

# **SCHEDULE F: AGENCY WORKFORCE PLAN**

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## **Texas Higher Education Coordinating Board Agency Workforce Plan**

### **1. Agency Overview**

The Texas Higher Education Coordinating Board (THECB) was created by the Texas Legislature in 1965 to “represent the highest authority in the state in matters of public higher education and is charged with the duties to take an active part in promoting quality education throughout the state by:

- providing a statewide perspective to ensure the efficient and effective use of higher education resources and to eliminate unnecessary duplication;
- developing and evaluating progress toward a long-range master plan for higher education and providing analysis and recommendations to link state spending for higher education with the goals of the long-range master plan;
- collecting and making accessible data on higher education in the state and aggregating and analyzing that data to support policy recommendations;
- making recommendations to improve the efficiency and effectiveness of transitions, including between high school and postsecondary education, between institutions of higher education for transfer purposes, and between postsecondary education and the workforce; and
- administering programs and trusteed funds for financial aid and other grants as necessary to achieve the state's long-range goals and as directed by the legislature.” (Texas Education Code, Section 61.051).

Effective September 1, 2016, the agency is statutorily authorized 265.4 full-time equivalent (FTE) positions, a decrease of 15 FTEs from FY 2013. FTEs are managed carefully to ensure the ability to staff for federal and grant funded initiatives and other positions that support the vision, mission, goals and performance measures of the agency.

#### **A. Agency’s Mission Statement**

The THECB provides leadership and coordination for the Texas higher education system and promotes access, affordability, quality, success and cost efficiency through *60x30TX*, resulting in a globally competitive workforce that positions Texas as an international leader.

#### **B. Agency’s Workforce Strategic Goals and Objectives**

The THECB’s focus for immediate workforce planning initiatives for the next two

to five years is based on the large percentage of employees who are eligible to retire. Additionally, the agency plans to study and develop a viable classification and compensation plan to address workforce needs. The THECB will continue working to enhance diversity in the applicant pool. A response to the economic outlook requires consideration of possible effects of budget deficits and how the future legislative sessions may affect the agency workforce.

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| <b>Goal 1:<br/>Retention &amp;<br/>Recruitment</b> | Recruit and retain a highly educated, skilled, and diverse workforce.   |
| <b>Objective:</b>                                  | Provide enhanced pool of applicants, internal and external, for management’s consideration and be able to retain the critical education and skill levels needed to perform the tasks of the agency’s mission.   |
| <b>Strategies:</b>                                 | <ul style="list-style-type: none"> <li>• Proactively seek new recruitment sources.</li> <li>• Communicate with management regarding posting timeframe when necessary to expand applicant pool.</li> <li>• Develop EEO Workforce Action Plan to provide details on recruitment, hiring and retention of workforce to reflect the statewide civilian workforce.</li> <li>• Conduct market study and propose an agency Compensation Pay Plan.</li> </ul> |

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|---|--|
| <b>Goal 2:<br/>Succession<br/>Planning of<br/>Critical<br/>Position</b> | Prepare for retirement of key positions.   |
| <b>Objective:</b>   | Work to maintain agency business with no interruption.   |
| <b>Strategies:</b>  | <ul style="list-style-type: none"> <li>• Continue cross training of identified key positions.</li> <li>• Continually review agency workforce needs (i.e., skills, education, experience, etc.).</li> </ul> |

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| <b>Goal 3:<br/>Economic<br/>Conditions</b> | Prepare for the legislative session and the possibility of budget reductions.  |
| <b>Objective:</b>                          | Provide quality, thoughtful information for consideration of alternative.  |
| <b>Strategies:</b>                         | <ul style="list-style-type: none"> <li>• Monitor legislative issues and provide alert on issues of concern.</li> <li>• Discuss concerns that may affect the agency workforce and identify possible actions.</li> </ul> |

**C. Agency’s Core Values**

THECB’s core values are:

1. **Accountability** - We hold ourselves responsible for our actions and welcome every opportunity to educate stakeholders about our policies, decisions, and aspirations.
2. **Efficiency** - We accomplish our work using resources in the most effective manner.
3. **Collaboration** - We develop partnership that result in student success and a highly qualified, globally competent workforce.
4. **Excellence** - We strive for preeminence in all our endeavors.

**D. Anticipated Changes to the Mission, Strategies, and Goals**

The agency is making a minor change to its mission statement by eliminating references to the 2000-2015 higher education strategic plan, *Closing the Gaps by 2015*, and inserting *60x30TX*, the new 15-year higher education plan. The mission statement on page F-2 is the newly revised version.

In its agency strategic plan, the THECB has identified the following five goals with action items to achieve over the next five years, which are aligned with the statewide objectives issued by the Governor’s Office and Legislative Budget Board.

| <b>THECB Agency Goals and Action Items for FY2017-2021</b>  |
|---|
| <p><b>GOAL 1: Provide effective stewardship of taxpayer dollars.</b></p> <ul style="list-style-type: none"> <li>✓ Continuously evaluate the effectiveness and efficiencies of agency operations, services, and the administration of programs; and make recommendations to the Texas Legislature to repeal statutory programs and services that are not in alignment with the agency’s mission.</li> <li>✓ Formalize the agency’s risk management training so that all employees receive training every two years and new employees receive training within 30 days of hire.</li> <li>✓ Request and justify increased state funding to support agency operations and information security upgrades at the agency.</li> <li>✓ If no funding is appropriated to implement information security upgrades at the agency, work with the Legislature to exempt the THECB from Rider 14.03, Article IX, General Appropriations Act so that the agency may use unexpended administrative funds for this purpose.</li> </ul> |

**GOAL 2: Provide effective and efficient coordination of and planning for higher education in Texas.**

- ✓ Seek legislative changes to provide the THECB with the necessary authority to review and approve proposals by institutions that want to expand their geographical footprint to new locations outside of their existing campuses.
- ✓ Seek enhanced statutory authority to ensure that institutions advise the THECB of their planning for new programs in a timely manner and before committing substantial state resources to programs.

**GOAL 3. Fully implement the state's higher education plan, 60x30TX.**

- ✓ Inform stakeholders (i.e. institutional leaders, administrators, faculty, students, and business leaders) about 60x30TX and get them invested and engaged in meeting the goals through a series of regional workshops.
- ✓ Align statewide policy with the goals of 60x30TX.
- ✓ Highlight at least one goal of the 60x30TX plan at every quarterly board meeting and measure progress towards the goals every five years.
- ✓ Expand workforce solutions and expertise in workforce data.
- ✓ Implement statewide strategies that are listed in the 60x30TX plan.

**GOAL 4: Maintain a skilled and knowledgeable agency staff to provide excellent service. Proactively seek new recruitment sources.**

- ✓ Provide more cost-efficient, in-house professional development opportunities.
- ✓ Develop an EEO Workforce Action Plan to provide details on recruitment, hiring and retention of the agency's workforce to reflect the statewide civilian workforce.
- ✓ Conduct a market study to establish appropriate benchmarks for competitive salary levels compared to similar positions at other state agencies and in some cases, public institutions of higher education.
- ✓ Increase cross-training and succession planning of identified key positions.
- ✓ Continually review agency workforce needs (e.g., skills, education, experience, etc.).
- ✓ Improve internal communications.
- ✓ Encourage and consider employees' ideas and suggestions for improving agency operations, communications, and customer service.

**GOAL 5: Communicate data, policy and effective practices to all stakeholders in a clear and precise manner.**

- ✓ Redesign the agency's website and improve the transparency and accessibility of data and information available online.
- ✓ Work with the Texas Education Agency and the Texas Workforce Commission to develop a one-stop web portal containing education and workforce data and resources for students, parents, educators, and policymakers. Eliminate or consolidate all other existing related websites.

- ✓ Focus on the messaging around key data by creating, disseminating, and posting short briefs and explanations about key topics.
- ✓ Expand understanding and use of predictive and other data analytics to assist institutions with meeting 60x30TX goals.
- ✓ Ensure the accountability system redesign is completed on time, is easy to use, and presents key information aligned with 60x30TX and general accountability principles.
- ✓ Continue working with the College for All Texans Foundation to identify private funding to support the annual publication of the Texas Higher Education Almanac.
- ✓ Continue building and strengthening a culture of collaboration and communication with stakeholders via regular briefings, negotiated rulemaking, advisory committees, and regular email communications via GovDelivery and the use of social media.

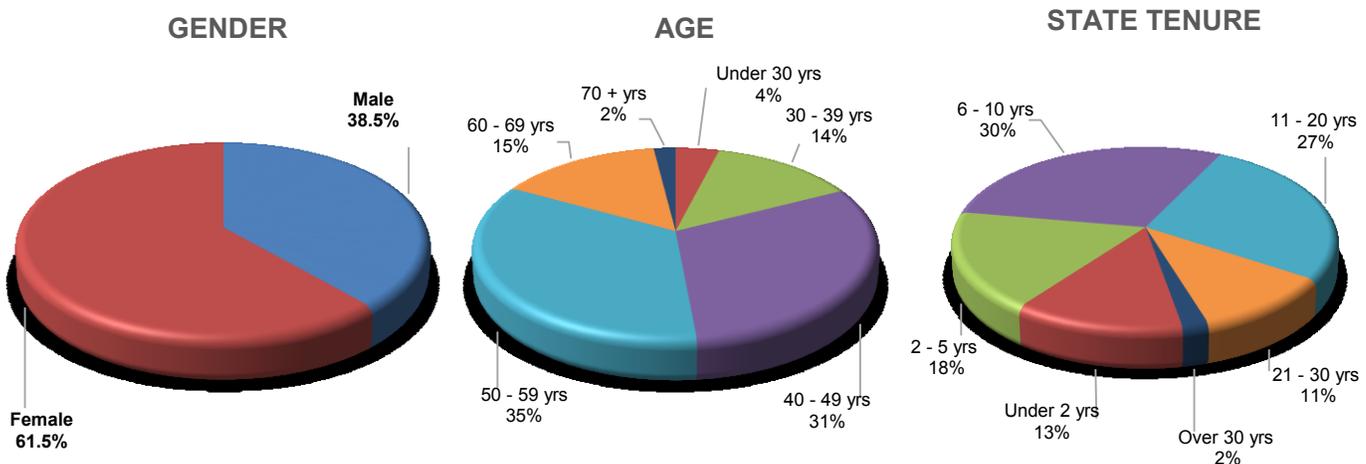
**2. Current Workforce Profile (Supply Analysis)**

The THECB employees are comprised of a diverse well qualified individuals.

**A. Workforce Demographics**

The following charts profile the agency’s workforce as of August 31, 2015. The THECB staff include part-time and full-time employees comprised of 38.5% male and 61.5% females. Approximately 83% is over the age of 40 and approximately 13% has less than two years of state services.

Workforce Breakdown August 31, 2015



The following table provides a comparison of the ethnicity of THECB employees, as of August 31, 2015, and the ethnicity of the statewide workforce as reported by the Texas Workforce Commission, Civil Rights Division.

| <b>Workforce Utilization Analysis</b> |         |         |          |         |                  |         |
|---------------------------------------|---------|---------|----------|---------|------------------|---------|
|                                       | Female  |         | Hispanic |         | African American |         |
|                                       | THECB % | State % | THECB %  | State % | THECB %          | State % |
| Officials/Administration              | 13%     | 53%     | 25%      | 16%     | 0%               | 11%     |
| Professional                          | 60%     | 56%     | 16%      | 16%     | 10%              | 11%     |
| Para-Professional                     | 74%     | 71%     | 33%      | 29%     | 18%              | 34%     |
| Technical                             | 36%     | 60%     | 8%       | 26%     | 0%               | 18%     |
| Administration Support                | 72%     | 87%     | 40%      | 30%     | 23%              | 20%     |

The THECB will continue to enhance recruitment efforts to produce a diverse pool of qualified applicants that reflect the demographics of the statewide workforce.

#### **B. Retirement Eligibility**

THECB retirement does not account for the majority of separations; however, as the chart below illustrates, the agency experienced a 26% increase in retirements from fiscal year 2014 to fiscal year 2015.

| <b>THECB FY Retirement</b> |         |         |         |         |
|----------------------------|---------|---------|---------|---------|
|                            | FY 2014 |         | FY 2015 |         |
|                            | Number  | Percent | Number  | Percent |
| Retirement                 | 4       | 11%     | 10      | 37%     |

Given that 83% of the THECB's workforce is over the age of 40, 10 employees retired during Fiscal Year 2015, and 44 additional employees will be eligible to retire in the next five years, a proactive plan is required to improve succession planning for identified key positions, to train internal replacements, and to enhance external recruitment. The THECB will be challenged to replace these retirees with the high skills and education levels necessary to perform the research and analysis functions required to achieve the Texas higher education strategic plan, *60x30TX*. The THECB continues to aim at retaining employees with critical knowledge, providing educational opportunities, and utilizing senior management as mentors for identified less tenure staff.

Predicting future turnover based on retirement eligibility can be difficult. An employee's eligibility to retire is not an accurate indicator of his/her election to

retire. Factors that play a major role in the decision to retire include, but are not limited to, income requirements, eligibility for insurance, and social security benefits. Regardless of these factors, the THECB must be prepared to effectively address the future loss of knowledgeable and capable staff.

### C. Employee Turnover

Turnover is an important issue in any organization and the THECB is no exception. The turnover rate for Fiscal Year 2015 was 11.59%. The state's average turnover rate for Fiscal Year 2015 was 18%. The following charts compare the THECB's turnover rates to that of the state from FY11 to FY15. Over this timeframe, the THECB's turnover has generally been lower than the state's turnover rate.

| <b>Turnover Rate for Fiscal years 2011 - 2015</b> |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|
|   | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
| Statewide   | 16.80%  | 17.30%  | 17.60%  | 17.50%  | 18.00%  |
| THECB   | 16.70%  | 11.80%  | 12.70%  | 16.23%  | 11.59%  |

Source: An Annual Report on Classified Employee Turnover

| <b>THECB Turnover By Age</b> |         |         |         |         |
|------------------------------|---------|---------|---------|---------|
|                              | FY 2014 |         | FY 2015 |         |
|                              | Number  | Percent | Number  | Percent |
| Under 30                     | 1       | 3%      | 1       | 4%      |
| 30 - 39                      | 14      | 38%     | 5       | 19%     |
| 40 - 49                      | 11      | 30%     | 7       | 26%     |
| 50 - 59                      | 5       | 14%     | 9       | 33%     |
| 60+                          | 6       | 16%     | 5       | 19%     |

| <b>THECB Turnover By Tenure</b> |         |         |         |         |
|---------------------------------|---------|---------|---------|---------|
|                                 | FY 2014 |         | FY 2015 |         |
|                                 | Number  | Percent | Number  | Percent |
| Under 2 years                   | 10      | 27%     | 8       | 30%     |
| Between 2-5 years               | 14      | 38%     | 3       | 11%     |
| Between 6-10 years              | 10      | 27%     | 7       | 26%     |
| Between 11-20 years             | 2       | 5%      | 5       | 19%     |
| Between 21-30 years             | 1       | 3%      | 3       | 11%     |
| Over 30 years                   | 0       | 0%      | 0       | 0%      |

| THECB Turnover By Gender & Ethnicity |         |         |         |         |
|--------------------------------------|---------|---------|---------|---------|
|                                      | FY 2014 |         | FY 2015 |         |
|                                      | Number  | Percent | Number  | Percent |
| Male                                 | 10      | 27%     | 8       | 30%     |
| Female                               | 27      | 73%     | 19      | 70%     |
| African Americans                    | 6       | 16%     | 4       | 15%     |
| Hispanic                             | 11      | 30%     | 5       | 19%     |

#### D. Turnover Rate Projection over next 5 years

Utilizing the employee turnover rate chart above, the turnover rate projection by EEO Classification is outlined below for the next 5 years.

| Projected Retirement Eligibility |                                  |                              |       |       |       |       |       |
|----------------------------------|----------------------------------|------------------------------|-------|-------|-------|-------|-------|
| EEO Classification               | Current Workforce as of 8/31/015 | % of Workforce as of 8/31/15 | FY 16 | FY 17 | FY 18 | FY 19 | FY 20 |
| Officials/Administrators         | 9                                | 4%                           | 11%   | 0%    | 11%   | 0%    | 11%   |
| Professionals                    | 101                              | 43%                          | 2%    | 3%    | 2%    | 4%    | 1%    |
| Technical                        | 25                               | 11%                          | 0%    | 12%   | 4%    | 4%    | 4%    |
| Para-Professional                | 37                               | 16%                          | 8%    | 11%   | 3%    | 3%    | 3%    |
| Administrative Support           | 61                               | 26%                          | 3%    | 3%    | 7%    | 5%    | 3%    |
| Skilled Craft                    | 0                                | 0%                           | 0%    | 0%    | 0%    | 0%    | 0%    |
| Total                            | 233                              | 100%                         | 24%   | 29%   | 26%   | 16%   | 22%   |

#### E. Critical Workforce Skills

THECB's employees are comprised of diverse well qualified individuals, some with highly specialized skills unique to the agency. There are a number of skills that are critical to the agency's ability to operate effectively, efficiently, and consistently meet the agency's performance measures as well as legislative mandates. These current critical workforce knowledge and skills are in the following areas:

- Knowledge of higher education programs;
- Formula funding and curriculum review;
- Legal expertise;

- Student loan bonds;
- Governmental accounting;
- Project management;
- Research and data analysis;
- Leadership/management; and
- Information technology.

Positions critical to the THECB include mid- and upper-management positions such as Commissioner of Higher Education, Deputy Commissioners, General Counsel, Assistant Commissioners, Deputy Assistant Commissioners, Directors, Senior Program Directors, and Managers, as well as positions with highly specialized fields. These positions require extensive experience, specialized designations, and detailed knowledge of the agency's statutory regulations, functions, and rules.

### **3. Future Workforce Profile (Demand Analysis)**

The THECB's critical functions must be maintained when turnover occurs. Since the agency has a unique workforce to accomplish a wide variety of tasks, every position is critical to maintain efficient and effective operations. Filling vacated positions must occur quickly and effectively.

The THECB continues to emphasize the need for workplace diversity and to strive for a workforce that is reflective of the ethnic and racial composition of the state's population. The recruitment sources for all job postings have recently been expanded to reach as many minority job seekers as possible and will continue to see opportunities to enhance the sources of employment recruitment.

#### **A. Workforce Challenges**

There may be a need to develop non-traditional workplace and employment relationships, such as short-term assignments. Recruitment and retention strategies must be developed and monitored to keep up with the agency's workforce dynamic. According to data from the State Auditor's Office, better pay and benefits continue to be cited among the top reasons employees left employment from their respective state agencies.

Within the next two years, the agency plans to analyze and restructure an updated Classification and Pay Plan that will consider market data. This study will better equip the agency with the information to improve and align positions with the agency-established philosophy for managing the Plan with the ability to be competitive.

**B. Future Workforce Skills Needed**

After review and assessment of information compiled on the THECBs' workforce, the agency has determined that no gap exists between the agency's workforce supply and future demand. Additional skilled labor exists in the workforce for the existing positions, and although any loss of staff will impact agency operations, replacement with appropriated personnel at the current budgeted salary levels will allow the agency to replace any vacancy.

**C. Anticipated Increase/Decrease in Number of FTEs**

While the THECB does not anticipate any increase or decrease in the number of FTE's, the agency will continue to review the work demands along with the increasing population and attendance of Texas institutions of higher education to ensure that the agency has appropriate staffing levels and skills necessary to fulfill its mission.

**4. Strategy Development**

Training and development of current staff is critical to the success of the THECB. The primary objective to staff development and training is to ensure that THECB employees have the knowledge and skills to effectively and efficiently perform their duties. Additionally, the continued development and training of staff will allow for a long-term succession plan solution.

The possibility of significant number of retirements over the next five years and the expectations that many of these retirements will represent the loss of very highly skilled employees, with specific experience and specialized backgrounds, may require a proactive plan of action to train internal replacements as well as enhance external recruitment. THECB will be challenged to replace these retirees with the high skills and education levels necessary to perform the research and analysis functions required.