

APPENDIX E:

WORKFORCE PLAN

SECTION I

OVERVIEW

The Texas Alcoholic Beverage Commission (TABC) is the state agency that regulates all phases of the alcoholic beverage industry in Texas. The duties of the commission include regulating sales, taxation, importation, manufacturing, transporting and advertising of alcoholic beverages.

The TABC is required by the General Appropriations Act to collect enough in fines, fees and surcharges to cover the agency's direct and indirect operating costs. As a result, the agency's operating costs are all paid for by the industry that it regulates. Additionally, the agency collects in excess of \$200 million annually in taxes, which aids in the financing of the state's public schools, local governments, research, human services and other areas in which state government provides services to all Texans.

The Alcoholic Beverage Code authorizes the Texas Alcoholic Beverage Commission to:

- Grant, refuse, suspend, or cancel permits and licenses in all phases of the alcoholic beverage industry;
- Supervise, inspect and regulate the manufacturing, importation, exportation, transportation, sale, storage, distribution and possession of alcoholic beverages;
- Assess and collect fees and taxes;
- Investigate for violations of the Alcoholic Beverage Code and assist in the prosecution of violators;
- Coordinate with federal, state and local law enforcement agencies in the investigation of organized criminal activity that has a nexus with the sale of alcoholic beverages;
- Seize illicit beverages;
- Approve labels for malt beverage, wine and distilled spirits products sold in Texas;
- Pass rules to assist the agency in all of the above.

ORGANIZATIONAL STRUCTURE

The policy-making body of the agency is a three-member governing board appointed by the Governor with the advice and consent of the Senate. Members of the commission hold office for staggered terms of six years, with the term of one member expiring every two years. Each member must be a Texas resident and must have resided in the state for at least five years preceding the appointment. Commission members serve without salary.

The commission is currently comprised of Chairman José Cuevas, Jr., of Midland; Steven M. Weinberg, MD, JD, of Colleyville; and Melinda S. Fredricks of Conroe.

An executive director, appointed by the three-member governing board, directs the daily operations of the Texas Alcoholic Beverage Commission. The board appointed current Executive Director Sherry Cook on July 1, 2012. The executive director is responsible for employing staff to ensure that the policies established by the commission and the laws enacted by the legislature are implemented in an efficient and cost-effective manner.

Sharing in that responsibility is the deputy executive director, director of the office of professional responsibility (internal affairs) and the director of communications and governmental relations. See Appendix B for a detailed organization chart.

An independent audit firm performs internal audit functions for TABC, reporting directly to the commissioners.

Field Operations: Enforcement, Audit and Investigations and Ports of Entry Division. Field Operations is the agency's largest and most visible division. Staff in field operations performs both enforcement and auditing functions involving criminal, regulatory and administrative enforcement of the state's alcoholic beverage laws. The chief of field operations oversees two assistant chiefs and a director.

The Chief of Enforcement oversees enforcement activities across the state in five districts. Certified peace officers, known as TABC agents, inspect premises licensed by the agency and investigate alleged violations of the Alcoholic Beverage Code and other state laws.

The Chief of Audit and Investigations oversees the Audit Division, Financial Crimes Unit and the Special Investigations Unit. Auditors in the Audit Division conduct investigative audits and other financial reviews, conduct inspections and fee analysis during the initial phases of the licensing process, and assist the agents in various types of investigations. Auditors also play a role in monitoring seller training schools to ensure compliance with agency standards.

Both enforcement agents and compliance auditors provide training to permit holders and their employees, upon request as well as in response to violations by the permittee. In addition, presentations are delivered to students, ranging from middle schools to university settings. Finally, they provide presentations to civic organizations and other law enforcement agencies in an attempt to promote a better understanding of the law and the roles and responsibilities of the agency.

The Financial Crimes Unit focuses on prevention, investigation and detection of financial related crimes. Investigations include money laundering, prohibited tier relationships, tax fraud, business and corporate fraud, and other organized financial

crimes activity committed by persons/entities having a license or permit issued by the Commission.

The Special Investigations Unit identifies and investigates habitual patterns of at-risk behavior of persons/entities having a license or permit issued by the Commission through covert operations. The unit exercises administrative and criminal powers to suppress or dismantle organized criminal activity relating to the functions of the Commission. The unit conducts both administrative and criminal investigations.

The Director of the Ports of Entry Division oversees the more than 100 taxpayer compliance officers. The division is responsible for ensuring compliance with personal importation laws and the collection of taxes and fees on alcoholic beverages and cigarettes brought into Texas from Mexico. Cigarette taxes are collected on behalf of the Office of the Comptroller of Public Accounts. Agency personnel are stationed at all major bridges along the Texas-Mexico border. In 2014, the division began collecting taxes from passengers of cruise ships at the Galveston seaports.

Licensing

The licensing division investigates and processes applications for all phases of the alcoholic beverage industry, including the manufacture, sale, purchase, transportation, storage, and distribution of alcoholic beverages. The division must ensure that each applicant qualifies to hold such license/permit and adheres to all applicable regulatory requirements. Licenses and permits are issued for a period of two years. Approximately 57,000 licenses and permits are issued each year by division personnel.

Tax

The tax division is charged with the oversight of the taxing authority of the agency. Personnel receive, process and audit monthly excise tax reports to ensure taxes have been paid and that other reporting requirements are in adherence with the Alcoholic Beverage Code. The division also is responsible for overseeing the promotion of alcoholic beverage products as well as the testing and labeling of the products in Texas.

Education and Prevention

The education and prevention division oversees agency programs involving educating the public, retailers, and their employees of the laws associated with consuming alcoholic beverages. They lead the agency's efforts to prevent illegal underage drinking, illegally making alcohol available to minors, as well as driving while intoxicated. The staff works with different statewide and local agencies, community coalitions and other groups to share information as well as participate in various programs to prevent underage drinking.

Office of Professional Responsibility

The office of professional responsibility (internal affairs) oversees or conducts all internal investigations concerning the conduct of agency employees.

Information Resources

The information resources division is responsible for developing and maintaining the core technology applications for the agency, which includes licensing, enforcement, compliance, legal, and business services. Additionally, the division establishes and supports the technology infrastructure that facilitates agency operations, and is charged with researching and analyzing how to apply new technologies to solve business problems.

Business Services

The business services division is responsible for all fiscal operations of the agency, including revenue processing, accounts payable, payroll, time and leave accounting, maintenance of the general ledger, research and planning, as well as preparation and oversight of the agency's legislative appropriations request, annual financial report, and performance reports. The general services section of business services is responsible for staff support functions of purchasing, historically underutilized business (HUB) program coordination, records retention coordination, real and personal property management, facilities leasing, fleet management, mail center operations, and warehousing.

Human Resources

The human resources division manages employment-related activities, including recruitment, selection, benefits and compensation, employee relations, classification, risk management, and implementation of the agency's equal employment opportunity program.

Training

The training division oversees staff development activities for the agency. The division maintains training records and offers required training for certified peace officers, state mandated training for all employees and additional training to develop and enhance the skills of agency employees.

Legal Services / General Counsel

The agency's legal services and general counsel division prepares, processes, and prosecutes administrative cases dealing with violations of the Alcoholic Beverage Code. This division reviews protests to the issuance of licenses and permits by local authorities and citizens and prosecutes application protests by the commission. When violations by permittees and licensees throughout the state are alleged, a hearing is held by the State Office of Administrative Hearings. Outcomes of such hearings include recommendations to cancel, suspend, grant, or deny a license or permit.

MISSION

The mission of the Texas Alcoholic Beverage Commission is to serve the people of Texas, and protect the public health and safety, through consistent, fair and timely administration of the Alcoholic Beverage Code.

VISION

A safe and healthy Texas served by an innovative Alcoholic Beverage Commission regulating a responsible and compliant alcoholic beverage industry.

PHILOSOPHY AND VALUES

The Texas Alcoholic Beverage Commission will:

- Apply the Alcoholic Beverage Code in a fair, consistent and timely manner;
- Exemplify courteous, ethical and professional behavior;
- Be fiscally responsible and accountable; and
- Be accessible, transparent, efficient and effective.

The agency's cornerstones provide the foundation for the agency – who we are and what we do. Everything else is built on these four principles.

- Service
- Courtesy
- Integrity
- Accountability

STRATEGIC GOALS AND OBJECTIVES

Goal 1: To protect the peace and safety of the public by taking positive steps to encourage voluntary compliance with the Texas Alcoholic Beverage Code and other state laws and by undertaking enforcement and regulatory actions that are both fair and effective.

Objective: Detect and prevent violations of the law.

Strategy: Deter and detect TABC code violations through enforcement actions.

Goal 2: To process and issue alcoholic beverage license/permit applications while ensuring compliance with the Alcoholic Beverage Code through investigations and other regulatory means.

Objective: Process applications for permits and licenses in an efficient and timely manner such that, by fiscal year 2017, the average time required to approve an original primary application processed through a TABC field office is 40 days.

Strategy: Issue licenses and permits while ensuring compliance with laws regarding ownership, performance, tax securities and other regulatory requirements.

Goal 3: To ensure compliance with the Alcoholic Beverage Code in the manufacturing, importing, exporting, transporting, storing, selling, serving and distributing of alcoholic beverages.

Objective: Monitor all tiers of the alcoholic beverage industry and conduct inspections, analyses, investigations and other activities to encourage maximum voluntary

compliance with the Alcoholic Beverage Code, so that, by fiscal year 2017, the compliance rate for field audits and analyses is 80 percent, the percent of report analyses resulting in administrative or compliance actions is only 15.5 percent, the percent of agency contacts expressing satisfaction with contacts with agency auditors is 98 percent and the compliance rate for inspections of licensed businesses conducted by auditors is 96 percent.

Strategy: Inspect, investigate and analyze all segments of the alcoholic beverage industry, verify the accuracy and timeliness of tax reporting payments and initiate any necessary compliance and/or administrative actions for failure to comply, while providing instruction to promote voluntary compliance.

Objective: Ensure maximum compliance with laws regulating importation of alcoholic beverages and cigarettes at ports of entry, so that, by fiscal year 2017, ports of entry revenue is at least 100 percent of the ports of entry expenses.

Strategy: Identify high traffic loads and strategically place personnel or equipment at ports of entry to more effectively regulate the personal importation of alcoholic beverages and cigarettes.

SECTION II

CURRENT WORKFORCE PROFILE (SUPPLY ANALYSIS)

WORKFORCE DEMOGRAPHICS

The following charts profile the agency's workforce at the end of fiscal year 2013. TABC's workforce total is comprised of 60% males and 40% females. Sixty-six percent of the employees are over the age of 40. Twenty-seven percent of employees have less than five years of agency service. TABC saw some results when the agency addressed the issue of tenure through the implementation of career ladders for a large number of the operational positions. The career ladder is a retention tool used to motivate employees to maintain their employment with the agency. The career ladder allows scheduled promotions based upon tenure and performance.

FIGURE 23: Agency Age Profile 2013

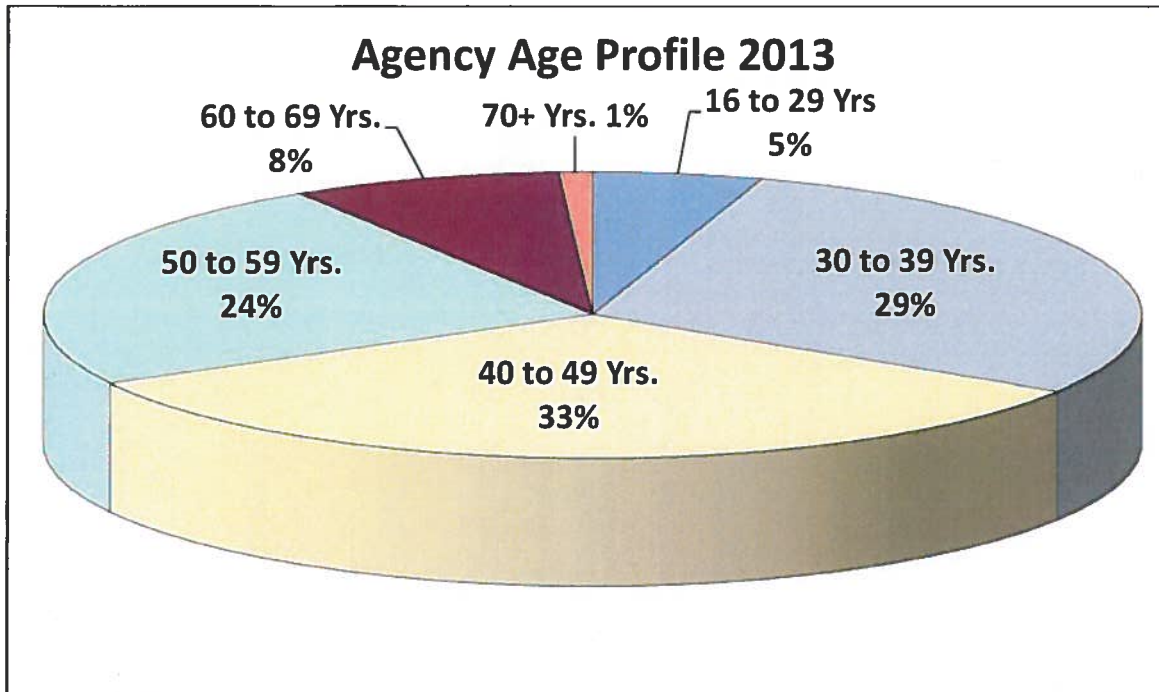


FIGURE 24: Agency Gender Profile 2013

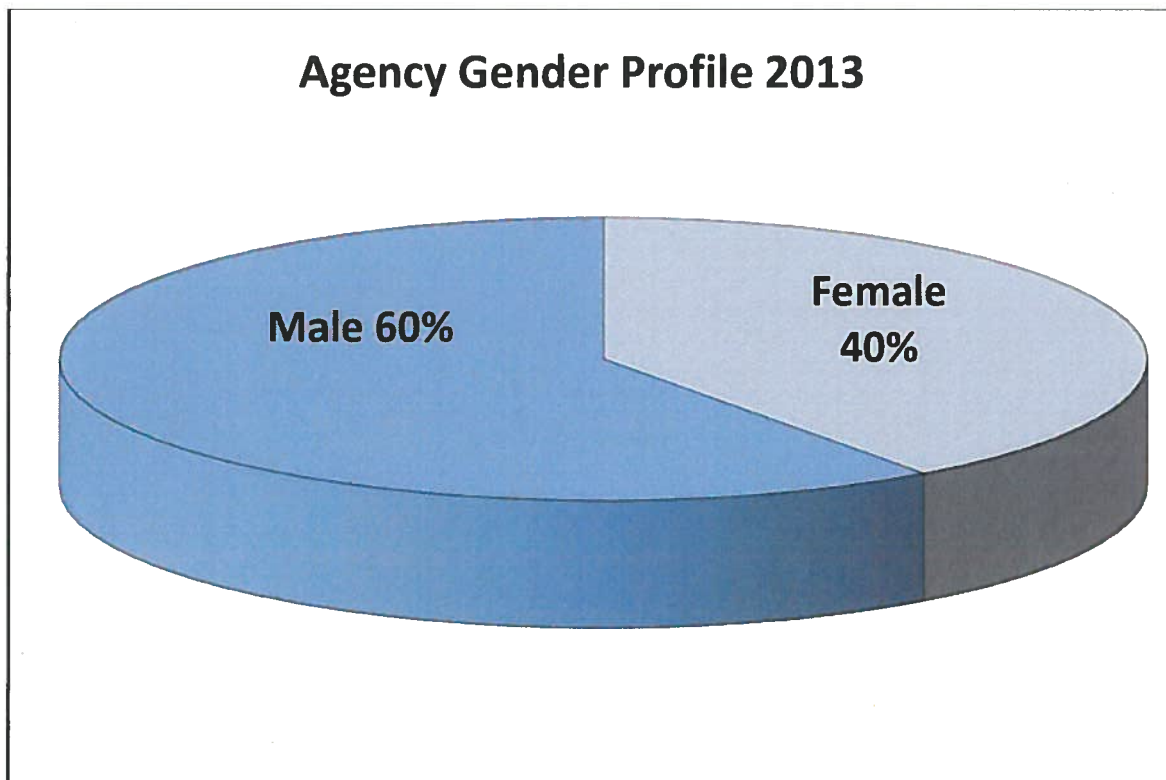
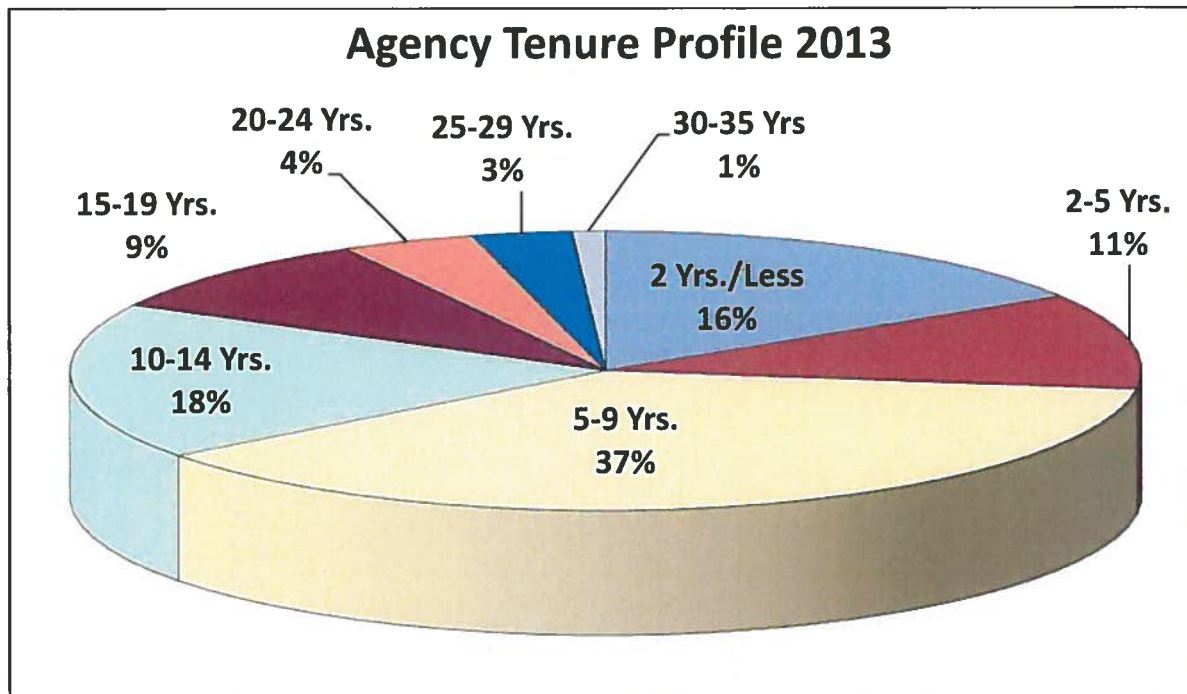


FIGURE 25: Agency Tenure Profile 2013

The following table compares the percentage of African American, Hispanic and female employees to the statewide civilian workforce.

FIGURE 26: Workforce Profile Comparison 2013

EEO Category	2013 Workforce Profile Comparison									
	Statewide Civilian Workforce					TABC Workforce				
	African American	Hispanic	White/ Other	Female	Male	African American	Hispanic	White/ Other	Female	Male
Officials/Administrators	9%	20%	72%	39%	61%	29%	21%	50%	50%	50%
Professional	11%	17%	71%	59%	41%	20%	25%	55%	54%	46%
Technician	14%	21%	65%	41%	59%	14%	14%	72%	0%	100%
Service/Maintenance	15%	48%	37%	41%	59%	9%	49%	42%	31%	69%
Administrative Support	14%	31%	56%	66%	34%	46%	8%	46%	77%	23%
Skill Craft	6%	47%	46%	4.0%	96%	0%	0%	100%	0%	100%

The agency remains under-represented in at least one demographic in four of the EEO categories. During the last seven years, the agency made steady gains in most categories.

African Americans accounted for 16% of new hires. Hispanics accounted for 31% of the new hires during fiscal year 2013. African Americans made up 21% of the agency's terminations while 23% of the terminations were Hispanic.

The agency's representation of African Americans exceeded or met their availability in the statewide civilian workforce in the officials/administrators and administrative support. In all other EEO categories, females remain underutilized. In the administrative support categories, African American representation is 6% below the available civilian workforce in the service/maintenance category. The category contains both the taxpayer compliance positions as well as the majority of the commissioned peace officer positions. African American representation was also underutilized in the skilled craft category.

At the end of fiscal year 2013, the agency met statewide availability in Hispanic representation in the official/administrators, professional, protective service/maintenance EEO categories. Hispanic representation at TABC is underutilized in the technical, skilled craft and administrative support EEO categories.

The agency's representation of female employees continued to remain stable at 60%. However, when considering the different EEO category, underutilization is evident. TABC's representation of females exceeded their availability in the statewide civilian workforce in the official/administrators and administrative support categories. However, the female representation still shows an underutilization in the technical, service/maintenance, professional and skilled craft categories.

In the service/maintenance category, TABC female representation is 10% below statewide availability. Forty-one percent of the new hires during 2013 were females; however, 42% of the terminations were females. Overall Hispanic, African American and female representation in the technical and skilled craft categories remain low. They are specialized categories with a limited number of positions in which turnover rarely occurs, providing no opportunity to increase representation numbers. Consequently, the resignation or reclassification of one employee will drastically affect the overall representation.

During the last five years, TABC's overall turnover rate has been low. Turnover can be attributed to a variety of reasons including retirements, resignations, and general attrition resulting from management changes and reorganizations. Figure 28 compares the average TABC turnover rate to that of the state over the last five years. During the last two years, TABC turnover has increased by an average of 2%. In year 2011 to 2013, the turnover rate increased from 10.3% to 13.9%.

The turnover rate of the agency should remain steady and below the statewide average. Over the next five years, a high number of personnel in key positions with a high degree of expertise are eligible for retirement. By the end of 2018, 136 employees will become eligible for retirement. Of those projected retirements, 86 are classified in non-commissioned positions. Commissioned peace officers account for 50 of the possible retirements. These retirements will impact TABC's ability to retain employees. Tenured employees are beneficial in training and mentoring new employees in TABC's operational areas which require knowledge of the Alcoholic Beverage Code. Without the balance of both tenured and newly hired employees, overall stress associated with the workload could increase, resulting in some individual classifications having increased

turnover when compared with the agency's overall turnover. Figure 29 examines the potential loss of employees due to retirement over a five-year period.

Additionally, when these retirements do result in turnover, salaries will be too low to consistently hire and retain quality entry level staff. In those positions that can be compared, the agency lags 14% behind other state agencies.

FIGURE 27: Turnover Comparison TABC v. Statewide

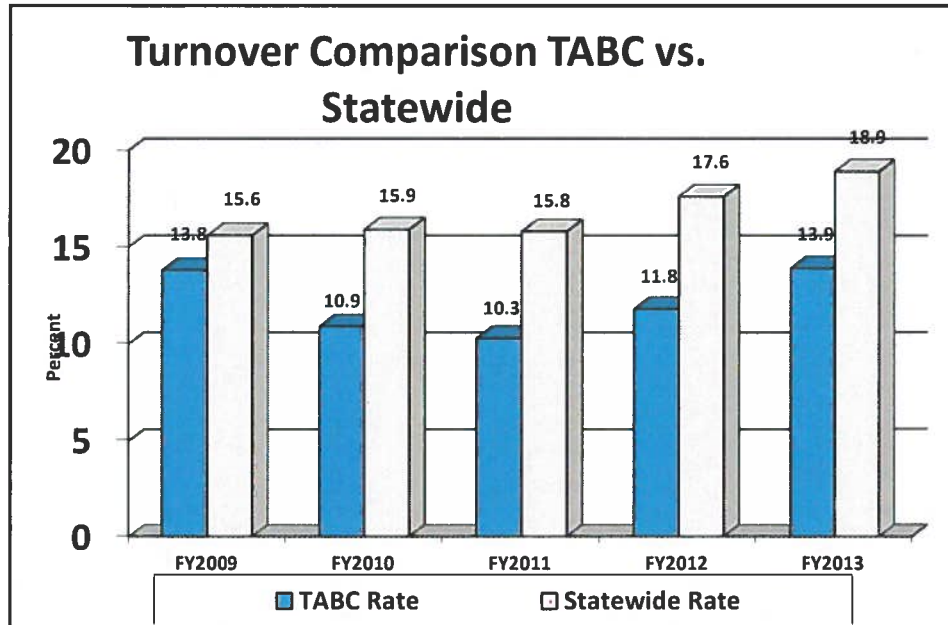
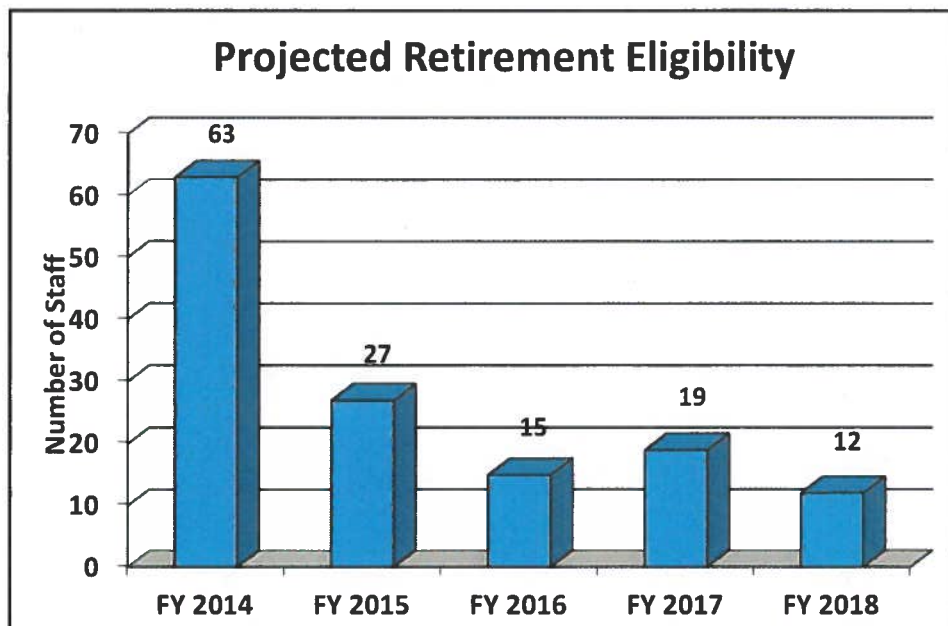


FIGURE 28: Projected Retirement Eligibility



CRITICAL WORKFORCE SKILLS

Although the agency has many qualified employees, there are critical skills necessary in order for the agency to operate customer service and database development / maintenance. Without such, basic business functions could not be provided. We also recognize that skills such as written and verbal communication, foreign language skills, analytical reasoning and interpersonal skills will always be a necessity.

During the hiring process, hiring supervisors shall continue to identify which knowledge, skills and abilities are necessary for filling vacant positions. The selection process should focus on those skills in both the screening criteria, interview questions, and if applicable, assessment exercises.

CHALLENGES AFFECTING CRITICAL WORKFORCE SKILLS

Today and even more so in the future, employees must have an education level that matches the complexity of the work they are required to perform. More and more of TABC will support a preference for a college degree or technical training.

The workplace is becoming more mobile, automated and efficiency-oriented. The public expects services to be easily accessible, customer-friendly and cost effective. In addition, in the future, both workers and customers are becoming more diverse. As a result of these factors, TABC positions require better educated, trained, and a more technical staff. Many positions currently require specific certifications in their field to perform job duties. Few positions within the agency accommodate the hiring of non-experienced personnel due to down time and limited staff.

TABC needs organizational, communication and problem solving skills at all levels of the organization. In addition, more positions within all divisions require the utilization of technology to provide better efficiency and accessibility. The demand for increased information technology services makes/the staffing needs of the information resources division critical. Positions will require expertise in developing technology, initiating process improvements and communicating with non-technical employees.

SECTION III

FUTURE WORKFORCE PROFILE (DEMAND ANALYSIS)

EXPECTED WORKFORCE CHANGES

The law enforcement arm of the TABC workforce will continue to be challenged by legislatively mandated physical requirements. The aging of the available workforce particularly in the field operations division poses unique challenges to the agency. The need for a physically fit and physically able agent workforce remains. Increased automation may very well improve certain work processes and decrease manpower requirements to a limited degree, but it cannot offset the need for physical contact between enforcement agents and those they regulate or between enforcement agents

and criminal violators. Under these circumstances, workforce demand may outpace available supply.

The Hispanic, Asian and Southeast Asian population of Texas and its workforce continues to increase. Asian subpopulations are also expected to grow disproportionately. Increased diversity has a multitude of possible advantages for TABC. A significant advantage is that increased diversity in the available workforce expands the opportunity for diversity in applicant pools. The diversity of TABC customers create a priority for TABC to recruit, hire, and retain a greater number of bilingual employees including enforcement agents. TABC desperately needs more bilingual employees to serve an increasingly multilingual population.

While the agency's mission and the field operations division's goals and objectives focus on public safety, the strategies, technologies, and work processes used to achieve them will change. As they change, so too will the knowledge, skills, and abilities needed within the workforce.

In the past, the methods used to achieve the field operations division's primary objective -- detecting and deterring violations of the Alcoholic Beverage Code -- were limited to those associated with direct street enforcement -- inspections, surveillance, and limited undercover work. Today, with public education and a greater emphasis on working with and through other organizations added to the mix, agents have to communicate, teach, plan, organize, and motivate as well as enforce the law. Also, because of the growing use of technology and the increased complexity of some of the activities in which they take part, agents must possess a broader range of skills and knowledge.

The field operations division expanded its investigative focus with the implementation of the Financial Crimes and Special Investigation units. This investigative focus translates into a great expansion of the range of knowledge, skills, and abilities required of an effective enforcement agent. The enforcement agent of the future will have to be more broadly educated and trained. As a consequence, TABC will not only be competing to attract a shrinking segment of the future workforce, its competition will be increasingly focused towards the upper end of that segment.

Employees within the licensing division will require more formal education because of the complexity of business entities applying for licenses and permits and utilization of systems that automate the licensing process. Most will require degrees in business, accounting, finance or related areas. Higher skilled employees will be required to be intuitive, self-motivated and analytical, working in a very fluid environment and atmosphere.

Auditors' decreasing involvement in tax collection, due to consolidation of entities, will expand their role. In the future, auditors will continue to focus on public safety initiatives that involve investigations, providing regulatory oversight, and information resource. Increases in technology will enhance information gathering and report writing. Employees will be required to have computer literacy skills ranging from very basic to

advance. More efficient programmers, database administrators, and network and systems support specialists will be necessary to increase technology efforts. A re-engineering of workflow processes, revising and streamlining, must also take place to identify and implement necessary automation for improved efficiency and greater productivity.

Employee training will need to be enhanced to an on-going continuing education program to provide sufficient training in new processes and to supplement prior training of those hired. This training modality should include both internal and external courses in classroom and/or seminar settings as well as instructional or on-line training. A basic need may also rise for increased usage of cross-training among employees and across divisions due to shrinking resources to hire additional manpower. Training should also include the addition of a tuition reimbursement program to assist current employees in obtaining the education needed to promote with the agency.

FUTURE WORKFORCE SKILL REQUIREMENTS

TABC enforcement agents will be required to have the ability to communicate well both verbally and in writing, as well as the ability to plan, analyze, organize, and lead. As the TABC workforce becomes more mobile, increased knowledge and use of computer technology as well as proficient computer user skills will become an integral part of the workplace.

Investigative skills will continue to be a necessary component in an agent's background. A background in investigations can be either required as a condition of employment or acquired after hiring. If the agency decides that it is not better served by requiring such skills and experience as a prerequisite of the job, then it should have a training program in place that ensures that agents acquire these needed skills.

Auditors, similar to enforcement agents, will require investigative skills, the ability to communicate, and the ability to plan, analyze, and organize. Increased knowledge and use of computer technology will be necessary as well.

Basic peace officer certification and a limited degree of law enforcement experience are no longer enough to satisfy the division's tactical needs. Agents will need a broader range of training, education, experience, and managerial skills.

To effectively and efficiently process all applications ensuring compliance with all provisions of the Texas Alcoholic Beverage Code, and Rules, and other local, state, and federal statutes will require employees with varied attributes. These may include, but are not limited to additional formal education, degrees in business, accounting, finance, or other related fields, the ability to analyze various and complex structures, and supervisory skills or management potential.

Cash handling experience, customer service, problem resolution, report writing, oral and written communications, and safety awareness will remain necessary as basic level skills.

Regulatory and business operations will require maintaining a knowledgeable and competent staff. As those services move toward a more strategic focus, staff will need skills such as project management, teamwork, negotiation and facilitation, strategic planning, business process re-engineering, statistical analysis, fiscal management, and performance assessments.

Technical environment workforce skills, with expanded technology, will also require change and security management, network and operating systems expertise, database administration and other training as essential for future positions. More specifically, PC and PC application skills and working knowledge of external systems such as USAS, USPS and ABEST will become required skills for employees in several divisions.

STAFFING NEEDS

To perform critical functions as outlined above, the TABC currently has a cap of 646.8 FTEs. Of those 646.8 FTEs, 251 are budgeted commissioned peace officer positions in the field operations division. The inability to hire or excess delays in hiring replacements for vacant peace officer position adversely affects performance achievement. Failure or inability to maintain adequate skill and proficiency levels among the agents also affects performance achievement, and of course, the range of skills and proficiencies necessary will expand as new tactical methods are employed.

The field operations division anticipates a need for increased field auditors to conduct investigations, audits, and analyses. With respect to staffing and the skill and proficiency levels of its agents, the division's primary concern is that future retirements will lead to an exit of manpower, knowledge, and experience. Compounding this concern is the fact that all law enforcement agencies are competing for a shrinking applicant pool, and state agencies with enforcement responsibilities are unable to attract top candidates due to a noncompetitive salary structure. This concern is magnified by the number of employees that are eligible for retirement over the next five years. A large number of retirements, in addition to regular turnover, could have an impact on the agency's operations for a period of time.

The licensing division is currently authorized 76 employees. Since the reorganization in 2009 which aligned the licensing functions by regions across the state, the Agency has continued to identify changes that support the efficiency of the unit. With the increase in license and permit types during each legislative session, the licensing division requires employees that have the ability to multitask, customer service skills and good time management skills to handle the workload. TABC does not expect an increase in full-time positions will be required to meet future demands. The licensing division continues to develop online applications for licenses and permit renewals.

Continuing to automate a complex licensing process that is constrained by statutory qualification requirements and the applicants' need for capital, protection of liability, and other business decisions, will be achieved in phases throughout the next few years. The division will utilize project management skills as well as technology.

License and permit cancellations and lawsuits challenging the three tier system will continue to affect this division's needs and will possibly increase the need for additional attorneys in the legal division due to an increased caseload resulting from increased enforcement efforts.

The ports of entry division (POE) will need additional personnel to staff expansion in the seaports. In 2014, TABC began collecting taxes at the Galveston seaport followed by the Houston seaport. At this time, TABC utilizes part-time contract personnel and supervisory staff to collect the funds.

TABC will continue to study the data relating to passenger volume, frequency of cruises, quantities of alcohol imported, and hours of operation. All variables will be evaluated to determine the appropriate number of positions needed to efficiently regulate personal importations at seaports. All of these locations will impact staffing in the ports of entry division.

Additional staff may ultimately be required in headquarters to balance the increased field staff. Supervisory or managerial positions may also become necessary depending on the overall increase of agency positions in relation to current management/staff ratios.

Additionally, other factors such as an increase in the workforce size, increased demands on existing programs, onset of new programs or tasks such as internet on-line processing, and reallocations of processes may also create the need for additional personnel, especially in service related divisions.

CRITICAL FUNCTIONS

Determining the agency's workforce requirements for the future needs to take into account a range of factors. The following critical functions have been identified:

- Conduct enforcement activities such as investigations, inspections, and public education programs to achieve goals and objectives.
- Process applications for all phases of the alcohol beverage industry involving the manufacturing, sale, purchase, transportation, storage, and distribution of alcoholic beverages and determine each applicant's qualifications to hold such license or permit.
- Maintain complete and accurate information of all licensees and permittees and provide this information in a timely manner to agency personnel, members of the alcoholic beverage industry, other law enforcement and state agencies, and to the general public.
- Ensure the state is adequately protected from the potential loss of revenue from taxes and non-compliance by maintaining current tax security and performance bonding.

- Process monthly tax and informational reports and credit law notices. Monitor and evaluate seller training schools and classes. In compliance with code and rules, collect taxes on alcoholic beverages and cigarettes.
- Conduct investigations, audits, inspections of licensed entities, and inspections of applicants holding alcoholic beverage permits or licenses. Maintain and account for confiscated properties.
- Strategically move toward re-engineering of the agency's database systems. Increase support of the agency's network and PC computing environments, and increase security awareness and oversight.
- Process all financial transactions in an efficient and timely manner and prepare necessary reports for management and as statutorily required. Budget agency appropriations and manage grant programs effectively.
- Attract and retain qualified diverse applicants for positions within the agency and develop and train agency employees for future positions within all divisions.
- Maintain voice and radio communications systems and portfolio of office, radio, and warehouse leases. Procure goods and services effectively and efficiently, and manage vehicle fleet and capital equipment.
- Explore and implement cost effective changes utilizing the advancements in technology.

SECTION IV

GAP ANALYSIS

ANTICIPATED SURPLUS/SHORTAGE OF EMPLOYEES

A shortage of qualified law enforcement recruits is dependent upon three factors: (1) growth of staffing relative to the growth of general population, (2) growth of staffing relative to the growth of the potential pool of applicants, and (3) the competitiveness of the state salary structure.

Based on past history, any growth in staffing is likely to be relatively small and certainly not proportionate to the growth of the general population. As for the pool of potential applicants, it will shrink relative to the general population, but still grow in absolute terms.

Although TABC law enforcement salaries are competitive with other state law enforcement agencies, state law enforcement salaries are significantly lower than municipal and county law enforcement agencies. The increased level of skills and

experience that is needed for agent positions coupled with the lower salary range than municipal and county law enforcement agencies will continue to add difficulty in attracting and recruiting law enforcement candidates.

Past experiences have demonstrated how difficult it has been to attract, develop and retain qualified applicants for all support positions within several divisions. To address this difficulty, the agency implemented career ladders for administrative staff and positions that support the issuance of licensing and permits as well as auditors that maintain compliance. TABC will continue to seek funding to make adjustments to those career ladders as needed. Many of the processes and/or job tasks are moving away from clerical untrained and unskilled positions to positions requiring more formal education and technical training.

Advancement opportunities are limited within the agency in several division-specific positions as well as agency-wide positions, which discourages many of the more qualified and educated employees from making long-term plans and commitments. When possible, TABC advertises promotional opportunities internally first. In some instances, the agency has experienced losing full-time positions in favor of salary increases to retain existing staff due to the difficulty in attracting and retaining qualified employees.

The information resources division's effort in hiring personnel with technology experience is hindered by the agency's budgeted salary which lags significantly behind private sector jobs in technology.

Trends demonstrate increasing annual turnover rates for technical positions, as younger technical employees (by age and length of service) are not staying with the agency. The rate at which younger, less tenured employees are leaving is affecting the agency's ability to position key staff members for promotion, career development and succession planning. In response, a career ladder for technical positions was implemented. The career ladder awards scheduled promotions based upon tenure and performance in hopes of attracting a more favorable applicant pool. The career ladder also assists the agency in retaining the employees after they are hired.

ANTICIPATED SURPLUS/SHORTAGE OF SKILLS

The compromises made at the time of hiring will force the TABC to invest more resources in agent training and development. The agency's training division will need to develop training specific to the career ladders to allow the employees to continue to perform the processes required of their positions.

Because the unusually high number of retirements will create immediate and acute shortages in the knowledge and skills needed for operations, a greater proportion of this investment will have to be made at the front-end of careers than ever before.

Expected shortages include a lack of technical skills required to utilize the equipment and systems needed by an agent. Because of the salary limitation, newly hired agents are not expected to be sufficiently familiar with investigative techniques and procedures

or with techniques and procedures for undercover operations. Lack of knowledge concerning the Alcoholic Beverage Code has always been common among recruits; therefore, training and development will be even more critical due to the presence of fewer tenured employees to provide on-the-job instruction in practical applications.

Compliance staff within the field operations division is primarily college educated with accounting/business degrees. A significant percentage of those employees will also become eligible for retirement in the next five years. Auditor positions require extensive knowledge of the Alcoholic Beverage Code. Since tenured employees may not be available to mentor and coach new employees, it will be necessary to recruit applicants with the ability to interpret and apply statutes and law, the ability to multitask and work independently.

Increasingly there is a shortage of skilled workers with the diversification of job skills now required for the majority of positions within the agency. This makes replacement of most positions with qualified applicants a challenge considering current compensation levels as compared to the private sector and other state agencies.

Although the TABC has made some progress in attracting skilled information technology programmers, the development process for new systems is still slower than the demand for increased automation demands. In order to keep up with demand and to minimize agency costs, the agency will continue to outsource technology projects when feasible. Additionally, the next generation database, programming and operating systems skills are lacking, and internal candidates for information technology positions are experiencing difficulty competing for higher positions because of limited technical experience.

The ports of entry division does not anticipate a shortage of skills within the next five years, as this segment of the workforce is diverse enough to develop and train future supervisory and management personnel from within the ranks. Working knowledge acquired through length of service coupled with on-site training will enable selecting from current employees.

Throughout the agency, managers are currently sufficiently skilled in all necessary areas at this time and are likely to remain secure for the next five years. At the next level, there may be some gaps in skills related to decision-making, business process analysis, statistical analysis and computer skills. However, this will not present a significant problem because of current management development training and internal development opportunities available to employees that aspire to become managers. The gap that could be difficult to close is the educational background of current staff. Some long-tenured staff do not have formal degrees that are now required for most upper level positions and the agency does not currently offer assistance in acquiring formal degrees. Manager positions are relatively competitive as far as salary is concerned, so the agency could attract employees from outside that would have the necessary skills.

NEW SKILLS NEEDED

The need for new skills will arise whenever operational methods change or when new strategies or sub-strategies are added. Changes in high-level strategies, the fine-tuning of existing methods and the adoption of new ones are an on-going process. Such changes are, however, generally incremental and are built on existing skills. Training will be provided in advance of full implementation when the need for a new skill results from changes or additions to existing operational method.

To accomplish the mission and goals of the agency, future employees must possess the ability to make sound decisions, communication skills both verbal and written, computer skills, business, finance, accounting background or training, analytical skills, customer service, management and supervisory experience, and the ability to work within a stressful atmosphere.

In several areas and for key positions, investigative skills, problem resolution, project management, various certifications, business process analysis, and statistical analysis may also be required.

SECTION V

STRATEGY DEVELOPMENT

In an attempt to address identified deficits between the current workforce and future demands, several strategies will be implemented for the current workforce. These are based on a range of factors identified through analyzing the agency and its workforce.

ORGANIZATIONAL STRUCTURE

Continue to realign personnel and restructure processes utilizing more technology and moving away from labor-intensive manual processes to electronic processes and computer-based applications.

Increase requirement levels of formal education for key positions to facilitate career development among positions. In some cases, education, training and certifications may become of more value than experience and will be assigned a higher weight during selection processes.

RETENTION PROGRAMS

Encourage greater utilization of staggered work hours and work incentive (flexible) schedules by employees. Encourage increased usage of telecommuting and implement job sharing program.

Continue to adjust and implement career ladders to support retention of critical employees.

Utilize performance enhancement programs such as use of administrative leave and employee recognition. Increase educational incentives and allow for greater flexibility to meet educational demands.

Increase the availability of training both inside and outside of the agency. Increase the use of online training. Develop a method of notifying employees of available training, registering for training and accessing training records. The agency should continue to seek opportunities to offer in-house training at different locations throughout the state to accommodate more employees.

Continue to promote the TABC tuition reimbursement program and increase funding when needed to allow current employees to complete formal degree programs.

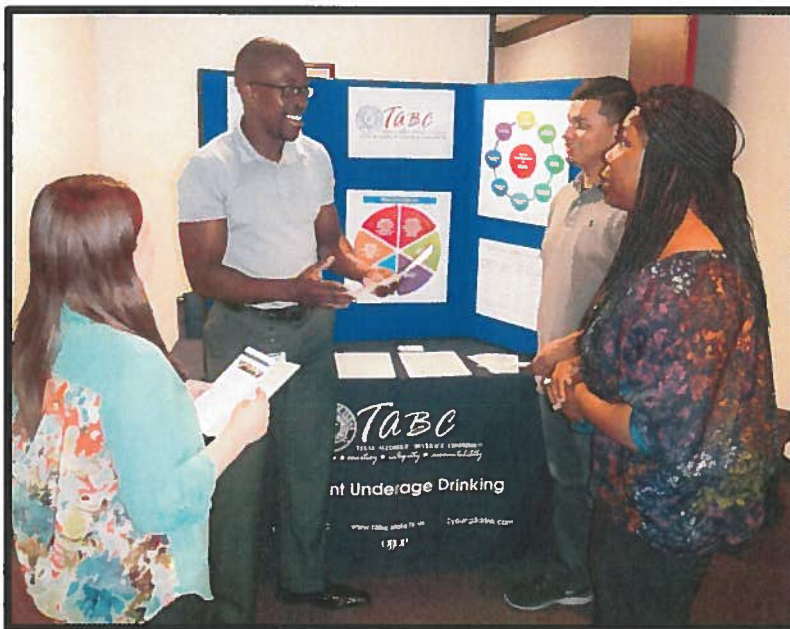
Create an employee development program that allows employees to gain training in skills needed for current positions and higher-level positions. Continue to identify core-training needs for each employee and locate or develop training resources to meet those needs. Training will have both a developmental and job specific focus.

RECRUITMENT PLANS

Establish a continuous hiring process for agent trainee positions that identifies those applicants that possess or have the aptitude to perform investigative assignments. The agency will hire enough personnel to fill a minimum of two agent trainee academies a year and increase recruitment in specific areas and locations.

Establish a relationship with college and university career centers to recruit graduates and alumni through the use of a recruiter hired in 2014. TABC will also increase participation in high school, college and university vocational training and internship programs.

Seek additional cost efficient recruitment resources that are targeted at all areas of the population for key positions within the agency.



Utilize social media to identify and contact passive job seekers and/or those with specific skills targeted by TABC.

Establish membership with associations related to the operations of TABC to facilitate cost effective advertising.

Recruiter Keon Flowers joined the TABC Human Resources Division in 2014.

CAREER DEVELOPMENT PROGRAMS

Encourage participation in Governor's Management Development Program as well as the Governor's Executive Development Program and the Bill Blackwood Law Enforcement Training Program and/or similar training programs.

Encourage participation in state sponsored fundamental courses such as Fiscal Officer, Human Resources, and Information Technology academies.

Coordinate and participate with other state agencies in their training by exchanging areas of experience and expertise.

SUCCESSION PLANNING

Continue agency-wide career ladder for key positions and competitive promotional process for ranking law enforcement positions.

Select personnel for advancement either by employee's indicating their desire for advancement or based on supervisor's opinion of employee's ability.

Increase employee job functions and task responsibilities through cross training, job shadowing or special projects.

LEADERSHIP DEVELOPMENT

Encourage participation in Governor's Management Development Program and Bill Blackwood Law Enforcement Training Program and/or similar program.

Require completion of basic supervisory courses that include a fundamental core of workplace issues relating to management and supervision for all employees in lead or supervisory position as well as those employees being developed to those levels.

Utilize team and project leaders in special projects, new initiatives or applicable agency processes.

ORGANIZATIONAL TRAINING AND EMPLOYEE DEVELOPMENT

Continue to provide mandatory training for key positions requiring continuing education.

Continue to provide basic training for respective job functions and tasks such as licensing procedures, business entity training, customer service, Alcoholic Beverage Code and agency rules, and other timely work issues.

Increase accessibility to computer based training, both interactive and on-line instruction.

Develop training profiles for employees to assist in identifying potential career advancement and address performance issues.

Increase and develop new training, addressing unique needs of core groups for respective job functions and tasks.