

APPENDIX F

**State Office of Administrative Hearings
Fiscal Years 2017-2021 Workforce Plan**

Strategic Goals and Objectives

SOAH has two primary goals in its Strategic Plan:

Goal 1	Modernization of all significant Information Resources aspects of SOAH
Purpose	Implement an automated solution for electronic case filing, management, and billing
Strategy	Upgrade and integrate SOAH’s case management system
Purpose	Expand SOAH’s ability to rely on telephonic hearings
Strategy	Transition to Voice over Internet Protocol (VoIP)
Purpose	Enable greater integration of information resources systems
Strategy	Upgrade SOAH’s internal and external websites

Goal 2	Provide for a fair and efficient administrative hearings process
Purpose	Ensure that all hearings are conducted in a fair and impartial manner
Strategy	Recruit, train, and retain highly qualified ALJs and support staff; Provide the necessary tools to support agency efficiency and public accessibility
Purpose	Provide an opportunity for alternative dispute resolution proceedings
Strategy	Provide necessary tools and training for ALJs in alternative dispute resolution proceedings

I. Business Functions.

The critical business functions of the agency include:

- *Conducting Hearings;*
- *Conducting Mediations and Other Alternative Dispute Resolution Processes;*
- *Docketing;*
- *Issuing Proposals for Decision, and Final Decisions; and*
- *Processing of Administrative License Revocation Appeals*

II. Anticipated Changes in Strategies.

It is anticipated that SOAH's revised strategies will have a positive impact on the agency's business and workforce. SOAH's workforce requirements would be impacted by future legislation transferring additional jurisdiction to or from the agency. At this time, however, it is unknown what, if any, new jurisdiction might be transferred to SOAH in the future.

Current Workforce Profile

The statistical information provided in this section is based on data as of August 31, 2015. SOAH's current workforce is comprised of approximately 109 employees; of those, 37 percent are males and 63 percent are females. Out of the same population, 84 percent of the agency's employees are over the age of forty. SOAH has quite an experienced workforce, with 75 percent of its employees holding greater than five years' service, and 52 percent have worked for SOAH over ten years. SOAH recognizes the importance of the ethnic diversity of its workforce and continues to aim to maintain or surpass the diversity of the statewide civilian workforce.

Table 1, on the following page, is the Workforce Utilization Analysis for SOAH. The analysis focuses on diversity in the workforce and allows the agency to evaluate the level of diversity within its workforce. It illustrates that SOAH has underutilization that should be addressed as vacancies become available in the applicable job category. In the categories of Official/Administrator and Technical, the under-representation is a result of the low number of employees and low turnover in these categories. Over one-half of SOAH's employees (62) are in the "Professional" job category, and 55 of those employees are Administrative Law Judges (ALJs). Although the agency's statistical information would indicate underutilization of African Americans and Hispanics in the statewide Professional job category, SOAH's utilization of those employees who serve as ALJs (3.7 percent) is only slightly below the percentage of African Americans (4.0 percent) represented in the Administrative and Public Law Section of the State Bar of Texas and is 1.13 percent higher (9.13 percent) than the Hispanic category (8% in 2015-16). (*See Attorney Statistical Profile for 2015-2016* compiled by the State Bar of Texas Department of Research and Analysis.)

The EEOC's Rule of 80 is used to determine underutilization. Underutilization is considered statistically significant if the percent utilization in the state agency's workforce is

below 80 percent of that in the civilian workforce. To calculate underutilization, multiply the civilian workforce percentage by 0.8 to determine 80 percent of the civilian workforce. If the resulting number is greater than the percentage in the agency’s workforce for the same job category, then underutilization is identified. The “percentage under” is the difference between 80 percent of the civilian workforce and the agency’s workforce in that job category. The agency must increase the percentage of employees in that job category by the “percentage under” to alleviate underutilization.

The majority of SOAH’s employees have education beyond high school, with over 50 percent having advanced degrees, as ALJs are required to be licensed attorneys. It is critical to the mission of the agency to recruit, hire, train and retain attorneys who possess the required education and experience to hear and manage the cases in SOAH’s jurisdiction. The career plan for ALJs provides for recruiting and hiring at the entry level of the plan whenever possible and training these employees in-house, through regular training programs and mentoring by more experienced ALJs. This has enlarged the applicant pool, resulting in a more diversified group of applicants for posted ALJ positions.

TABLE 1
EEOC/SOAH Workforce Utilization Analysis

AFRICAN AMERICANS

	State Civilian Workforce		SOAH Workforce		Underutilization (% Under)
	Number	Percentage	Number	Percentage	
Official/Administrator	84,631	7.12%	0	0%	5.69%
Professional	282,719	10.96%	3.75	6.25%	2.26%
Administrative Support	235,166	13.57%	8.0	20.38%	No
Skilled Crafts	214,847	9.52%	N/A	N/A	N/A
Technicians	46,818	13.75%	0	0%	N/A
Protective Services	46,987	16.96%	N/A	N/A	N/A
Service and Maintenance	286,389	12.22%	N/A	N/A	N/A

HISPANIC AMERICANS

	State Civilian Workforce	SOAH Workforce	Underutilization
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	Number	Percentage	Number	Percentage	(% Under)
Official/Administrator	248,511	20.90%	0	0.0%	16.72%
Professional	478,450	18.55%	8	10%	4.84%
Administrative Support	571,475	33.00%	14.5	36.94%	No
Skilled Crafts	1,111,550	49.26%	N/A	N/A	N/A
Technicians	98,122	28.82%	0	0%	%
Protective Services	83,144	30.01%	N/A	N/A	N/A
Service and Maintenance	1,259,014	53.71%	N/A	N/A	N/A

FEMALES

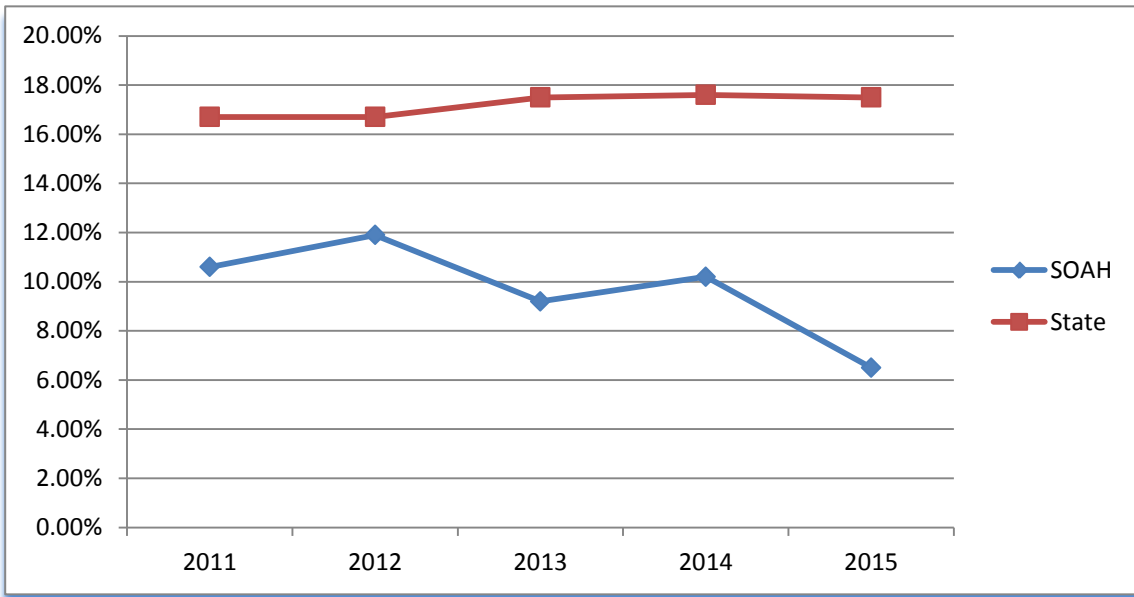
	State Civilian Workforce		SOAH Workforce		Underutilization (% Under)
	Number	Percentage	Number	Percentage	
Official/Administrator	445,659	37.48%	4	57.14%	No
Professional	1,415,048	54.88%	30	48.38%	No
Technicians	174,702	51.31%	0	0.0%	No
Administrative Support	1,260,817	72.80%	34.25	86.95%	No
Skilled Craft Workers	251,141	11.13%	N/A	N/A	N/A
Protective Services	68,104	24.58%	N/A	N/A	N/A
Service and Maintenance	1,386,907	40.79%	N/A	N/A	N/A

I. Employee Turnover.

Significant employee turnover impacts any organization, and SOAH is no exception. SOAH's turnover rate is consistently lower than the statewide average. During FY 2011, SOAH's turnover rate was 10.6 percent, 6.1 percentage points lower than the FY 2011 statewide average of 16.7 percent. In 2012, the rate rose slightly to 11.9 percent; however, it remained much lower than the 16.7 percent statewide average. The rate dropped significantly in FY 2013 to 9.2 percent, a sharp contrast to the statewide rate of 17.5 percent. Although the rate rose in FY 2014 to 10.2 percent, it was 7.4 percent lower than the statewide average of 17.6 percent. In FY 2015, SOAH's turnover dropped sharply to 6.7% while the statewide

average held steady at 17.5%. It should be noted that SOAH's turnover rate includes interagency transfers, while the statewide rate does not. SOAH expects its turnover rate to increase over the next few years due to a likely increase in employee retirements. The following graph compares the average SOAH turnover to that of the state over the last five years.

TURNOVER RATE – AGENCY TOTAL



II. Length of Service.

The greatest percentage of employee turnover experienced in FY 2015 was among employees with agency service of two – five years, with a turnover rate of 28.6 percent. The statewide average for this category was 19.43 percent. The “less than two years” category experienced a turnover rate of 6.0 percent, compared to a statewide turnover rate of 27.76 percent. SOAH experienced no turnover for those employees in the “5 to 9.99 years” group, compared to the statewide rate of 25.23 percent in that category. The rate of turnover for employees with more than ten years’ service but less than fifteen was 5.6 percent for SOAH employees and 15.24 percent statewide. The agency experienced a turnover rate of 8.4 percent for employees with fifteen but less than twenty years of service compared to a statewide rate of 6.4 percent. There was no turnover for SOAH employees with more than twenty years of service. The statewide rate for this category was 3.75 percent. The agency began operating in 1992, so there are no employees with more than twenty-five years of service. Thirty-three percent of those leaving SOAH service were due to retirement. This trend is expected to continue and even increase as more employees reach retirement age. SOAH must continue to provide meaningful training and implement retention strategies which will provide incentive for these more experienced employees to remain with the agency.

Length of Service related to Turnover and Agency Workforce, 8/31/2015				
	SOAH Turnover Rate	State Turnover Rate	SOAH % Current Workforce	State % Current Workforce
Less than 2 years	6.0%	33.7%	15.44%	27.76%
2 - 5 years	28.6%	15.2%	9.68%	19.43%
5 - 10 years	0%	8.2%	23.27%	25.23%
10 - 15 years	5.6%	10.0%	16.59%	15.24%
15 – 20 years	8.4%	9.7%	21.89%	6.4%
20-25 years	0%	13.7%	13.13%	4.5%

III. Age.

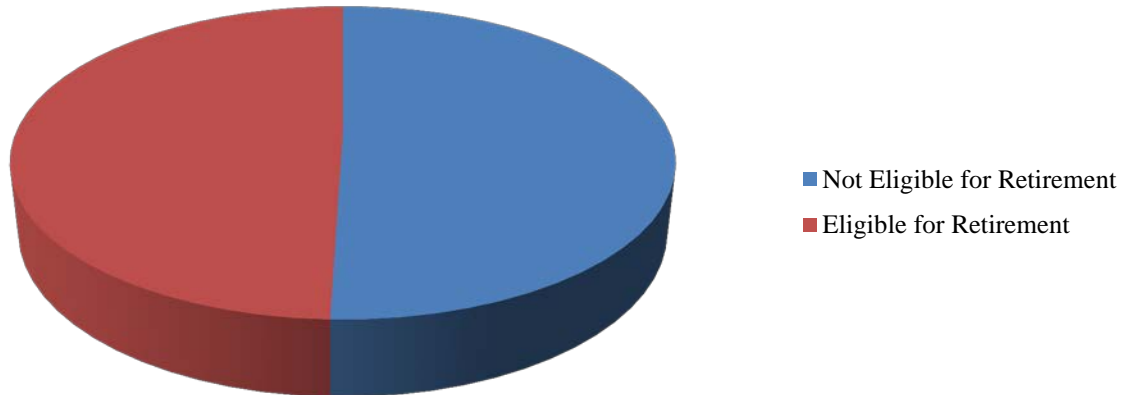
SOAH's turnover rate is substantially lower than the statewide rate in all age categories. SOAH employs a much higher percentage of employees who are over forty years of age than the statewide average.

Age related to Turnover and Agency Workforce, 8/31/2015				
	SOAH Turnover Rate	State Turnover Rate	SOAH % Current Workforce	State % Current Workforce
Under 30	0.0%	35.2%	4%	16.93%
30 - 39 years	8.0%	15.9%	12%	22.77%
40 - 49 years	0.0%	10.2%	23%	25.54%
50 - 59 years	4.5%	13.2%	41%	24.09%
60 - 69 years	18.4%	20.3%	20%	9.7%
70 years or older	0.0%	20.5%	0.0%	0.07%

IV. Percentage of Workforce Eligible to Retire within the Next Five Years.

SOAH currently has approximately 53 employees (49 percent of SOAH's current workforce) who will meet retirement eligibility requirements within the next five years. Of these employees, 36 (68 percent of those eligible) are ALJs. While all areas of the agency are likely to be impacted by retiring staff, the greatest impact will most likely be among the ALJs. Over the next five years, retirement separations continue to be a critical issue because of the potential loss of institutional knowledge, key positions, and expertise due to the large number (45 percent) of current employees with ten or more years of service with the agency. It is important to ensure that SOAH's institutional knowledge and organizational experience is not lost.

Retirement Eligibility within Five Years



V. Projected Employee Five-Year Turnover Rate.

Based on the average turnover rate within SOAH during the past five years, the projected turnover rate for the agency for the next five years is 9.68 percent. Although SOAH's turnover rate is far below that of the statewide rate, the number of employees who will become eligible for retirement will most likely significantly increase the turnover rate.

VI. Workforce Skills Critical to the Mission and Goals of the Agency.

SOAH employs primarily five occupational categories: legal, information technology, hearings support, fiscal (accounting and finance), and human resources. Several critical skills have been identified that are vital to maintaining SOAH's ability to accomplish its mission. These skills include:

- *Case Management*
- *Presiding Skills*
- *Writing Skills*
- *Customer Service*
- *Timeliness*
- *Technical Expertise*
- *Decision Making*
- *Teamwork*
- *Flexibility*
- *Management Skills*

Based on workforce analysis, SOAH personnel currently exhibit competence within the intermediate to advanced level in the occupational categories for most of the critical competencies.

Future Workforce Profile

The demand for the services of the agency will remain constant or will grow in general relation to the population of the state unless legislative actions require a different administrative hearings process or transfer additional agencies or work to or from SOAH's jurisdiction.

I. Future Workforce Skills Needed.

- *Increased use of technology to provide public access to the hearings process, to provide for more efficient filings, employee training, and reduced travel;*
- *Advanced training in the Individuals with Disabilities Education Act (IDEA) laws for ALJs and support staff handling these cases;*
- *Continued improvement in writing skills for non-ALJ employees;*
- *Quality management education for team leaders and non-ALJ managers;*
- *Improved technical training for agency staff as the agency updates its software and programs.*

II. Anticipated Increase/Decrease in Number of Employees Needed to do the Work.

Although retirements will likely affect the agency's pool of institutional knowledge, no overall increase is expected in the number of authorized full time employees (FTE) needed to support SOAH's mission absent transfer of additional agencies or hearings. It is anticipated that more ALJs and support staff will be needed in FY 2017 as the current IDEA work will expand in that year, and will likely expand further in FY 2018 and FY 2019; however, those positions will be filled from the current authorized FTEs.

SOAH is scheduled to migrate to the Centralized Accounting and Payroll System (CAPPS) during FY 2017. It is anticipated that during the planning stages and migration period, two FTEs will be needed to support the successful completion of the project.

III. Functions Critical to the Success of the Strategic Plan.

All of SOAH's employees contribute to the success of the agency's mission. The following functions have been identified as those that are most critical to the accomplishment of SOAH's strategic plan.

- *Conducting Hearings;*
- *Conducting Mediations;*
- *Docketing;*
- *Issuance of Proposals for Decision; and*
- *Processing of Administrative License Revocation Appeals.*

Gap Analysis

I. Anticipated Shortage of Workers or Skills.

An analysis of the statistical data presented in this plan identify four areas requiring attention:

- *Difficulty in retaining and recruiting administrative support staff;*
- *Need to increase the diversity of the agency;*
- *Need for continued staff training and development; and*
- *Potential loss of knowledge, skills, and abilities due to retirements.*

Retention of current employees and recruitment of qualified future employees remain a priority for the agency. The agency is beginning to experience a direct correlation between the job categories with the highest turnover and those who are eligible for retirement. Those most likely to separate from the agency for reasons other than retirement are those in administrative support job categories as opposed to those in professional and management positions. However, it is important for the agency to prepare for key talent and knowledge drain when those eligible for retirement opt to leave SOAH.

Traditionally, the Administrative Assistant category has consistently had a higher rate of turnover within the agency compared to other job classes; however, the agency is beginning to experience a trend of turnover in other classes, largely due to retirements. Although SOAH's turnover rate in the Administrative Assistant category was only 4.7% in FY 2015, the agency has experienced a 9% turnover during the first three quarters of FY 2016. While experiencing no turnover in 2015, the Docketing Division has experienced a 30% turnover in the first three quarters of 2016. Although much of this turnover has been experienced in entry-level positions and with employees with short-term agency tenure, 12 employees (34 percent) in the hearings support areas (deputy clerks, administrative assistants, and legal assistants) will be eligible for retirement within the next five years. Retaining these employees will maintain the efficiencies that could be lost while replacement employees are trained, and will assuredly benefit SOAH by continuing and maintaining the agency's institutional knowledge base.

Gap	Higher turnover in the administrative support category of employees
Goal	Develop a Human Resources plan to improve recruitment, training and retention of administrative support employees.
Rationale	Development of a plan and implementation of improved recruitment methods, in-house training, and mentoring of new employees should give incentive to employees to seek advancement within the agency rather than leaving to find advancement.

Action Steps	<ul style="list-style-type: none"> • Seek out new sources of training and development to allow staff to develop and improve knowledge, skills and abilities • Continue to devise and implement new non-pay based retention strategies which create a culture conducive to increased longevity of current staff • Strive to maintain salaries that are competitive with those in other state agencies.
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SOAH must be prepared for the potential loss of knowledge, skills and abilities due to retirement of its employees.

Gap	The potential for loss of knowledge, skills and abilities exists due to retirement of SOAH personnel.
Goal	Lessen the potential negative effect of retirement of experienced staff by recruiting highly qualified ALJ and support staff candidates and continuing to train current staff in preparation of succession into more responsible positions.
Rationale	Training current staff for promotion into team leader and management positions will increase the qualified pool of employees who may move into those positions. Recruiting highly qualified ALJ and support staff candidates will decrease the amount of time needed for training to bring the staff up to the level of competence needed for job success.
Action Steps	<ul style="list-style-type: none"> • Continue to seek out and recruit highly qualified ALJ and support staff candidates through the use of the statewide Work in Texas tool as well as other recruiting sources • Continue to cross-train ALJs through the use of home teams and assignments with selected teams • Use management training resources to further develop management skills within the agency management staff to allow succession into higher level management positions.

Strategy Development

I. Succession Plan.

SOAH continues to develop its plan to ensure continuity of leadership and knowledge in all areas. The agency has recognized the need for the transference of knowledge in mission-critical areas and has incorporated a system for ensuring that this knowledge is not lost. Factors that SOAH's management and human resources have considered during this development process include the need for replacement of key management and staff personnel who may be lost due to retirement or other turnover. To facilitate the transference of knowledge and provide for well-developed, qualified, ongoing leadership, the agency has taken the following steps:

- *Developed mentoring, coaching, and cross-training practices;*
- *Designed Team Leader and Team Leader back-up positions to provide management training for potential management candidates;*
- *Implemented career ladders to allow for advancement from entry and mid-level positions;*
- *Developed meaningful performance evaluations that help to identify potential management candidates;*
- *Provided staff career development focusing on management skills;*
- *Incorporated knowledge transfer processes;*
- *Recruited highly qualified candidates to fill vacancies; and*
- *Identified personnel with high potential for management success;*
- *Developed “ALJ University”, an in-house information system to allow ALJs to quickly gather information on referring agencies and cases.*

The success of continuity planning is greatly affected by an agency’s rate of retention of highly qualified personnel with valuable skills. SOAH is committed to the retention of its high-performing staff and has implemented the following retention strategies:

- *Providing competitive salaries and merit increases when funds permit;*
- *Making work culture and environment pleasant, supportive, and collegial;*
- *Integrating staff development with career ladders;*
- *Requiring meaningful performance reviews;*
- *Providing flexible work hours;*
- *Working from home;*
- *Recognition programs;*
- *Promotion of state benefits;*
- *Providing an Employee Assistance Program;*
- *Development of employee wellness initiatives; and*
- *Agency support of work/life balance.*

Executive support of the agency’s succession plan will ensure that highly qualified employees will be prepared to transition into leadership and mission-critical positions in the future.

SURVEY OF EMPLOYEE ENGAGEMENT RESULTS

SOAH participated in the Survey of Employee Engagement for the second consecutive biennium. The overall score of 371 did not change from 2014 to 2016 and is considered a desirable score. Although the response rate for 2016 was down from 2014, the current response rate of 66.3% is considered high, indicating that SOAH employees have an

investment in the organization and are willing to contribute towards making improvements within the workplace.

The agency's levels of employee engagement are slightly higher than the average nationwide levels. Noted areas of substantial strength include the strategic, supervision, and workgroup constructs. The strategic construct captures employees' perceptions of their role in the organization and its mission, vision, and strategic plan. SOAH's high scores suggest that employees understand their role in the organization and consider its reputation as positive. The higher supervision scores suggest that SOAH employees view their supervisors as fair, helpful, and critical to the flow of work. The higher workgroup scores suggest that employees view their workgroup as effective, cohesive, and open to the opinions of all members.

Areas of concern include compensation (including benefits), information systems, and employee development. The agency plans to incorporate follow-up surveys to develop a better understanding of employee concerns in these areas.

While 28% of those participating in the survey stated that they are eligible to retire within the next two years, none of those who participated stated that they intend to leave the agency within the next year.

