

A Report on

Full-Time Equivalent State Employees for the Quarter Ending August 31, 2003

December 2003

Report No. 04-702



Full-Time Equivalent State Employees for the Quarter Ending August 31, 2003

Overall Conclusion

Texas had the equivalent of 270,442 full-time equivalent employees (FTEs) for the fourth quarter of fiscal year 2003. State agencies and institutions of higher education reported headcounts of 245,222 full-time employees and 51,050 part-time employees.

During fiscal year 2003, state agencies and institutions of higher education employed an annual average of 280,542 FTEs. This number is a slight increase from fiscal year 2002, during which agencies and institutions had an annual average of 276,857 FTEs.

Within state agencies, employment levels decreased by 1,436 FTEs (1 percent) from the third quarter of 2003. Compared with data from one year ago, the number of FTEs has decreased by 2,261 (1.5 percent).

FTE Calculations

A full-time equivalent employee (FTE) is a ratio that represents the number of hours that an employee works compared with 40 hours a week, which is considered full-time employment. One FTE is any combination of workers whose hours worked add up to 40 hours a week. One FTE does not necessarily equal one person. For example, two employees who each work 20 hours a week 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.

FTE Analysis On-line

The FTE System provides additional data analysis on our Web site at www.sao.state.tx.us:

- Select "Resource"
- Select "Automated Applications for Risk Assessment, Planning, and Analysis"
- 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.

FTE quarterly summary tables are immediately available on-line, or you may request a printed copy by calling (512) 936-9880.



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Detailed Results

Changes in Workforce Levels

During the past 10 years, the average annual number of FTEs has increased by 14 percent (see Figure 1):

- The average annual number of FTEs working in higher education has increased 28 percent since fiscal year 1993. In the fourth quarter of fiscal year 2003, 54 percent of FTEs in higher education were paid with appropriated funds.
- Although there has been some fluctuation in average annual FTE levels within state agencies, the average annual number of FTEs has increased only 4 percent since fiscal year 1993.
- The greatest increase in average annual FTEs over the past 10 years has been in Article V, Public Safety and Criminal Justice agencies, with a 53 percent increase.
- The greatest decrease in average annual FTEs has been in Article II, Health and Human Service agencies, with a 19 percent decrease. (See Appendix 2 for data on each General Appropriations Act article.)

Figure 1

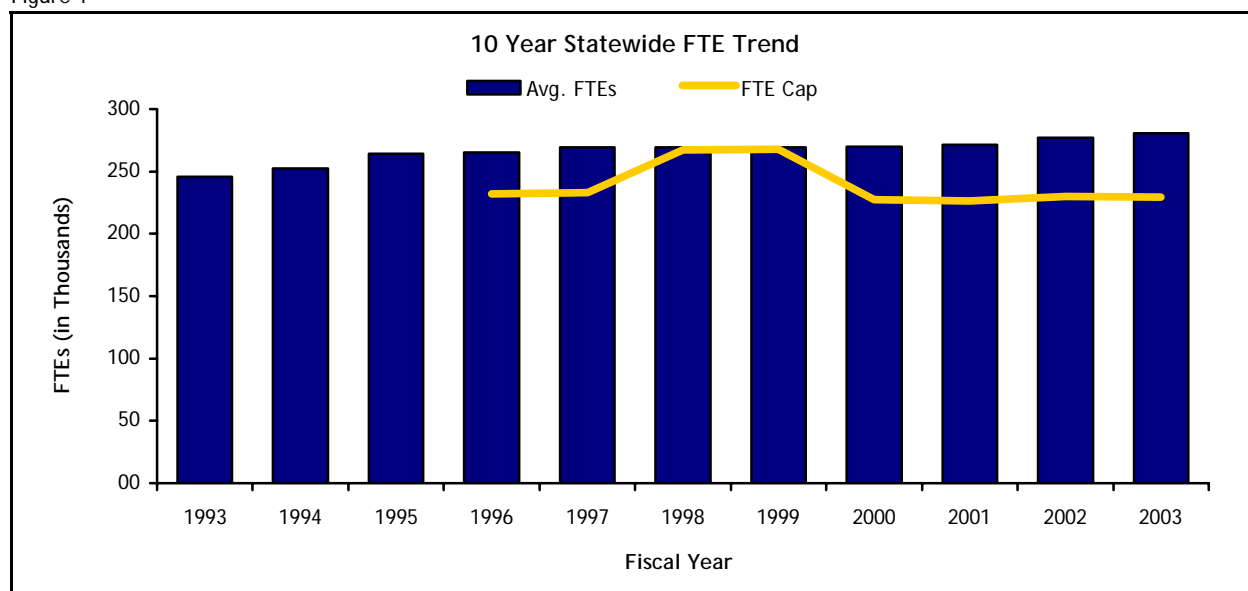


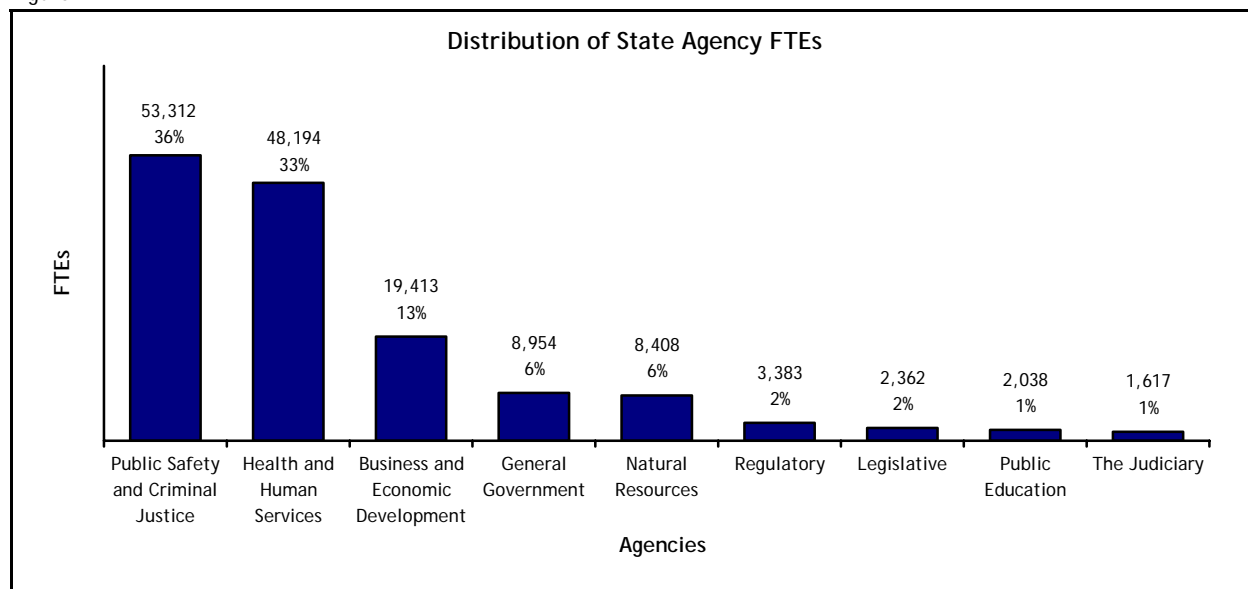
Figure 1 also shows that, when combined, state agencies and institutions of higher education have exceeded the State's combined annual FTE cap six out of the eight years that the caps have been in place. In the fourth quarter of fiscal year 2003, three agencies exceeded their quarterly caps. Twenty-nine institutions of higher education exceeded their yearly caps in fiscal year 2003. (See Appendix 3 for these agencies' and institutions' explanations for exceeding their caps.)

Distribution of State Employees

During the fourth quarter of fiscal year 2003, state agencies employed 53 percent of FTEs, and institutions of higher education employed 47 percent of FTEs.

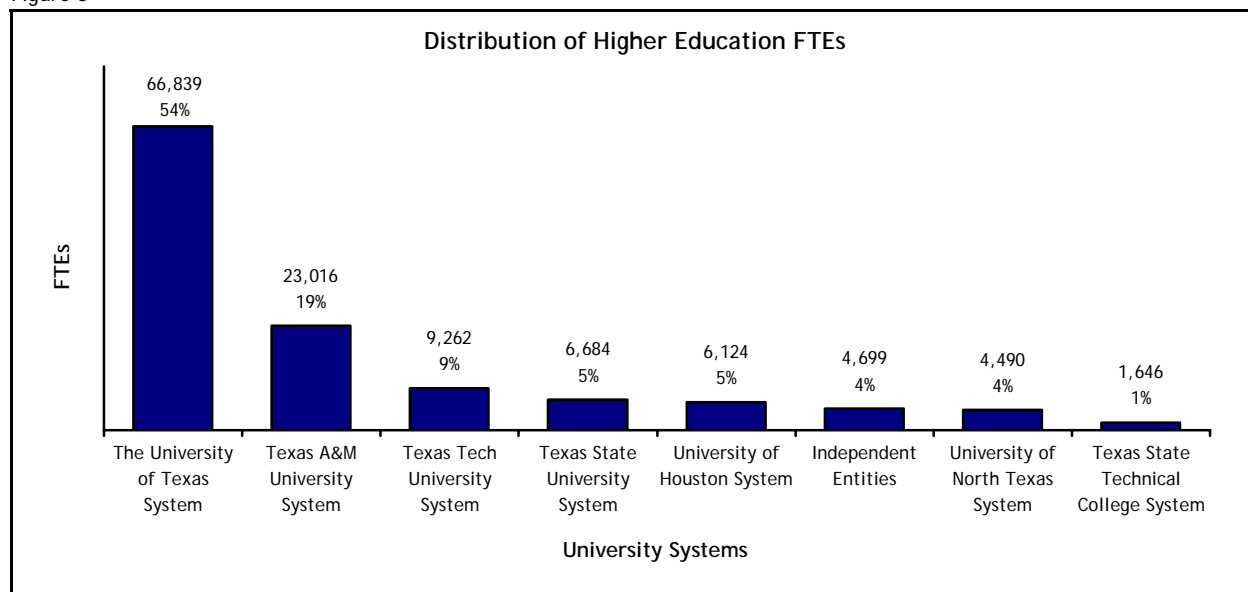
As Figure 2 shows, 69 percent of all state agency FTEs worked for health and human services agencies or for public safety and criminal justice agencies.

Figure 2



As Figure 3 shows, during the fourth quarter of fiscal year 2003, two of the seven university systems (The University of Texas System and the Texas A&M University System) employed 73 percent of all higher education FTEs.

Figure 3



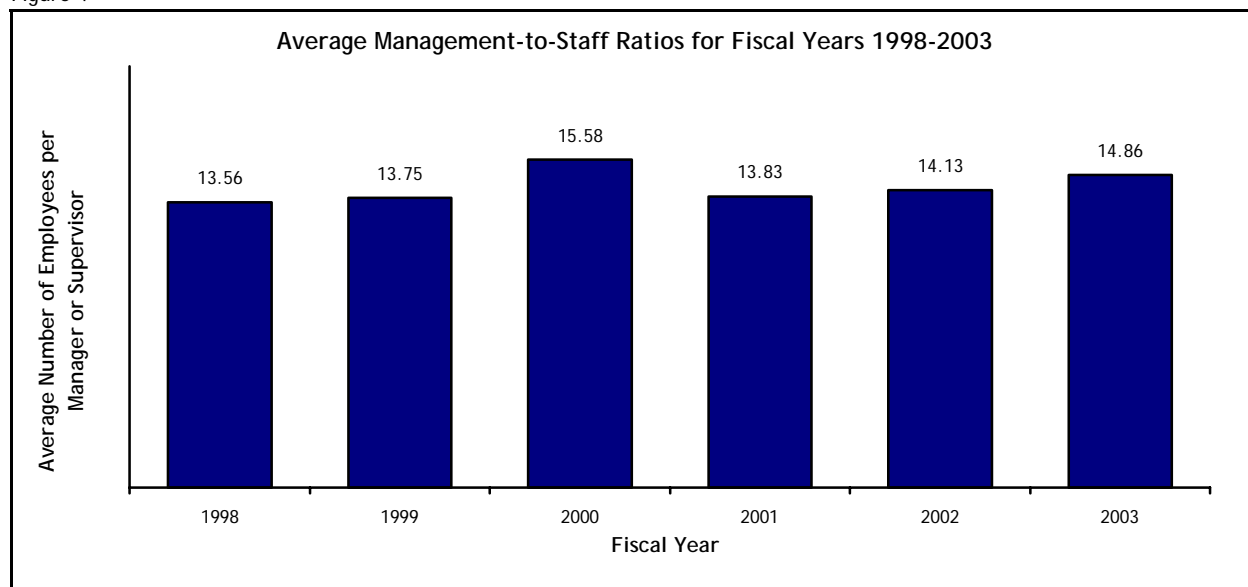
Management-to-Staff Ratios

The statewide management-to-staff ratio for the fourth quarter of fiscal year 2003 was 1 manager or supervisor for every 14 staff members. For the entire fiscal year, the statewide ratio was 1:15. Figure 4 shows the average annual management-to-staff ratios for the past six years. (The numbers in Figure 4 represent the average number of employees per manager or supervisor.)

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 correlation generally exists between the span of control and the number of layers within an organization. In the State of Texas, agencies and institutions of higher education have statutory guidelines for management-to-staff ratios. Currently the state has a goal of 1 manager or supervisor for every 11 employees. State agencies are required to develop procedures for achieving a ratio of 1 manager to 11 staff members.

While the statewide management-to-staff ratio for fiscal year 2003 is within the statutory guideline, a breakdown of the ratio by General Appropriations Act article shows that only two articles are within the guideline (see Appendix 4). The two articles are Article III, Education, and Article V, Public Safety and Criminal Justice. (In the appendices, Article III is broken into two figures: one for public education and the other for higher education.)

Figure 4



Temporary and Contract Workers

The average number of temporary or contract workers for fiscal year 2003 was 909. This represents less than 1 percent of the total workforce.

During the fourth quarter of fiscal year 2003, agencies and institutions of higher education reported an equivalent of 970 contract FTEs who worked more than half of the workdays in the previous 12 months. This number increased 13 percent during the last quarter and decreased 4 percent from the fourth quarter one year ago.

For reporting purposes, temporary or contract workers include those workers under contract to fill specific positions customarily filled by state employees. Temporary and contract workers who worked more than half the workdays in the previous 12 months are counted toward FTE caps. Outsourced functions and consultants do not have to be reported as temporary or contract workers and do not count toward FTE caps.

Table 1 shows the numbers of state employee FTEs and temporary and contract FTEs for all agencies and institutions of higher education that reported using them during the fourth quarter of fiscal year 2003.

Table 1

Employee FTEs and Contractor FTEs for the Fourth Quarter of Fiscal Year 2003				
Agency	Total FTEs	State Employees	Temporary and Contract FTEs	Temporary and Contract FTEs as a Percentage of Total FTEs
Canadian River Compact Commission	1.46	1.00	0.46	31.58%
Texas Building and Procurement Commission	649.14	472.23	176.91	27.25%
Red River Compact Commission	1.09	1.00	0.09	7.96%
Savings and Loan Department	34.54	32.63	1.91	5.54%
Court Administration, Office of	165.58	156.76	8.82	5.33%
Adjutant General	516.22	490.22	26.00	5.04%
Cosmetology Commission	40.17	38.34	1.82	4.54%
Texas Commission on Environmental Quality	2,929.42	2,856.35	73.07	2.49%
Agriculture, Department of	486.04	475.04	11.00	2.26%
Governor's Office	183.13	179.14	3.99	2.18%
Texas Lottery Commission	322.93	315.93	7.00	2.17%
Information Resources, Department of	198.54	195.21	3.33	1.68%
Employees Retirement System of Texas	290.40	285.89	4.51	1.55%
Human Services, Department of	13,140.87	13,006.87	134.00	1.02%
Health and Human Services Commission	1,054.97	1,044.38	10.59	1.00%
Housing and Community Affairs, Dept. of	309.31	306.31	3.00	0.97%
Education Agency, Texas	814.27	806.42	7.85	0.96%
Teacher Retirement System	441.67	437.95	3.73	0.84%
Water Development Board	288.14	286.31	1.83	0.63%

Employee FTEs and Contractor FTEs for the Fourth Quarter of Fiscal Year 2003

Agency	Total FTEs	State Employees	Temporary and Contract FTEs	Temporary and Contract FTEs as a Percentage of Total FTEs
Rehabilitation Commission	2,441.82	2,429.89	11.93	0.49%
Parks and Wildlife Department	3,092.94	3,077.89	15.05	0.49%
Health, Department of	4,782.85	4,759.61	23.24	0.49%
Texas Workforce Commission	3,679.60	3,668.20	11.40	0.31%
Mental Health and Mental Retardation, Department of	19,209.97	19,160.68	49.29	0.26%
Blind, Texas Commission for the	599.77	598.73	1.03	0.17%
Consumer Credit Commissioner, Office of	45.91	45.85	0.06	0.14%
Attorney General, Office of the	3,801.99	3,797.18	4.82	0.13%
Criminal Justice, Department of	39,817.96	39,768.48	49.48	0.12%
Protective and Regulatory Services, Department of	6,683.54	6,676.88	6.66	0.10%
Transportation, Department of	14,924.36	14,917.87	6.49	0.04%
Youth Commission, Texas	4,675.75	4,675.01	0.75	0.02%
Agency Total			660.11	
Institution of Higher Education	Total FTEs	State Employees	Contractors	Contractors as a Percentage of Total FTEs
University of North Texas System Administration	46.57	29.90	16.67	35.80%
The University of Texas Medical Branch at Galveston	12,473.63	12,342.68	130.96	1.05%
Coordinating Board, Higher Education	290.88	287.88	3.00	1.03%
The University of Texas System Administration	534.44	531.44	3.00	0.56%
The University of Texas M.D. Anderson Cancer Center	12,791.32	12,727.81	63.51	0.50%
The University of Texas at Austin	12,617.42	12,559.42	58.00	0.46%
Midwestern State University	582.66	580.25	2.41	0.41%
The University of Texas Southwestern Medical Center at Dallas	6,612.56	6,594.50	18.06	0.27%
The University of Texas at Dallas	1,752.24	1,748.24	4.00	0.23%
Texas Tech University	4,689.10	4,683.22	5.88	0.13%
The University of Texas Health Science Center at San Antonio	3,679.80	3,676.30	3.50	0.10%
University of North Texas Health Science Center	1,062.61	1,062.06	0.55	0.05%
Higher Education Total			309.54	
Statewide Total			969.65	

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 (FTEs) state employees and contractors who perform services for state government. It was prepared in accordance with Government Code, Chapter 2052, Subchapter B.

Scope

This report was prepared from unaudited information submitted to the State Auditor's Office by 211 agencies and institutions of higher education.

Methodology

The report compares data from the fourth quarter of fiscal year 2003 with previously submitted data from the FTE System.

Other Information

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

- Christine M. Bailey, CCP, Project Manager
- Sharon Schneider, PHR
- Frank Locklear, CISA, Senior Systems Analyst
- Worth Ferguson, CPA, Quality Control Reviewer
- Tony Garrant, PHR, Acting State Classification Officer

Ten-Year FTE Trends by General Appropriations Act Article

The following figures show the average annual FTEs for each General Appropriations Act article compared with the articles' average FTE cap during the previous 10 years. FTE caps did not exist until fiscal year 1996.



Agencies and Institutions of Higher Education that Exceeded Their Legislatively Mandated FTE Caps

Three state agencies exceeded their quarterly FTE caps during the fourth quarter of fiscal year 2003. Twenty-nine institutions of higher education exceeded their annual FTE caps during fiscal year 2003.

Table 2

State Agencies and Institutions of Higher Education that Exceeded Their Legislatively Mandated FTE Cap					
Agency	FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Agency)
Blind and Visually Impaired, School for the	357.50	362.19	4.69	1.31%	<i>The annual FTE Cap was 357.50. The average annual FTE actual was 362.19, a variance of 4.69 FTE, approximately a 1% variance. This increase occurred due to the number of students served exceeding the number of students projected to be served.</i>
Adjutant General	459.00	516.22	57.22	12.47%	<i>Our rider #8 "Federally Funded Projects" allows the agency additional federally funded personnel. August 31, 2003 FTE count for 100% federal funded personnel is 296, which includes the Truck Rebuild Program, the Distance Learning Program, Electronic Security Systems Program and our Security Officers/Workers at Camp Mabry and at our training sites in the state as well as 16 Military Family Support temporary 100% Federal reimbursed employees. We also have 57 employees at the Seaborne Challenge Youth Program with 60% federal funded reimbursement.</i>
Public Safety, Department of	7,326.00	7,582.33	256.33	3.50%	<i>During this quarter, we had 2 recruit schools in progress. It is my understanding that these Trooper Trainees do not count toward our FTE cap until after they have graduated from the Academy.</i>
Institution of Higher Education	FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Institution)
The University of Texas System Administration	223.80	251.45	27.65	12.35%	<i>Reduction in appropriated FTEs is a result of the flexible hiring freeze implemented in November 2002. In order to increase the level of service provided to component institutions, U.T. System Administration has exceeded the FTE limitation on appropriated funds.</i>

State Agencies and Institutions of Higher Education that Exceeded Their Legislatively Mandated FTE Cap

Institution of Higher Education	FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Institution)
The University of Texas at Arlington	1,921.50	2,065.08	143.58	7.47%	<i>The FTE Cap was exceeded, due to enrollment growth at the U.T. Arlington campus. Enrollment grew by 17.2% from FY 2001 to FY 2003. The cap was based on a much lower growth estimate for the FY 2002-03 biennium. Semester credit hour production exceeded enrollment growth over the same period. U.T. Arlington met the appropriation bill target for the administrative cost ratio of 10.6% for the biennium. Academic and student services were increased to cover the enrollment growth over the last biennium causing the cap to be exceeded. Administrative costs were reduced in both the institutional support (non-academic) and physical plant operations. The reason for the decrease in FTEs for the 4th quarter as compared to the third quarter is due to a reduced faculty staff for the summer period when compared to a regular spring or fall semester.</i>
The University of Texas at Dallas	1,163.50	1,169.62	6.12	0.53%	<i>The increasing enrollment growth in all schools of the University and the increased size of the freshman class necessitates additional tenure/tenure-track faculty, senior lecturers. These additional faculty are needed to provide instruction and to maintain a reasonable faculty/staff ratio. In addition with the increased enrollment at the undergraduate level, an increase in Teaching Assistants is needed to provide support of instruction.</i>
The University of Texas at El Paso	1,510.60	1,594.33	83.73	5.54%	<i>FTEs for the fourth quarter are significantly less than the previous quarters as the summer session requires less staffing due to lower enrollment. The FTE cap will be exceeded by approximately 84 FTEs. The vast majority of these FTEs are related to new programs/funds allocated by the Texas Legislature.</i>
The University of Texas - Pan American	1,257.00	1,335.55	78.55	6.25%	<i>The addition and expansion of facilities on and off campus have consequently increased staffing requirements. Also, the addition of certain staff positions has been required as a condition for compliance with various audits. Increased usage and increased complexity of computers and electronic media have necessitated the addition of staff.</i>
The University of Texas - Brownsville	294.20	685.31	391.11	132.94%	<i>FTEs 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 & Texas Southmost College are reported together in the State Employee Quarterly Report.</i>
The University of Texas of the Permian Basin	248.50	270.00	21.50	8.65%	<i>UT Permian Basin has exceeded the designated Annual FTE Cap due primarily to a growth in student population. The increase in enrollment increased by 12% in 2002-2003. This growth in student population resulted in a need for additional faculty instructional and support positions.</i>

State Agencies and Institutions of Higher Education that Exceeded Their Legislatively Mandated FTE Cap

Institution of Higher Education	FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Institution)
The University of Texas at San Antonio	1,638.30	1,738.10	99.80	6.09%	<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 new faculty hires, new positions for security and student services at the Downtown Campus due to growth; reorganization and additional FTE hired in Student Affairs, Inventory Office, Budget Office, Human Resources, Police, Guards, and shuttle bus drivers; several new College Development Officers; increased graduate student support and additional facilities staff for new buildings.</i>
The University of Texas Health Science Center at San Antonio	2,248.10	2,318.04	69.94	3.11%	<i>With the implementation of People Soft, we discovered a problem in our old software which produced our FTE counts. This caused our estimated FTEs for our Legislative Appropriations Request to be understated. This understated estimated caused our Cap to be set unrealistically low. Our Mission, including our mandated South Texas initiatives, cannot be accomplished within the understated FTE cap.</i>
The University of Texas MD Anderson Cancer Center	7,861.40	9,283.37	1,421.97	18.09%	<i>M.D. Anderson Cancer Center's staffing levels are not sufficient to support the continuing growth in patient care, research and support services. A FY 04 request to exceed the FTE limitation by an additional 480 FTEs on appropriated funds was submitted to UT Systems for approval by the Board of Regents at their August 2003 meeting.</i>
The University of Texas at Tyler	353.30	415.90	62.60	17.72%	<i>An average of the four quarters beginning 09/01/01 and ending 08/31/02 revealed 388.37 FTEs from state funding and 58.06 from other funding sources for a total of 446.43 from all sources of funding. Reasons for exceeding the cap include downward expansion of U. T. Tyler to include freshmen and sophomores, the opening and continued growth of the Palestine campus and the removal of enrollment caps on entering freshmen in the fall of 2002. Enrollment growth for the fall 2001 and fall of 2002 shows substantial growth in the number of students, and a substantial growth in the number of semester credit hours. In order to accommodate the growth in students and semester credit hours, additional faculty and staff were needed. We can report that exceeding the caps required no additional money from education and general funds. The salaries will be paid from the appropriated funds secured during the 77th legislative session.</i>
Texas A&M University System Administration	83.00	88.33	5.33	6.43%	<i>The original cap did not include student workers. In September 2002, the A&M System Board approved an increase to the FTE cap. That increase request was submitted to the State but has not been acted upon.</i>
Prairie View A&M University	645.20	812.33	167.13	25.90%	No explanation provided.

State Agencies and Institutions of Higher Education that Exceeded Their Legislatively Mandated FTE Cap

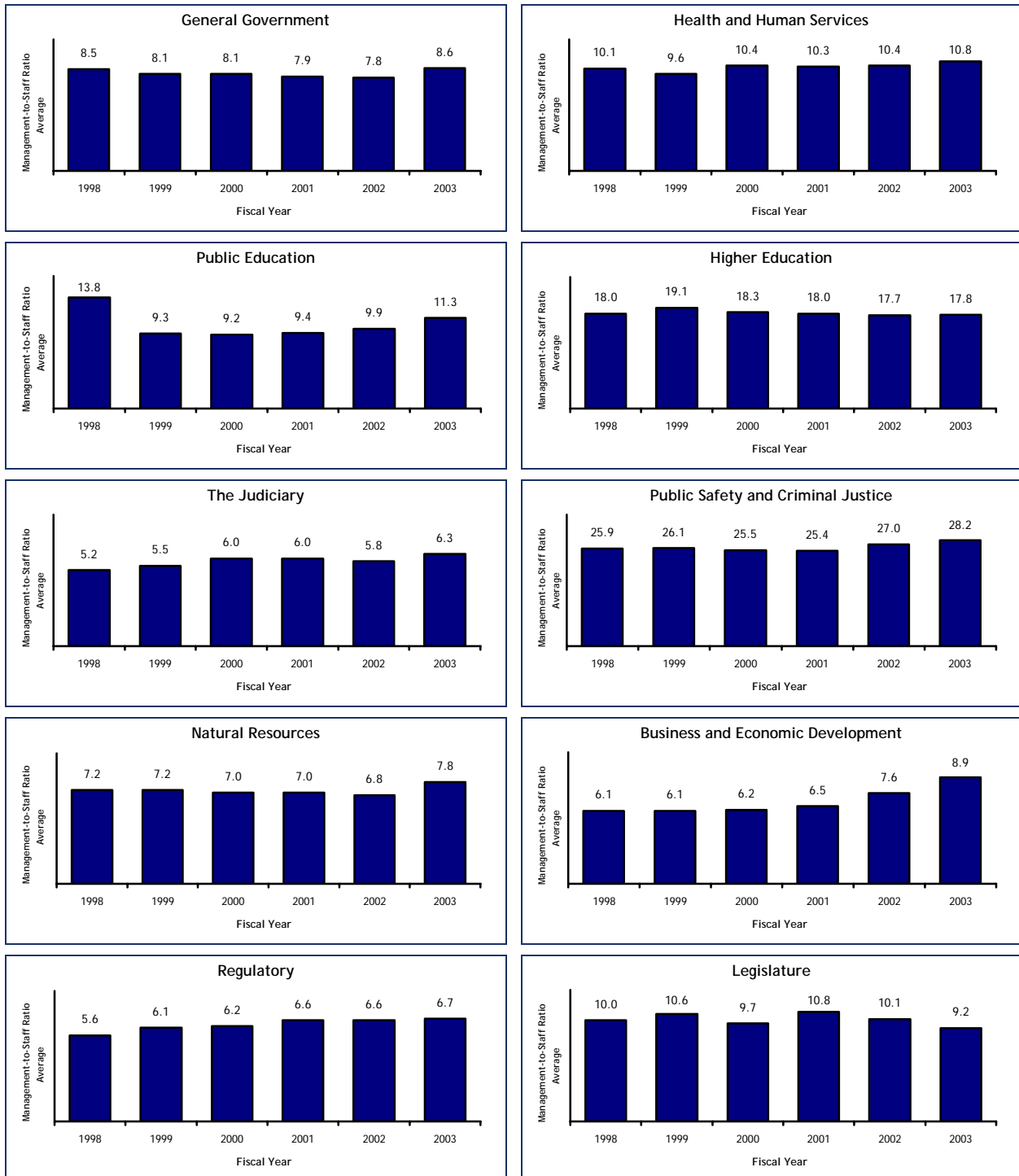
Institution of Higher Education	FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Institution)
Texas A&M University - Corpus Christi	733.60	764.20	30.60	4.17%	<i>FTE employee count decreased during the 4th quarter due to typical decrease in summer activity. A request to exceed the FTE cap and supporting justification was submitted. Increased enrollment and commitment to excellence require additional faculty and staff. Our four-quarter average for FY 2003 appropriated funds is 764.20.</i>
West Texas A&M University	608.50	609.41	0.91	0.15%	<i>Decrease in FTEs from preceding quarter due to normal attrition for fourth quarter. Per Request to Exceed Limitation on State Employment Levels (Article IX, Section 9-6.14, FY 2003), the University requests an increase in FTEs for a new criminal justice faculty position (required for a master's program), the new Integrated Pest Management Entomology program (special item appropriation) and the new Agribusiness Accelerator/Incubator (special item appropriation). Request includes Graduate Assistant positions in Agriculture initiatives. It also includes an increase in student employment for Federal Work Study program and Texas Work Study program.</i>
University of Houston - Clear Lake	561.50	598.19	36.69	6.53%	<i>Although the FTE is over our cap, it has only increased 1.62 FTE over the FY 2002 actually. The increase reported in FY 2002 also continues to be our justification for the FY 2003 increase. The FTE increased 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.</i>
University of Houston - Victoria	169.50	232.02	62.52	36.88%	<i>Additional faculty and staff are required due to the continued growth of the University.</i>
University of North Texas	2,706.70	2,712.97	6.27	0.23%	<i>The University has experienced a significant increase in student enrollment that required the University to increase its faculty and staff. The result is that the University's average FTE for "Appropriated Funds" for the four quarters of the year exceeds the University's cap for "Appropriated Funds" by only 6.23 FTE.</i>
Texas Southern University	706.00	961.73	255.73	36.22%	<i>The University did not submit FTE data on time and did not provide explanations for exceeding its cap.</i>
Texas State University System Administration	10.60	12.52	1.92	18.11%	<i>The Board of Regents authorized the creation of three new positions effective 9-01-00 to be funded internally until the subsequent legislative session. Funding was provided by the 77th legislature, but only one of the three FTEs was added to the base.</i>
Lamar University	867.00	874.39	7.39	0.85%	<i>Seasonal variation attributable to Summer semesters having increased course load.</i>
Lamar Institute of Technology	141.10	163.38	22.28	15.79%	<i>Seasonal variation attributable to Summer semesters having increased course load.</i>

State Agencies and Institutions of Higher Education that Exceeded Their Legislatively Mandated FTE Cap

Institution of Higher Education	FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Institution)
Sam Houston State University	896.00	929.62	33.62	3.75%	<i>Continued growth of the University increased the demand for service and support personnel.</i>
Southwest Texas State University	1,827.00	1,858.64	31.64	1.73%	<i>The FTE change reflects 6.33% increase in enrollment.</i>
Texas A&M University System Health Science Center	747.50	840.85	93.35	12.49%	<i>There are several factors that have resulted in the need to increase the FTE cap for the HSC such as increased faculty and staff needs due to enrollment increases, establishment of Coastal Bend Health Education Center, and the decision to stop purchasing administrative services from TAMU resulting in the establishment of a centralized business office.</i>
Texas State Technical College - West Texas	223.50	251.37	27.87	12.47%	No explanation provided.
Texas State Technical College - Waco	564.10	593.51	29.41	5.21%	No explanation provided.
Texas Engineering Extension Service (A&M)	495.50	504.34	8.84	1.78%	<i>The Texas Engineering Extension Service had tremendous growth in contracts and grants in FY 2003. These additional FTEs were needed to fulfill our obligations of these contracts and were fully funded by the sponsoring agencies.</i>
Texas Forest Service (A&M)	344.00	352.64	8.64	2.51%	<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 370, as required by Article IX, Section 6.14 of the General Appropriations Act. The primary reason for our request was the fact that the Legislature created two new programs to be administered by the Texas Forest Service and authorized 20 new FTE's.</i>

Average Management-to-Staff Ratios by General Appropriations Act Article

The following graphs show management-to-staff ratios for the different General Appropriations Act articles. The numbers represent the average number of employees per manager or supervisor. These ratios were not tracked or mandated until fiscal year 1998.



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