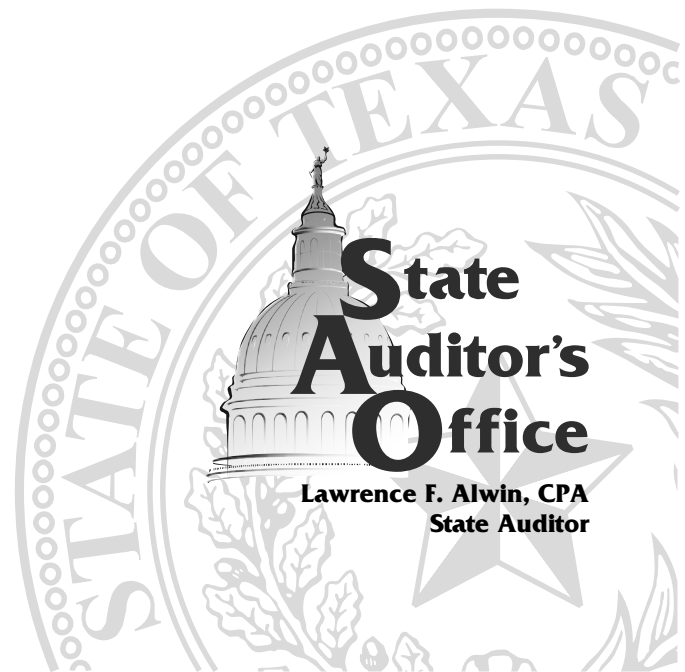


A Summary Report on

Full-Time Equivalent State Employees for Fiscal Year 2004

November 2004

Report No. 05-703



Full-Time Equivalent State Employees for Fiscal Year 2004

Overall Conclusion

During fiscal year 2004, state agencies and institutions of higher education employed an annual average of 274,776 full-time equivalent employees (FTEs). This is a slight decrease of 2 percent from fiscal year 2003's annual average of 280,542 FTEs. State agencies and institutions of higher education reported average headcounts of 247,689 full-time employees and 70,053 part-time employees during fiscal year 2004.

Key Points

Workforce Levels

- State agencies employed 141,739 FTEs during fiscal year 2004. This is a decrease of 6,719 (5 percent) from the previous year.
- Institutions of higher education employed 133,037 FTEs during fiscal year 2004. This is an increase of 952 (1 percent) from the previous year.
- State agencies and institutions of higher education employed an average of 844 contract employees in fiscal year 2004. This is a decrease of 53 (6 percent) from fiscal year 2003.

FTE Calculations

A full-time equivalent employee (FTE) is a ratio that represents the number of hours that an employee works compared to 40 hours per week, which is considered full-time employment. One FTE is any combination of workers that combines to 40 hours per week and does not necessarily equate to headcount. For example, two half-time (20 hours per week) workers together amount to one FTE. The number of FTEs for an agency is equal to the total hours paid divided by the total work hours in the quarter.

Management-to-Staff Ratios

For fiscal year 2004, the average management-to-staff ratio was 1:15 when calculated with headcount numbers. This ratio has improved by 1 percent since the end of fiscal year 2003. Fiscal year 2004 was the first year that state entities were required to provide their management-to-staff ratios including FTEs, as well as their headcounts. Using FTEs, the average ratio for fiscal year 2004 was 1:13.

Summary of Objective, Scope, and Methodology

The objective of this report was to provide the Legislature and the public with information on the number of FTEs who perform services for state government.

The scope of this report includes unaudited information on FTEs submitted each quarter to the State Auditor's Office by agencies and institutions of higher education.

The report compares data from fiscal year 2004 with previously submitted data from the FTE system.



Contents

Detailed Results

Chapter 1	
Changes in Workforce Levels	1
Chapter 2	
Distribution of State Employees.....	2
Chapter 3	
Temporary and Contract Workers.....	2
Chapter 4	
FTE Caps	3
Chapter 5	
Management-to-Staff Ratios	3
Chapter 6	
FTE Analysis Online.....	4

Appendices

Appendix 1	
Objective, Scope, and Methodology.....	5
Appendix 2	
Distribution of State Employees.....	6
Appendix 3	
Contractor Data.....	7
Appendix 4	
Five-Year FTE Trends by General Appropriations Act Article	9
Appendix 5	
State Agencies that Exceeded Their Legislatively Mandated Quarterly FTE Caps.....	11
Appendix 6	
Institutions of Higher Education that Exceeded Their Legislatively Mandated Annual FTE Caps	15
Appendix 7	
Average Management-to-Staff Ratios by General Appropriations Article	17

Detailed Results

Chapter 1

Changes in Workforce Levels

During the past 10 years, the annual average number of FTEs in the State has increased by 4 percent (see Table 1). This increase is a result of changes in the number of FTEs working in higher education:

- The average annual number of FTEs working in higher education has increased 24 percent since fiscal year 1995. In fiscal year 2004, 57 percent of FTEs in higher education were paid with appropriated funds.
- Although there has been some fluctuation in average annual FTE levels in state agencies, the average number of FTEs has remained constant since fiscal year 1995.

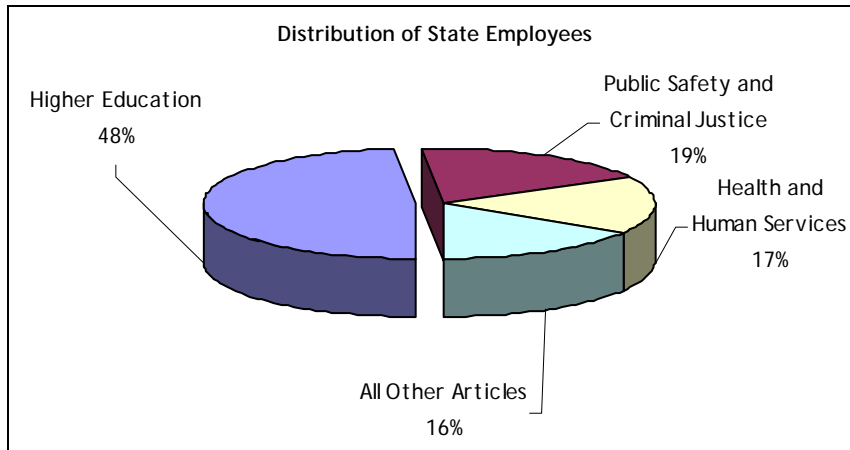
Table 1

Change in Annual FTE Levels by General Appropriations Act Article				
Article	Change Between Fiscal Years 2003 and 2004		Change Between Fiscal Years 1995 and 2004	
	Change in FTEs	Percent Change	Change in FTEs	Percent Change
Art. I - General Government	-163	-1.8%	12	0.1%
Art. II - Health and Human Services	-2,542	-5.3%	-16,656	-26.7%
Art. III - Public Education	-348	-16.0%	-460	-20.1%
Art. III - Higher Education	952	0.7%	25,700	23.9%
Art. IV - The Judiciary	-24	-1.5%	178	12.6%
Art. V - Public Safety and Criminal Justice	-1,777	-3.3%	5,390	11.6%
Art. VI - Natural Resources	-309	-3.7%	-433	-5.1%
Art. VII - Business and Economic Development	-1,185	-6.1%	-2,680	-12.9%
Art. VIII - Regulatory	-93	-2.7%	-146	-4.1%
Art. X - Legislature	-276	-11.4%	-139	-6.1%
Statewide	-5,766	-2.1%	10,766	4.1%

Distribution of State Employees

During fiscal year 2004, the majority (84 percent) of employees worked in one of three areas: higher education, public safety and criminal justice, or health and human services (see Figure 1). Additional information on the distribution of state employees can be found in Appendix 2.

Figure 1



Additional information on the distribution of state employees can be found in Appendix 2.

Temporary and Contract Workers

During fiscal year 2004, 38 state agencies and 13 institutions of higher education used contract FTEs. The majority of these workers were used in the areas of higher education, health and human services, and general government (see Figure 2).

Although the average number of contract FTEs has fluctuated since fiscal year 2000 (see Figure 3), it has not exceeded more than 1 percent of the total workforce for any given year.

Detailed information on agencies and institutions of higher education that used contract workers can be found in Appendix 3.

Figure 2

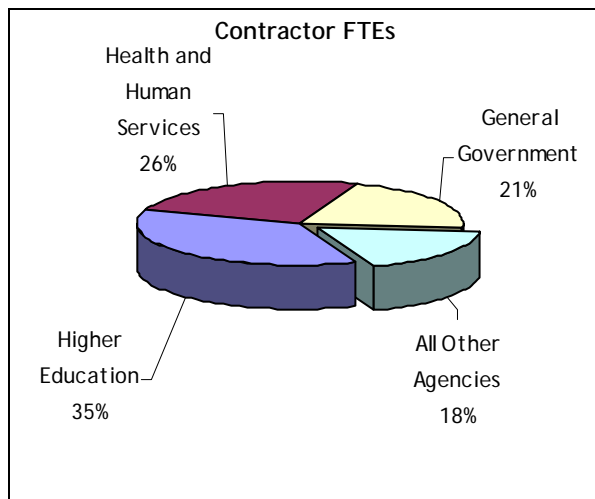
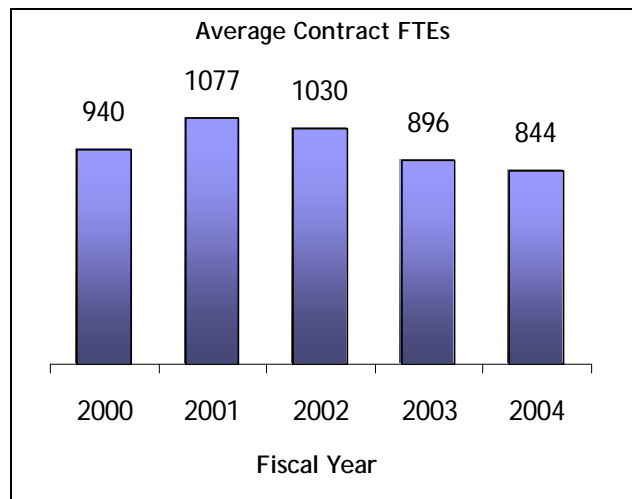


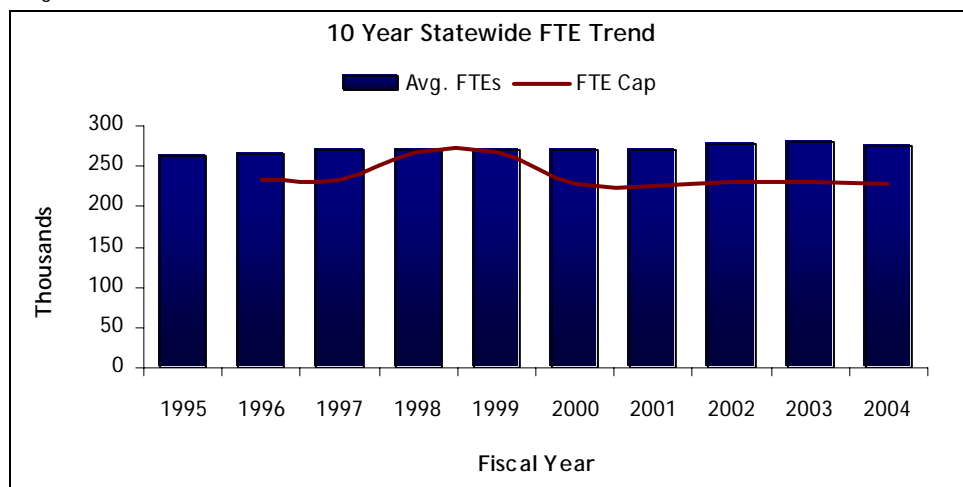
Figure 3



During the past five years, average FTE caps have remained fairly constant overall. Compared with those in fiscal year 2003, FTE caps in fiscal year 2004 decreased by 1,911 (less than 1 percent; see Figure 4). FTE trends and caps from fiscal year 2000 to fiscal year 2004, grouped by article of the General Appropriations Act, can be found in Appendix 4.

In fiscal year 2004, quarterly FTE caps were exceeded 14 times by 6 agencies. Twelve institutions of higher education exceeded their annual caps. Detailed information and reasons for exceeding FTE caps from these entities is available in Appendices 5 and 6.

Figure 4



Management-to-staff ratios are used to determine an organization’s “span of control,” or the number of employees who report directly to a single manager or supervisor. A

Headcount versus FTEs in Management-to-Staff Ratio Calculation

Management-to-staff ratios have been tracked since fiscal year 1998 using headcount alone. Currently, the target ratio for the state is 1 manager or supervisor for every 11 employees.

Legislation passed by the 78th Legislature (Regular Session) now requires the additional reporting of this information using FTEs. However, reporting data by this method applies only to fiscal years 2004 through 2007. During this time, confusion may exist on which ratio (headcount or FTE) should be considered for each agency.

correlation generally exists between the span of control and the number of layers within an organization. In Texas state government, agencies and institutions of higher education have statutory guidelines for management-to-staff ratios.

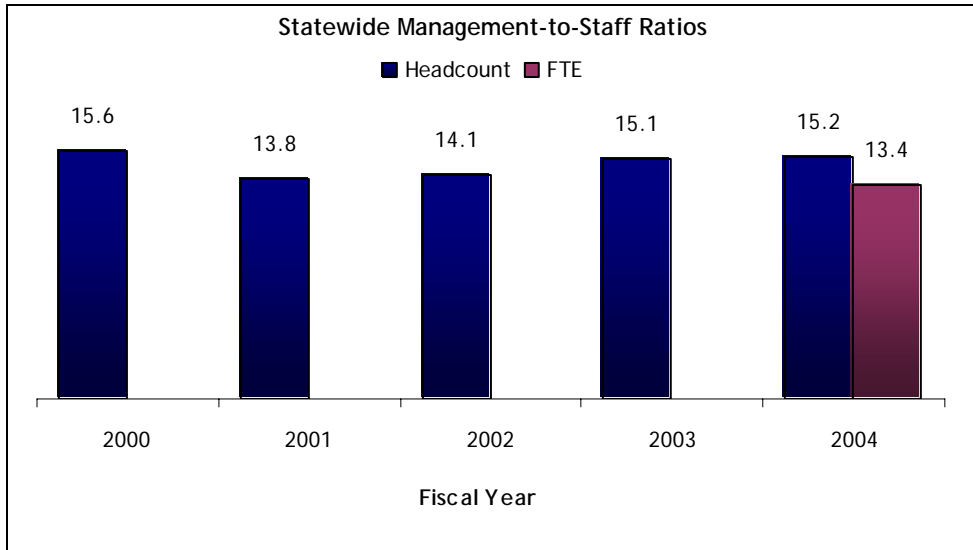
The 78th Legislature (Regular Session) amended Texas Government Code, Section 651.004, to include mandated time lines for agencies and institutions of higher education with more than 100 FTEs to comply with a management-to-staff ratio of 1 manager or supervisor for every 11 FTEs. The schedule for implementation is located in Table 2.

As of the fourth quarter of fiscal year 2004, 81 percent of state agencies and institutions of higher education are within the mandated ratio. If a state entity believes that the required minimum management-to-staff is not appropriate for it, it can appeal to the Legislative Budget Board. To date, no exemptions have been approved; however, several entities have requests pending for fiscal year 2005.

Implementation Schedule	Minimum Ratio
March 31, 2004	1:8
August 31, 2005	1:9
August 31, 2006	1:10
August 31, 2007	1:11

Figure 5 shows the average annual management-to-staff ratios from fiscal year 2000 to fiscal 2004. Data for fiscal year 2004 includes the ratio using headcount as well as FTEs. A breakdown of the ratio by General Appropriations Act article can be found in Appendix 7.

Figure 5



Chapter 6

FTE Analysis Online

The FTE system provides additional data analysis and reports through our Web site at www.sao.state.tx.us:

- Select Resource
- Select Tools
- Select Full-Time Equivalent (FTE) State Employee System

Data in the system may vary from data contained in the report due to routine system maintenance. However, differences should be minimal.

Appendices

Appendix 1

Objective, Scope, and Methodology

Objective

This report provides the Legislature and the public with information on the number of full-time equivalent state employees and contractors who perform services for state government. It was prepared in accordance with Texas Government Code, Section 2052.104, Subchapter (b).

Scope

This report was prepared from unaudited information submitted each quarter to the State Auditor's Office by agencies and institutions of higher education in accordance with Texas Government Code, Section 2052.103.

Methodology

The report compares data from fiscal year 2004 with previously submitted data from the FTE System.

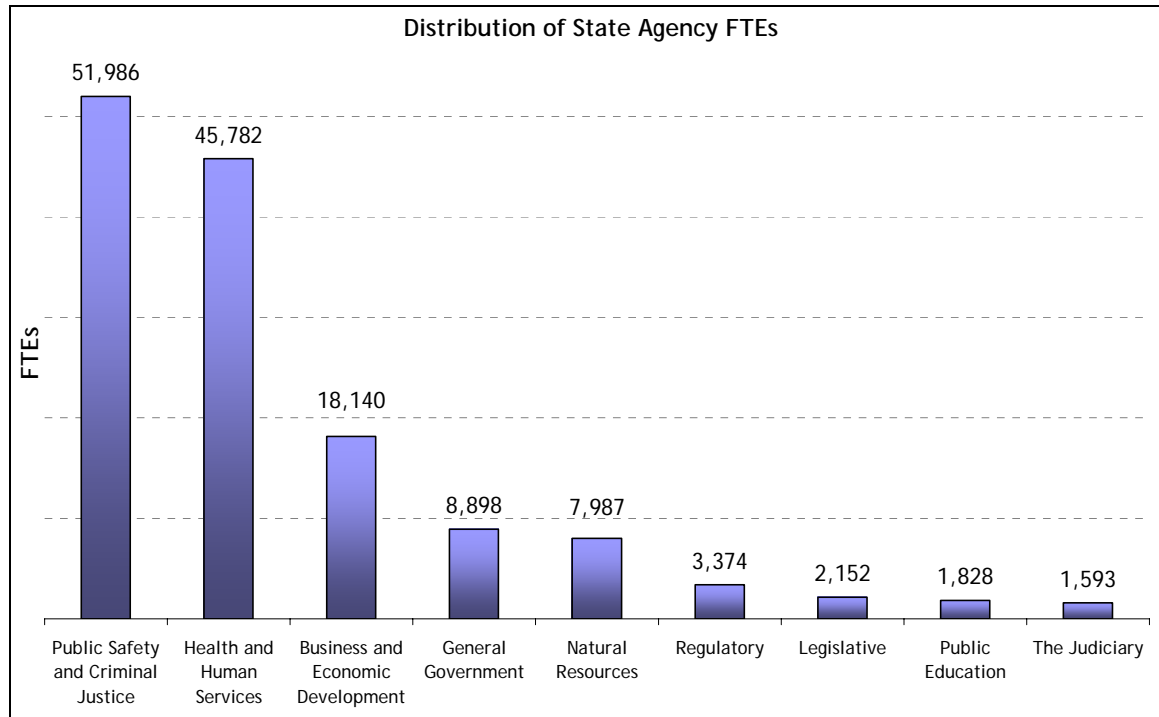
The following employees of the State Auditor's Office prepared the report:

- Christine M. Bailey, CCP, Project Manager
- Sandra Donoho, MPA, CISA, CIA, Quality Control Reviewer
- Frank Locklear, CISA, Senior Systems Analyst
- Tony Garrant, PHR, Acting State Classification Officer

Distribution of State Employees

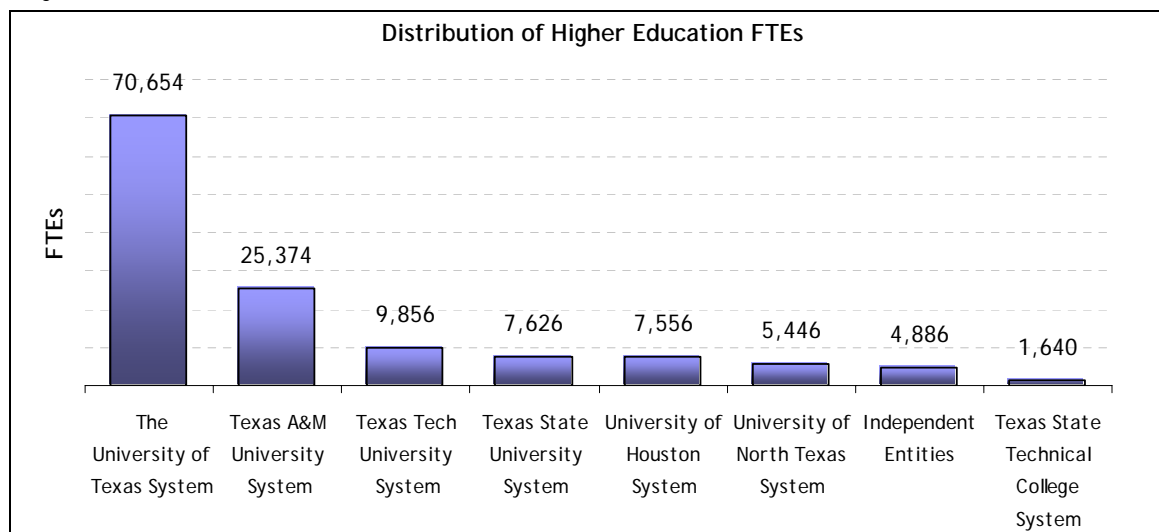
During fiscal year 2004, state agencies employed 52 percent of FTEs in the State. The majority of all state agency employees (69 percent) worked for public safety and criminal justice or health and human services agencies (see Figure 6).

Figure 6



During fiscal year 2004, two of the seven university systems (the University of Texas System and the Texas A&M University System) employed 72 percent of all higher education FTEs (see Figure 7).

Figure 7



Contractor Data

Contractor data that counts toward the FTE cap includes temporary and contract workers who worked more than half the workdays in the previous 12 months. For reporting purposes, temporary or contract workers include those under contract to fill specific positions customarily filled by state employees. Outsourced functions and work performed by consultants are excluded from these requirements. Table 3 shows the number of state employee FTEs and temporary and contract FTEs for all entities that reported using them during fiscal year 2004.

Table 3

Average Employee FTEs and Contractor FTEs for Fiscal Year 2004				
Agency	Total FTEs	State Employees	Contractors	Contractors as a Percentage of Total FTEs
Adjutant General's Department	521.64	495.64	26.00	4.98%
Aging, Texas Department on	29.26	28.23	1.03	3.51%
Agriculture, Department of	474.25	469.81	4.44	0.94%
Alcohol and Drug Abuse, Texas Commission on	135.10	132.93	2.17	1.60%
Alcoholic Beverage Commission	521.18	518.32	2.86	0.55%
Attorney General, Office of the	3,839.32	3,832.97	6.35	0.17%
Blind, Texas Commission for the ^a	592.17	589.13	3.04	0.51%
Canadian River Compact Commission	1.46	1.00	0.46	31.41%
Commission on State Emergency Communication	24.38	24.34	0.05	0.19%
Cosmetology Commission	39.30	36.45	2.85	7.25%
Court Administration, Office of	168.08	163.36	4.72	2.81%
Criminal Justice, Department of	38,544.16	38,515.14	29.02	0.08%
Education Agency, Texas	582.13	579.19	2.94	0.51%
Employees Retirement System of Texas	287.11	282.02	5.09	1.77%
Governor's Office	242.46	242.01	0.45	0.18%
Health & Human Services Commission	1,736.99	1,695.65	41.34	2.38%
Health, Department of	4,115.38	4,091.06	24.31	0.59%
Housing and Community Affairs, Dept. of	277.49	274.74	2.75	0.99%
Human Services, Department of	11,390.78	11,288.78	102.00	0.90%
Information Resources, Department of	182.92	181.30	1.62	0.88%
Mental Health and Mental Retardation, Department of	18,856.68	18,817.96	38.72	0.21%
Office of Risk Management, State	115.03	114.90	0.13	0.12%
Parks and Wildlife Department	2,868.31	2,857.30	11.00	0.38%
Family and Protective Services, Dept. of	6,471.78	6,468.29	3.49	0.05%
Red River Compact Commission	1.09	1.00	0.09	7.91%
Rehabilitation Commission ^a	2,390.46	2,389.07	1.39	0.06%

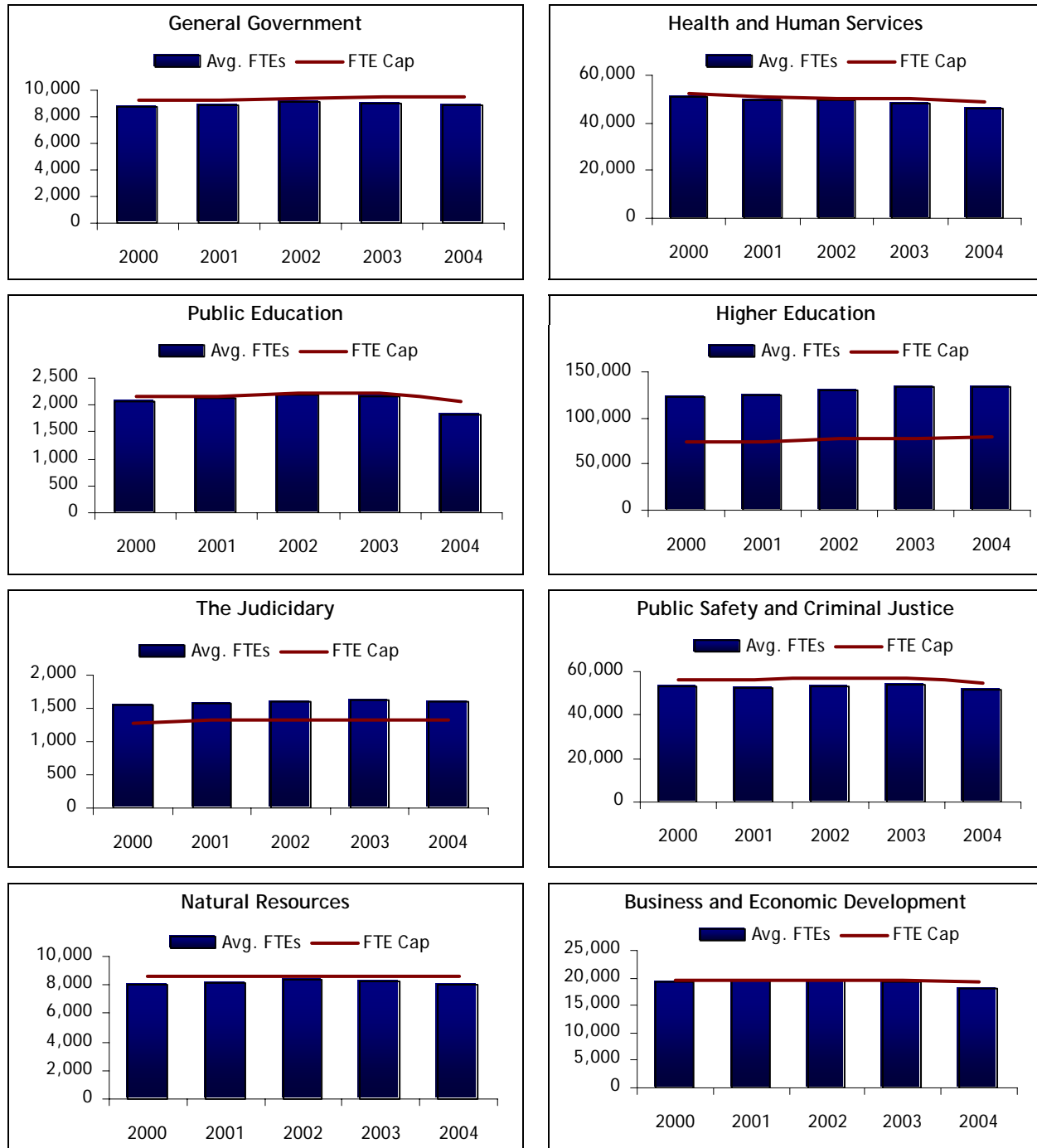
Average Employee FTEs and Contractor FTEs for Fiscal Year 2004

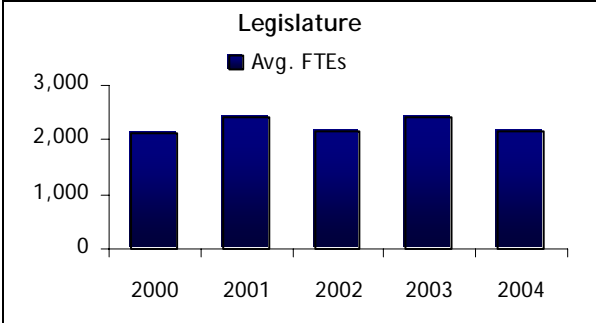
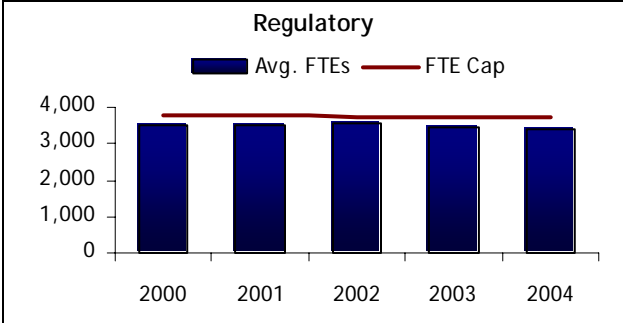
Agency	Total FTEs	State Employees	Contractors	Contractors as a Percentage of Total FTEs
Residential Construction Commission	15.51	15.25	0.27	1.71%
Savings and Loan Department	47.13	45.19	1.94	4.11%
Secretary of State	225.88	225.43	0.45	0.20%
State Auditor's Office	220.71	220.68	0.03	0.01%
Teacher Retirement System	440.45	437.80	2.65	0.60%
Texas Building and Procurement Commission	586.79	424.76	162.03	27.61%
Texas Commission on Environmental Quality	2,858.57	2,835.32	23.25	0.81%
Texas Lottery Commission	310.60	307.10	3.50	1.13%
Texas Workforce Commission	3,411.33	3,395.89	15.44	0.45%
Transportation, Department of	14,077.81	14,062.49	15.32	0.11%
Water Development Board	263.25	263.17	0.08	0.03%
Youth Commission, Texas	4,594.77	4,594.05	0.72	0.02%
State Agency Total			543.96	0.38%
Institution of Higher Education	Total FTEs	State Employees	Contractors	Contractors as a Percentage of Total FTEs
Coordinating Board, Higher Education	286.64	285.89	0.75	0.26%
Texas Tech University	5,275.62	5,269.75	5.88	0.11%
Texas Tech University System Administration	241.20	239.10	2.10	0.87%
University of North Texas Health Science Center	1,113.85	1,113.62	0.23	0.02%
University of North Texas System Administration	67.43	59.00	8.43	12.51%
University of Texas at Austin	14,047.84	14,014.15	33.69	0.24%
University of Texas at Dallas	2,012.34	2,008.62	3.73	0.19%
University of Texas Health Center at Tyler	1,126.37	1,122.88	3.49	0.31%
University of Texas Health Science Center at San Antonio	3,951.51	3,932.09	19.43	0.49%
University of Texas MD Anderson Cancer Center	13,441.22	13,338.78	102.44	0.76%
University of Texas Medical Branch at Galveston	12,236.52	12,136.06	100.46	0.82%
University of Texas Southwestern Medical Center at Dallas	6,651.61	6,635.68	15.93	0.24%
University of Texas System Administration	542.50	539.52	2.99	0.55%
Higher Education Total			299.55	0.23%
Statewide Total			843.51	0.31%

^a Note: Agencies were consolidated into Department of Assistance and Rehabilitative Services (DARS) during March, 2004. FTE data however was reported separately for each entity during the remainder of fiscal year 2004.

Five-Year FTE Trends by General Appropriations Act Article

The following charts show the average annual FTEs for each article compared with their average FTE caps from fiscal year 2000 to the present.





State Agencies that Exceeded Their Legislatively Mandated Quarterly FTE Caps

In fiscal year 2004, quarterly FTE caps were exceeded 14 times by 6 agencies. The numbers below represent the quarterly totals of FTEs from Appropriated Funds plus Contractor FTEs. Agencies' explanations for exceeding their caps are listed below.

State Agencies that Exceeded Their Legislatively Mandated Quarterly FTE Caps					
Agency	Quarterly FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Agency)
First Quarter Fiscal Year 2004					
Health and Human Services Commission	555.50	1,286.46	730.96	131.59	<i>The Management to Staff ratio declined slightly from FY 2003 fourth quarter. This decline is attributed to the implementation of organizational changes (including the consolidation of all HHS Civil Rights, Procurement and Family Violence/Refugee departments to HHSC). We anticipate that this ratio should increase during the next 3 quarters in FY 2004 as HHSC consolidates other departments such as Planning, IT, Eligibility Determination, and the Office of Inspector General of HHS agencies.</i>
Texas Engineering Extension Service (A&M)	495.50	517.05	21.55	4.35	<i>The Texas Engineering Extension has experienced tremendous growth in federal contracts and grants. These additional FTEs are needed to fulfill our obligations of these contracts and are fully funded by the sponsoring agencies. Our agency is below the FTE cap if these 100% federally funded FTEs are excluded from the FTE calculation.</i>
Department of Licensing and Regulation	149.00	151.53	2.53	1.70	<i>Our FTE cap increased to 185.5 as a result of HB1487, SB279 and HB24.</i>
Second Quarter Fiscal Year 2004					
Health and Human Services Commission	555.50	1,674.83	1,119.33	201.50	<i>The Management to Staff ratio declined slightly from FY 2004 first quarter. This decline is attributed to the implementation of organizational changes required by HB2292, 78th Legislature, Regular Session (including the consolidation of Office of Inspector General and Planning departments to HHSC). Typically, managerial support has been put in place here at HHSC prior to the actual transfer of non-supervisory staff. Depending upon the timing of the other staff transfers, we [HHSC] anticipate that this ratio could increase during the next 2 quarters in FY 2004 as HHSC consolidates other departments such as IT, Eligibility Determination of HHS agencies.</i>
Texas Engineering Extension Service (A&M)	495.50	511.90	16.40	3.31	<i>The Texas Engineering Extension Service has experienced tremendous growth in federal contracts and grants. These additional FTEs are needed to fulfill our obligations of these contracts and are fully funded by the sponsoring agencies. Our agency is below the FTE cap if these 100% federally funded FTEs are excluded.</i>

State Agencies that Exceeded Their Legislatively Mandated Quarterly FTE Caps					
Agency	Quarterly FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Agency)
Texas Forest Service (A&M)	357.00	359.90	2.90	0.81	<p>The Texas Forest Service anticipated exceeding the current FTE cap and a request has been submitted by our governing Board to the Office of the Governor and the Legislative Budget Board to increase the cap to 380, as required by Article IX, Section 6.14 of the General Appropriations Act. The primary factors involved for our request were:</p> <ol style="list-style-type: none"> 1. During the LAR process for FY'04-'05, a programming error was discovered which overstated non-appropriated FTE's and understated appropriated FTE's. This request corrects that error. 2. The TFS, in efforts to deal with the state budget shortfall, elected to delay filling vacant positions during FY'03. As a result, the paid FTE count for FY'03 does not reflect the full TFS staff. Because these positions are critical to delivering program services to the citizens of Texas, these positions are being filled. 3. FY'03 was a relatively light year for emergency response. Consequently, the number of seasonal employed to assist with emergency response were not as high as a normal year. While predicting the level of emergency response activity is difficult at best, prudent planning dictates that the TFS allows for heavier emergency response activity for FY'04.
Third Quarter Fiscal Year 2004					
Health and Human Services Commission	555.50	1,961.97	1,406.47	253.19	<p>The Management to Staff ratio declined slightly from FY 2004 first quarter. This decline is attributed to the implementation of organizational changes required by HB2292, 78th Legislature, Regular Session (including the consolidation of Office of Inspector General and Planning departments to HHSC). Typically, managerial support has been put in place here at HHSC prior to the actual transfer of non-supervisory staff. Depending upon the timing of the other staff transfers, we [HHSC] anticipate that this ratio could increase during FY 2005 as HHSC consolidates other programs such as IT and Eligibility Determination of HHS agencies.</p>
Texas Cooperative Extension (A&M)	1,073.20	1,086.42	13.22	1.23	<p>Legislative Budget Board request approved Governor's executive order allocating FTEs from previous Texas Wildlife Damage Management Service (#577) to Texas Cooperative Extension to continue services of the agency. Sect 6.14(d)(2) 78th GAA - higher education reports on the average of all four quarters.</p>
Texas Engineering Extension Service (A&M)	495.50	534.82	39.32	7.93	<p>The Texas Engineering Extension Service has experienced tremendous growth in federal contracts and grants. These additional FTEs are needed to fulfill our obligations of these contracts and are fully funded by the sponsoring agencies. Our agency is below the FTE cap if these 100% federally funded FTEs are excluded.</p>

State Agencies that Exceeded Their Legislatively Mandated Quarterly FTE Caps

Agency	Quarterly FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Agency)
Texas Forest Service (A&M)	357.00	370.67	13.67	3.83	<p><i>The Texas Forest Service anticipated exceeding the current FTE cap and a request has been submitted by our governing Board to the Office of the Governor and the Legislative Budget Board to increase the cap to 380, as required by Article IX, Section 6.14 of the General Appropriations Act. The primary factors involved for our request were:</i></p> <ol style="list-style-type: none"> <i>1. During the LAR process for FY'04-'05, a programming error was discovered which overstated non-appropriated FTE's and understated appropriated FTE's. This request corrects that error.</i> <i>2. TFS, in efforts to deal with the state budget shortfall, elected to delay filling vacant positions during FY'03. As a result, the paid FTE count for FY'03 does not reflect the full TFS staff. Because these positions are critical to delivering program services to the citizens of Texas, these positions are being filled.</i> <i>3. FY'03 was a relatively light year for emergency response. Consequently, the number of seasonal employed to assist with emergency response were not as high as a normal year. While predicting the level of emergency response activity is difficult at best, prudent planning dictates that TFS allow for heavier emergency response activity in FY'04.</i>
Structural Pest Control Board	31.00	32.11	1.11	3.57	<p><i>Under FTE cap 1st and 2nd quarter. Over cap 3rd quarter. Anticipate 4th quarter average over whereas end of the year FTE average will be at 31.0 FTE's or slightly lower. Hired an employee for a short term to help with workload that accumulated during low FTE periods. Overall, FTE average for year will be below 31.0 FTE's.</i></p>
Fourth Quarter Fiscal Year 2004					
Texas Engineering Extension Service (A&M)	495.50	553.76	58.26	11.76	<p><i>The Texas Engineering Extension Service continues to experience tremendous growth in federal contracts and grants. These additional FTEs are needed to fulfill our obligations of these contracts and are fully funded by the sponsoring agencies.</i></p>
Texas Forest Service (A&M)	357.00	374.27	17.27	4.84	<p><i>The Texas Forest Service anticipated exceeding the current FTE cap and a request has been submitted by our governing Board to the Office of the Governor and the Legislative Budget Board to increase the cap to 380, as required by Article IX, Section 6.14 of the General Appropriations Act. The primary factors involved for our request were:</i></p> <ol style="list-style-type: none"> <i>1. During the LAR process for FY'04-'05, a programming error was discovered which overstated non-appropriated FTE's and understated appropriated FTE's. This request corrects that error.</i>

State Agencies that Exceeded Their Legislatively Mandated Quarterly FTE Caps

Agency	Quarterly FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Agency)
					<ol style="list-style-type: none"> 2. <i>TFS, in efforts to deal with the state budget shortfall, elected to delay filling vacant positions during FY'03. As a result, the paid FTE count for FY'03 does not reflect the full TFS staff. Because these positions are critical to delivering program services to the citizens of Texas, these positions are being filled.</i> 3. <i>FY'03 was a relatively light year for emergency response. Consequently, the number of seasonal employed to assist with emergency response were not as high as a normal year. While predicting the level of emergency response activity is difficult at best, prudent planning dictates that TFS allow for heavier emergency response activity in FY'04.</i>
Structural Pest Control Board	31.00	31.07	0.07	0.22	<p><i>As stated in the 3rd quarter report the agency was under the FTE cap 1st and 2nd quarters and over the FTE cap for the 3rd and 4th quarters. Year end average will be at 30.83.</i></p>

Institutions of Higher Education that Exceeded Their Legislatively Mandated Annual FTE Caps

During fiscal year 2004, 12 institutions of higher education exceeded their annual FTE caps. For institutions and other agencies that have an annual cap, the numbers below represent the annual average of FTEs from Appropriated Funds plus Contractor FTEs for fiscal year 2004. Explanations for exceeding their caps, as reported by each entity, are listed below.

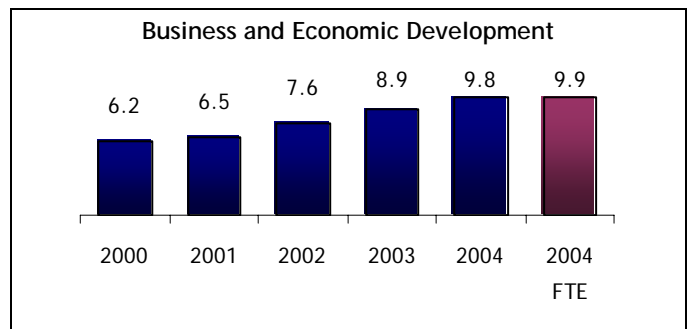
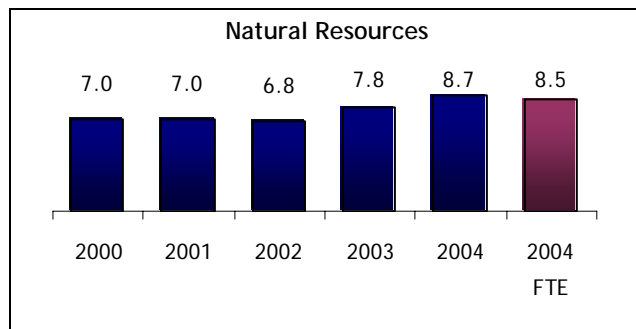
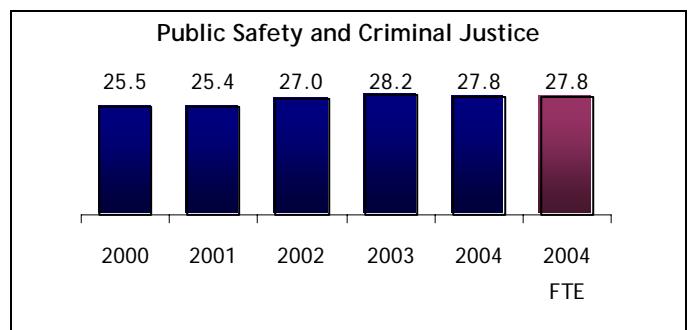
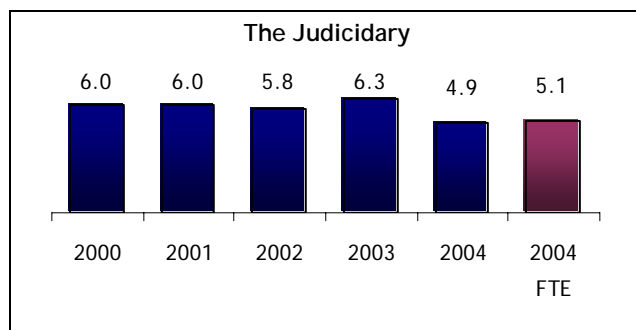
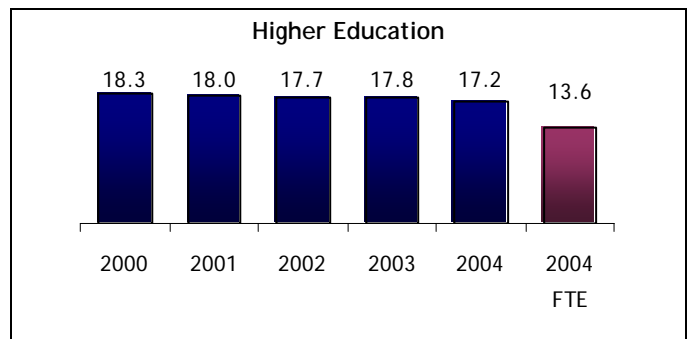
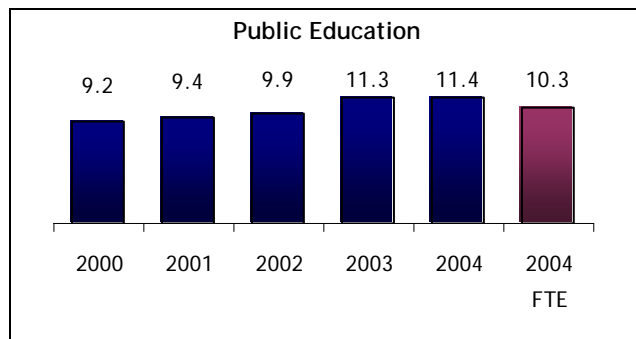
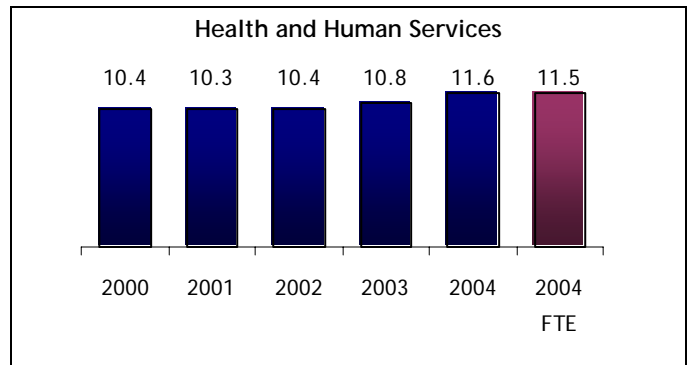
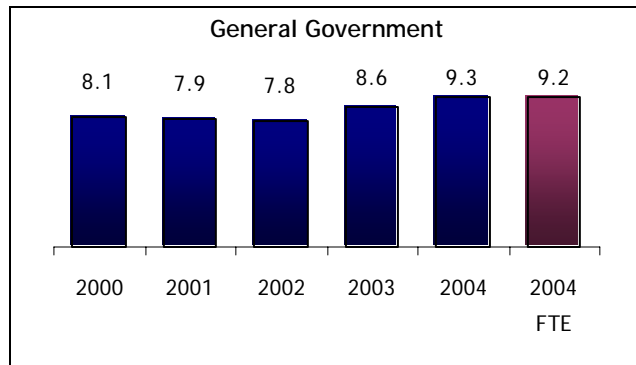
Institutions of Higher Education That Exceeded Their Legislatively Mandated Annual FTE Cap					
Institution of Higher Education	Annual FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Institution)
University of Texas at Arlington	2,006.20	2,064.15	57.95	2.89	<i>The FTE Cap was exceeded, due to the enrollment growth at the U.T. Arlington Campus. Enrollment grew 5.0% from FY 2003 to FY 2004. The cap is based on a much smaller enrollment growth estimate. UTA's administrative cost ratio measure was 10.32% for FY 2004, which is below the target rate of 10.6% in UTA's appropriation bill. Academic and student services were increased to cover the enrollment growth that U.T. Arlington experienced. At the same time, administrative costs were reduced in both the institutional support (non-academic) and physical plant operations.</i>
University of Texas-Brownsville	324.00	675.63	351.63	108.53	<i>FTE's associated and paid with the Texas Southmost College for Instruction, Academic Support, Institutional costs and Student Services. All E&G personnel of The University of Texas Southmost College are reported together in the State Employee Quarterly Report.</i>
University of Texas of the Permian Basin	255.60	275.51	19.91	7.79	<i>The University of Texas of the Permian Basin has exceeded the designated Annual FTE cap due primarily to a growth in student population. The increase in enrollment has resulted in a need for additional faculty instruction and support positions. Other increases have resulted from efforts to enhance the campus physical environment, improve institutional research and community outreach.</i>
University of Texas at San Antonio	1,718.50	1,803.40	84.90	4.94	<i>We previously sent information to the LBB explaining that we planned to go over our cap due to rapid enrollment growth. Our total FTE has increased due to our growth including new faculty hires and new positions for security, shuttle bus drivers, departmental support and additional facilities staff for new buildings.</i>
University of Houston System Administration	71.00	74.13	3.13	4.41	<i>The University of Houston System Administration continues in its role of providing central support in a number of functional areas to all UH System component universities, including the Multi-Institutional Teaching Centers (MITC's). The FTE employees at system administration are essential to efficient operations on a system-wide basis. Since FY1996, the FTE cap has been reduced from 240 FTE to the present 71 FTE. The UH System, in total, remains well under the established FTE cap.</i>

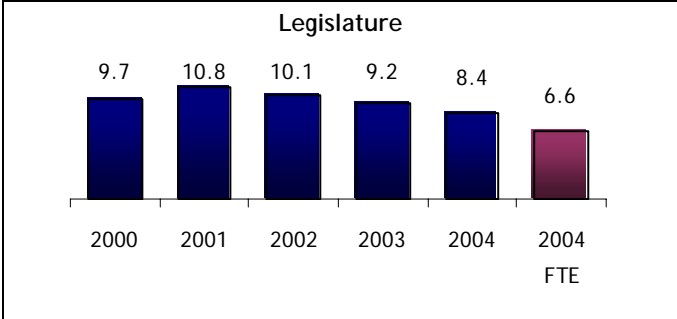
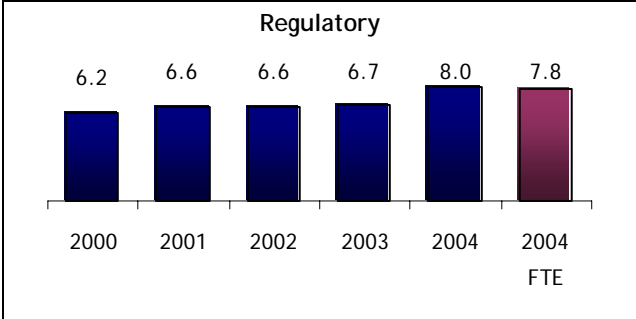
Institutions of Higher Education That Exceeded Their Legislatively Mandated Annual FTE Cap

Institution of Higher Education	Annual FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Institution)
University of Houston-Clear Lake	568.20	591.06	22.86	4.02	<i>The FTE over and above the cap goes back to FY2002 for the following: To work toward a goal of a 65%/35% faculty ratio- 65% of all semester credit hours taught by full-time faculty; in support of the new PeopleSoft Financial, Student, and Human Resources Systems; in support of web-based course development; and for Lab technical support. Although we are over our cap, in comparison to FY03 actual FTE's for appropriated funds decreased by 7.13 due to shifts from appropriated funds to other funds.</i>
Texas Southern University	809.40	858.96	49.56	6.12	<i>Due to the creation of new departments and the increase in enrollment the authorized FTE Cap is exceeded. This preliminary data is subject to amendment.</i>
Texas State University System Administration	11.60	12.60	1.00	8.62	<i>The Board of Regents authorized the creation of three new positions effective 9-1-00 to be funded internally until the subsequent legislative session. Funding was provided by the 77th Legislature, but only one of the three FTE's was added to the base.</i>
Lamar State College-Orange	119.00	122.15	3.15	2.64	<i>Student contact hours exceeded the FY2003 student contact hours by 10.61%, requiring additional faculty to handle the increased demand.</i>
Sam Houston State University	869.20	918.28	49.08	5.65	<i>Continued growth of the University increased the demand for service and support personnel.</i>
Texas Tech University System Administration	29.50	148.12	118.62	402.09	<i>Agency's inception was FY 2002. Prior to FY 2002, FTEs were reported pro rata between TTU (#733) and TTUHSC (#739). In the Appropriation process the FTE number was set at 29.5 FTE for FY 2004-2005 which is not based on the reported FY 2003 FTEs. An appropriate FTE cap of 170.1 was requested for the educational and general employees in the LAR process for FY 2004-2005 and 145.7 was reflected in the Senate Bill; however, it was not reflected in the House Bill and not included in the General Appropriations Act of the 78th Legislature. In addition to services common to other university systems, TTUSA provides two services that are not managed centrally by any other system. They are centralized fund raising and police services which provide material efficiencies and effectiveness. Half of the FTE employees of the system offices were budgeted for these two functions in FY 2004. An appropriate FTE cap has been requested in the LAR process for FY 2006-2007.</i>
Texas State Technical College-Marshall	90.70	92.95	2.25	2.49	<i>TSTC has previously submitted requests to exceed the FTE cap due to increased enrollment, but no response was received. FTE's paid from appropriated funds did decrease in the last 2 quarters of 2004.</i>

Average Management-to-Staff Ratios by General Appropriations Article

The following graphs show management-to-staff ratios (by headcount) according to agency article from fiscal year 2000 to the present. Fiscal year 2004 data includes the average ratio by FTE. Prior to fiscal year 2004, agencies did not report the ratio using FTEs.





Copies of this report have been distributed to the following:

Legislative Audit Committee

The Honorable David Dewhurst, Lieutenant Governor, Joint Chair
The Honorable Tom Craddick, Speaker of the House, Joint Chair
The Honorable Steve Ogden, Senate Finance Committee
The Honorable Thomas “Tommy” Williams, Member, Texas Senate
The Honorable Jim Pitts, House Appropriations Committee
The Honorable Brian McCall, House Ways and Means Committee

Office of the Governor

The Honorable Rick Perry, Governor

Legislative Budget Board

Mr. John O’Brien, Deputy Director

Office of the Comptroller of Public Accounts

The Honorable Carole Keeton Strayhorn, Comptroller
Mr. Billy Hamilton, Deputy Comptroller



This document is not copyrighted. Readers may make additional copies of this report as needed. In addition, most State Auditor's Office reports may be downloaded from our Web site: www.sao.state.tx.us.

In compliance with the Americans with Disabilities Act, this document may also be requested in alternative formats. To do so, contact our report request line at (512) 936-9880 (Voice), (512) 936-9400 (FAX), 1-800-RELAY-TX (TDD), or visit the Robert E. Johnson Building, 1501 North Congress Avenue, Suite 4.224, Austin, Texas 78701.

The State Auditor's Office is an equal opportunity employer and does not discriminate on the basis of race, color, religion, sex, national origin, age, or disability in employment or in the provision of services, programs, or activities.

To report waste, fraud, or abuse in state government call the SAO Hotline: 1-800-TX-AUDIT.