

Key Points of Report

A Quarterly Report of Full-Time Equivalent State Employees For the Quarter Ending November 30, 1999

March 2000

Overall Conclusion

There were 271,635.06 full-time equivalent (FTE) state employees for the quarter ending November 30, 1999, based on reports submitted by 215 agencies and institutions of higher education.

Key Facts and Findings

- There were 245,044 full-time state employees and 72,077 part-time state employees.
- Temporary and/or contract workers who worked for more than half the workdays during the previous year logged hours during this quarter equal to 992.51 FTEs.
- The General Services Commission, the District Courts (Comptroller's Judiciary Section), and the Texas Agricultural Extension Service (A&M) exceeded their quarterly FTE caps without approval from the Legislative Budget Board and the Office of the Governor. Because most institutions of higher education have annual, rather than quarterly, FTE caps, any overages cannot be determined until the end of the fiscal year.

The Quarterly Summary tables, which contain detailed FTE, trend analysis, contractor, and management-to-staff data for each agency and university, are available on our website. If you would like the Quarterly Summary tables, you may download them at www.sao.state.tx.us/ReportsMn/reports/00-706.pdf. Or, you may request a hard copy from Production Services by calling (512) 479-4740 and asking for [SAO Report No. 00-706 \(tables only\)](#).

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Office of the State Auditor

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This audit was conducted in accordance with Government Code, Chapter 2052, Subchapter B and Article IX, Sections 9-6.14 and 9-6.15 of the General Appropriations Act.

Overview

There were 271,635.06 full-time equivalent (FTE) state employees for the quarter ending November 30, 1999, based on reports submitted by 215 agencies and institutions of higher education. There were 245,044 full-time state employees and 72,077 part-time state employees. Temporary and/or contract workers who worked for more than half the workdays during the previous year logged hours during this quarter equal to 992.51 FTEs.

The tables and graphs that follow are based on self-reported data from the State's agencies and institutions of higher education. The State Auditor's Office has not independently verified the data.

Changes in State Employment Over Time

Compared to the Fourth Quarter of Fiscal Year 1999, the Number of FTEs Has Increased Slightly

Table 1

Change in Number of FTEs From the Fourth Quarter of Fiscal Year 1999 to the First Quarter of Fiscal Year 2000		
Area	Increase/(Decrease) in FTEs	
State Agencies	(3,375.01)	(2.26)%
Higher Education Institutions	10,862.24	9.74%
Statewide	7,487.23	2.84%

- The largest increase in agency FTEs was at the Youth Commission (259.18). The largest increases in university FTEs were at The University of Texas at Austin (2,230.54), Texas A&M University - Main (1,979.56), the University of North Texas (918.70), and the University of Houston (916.00). Two other agencies and 18 other universities increased by more than 100 FTEs.
- The largest decreases in agency FTEs were at the Department of Criminal Justice (1,603.86), the Department of Transportation (777.05), the Department of Human Services (698.58), and the Department of Mental Health and Mental Retardation (655.01). The largest decreases in university FTEs were at the Texas A&M Agriculture Experiment Station (343.79) and Stephen F. Austin State University (252.23). Two other agencies and three other universities had decreases of at least 100 FTEs compared to the previous quarter.

Compared to the First Quarter of Fiscal Year 1999, the Number of FTEs Has Remained Nearly Constant

Table 2

Change in Number of FTEs From the First Quarter of Fiscal Year 1999 to the First Quarter of Fiscal Year 2000		
Area	Increase/(Decrease) in FTEs	
State Agencies	(2,013.74)	(1.34) %
Higher Education Institutions	3,013.95	2.52%
Statewide	1,000.21	0.37%

- The decrease of 1,009.67 FTEs (0.37 percent) from the first quarter of 1999 to the first quarter of 2000 indicates that the State's employment level has remained nearly constant.
- There has been a 2.52 percent increase in FTEs at institutions of higher education and a 1.34 percent decrease in FTEs at state agencies.

Over the Past Five Years, Total Statewide Employment Has Increased by Only 0.37 Percent

Table 3

Change in Number of FTEs From the First Quarter of Fiscal Year 1994 to the First Quarter of Fiscal Year 2000		
Area	Increase/(Decrease) in FTEs	
State Agencies	(3,770.66)	(2.52)%
Higher Education Institutions	13,567.62	12.46%
Statewide	9,796.96	0.37%

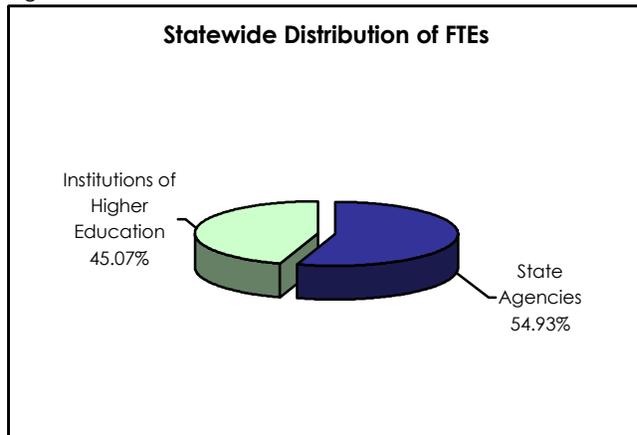
- Public safety and criminal justice agencies increased by approximately 20 percent:
 - Department of Criminal Justice: 5,460.60 FTEs
 - Youth Commission: 2,478.50 FTEs
 - Department of Public Safety: 838.54 FTEs
- Higher education institutions increased by 12.46 percent:
 - The University of Texas Medical Branch at Galveston: 2,653.61 FTEs
 - The University of Texas MD Anderson Cancer Center: 1,543.63 FTEs
 - Texas Tech University Health Sciences Center: 1,332.12 FTEs

- Health and human services agencies decreased by 20.38 percent:
 - Department of Mental Health and Mental Retardation: 6,751.20 FTEs
 - Department of Human Services: 3,915.58 FTEs

Distribution of State Employees

FTEs at State Agencies Make Up Over Half of the State's FTE Population

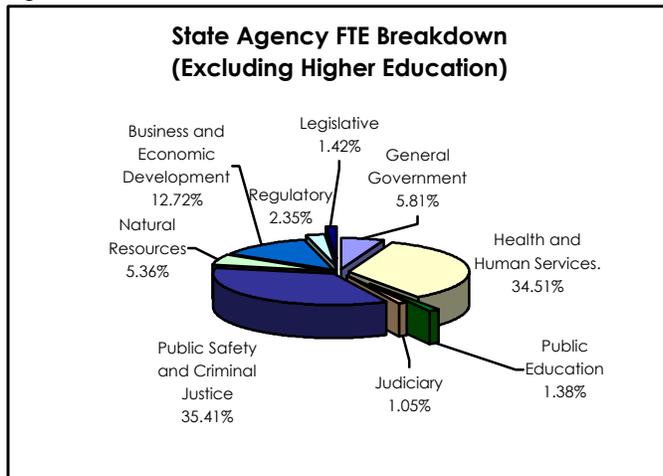
Figure 1



As Figure 1 shows, approximately 55 percent of state employees are employed by state agencies; the remaining 45 percent are employed by institutions of higher education.

Almost Three Out of Every Four State Agency Employees Work in Public Safety and Criminal Justice or Health and Human Services

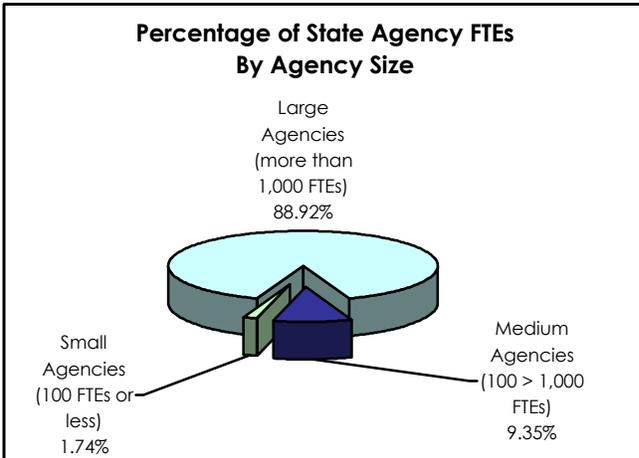
Figure 2



As Figure 2 shows, 70 percent of employees at state agencies are employed within the public safety and criminal justice or health and human services agencies.

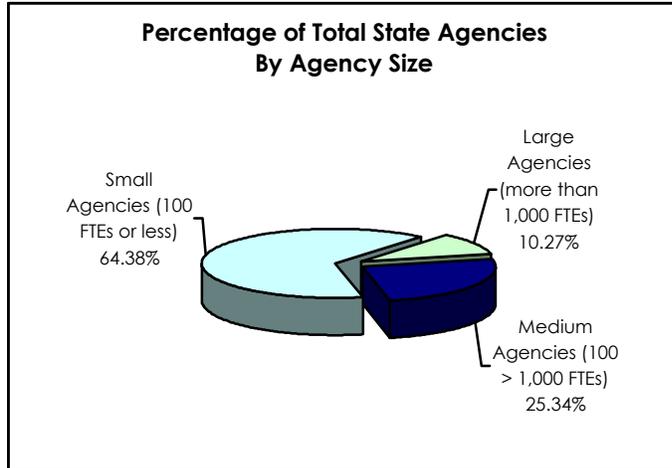
Ten Percent of State Agencies Employ 89 Percent of State Agency FTEs

Figure 3



As Figures 3 and 4 show, nearly 89 percent of state agencies FTEs work for large agencies, although large agencies make up only 10 percent of all agencies.

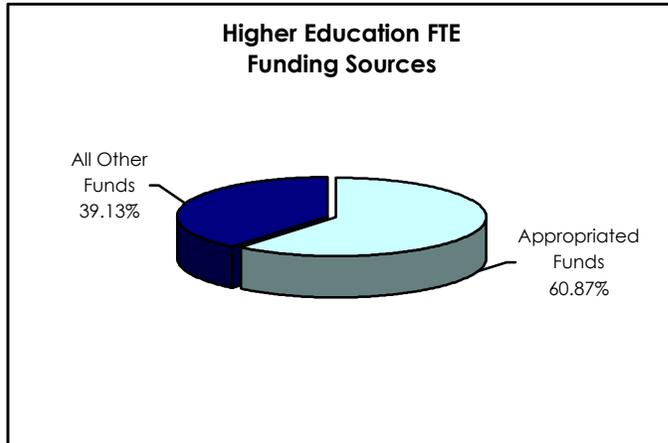
Figure 4



Conversely, although less than 2 percent of state FTEs work for small agencies, nearly two-thirds of all agencies are small agencies.

Almost 40 Percent of Higher Education Employees Are Paid With Funds That Are Not Appropriated by the State

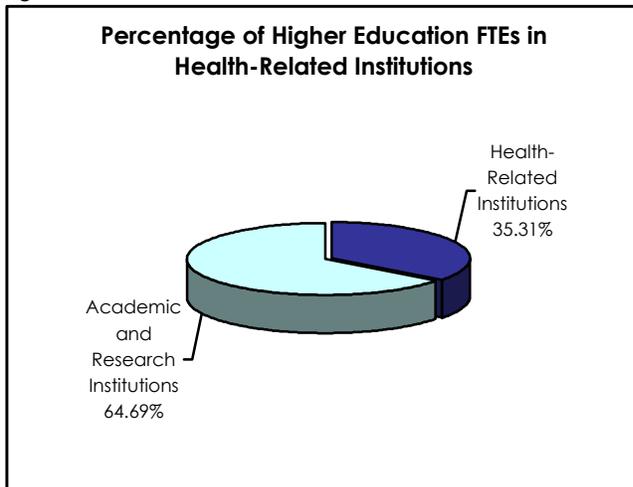
Figure 5



As Figure 5 shows, almost 40 percent of employees at higher education institutions are paid from funds other than those appropriated by the Legislature.

Over One-Third of Higher Education Employees Work in Health-Related Institutions

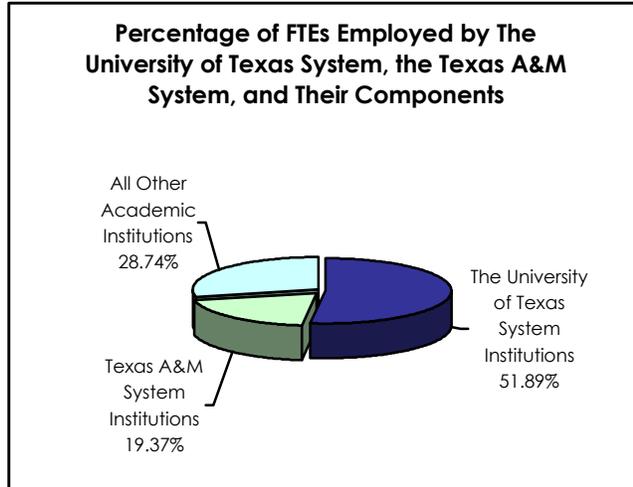
Figure 6



As Figure 6 shows, over one-third of higher education FTEs are employed at health-related institutions.

Two University Systems Employ Almost Three-Fourths of Texas Higher Education Employees

Figure 7



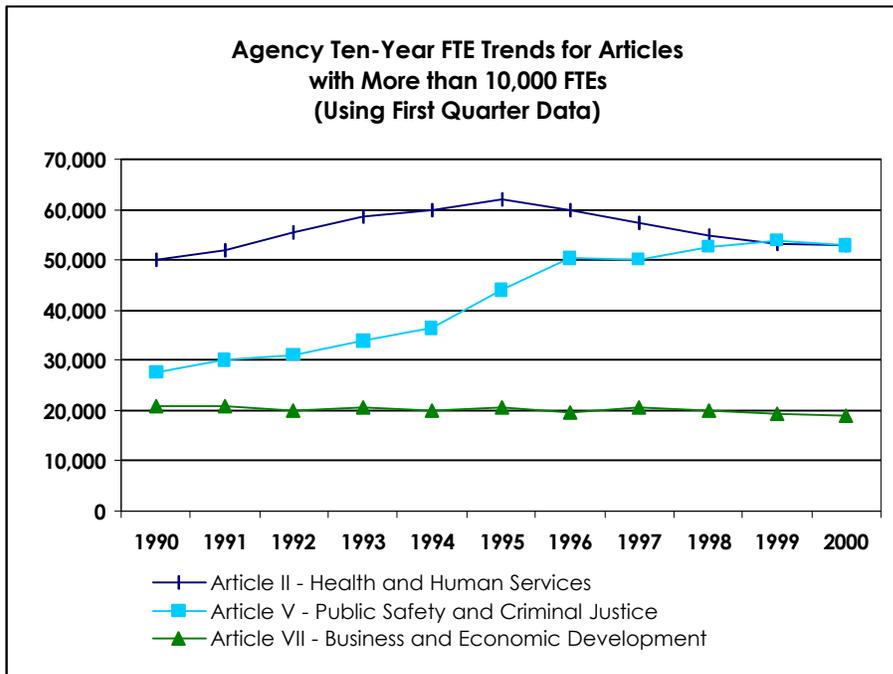
As Figure 7 shows, over half of higher education FTEs are employed at branches of The University of Texas System. The Texas A&M University System components employ the next highest number of FTEs, with almost one-fifth of higher education's FTEs.

Changes in State Employment by General Appropriations Act Article

Of the Agency Articles With More Than 10,000 FTEs, Public Safety and Criminal Justice Agencies Have Added the Most FTEs Since 1990

Figure 8 shows that public safety and criminal justice agencies have significantly increased in the last 10 years (nearly 25,225.08 FTEs).

Figure 8



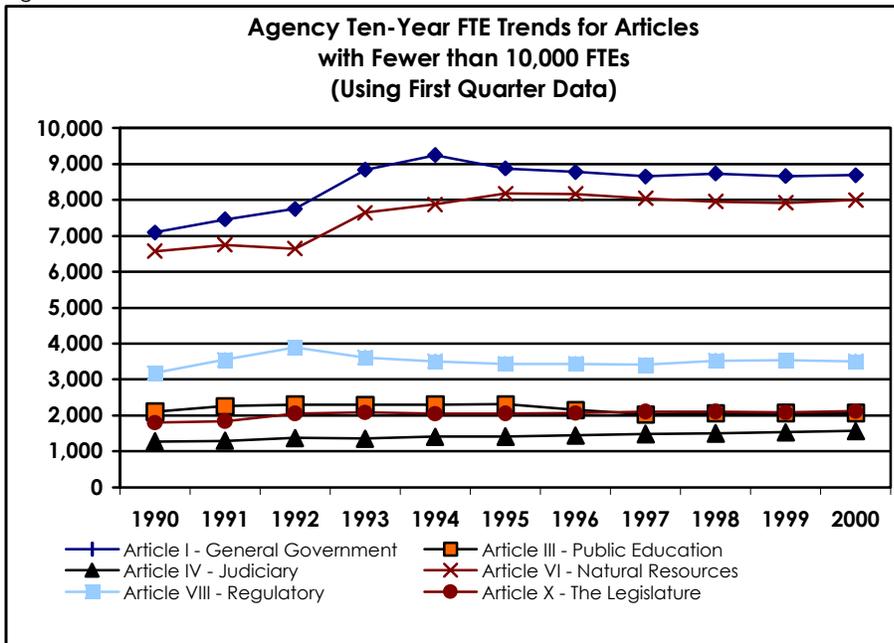
The number of FTEs at health and human services agencies increased until 1995 and has since decreased by over 9,000 FTEs.

Business and economic development agencies decreased by nearly 2,000 FTEs in the last 10 years.

The Number of FTEs in Articles With Fewer Than 10,000 FTEs Has Grown Over the Last 10 Years, But Decreased Slightly Over the Last 5 Years

As Figure 9 shows, judiciary, general government, and natural resources agencies have experienced significant growth proportionately since 1990. Judiciary agencies added 288.78 FTEs, general government agencies added 1,566.48 FTEs, and natural resources agencies added 1,424.13 FTEs.

Figure 9



Legislative and regulatory agencies also increased their FTEs in the last 10 years: legislative by 326.36 FTEs and regulatory by 328.15 FTEs.

FTEs at public education agencies decreased by 39.73 in the last 10 years.

The Number of FTEs in Institutions of Higher Education Has Increased Significantly Over the Past 10 Years

Figure 10

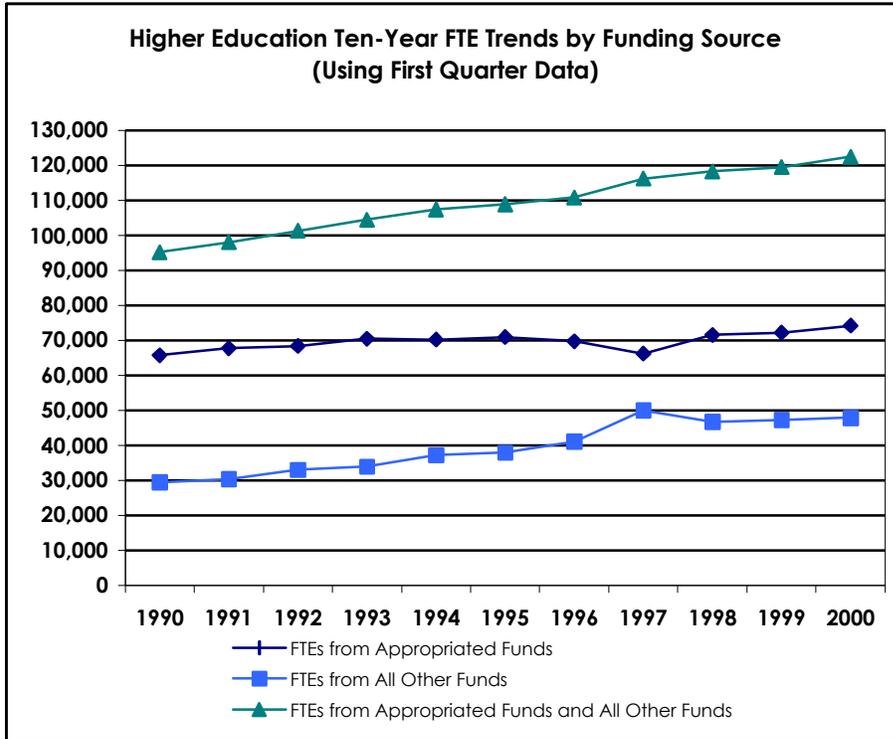


Figure 10 shows that FTEs in higher education institutions have increased by over 27,000 since 1990.

The majority of this increase (over 18,000 FTEs) has been in positions paid from funds other than those appropriated by the Legislature (prior to 1998, this number represents the FTEs paid from funds outside of the State Treasury).

Temporary/Contract Workers

Thirty-Four Agencies and 13 Institutions Used Temporary and/or Contract Workers for More Than Half the Days in the Work Year

During the 76th Session, the Legislature added new provisions to the FTE reporting requirements. These provisions allow the Legislature to gather information on the use of contract or temporary workers for customary state business and the effect this practice has on state employment levels. Specifically, beginning this fiscal year and quarter, state agencies and institutions are required to report hours worked during the reporting quarter by temporary or contract workers who worked for more than half the workdays in the previous 12 months and are paid from appropriated funds. Any such hours worked will count toward that entity's FTE cap.

For reporting purposes, temporary or contract workers include those under contract to fill specific positions customarily filled by state employees. Outsourced functions and work done by consultants are specifically excluded from these requirements. As Table 4 shows, for this first covered quarter, 34 agencies and 13 institutions reported a total of 992.51 FTE hours for contractors and consultants.

Table 4

Agencies and Institutions of Higher Education With Temporary and/or Contract Workers Who Fill Positions for More Than Half the Days in a Year	
Agencies	Temporary/Contract Worker FTE Hours
Department of Human Services	134.88
General Services Commission	130.21
Department of Health	62.45
Department of Criminal Justice	60.32
Natural Resource Conservation Commission	49.76
Department of Transportation	45.69
Parks and Wildlife Department	35.40
Department of Protective and Regulatory Services	24.00
Department of Mental Health and Mental Retardation	23.53
Rehabilitation Commission	20.42
Comptroller of Public Accounts	16.30
Employees Retirement System	10.55
Housing and Community Affairs	9.50
Adjutant General	9.50
Governor's Office	9.02
Office of Court Administration	8.05
Teacher Retirement System	7.38

Agencies and Institutions of Higher Education With Temporary and/or Contract Workers Who Fill Positions for More Than Half the Days in a Year	
Agencies	Temporary/Contract Worker FTE Hours
State Lottery Commission	6.12
Workforce Commission	5.70
Youth Commission	4.57
Office of the Attorney General	3.65
Department of Information Resources	3.64
Department of Licensing and Regulation	2.56
Library and Archives Commission	2.41
General Land Office	1.48
Department of Insurance	1.45
Commission for the Blind	0.97
Board of Nurse Examiners	0.92
Department on Aging	0.75
Canadian River Compact Commission	0.46
Historical Commission	0.37
School for the Deaf	0.12
Red River Compact Commission	0.06
Department of Economic Development	0.02
Agency Total	692.21
Institutions of Higher Education	Temporary/Contract Worker FTE Hours
The University of Texas MD Anderson Cancer Center	130.50
The University of Texas Medical Branch at Galveston	72.00
The University of Texas Southwestern Medical Center at Dallas	43.00
The University of Texas at Austin	29.63
Prairie View A&M University	9.22
The University of Texas at Dallas	4.00
The University of Texas Health Science Center at San Antonio	3.50
University of Houston	2.76
The University of Texas System	2.67
Texas Tech University	1.44
Baylor College of Dentistry Texas A&M University	0.58
Panhandle Plains Historical Museum	0.50
University of North Texas Health Science Center	0.50
Institution Total	300.30

FTE Caps

Three agencies exceeded their quarterly FTE caps, which are set by the Legislature, without approval from the Legislature Budget Board and the Office of the Governor. (See Table 5.) Because most institutions of higher education are subject to annual, rather than quarterly, caps, information on their compliance cannot be determined until the end of the fiscal year.

Table 5

Agencies Exceeding Legislative FTE Cap			
Agency	No. of FTEs Over Cap	Percentage Over Cap	Explanation (Per agency and Legislative Budget Board)
General Services Commission	49.52	6.11	No explanation provided.
Texas Agricultural Extension Service (A&M)	42.18	3.86	No explanation provided.
District Courts (Comptroller's Judiciary Section)	2.63	0.46	Several new courts were created. Additional FTEs were due to an increased number of district judges and district attorneys.

Management-to-Staff Ratios

Table 6

Category	Management-to-Staff Ratio
Agencies/Institutions With Fewer than 100 Employees	1 Manager/Supervisor to 5.49 Staff Members
All Other Agencies	1 Manager/Supervisor to 11.28 Staff Members
All Other Higher Education Institutions	1 Manager/Supervisor to 19.89 Staff Members
Statewide Average	1 Manager/Supervisor to 14.42 Staff Members

The overall statewide management-to-staff ratio was 1 manager/supervisor to 14.42 staff members. (See Table 6.) While there is no legislative mandate to achieve a specific management-to-staff ratio, each agency is required to develop procedures for achieving a management-to-staff ratio of 1 manager for every 11 staff members.

Just over one-third of all agencies and institutions achieved the goal ratio of 1 manager/supervisor for every 11 (or more) non-supervisory staff members. One explanation for an agency or institution's inability to meet or exceed the 1:11 goal may be that there are too many layers of management at these entities. However, it is not necessarily appropriate to apply the same ratio to all entities. As organizations increasingly plan their work around project teams, which form to accomplish the mission then disband, the concept of supervisors and middle management changes. Additionally, organization size, function/mission, and managerial strategy may also affect management's span of control. (For example, it is difficult for very small agencies to achieve a 1:11 ratio.)

While extremely low ratios may indicate too many layers of management, extremely high ratios may indicate too few layers of management, leaving supervisors and managers to handle too many staff. Examples of high ratios include the Department of Criminal Justice, whose 40,218.93 FTEs correspond to a 1:75.76 management-to-staff ratio and the University of North Texas, with 3,789.72 FTEs and a 1:59.42 ratio. While many institutions of higher education tend to have ratios in the higher ranges, this may be due, in large part, to the nature of the work involved. Whether management-to-staff ratios tend to be low or high, it should be remembered that such ratios can only be assessed as appropriate on a case-by-case basis.

Objective, Scope, and Methodology

Objective

This report provides the Legislature and the 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 Government Code, Chapter 2052, Subchapter B and Article IX, Sections 9-6.14 and 9-6.15 of the General Appropriations Act.

Scope

This report was prepared from information submitted to the State Auditor's Office by 215 agencies and institutions of higher education.

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 for agencies are based only on FTEs paid from appropriated funds.
- Beginning with fiscal year 2000, total FTEs reported include contractors and temporary workers paid from appropriated funds that are used to fill specific positions customarily filled by state employees.
- 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 555.5 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: The University of Texas System - Available University Fund, Baylor College of Dentistry - Texas A&M University, the State Bar of Texas, the Board of Law Examiners, and all Article X agencies.

FTE Data

Agencies with a significant percentage of employees who work a non-standard workweek were granted the opportunity to choose from three methods of calculating FTEs. Each agency is required to continue its method for the entire fiscal year. The options are explained in Table 7.

Table 7

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 during the quarter that one full-time employee would be paid.	Department of Criminal Justice

Variations

Variations in FTEs between FTE caps and actual FTEs were not calculated for those entities that were not assigned an FTE cap in the General Appropriations Act. Nor were they calculated for institutions, since they are subject to annual, rather than quarterly, caps. As a result, an overall statewide variance figure was not computed.

Management-to-Staff Ratio

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

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

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

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

- Jeanine Pollard, CCP (Project Manager)
- Frank Locklear
- Mike Mericle, PHR (Audit Manager)
- Deborah L. Kerr, Ph.D. (Director)

Late Data Submissions

The agencies and institutions of higher education listed in Table 8 were at least two weeks late (including weekends and holidays) in submitting their FTE data. (Although information is usually reported on those entities that are one week late in reporting their data, extra time was allowed this quarter due to the new implementation of FTE reporting requirement changes made by the 76th Legislature.)

Table 8

Agency	Days Late
Commission on Alcohol and Drug Abuse	34
Historical Commission	25
Baylor College of Dentistry - Texas A&M University	19
State Pension Review Board	19
Panhandle Plains Historical Museum	19
The University of Texas MD Anderson Cancer Center	17
Cosmetology Commission	17
State Board of Plumbing Examiners	17