

**AGENCY STRATEGIC PLAN**

**FISCAL YEARS 2019 TO 2023**

**BY**

**TEXAS EDUCATION AGENCY**

**JUNE 8, 2018**

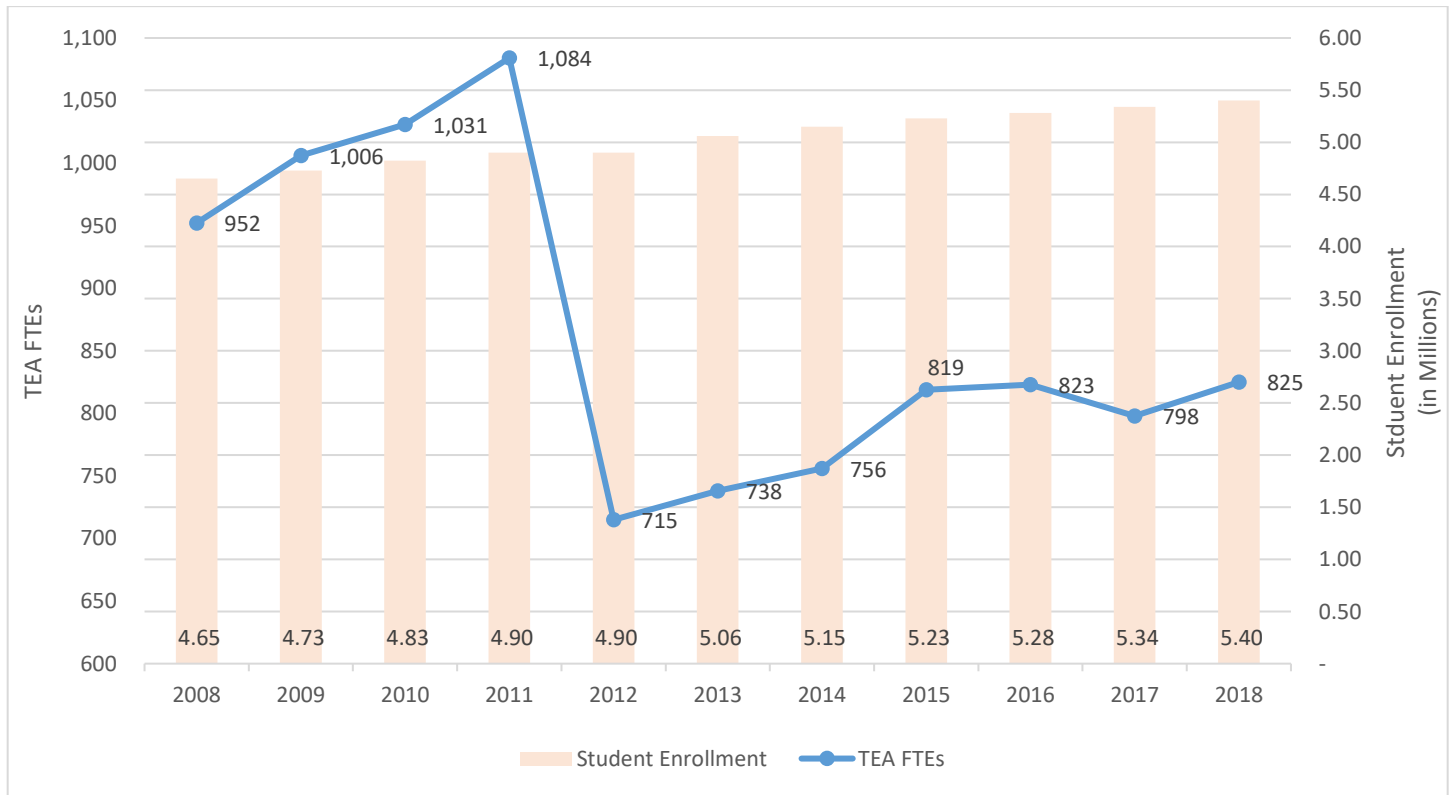


## Supplemental Schedule F: Agency Workforce Plan and the Texas Workforce System Strategic Plan

Public education is the largest function of the state and of most local governments. The Texas Education Agency is responsible for serving over 5.3 million students enrolled in 8,771 campuses that are administered by 1,203 school districts and open-enrollment charters schools.<sup>1</sup> The number of Texas public school students has increased nearly 17 percent over the last decade and outpaced the student body growth of nearly every other state.<sup>2</sup> TEA is responsible for distributing approximately \$55.4 billion<sup>3</sup> in funds each biennium through numerous state and federal programs.

When compared to other large state agencies with significant responsibilities and complicated programs, TEA has relatively few full-time equivalent positions (FTEs). In 2008, TEA had approximately 952 FTEs. In 2011, TEA had approximately 1,084 FTEs compared to only 825 FTEs in May 2018, a decrease of 259 or 24 percent (see Figure 1). The agency has been operating with fewer FTEs since 2011, largely because during the 82nd Texas Legislature, TEA was required to undertake a reduction in force and reduce its FTEs from 1,084 to 715, a 34 percent decrease.

**Figure 1: TEA Full-Time Equivalent Positions 2008 – 2018**

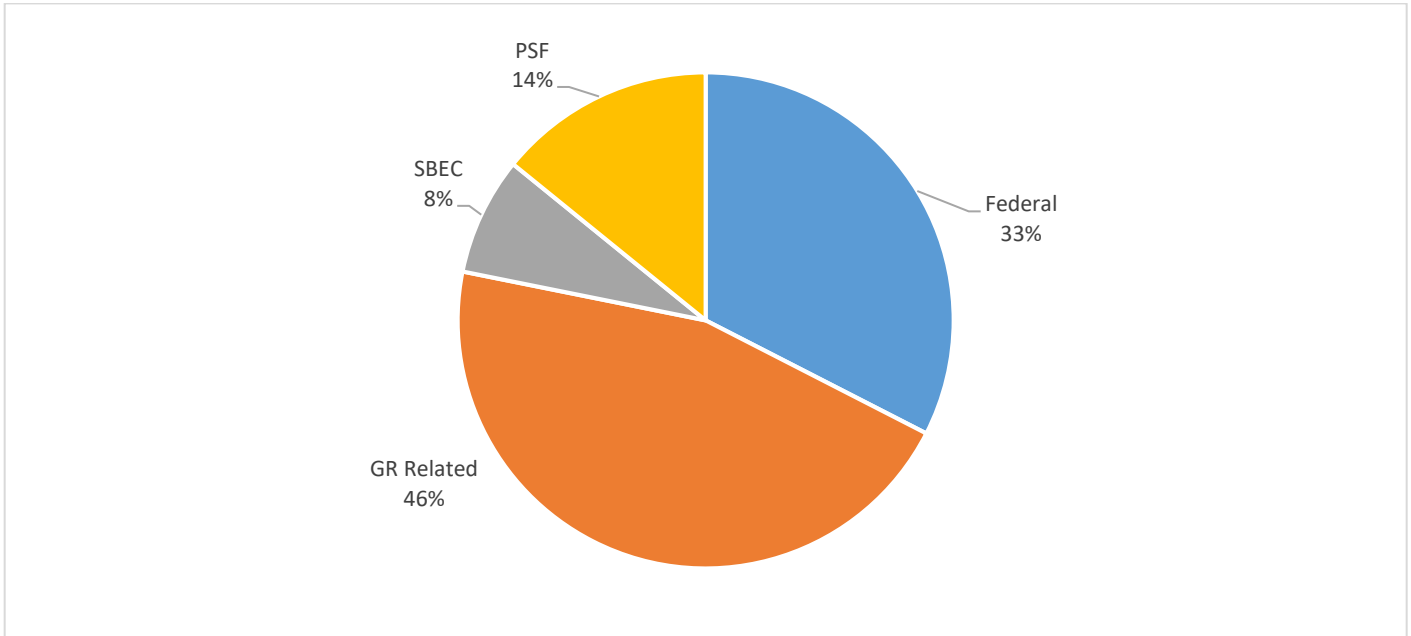


<sup>1</sup> Pocket Education, 2016–2017 Texas Public School Statistics, Texas Education Agency.

<sup>2</sup> Enrollment in Texas Public Schools, 2016–2017, Texas Education Agency.

<sup>3</sup> Legislative Budget Board, Fiscal Size-Up 2018-2019, Article III, pg. 1.

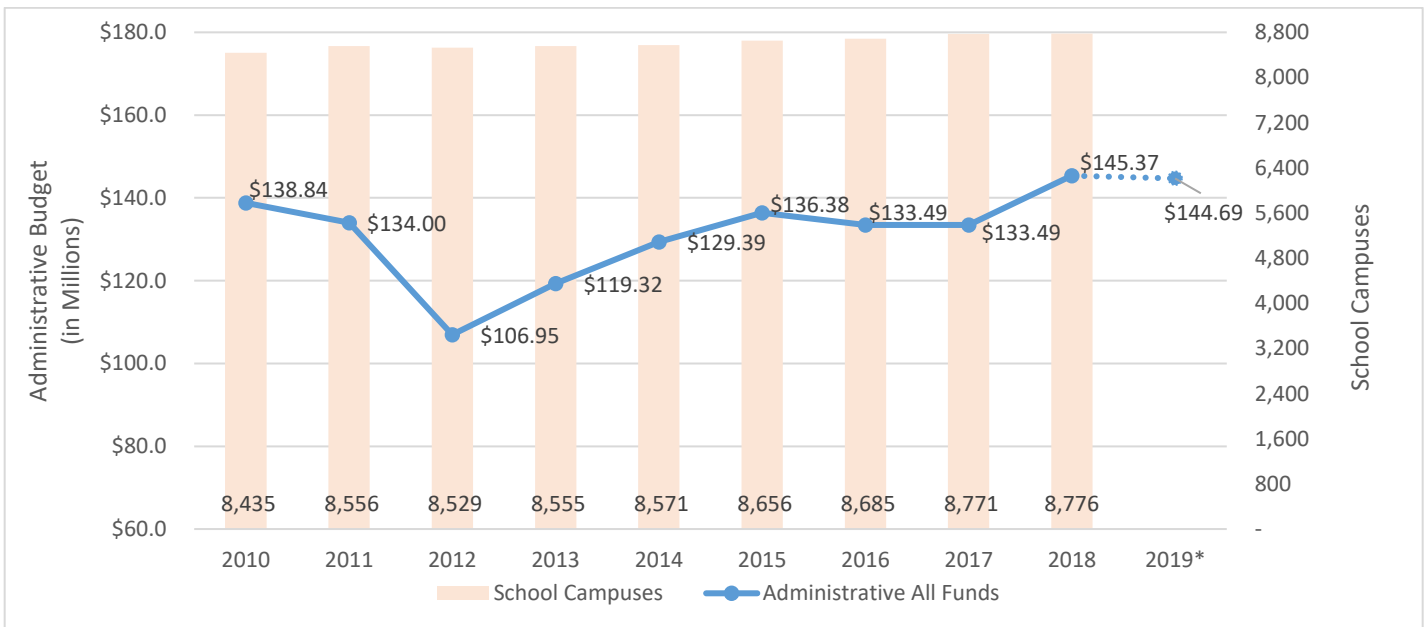
**Figure 2: 2018 TEA Full Time Equivalent Positions by Method of Finance**



Source: Texas State Auditor’s Office Quarterly FTE Report (4<sup>th</sup> Quarter).

Since the cuts to our administrative funding in 2012, TEA’s administrative budget has stabilized in alignment with our increased scope of work, including the increased technical support we are providing to our lowest performing schools and districts (see Figure 3). In 2010, TEA’s all funds administrative budget was \$138.8 million. That amount has been increased to \$144.7 million for 2019.

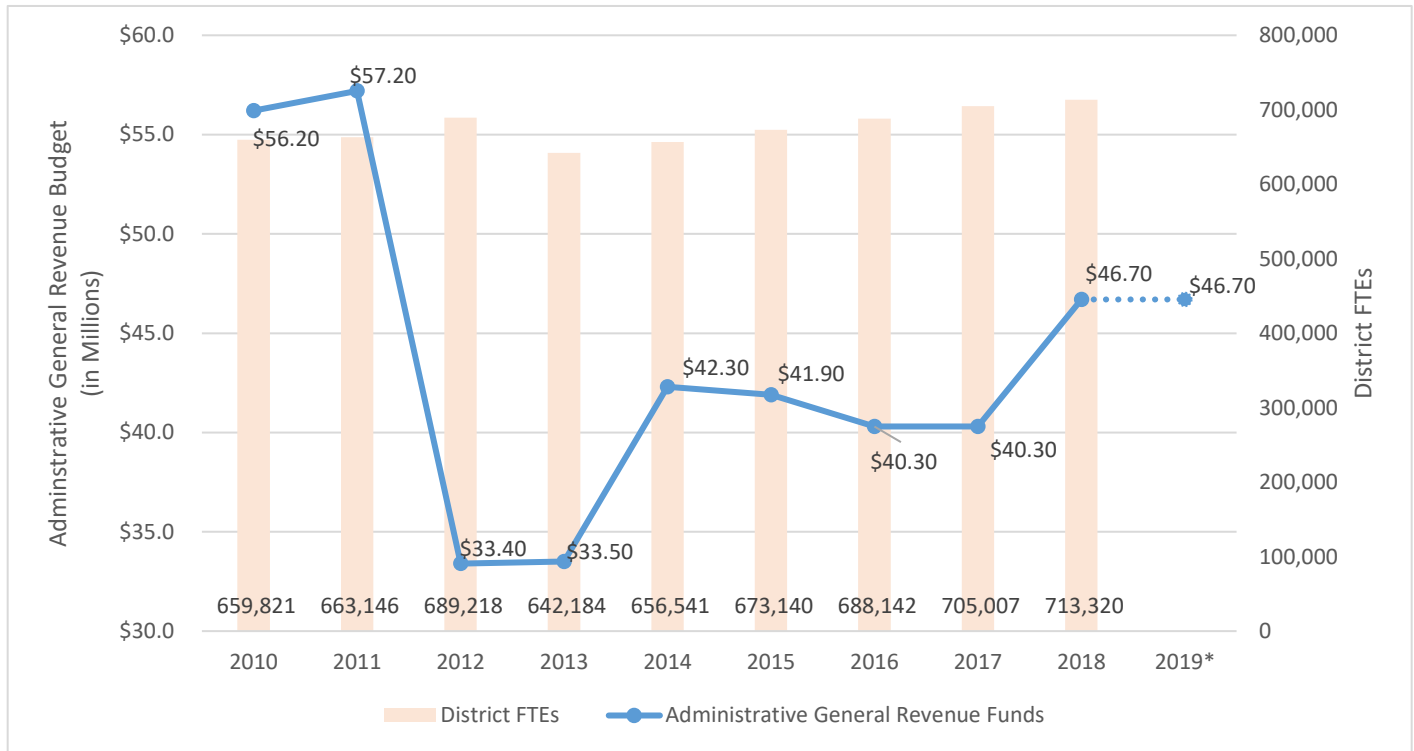
**Figure 3: TEA All Funds Administrative Budget 2010–2019**



\*School campus data is not available for the 2018-19 school year.

Despite our increased scope of work, TEA's general revenue-funded administration revenue has consistently remained at least \$11 million below 2011 funding levels. The agency will continue to capitalize on opportunities to increase efficiency to ensure we are meeting administrative needs at these reduced funding levels (see Figure 4).

**Figure 4: TEA General Revenue Funds Administrative Budget 2010 - 2019**



\*District FTE data is not available for the 2018-19 school year.

TEA will continue to be highly effective and efficient with all FTEs and available funds. TEA has prepared a Redundancies and Impediments Schedule and included it in TEA's Strategic Plan. TEA will work with the legislature to reduce unnecessary and inefficient agency tasks required by prior legislation. TEA will work to ensure the agency has clear guidance and directives in order to better focus the agency's limited resources on its core strategic goals.

### Current Workforce Profile (Supply Analysis)

#### Critical Workforce Skills

Please review TEA's [Strategic Plan Goals and Action Plans](#) for an understanding of TEA's future staffing needs. The following areas are critical functions of TEA staff:

- Implementation of the Special Education Strategic Plan
- Educator leadership, support, retention, and quality
- School turnaround and improvement
- Programs to support college, career and military preparedness

- Administration of statewide assessment, accreditation, and financial and academic accountability systems
- Implementation of statewide policy and education initiatives, including grants and programs
- Distribution of nearly \$55.4 billion in state and federal funds; operating the highly complex state school finance system; and providing leadership and support for the Texas Commission on Public School Finance
- Collection, Analysis, and dissemination of public school data
- Supporting the State Board of Education in curriculum development, textbook adoption, and other Constitutional and Statutory activities
- Supporting the State Board of Educator Certification in improving educator preparation; increased oversight of educator misconduct
- Improving operational efficiencies in all administrative functions - including budget, operations, legislative, media and communications, legal, human resources, and other administrative functions
- Dissemination of best practices in programs and funding
- Information technology systems and support
- Regulation through audit, monitoring, complaints, investigations, and enforcement; supervision of compliance with grants and state and federal regulations
- Oversight and investment of the Texas Permanent School Fund

Additional critical workforce skills include stakeholder engagement; change management; strategy development, implementation and evaluation; data-informed decision-making; collaboration; and communication.

*Workforce Demographics*

*Gender.* As of May 1, 2018, of the agency’s 825 FTEs, 65 percent are female and 35 percent are male.

*Race.* Just over one-half (54 percent) of TEA’s workforce is white, while 24 percent is Hispanic, and ten percent is African American. The remaining 12 percent of the TEA workforce represents other racial backgrounds.

*Employee Turnover*

A comparison of the state’s employee turnover rate to TEA’s turnover rate for fiscal years 2013 through 2017 is depicted in Table 1. TEA’s turnover rate for the past several years has consistently been below the state’s turnover rate.

**Table 1: Comparison of Employee Turnover Rate by Year**

Fiscal Year	State Turnover Rate	TEA Turnover Rate
2013	17.6%	12.0%
2014	17.5%	12.0%
2015	18.0%	11.0%
2016	17.6%	14.0%

Fiscal Year	State Turnover Rate	TEA Turnover Rate
2017	18.6%	16.0%

Source: Texas State Auditor’s Office Report No. 18-703.

*Tenure*

About 32 percent of TEA’s workforce has been with the agency for less than five years, while 21 percent has been employed for five to nine years, and 32 percent has been employed from ten to 20 years. Of the remainder, 11 percent of TEA’s employees has worked for the agency between 20 and 30 years, and four percent has worked for the agency for over 30 years.

*Retirement*

Over three-quarters (76 percent) of TEA’s workforce is over the age of 40, with 43 percent of the workforce over the age of 50. As a result, approximately 28 percent of TEA’s authorized workforce is currently eligible or will become eligible to retire within the next five years (see Figure 5).

**Figure 5: TEA Current Workforce Eligible for Retirement in FY 2018–2022**

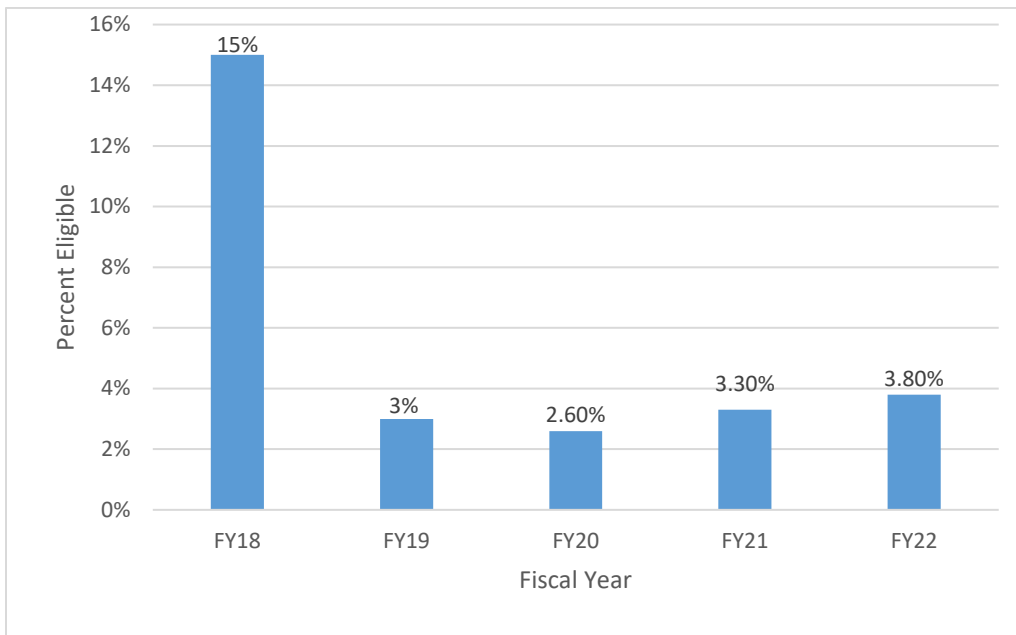


Table 2 shows the cumulative number and percentage of TEA employees who are eligible to retire in each of the next five years.

**Table 2: Percent of TEA Employees Eligible to Retire by Year**

	FY 18	FY 19	FY 20	FY 21	FY 22
Number of Employees Eligible to Retire	122	25	21	27	31
Percent of Workforce	15.0%	3.0 %	2.6%	3.3%	3.8%
Cumulative Number of Employees Eligible to Retire	122	147	168	195	226
Cumulative Percent of Workforce	15.0%	18.0%	20.6%	23.9%	27.7%

Despite the high rates of retirement eligibility, the agency has been fortunate that only small numbers of eligible employees have actually retired. In both FY16 and FY17, even though more than 20 percent of the workforce was eligible to retire, less than five percent of the workforce left the agency due to retirements each year.

However, if all the eligible staff were to retire in the next five years, the loss of that skill and knowledge would have a significant negative effect on TEA's ability to perform its core functions. Therefore, the agency's leadership, in partnership with Human Resources, are proactively planning for that shift in the workforce through succession planning for each of the key leadership roles as well as through cross-training within and across agency functions.

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

### *Expected Workforce Changes and Needs*

Given TEA's enormous responsibilities and limited FTEs and administrative budget, TEA must be strategic in preparing for future workforce changes. At the same time, TEA is competing with both public and private sector organizations for the same high-quality talent, which creates challenges for retaining our highest performers and recruiting candidates committed to the ambitious, outcome-oriented mission of the agency.

Specifically, our anticipated changing workforce needs include:

- An increasing need for higher levels of knowledge, skills, education, experience, and expertise to perform increasingly complex programmatic functions to meet the agency's mission and strategic goals.
- An aging workforce, with almost 28 percent eligible to retire in the next five years, and the possible retirement of employees with significant historical knowledge and expertise.
- Persistent problems retaining key staff due to market competition, including competition from other state agencies offering higher salaries and merit programs, especially in the contracting, budget, grants, program, legal, and IT divisions.
- Continuous increases in agency responsibilities caused by federal or state legislative changes and expectations, and limited FTE Cap space to hire or compete for personnel. These include but are not limited to the Special Education Strategic Plan (Federally Funded, but counts toward FTE Cap); new legislatively-mandated programs; and implementation of Texas' state plan in compliance with the Every Student Succeeds Act (ESSA).
- Implementing the Agency Strategic Plan to more effectively assist school systems improve student outcomes.

### *Anticipated Increase/Decrease in Number of Employees Needed to Perform Core Functions*

The agency's FTE cap was increased to 881 for 2018 and again to 885 for 2019. Currently, TEA has only 825 FTEs, which is consistent with 2016 levels. However, given our ambitious and urgent priorities for the coming year, including the Special Education Strategic Plan and other legislative priorities that are moving into their implementation phase, we anticipate our FTE count to increase significantly over the next six months and put pressure on the FTE Cap.

We are working closely with the Governor's Office and Legislative Budget Board to ensure we are proactively planning for these additional FTEs and in compliance with Sec. 6.10(a) of the General

Appropriations Act. Additionally, we have implemented a hiring protocol to strategically prioritize hiring for the most critical, high need divisions.

### *Gap Analysis*

The number of potential retirements could strain TEA's resources in order to backfill vacancies and to cover duties until those vacancies are filled. If even 50 percent of the eligible retirees (approximately 61) left the agency in FY 2018, that would challenge both Human Resources to fill a high volume of vacancies quickly and leadership to ensure that there is a continuity of historical knowledge and skill during those transitions.

### *Strategy Development*

To bridge the gap between the current workforce and future needs, TEA will use methods that provide the highest return on investment to attract, develop, and retain employees needed to accomplish TEA's mission and Strategic Plan. These methods include the following:

- TEA's Human Resources Division has recently restructured to better support the agency in its talent management needs. The Division's priorities include:
  - Improvements to the Division's talent acquisition practices, including the upcoming implementation of CAPPS Recruit as well as a comprehensive talent recruitment strategy
  - Refining the agency's performance management system to ensure we are identifying and rewarding our highest performers. This will include the upcoming implementation of CAPPS Performance Management
  - Infusing data-informed decision-making in all talent management policy, including updating our HRIS data systems and conducting annual compensation reviews
  - Introducing professional development opportunities to support managers specifically with strategies to develop staff
  - Developing career ladders and succession plans to ensure high-performing staff have an intentional development plan and the agency has identified a deep bench of talent for key roles
- TEA will continue to consider no-cost ways to improve employee satisfaction, including flexible hours, work-life balance incentives and programs, teleworking, changes in job duties, and special project assignments.
- Funding permitting, TEA will continue a performance-based merit program to retain key personnel.
- To ensure TEA can function effectively when key personnel retire or leave the agency, TEA will capture and codify knowledge; create teams to share content knowledge; rotate jobs so current staff are cross-trained; and cross-train replacement staff in areas that have large number of employees that are eligible for retirement.

In addition, to ensure that TEA continues to be a responsible fiduciary of the public's dollars, we will continue the following systems and processes to monitor our FTE cap and funding:

- Regular monitoring of TEA's FTE count and funding
- Leverage the recently developed protocol to prioritize hiring needs and slow hiring as appropriate
- Work closely with agency leadership to accurately project workforce needs, including deleting or repurposing un-needed vacancies

TEA's Human Resources Division will support these goals by working closely with the agency's executive management team to balance the diverse and challenging needs of the agency as well as the



needs of the agency’s internal and external stakeholders to attract, develop and retain its greatest asset – its talent.

## Texas Workforce System Strategic Plan

As required by Texas Government Code, Section 2308.104, the TEA Strategic Plan must align with the Texas Workforce System Strategic Plan following objectives:

- Increase business and industry involvement.
- Expand licensure and industry certification.
- Improve and enhance services, programs, and policies to facilitate effective and efficient transitions.

To ensure alignment with the Texas State Workforce System Strategic Plan and the activities of the Texas Workforce Investment Council (TWIC), TEA has established a College, Career and Military Preparation Division whose work supports the completion of the following activities around each objective:

### ***Increase business and industry involvement.***

- Involve business and industry representatives on advisory committees for the review and revision of programs of study (coherent sequences of courses) for career and technical education (CTE).
- Solicit informal feedback and public comment on drafts of programs of study for career and technical education from specific business and industry representatives.
- Identify and review relevant industry-based certifications, and incorporate examples into the revision of programs of study content.
- Continuing working with the Texas Workforce Commission in soliciting business and industry input on revised programs of study.

### ***Expand licensure and industry certification.***

- Conduct a review of industry-based certifications currently on the TEA accountability list soliciting industry and employer feedback on industry-based certifications to add to the list.
- Identify and include industry-based certifications, where relevant, as examples in revised programs of study.
- Vet, through employers, the industry-based certifications against criteria of industry recognized and valued with the assistance of the Texas Association of Workforce Boards.
- Expand list of industry-based certifications based on criteria.

### ***Improve and enhance services, programs, and policies to facilitate effective and efficient transitions.***

- Collaborate with the Texas Higher Education Coordinating Board to develop and implement programs of study to facilitate secondary to postsecondary student transitions.
- Align secondary and postsecondary programs of study systems by working with the Texas Higher Education Coordinating Board and the Texas Workforce Commission
- Collaborate with the Texas Higher Education Coordinating Board to develop and adopt policies and procedures that facilitate consistent credit transfer from secondary to postsecondary programs of study.
- Enhance programs of study by including advanced courses which allow for students to earn postsecondary credit in high school.
- Provide training to secondary administrators, counselors, and teachers.
- Collaborate with relevant state agencies to align policies to support career and college advising.
- Collaborate with Texas Higher Education Coordinating Board and the Texas Workforce Commission to promote Work-Based Learning.