.06 percent) from second quarter 1997 to second quarter 1998 reflects that the State's employment has remained nearly constant.

Five-Year Trend Analysis

	5-Yr. FTEs Increase/ (Decrease)	FTEs % Increase/(Decrease)	Full-Time Emp. 5-Yr. Increase/(Decrease)	Full-Time Emp. % Increase/(Decrease)	Part-Time Emp. 5-Yr Increase/(Decrease)	Part-Time Emp. % Increase/(Decrease)
State Agencies	11,235.94	7.94%	10,479	7.44%	(301)	(8.41%)
Higher Ed. Institutions	12,547.59	12.10%	9,439	11.13%	8,019	13.16%
Statewide	23,778.53	9.70%	19,918	8.82%	7,718	11.96%

Total statewide employment has increased by almost 10 percent (over 23,000 FTEs) over the past five years. This increase was due to a 58 percent increase (nearly 16,000 FTEs) at the Department of Criminal Justice and a 12 percent increase (over 12,500 FTEs) among institutions of higher education.

General Appropriations Act Article Analyses

Article Analysis - Actual FTEs

	2nd Quarter 1998		1st Quarter 1998		2nd Quarter 1997		2nd Quarter 1993	
	FTEs	% of Statewide FTEs	FTEs	% of Statewide FTEs	FTEs	% of Statewide FTEs	FTEs	% of Statewide FTEs
Article I	8,647.96	3.21	8,728.80	3.22	8,749.50	3.25	8,976.13	3.66
Article II	53,872.45	20.02	54,863.59	20.22	57,497.22	21.36	59,455.12	24.24
Article III (Public Education)	2,041.79	.76	2,054.40	.76	2,025.61	.75	2,327.67	.95
Article III (Higher Education)	116,251.21	43.20	118,020.55	43.49	114,258.50	42.44	103,703.62	42.28
Article IV	1,501.94	.56	1,495.63	.55	1,488.41	.55	1,342.48	.55
Article V	53,335.28	19.82	52,621.60	19.39	50,343.03	18.70	35,173.00	14.34
Article VI	7,862.20	2.92	7,945.99	2.93	8,100.61	3.01	7,663.84	3.12
Article VII	19,972.98	7.42	20,001.94	7.37	20,934.22	7.78	20,817.77	8.49
Article VIII	3,524.46	1.31	3,523.91	1.30	3,423.12	1.27	3,545.80	1.45
Article X	2,074.29	.77	2,102.66	.90	2,414.34	.90	2,295.60	.94
TOTAL	269,084.56	100	271,359.07	100	269,234.56	100	245,301.03	100

Over 80 percent of statewide FTEs are employed by institutions of higher education (Article III), health and human services agencies (Article II), or public safety and criminal justice agencies (Article V).

As a percentage of total statewide employment, health and human services agencies (Article II) have decreased from 24 to 20 percent in the past five years. During this same time period, public safety and criminal justice agencies (Article V) have increased from 14 to 20 percent of total state employment. All other articles have remained relatively constant as a percentage of total state employment.

Article Analysis - Percent Change

	2nd Quarter 1998 FTEs	1st Quarter 1998 FTEs Increase/(Decrease)	1st Quarter 1998 FTE % Increase/(Decrease)	2nd Quarter 1997 FTEs Increase/(Decrease)	2nd Quarter 1997 FTE % Increase/(Decrease)	2nd Quarter 1993 FTEs Increase/(Decrease)	2nd Quarter 1993 FTE % Increase/(Decrease)
Article I	8,647.96	(80.84)	(.93)	(104.54)	(1.16)	(328.17)	(3.66)
Article II	53,872.45	(991.14)	(1.81)	(3,624.77)	(6.30)	(5,582.67)	(9.39)
Article III (Public Education)	2,041.79	(12.61)	(.61)	16.18	.80	(285.88)	(12.28)
Article III (Higher Education)	116,251.21	(1,769.34)	(1.50)	1,992.71	1.74	12,547.59	12.10
Article IV	1,501.94	6.31	.42	13.53	.91	159.46	11.88
Article V	53,335.28	713.68	1.36	2,992.25	5.94	18,162.28	51.64
Article VI	7,8620.20	(83.79)	(1.05)	(238.41)	(2.94)	198.36	2.59
Article VII	19,972.98	(28.96)	(.14)	(961.24)	(4.59)	(844.79)	(4.06)
Article VIII	3,524.46	.55	.02	101.34	2.96	(21.34)	(.60)
Article X	2,074.29	(28.37)	(1.35)	(340.05)	(14.08)	(221.31)	(9.64)
TOTAL	269,084.56	(2,274.51)	(.84)	(150.00)	(.06)	23,783.53	9.70

Public safety and criminal justice agencies (Article V) and institutions of higher education (Article III) had the largest FTE increases compared to the same quarter last year (2,992 and 2,009 FTEs respectively). Judiciary (Article IV) and regulatory agencies (Article VIII) had small increases in FTEs compared to last year.

Health and human services agencies (Article II) had the largest decrease in FTEs compared to last year (3,625 FTEs). General government (Article I), natural resources (Article VI), business and economic development (Article VII), and legislative (Article X) agencies also had fewer FTEs compared to last year.

Compared to five years ago, public safety and criminal justice agencies (Article V) and institutions of higher education (Article III) have increased dramatically. Public safety and criminal justice agencies (Article V) have increased by 18,162 FTEs, an increase of over 50 percent in five years. Institutions of higher education (Article III) have increased by 12,548 FTEs, an increase of 12 percent over the past five years. Judiciary

(Article IV) and natural resources (Article VI) agencies also increased their FTEs compared to five years ago.

Health and human services agencies (Article II) decreased by 5,583 FTEs, almost 10 percent, in the past five years. General government (Article I), business and economic development (Article VII), regulatory (Article VIII), legislative (Article X), and article III public education agencies also decreased their FTEs during this time.

Vacancies

In this report, vacancies are reported as an FTE variance. This variance is the difference between the FTE cap and the actual FTEs for the quarter. Agencies and institutions of higher education use many different methods for determining their budgeted number of positions. Therefore, it was decided that the FTE cap minus the total number of FTEs represented a truer picture of vacant positions. We have reported this as FTE variance (see Table I for details).

This variance will not capture the employees that are in a leave without pay status; therefore, this variance does not directly translate to the number of vacant positions an agency may actually have. However, it does provide a consistent basis for comparing agencies and institutions of higher education when analyzing staffing levels.

FTE Caps

Seven agencies exceeded their FTE caps, set by the Legislature, without approval from the Legislative Budget Board and the Governor's Office (see Table II for details).

Agencies Exceeding Legislative FTE Cap			
Agency	FTEs Over Cap	Percentage Over Cap	Explanation
Department of Criminal Justice	142.18	.36	The local funds department (E&R, Inmate Trust Fund, Boyd Distribution Center, Unit Commissaries) moved from the "Outside Treasury" to "Inside Treasury" as of January 1, 1998 (see SB 703 and TDCJ riders 28 and 60).
Historical Commission	10.33	11.87	The Historical Commission has been involved in several projects that were unforeseen by the Historical Commission at the time of the appropriations bill. Implementation of the New Heritage Tourism Initiative has also required additional staff. The Historical Commission has requested permission to exceed its FTE cap.

FTE Cap Table, concluded

Agencies Exceeding Legislative FTE Cap			
Agency	FTEs Over Cap	Percentage Over Cap	Explanation
Department of Housing and Community Affairs	6.40	1.77	Department of Housing and Community Affairs (Department) exceeds the FTE cap for three primary reasons: (1) to carry out mandates of new programs; for example, the Home Investment Partnership program and more recently, the regulation of the manufactured housing industry; (2) to manage increasing volume of contracts resulting from consistent increases in federal grants awards to the Department (Contracts related to previous years' federal awards that have not been closed out continue to require monitoring, accounting, and reporting; therefore, the number of contracts administered increases annually.) (3) federal changes to the Single Audit Act of 1984 have increased the required audit workload of the Department. The Department has requested an increase of its FTE cap.
Animal Damage Control Service	6.03	7.54	Animal Damage Control Service had its FTEs reduced from the previous biennium because of vacant positions at the agency. These budgeted positions were left open to obtain salary savings that provided funding for the purchase of replacement vehicles. The Animal Damage Control Service continues to be caught in a cycle of leaving positions vacant one year to buy vehicles and then filling these positions the following year.
Advisory Commission on State Emergency Communications	.06	.30	Two employees remained on the payroll while exhausting their paid leave.
Commission on the Arts	.05	.32	Significant employee turnover has caused overlap of hours paid causing minor increase in reported FTEs. At no point were there more than 15.5 FTEs actually working at the Commission during the quarter.
State Law Library	.05	.48	Two employees remained on the payroll while exhausting their paid leave.

Management-to-Staff Ratios

Category	Management-to-Staff Ratio
Agencies/Institutions With Fewer than 100 Employees	1 Manager/Supervisor to 5.33 Staff
All Other Agencies	1 Manager/Supervisor to 11.09 Staff
All Other Higher Education Institutions	1 Manager/Supervisor to 18.57 Staff
Statewide Average	1 Manager/Supervisor to 13.82 Staff

The overall statewide management-to-staff ratio was one manager/supervisor to 13.82 staff (see Table VI for details). At this time there is no legislative mandate to achieve a specific management-to-staff ratio. However, each agency is required to develop procedures for use in achieving a management-to-staff ratio of one manager for 11 staff members.

Approximately one third of agencies and higher education institutions (34 percent) reported a management-to-staff ratio of one manager/supervisor for every 11 non-supervisory staff. Twenty-four agencies and 50 institutions of higher education reported a 1:11 ratio or higher.

Obviously, very small agencies will have a difficult time achieving a 1:11 ratio; therefore, we have reported these agencies separately. Fifteen of the 100 agencies and institutions (15 percent) with fewer than 100 employees met the goal of a 1:11 ratio. It should be noted that although the average management-to-staff ratio for agencies and institutions with more than 100 employees was approximately 1:14, the Texas Department of Criminal Justice, with nearly 40,000 FTEs, reported a ratio of 1:79 which affects the statewide average significantly.

One explanation of why only one third of agencies and institutions met the 1:11 goal may be that there are too many layers of management at these entities. This report highlights those agencies that may have a higher number of supervisors and managers.

It is difficult, however, to uniformly apply a span of control optimum across agencies, especially as organizations become less hierarchical. As organizations increasingly plan their work around project teams that form and disband to accomplish the mission, the concept of supervisors and middle management changes. Additionally, organization size, organization function/mission, and managerial strategy may also impact the management span of control. As the Legislature continues to study this data, these types of changes in organizational structure and management systems will be an integral piece of information.

Tables I - VII
State of Texas
State Employment and Consultant Headcount Summary
Covering Quarter Ending 2/28/98

This tables are not in the electronic copy of this file. Please contact the Texas State Auditor's Office at (512) 479-4700 to order a hard copy of this report with the complete tables.

Objective, Scope, and Methodology

Objective

This report provides the Legislature and the general public with information on the number of state employees and the number of consultants and contract individuals who perform services for state government. The report was prepared in accordance with Texas Government Code, Chapter 2052, Subchapter B.

Scope

This report was prepared from information submitted to the State Auditor's Office by 214 agencies and institutions. This FTE report contains the following information:

- FTE caps as set by the Legislature

(State agencies and the Texas A&M University System service agencies are subject to a quarterly FTE cap. All other higher education institutions are subject to an annual FTE cap.)
- Number of full-time equivalent employees reported for "Inside and Outside Treasury" for state agencies and by "Appropriated Funds and All Other Funds" for higher education institutions
- Variance between FTE caps and total FTEs
- Number of full-time and part-time employees reported for "Inside and Outside Treasury" for state agencies and by "Appropriated Funds and All Other Funds" for higher education institutions
- Number of consultant and contract individuals reported for "Inside and Outside Treasury" for state agencies and by "Appropriated Funds and All Other Funds" for higher education institutions
- Number of managers, supervisors, and non-supervisory staff and overall management-to-staff ratio for all agencies and higher education institutions

Methodology

FTE Caps

- Based on consultation with Legislative Budget Board staff regarding legislative intent, several agencies' and higher education institutions' FTE caps were adjusted to reflect rider and/or statutory language that specifically authorized changes to FTE caps.
- The FTE caps are based only on FTEs paid from funds inside the State Treasury.
- The Panhandle Plains Historical Museum (Agency No. 039) does not have an FTE cap listed in the General Appropriations Act. However, the FTE cap of 765.5 for West Texas A&M University (Agency No. 757) provides an overall FTE cap for both institutions.
- The following agencies were not assigned FTE caps by the Legislature: Health Professions Council, Southwest Collegiate Institute for the Deaf, State Bar of Texas, Board of Law Examiners, and all Article X agencies.
- The FTE caps listed in Table I of this report are the targeted *average* FTE employees for the four quarters of fiscal year 1998 for higher education institutions. The caps are the quarterly maximum for state agencies and for the Texas A&M University System service agencies. Although FTE caps are set for the courts of appeals they are not subject to these caps.
- Although the Governor's Office and Governor's Office Trusteed Programs are assigned separate FTE caps, the report combines their total FTE and FTE caps since they are allowed to transfer appropriations and FTEs between these two programs.
- The State Auditor's Office and the Legislative Budget Board agree that the Teacher's Retirement System should report their FTEs as "Appropriated" and "All Other Funds" as allowed for higher education institutions.

FTE Data

- Agencies with a significant percentage of employees who work a non-standard work week were granted the opportunity to choose from three methods of calculating FTEs. Each agency was required to continue its method for the entire fiscal year. The options are explained in the following table.

Option	Agencies
Count the actual number of hours in the quarter based on the number of Mondays through Fridays.	Youth Commission Department of Mental Health and Mental Retardation Department of Public Safety Parks and Wildlife Department School for the Blind School for the Deaf
Use 520 hours as the standard number of hours in every quarter regardless of the actual number of work hours.	Alcoholic Beverage Commission
Allocate both methods of calculation so that the hours in a quarter will be the average total number of hours during the quarter that one full-time employee would be paid.	Department of Criminal Justice

- The Texas State Museum is reported as a separate entity from the State Preservation Board for the first time this quarter.
- Three new agencies (State Office of Risk Management [Agency No. 479], Department of Economic Development [Agency No. 480], and State Board for Educator Certification [Agency No. 705]) were included for the first time in the report covering the first quarter of fiscal year 1998.
- Five agencies have been eliminated or merged into other agencies at the end of fiscal year 1997 and are not included in this report. They are National Research Laboratory Commission (Agency No. 350), Council on Workforce and Economic Competitiveness (Agency No. 363), Department of Commerce (Agency No. 465), Texas Turnpike Authority (Agency No. 602), and Council on Sex Offender Treatment (Agency No. 346). Additionally, the Uniform Statewide Accounting System (Agency No. 304-001) now reports as part of the Comptroller's Office (Agency No. 304).

Variances

Employees of the Health Professions Council, Southwest Collegiate Institute for the Deaf, State Bar of Texas, Board of Law Examiners, and all Article X agencies are reported in the FTE employee totals. These agencies, however, were not assigned FTE caps in the General Appropriations Act. Therefore, an overall statewide variance figure was not computed.

Management-to-Staff Ratio

The following formula is used to calculate the management-to-staff ratios:

$$\text{Management-to-staff ratio} = [N+(S-1)]/S$$

N = Number of non-supervisory employees
S = Combined number of supervisors and managers

Note:

S minus 1 excludes the top agency executive from being considered a supervised employee. Therefore, for those agencies that are directed by more than one top executive, S minus 1 is replaced with S minus the number of top executives. For example, agencies that do not have an executive director, but are directed by three full-time, salaried commissioners, the formula $[N+(S-3)]/S$ is used.

The Office of Attorney General believes that legislative intent of the management-to-staff provision was to exclude supervisors from the category of management when calculating the ratio. In the absence of clear statutory guidance, the State Auditor's Office looked to how the term management is typically used in the professional literature relating to human resources management. The examined references consistently include supervisors as part of management when discussing the span of control.

The State Auditor's Office also sought clarification from (1) the Texas Performance Review, which developed the original recommendation from which the management-to-staff reporting provisions were derived and (2) the Senate State Affairs Committee, which heard testimony on this legislation during the last regular session. Both sources confirmed their understanding to be that supervisors would be included as part of management for purposes of calculating management-to-staff ratios. Using the Office of the Attorney General's method of calculation, its overall agency ratio would be 1:15.25 rather than 1:9.59.

The following employees of the State Auditor's Office developed this report:

- Frank Locklear
- Cora White
- Matthew Levitt, Project Manager
- Kelli Dan, CCP, PHR, Manager
- Deborah Kerr, Ph.D., Director