

**SCHEDULE F:
AGENCY WORKFORCE PLAN AND THE
TEXAS WORKFORCE SYSTEM STRATEGIC
PLAN**

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 trusted 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, 2017, the agency is statutorily authorized 264.9 full-time equivalent (FTE) positions. FTEs whose salaries, benefits, and other expenses related to employment are funded through private grant funds are not counted toward this cap, pursuant to Sec. 40, p. III-57 of the General Appropriations Act, 2018-19 Biennium.

A. Agency’s Mission Statement

The THECB provides leadership and coordination for Texas higher education 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 percent of employees who are eligible to retire. Additionally, the agency is conducting a classification and compensation analysis 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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| Goal 1: Retention & Recruitment | Recruit and retain a highly educated, skilled, and diverse workforce. |
| Objective: | Provide enhanced pool of applicants, internal and external, for management's consideration and retain the critical education and skill levels needed to perform the tasks of the agency's mission. |
| Strategies: | <ul style="list-style-type: none"> • Proactively seek new recruitment sources. • Communicate with management regarding posting timeframe when it is necessary to expand applicant pool. • Develop EEO Workforce Action Plan to provide details on recruitment, hiring, and retention of workforce to reflect the statewide civilian workforce. • Conduct market studies, as needed, generally identified by hard-to-fill or high-turnover positions, and propose changes to the salary structure as appropriate. |

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

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

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 excellence 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 the word “system”. 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. The goals and actions are aligned with the statewide objectives issued by the Office of the Governor and Legislative Budget Board.

| THECB Agency Goals and Action Items for FY 2019-2023 |
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| <p>GOAL 1: Provide efficient and effective stewardship of taxpayer dollars.</p> <ul style="list-style-type: none"> ✓ Continuously evaluate the effectiveness and efficiency of agency operations, services, and programs. ✓ Strengthen risk and contract/grant management training for all employees. ✓ Make recommendations to the Texas Legislature to repeal statutory requirements that are not in alignment with the agency’s mission and core-functions. ✓ Request and justify increased state funding to support agency operations, including technology solutions that advance the mission of the agency and align with statewide technology principles and priorities, as well as information security upgrades and compliance monitoring. |
| <p>GOAL 2. Fully implement the state’s higher education plan, 60x30TX.</p> <ul style="list-style-type: none"> ✓ Continue to inform, engage and mobilize stakeholders (i.e., institutional leaders, administrators, faculty, students, and business leaders) about the plan. ✓ 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 toward the goals every five years. ✓ Increase cooperation with the Texas Education Agency and the Texas Workforce Commission. ✓ Implement statewide strategies that are listed in the 60x30TX plan. |
| <p>GOAL 3: Provide effective and efficient coordination of and planning for higher education in Texas.</p> <ul style="list-style-type: none"> ✓ Seek any necessary statutory authority to improve efficiency, coordination, and unnecessary duplication in higher education. |
| <p>GOAL 4: Maintain a skilled and knowledgeable agency staff to provide excellent service.</p> <ul style="list-style-type: none"> ✓ Recruit and retain talented employees. |

- ✓ Provide more cost-efficient, in-house professional development opportunities for employees.
- ✓ Increase cross-training and succession planning of identified key positions.
- ✓ Continually review agency workforce needs (e.g., skills, education, experience, etc.).
- ✓ Continue to improve internal communications through employee newsletters, quarterly agency-wide meetings, and written policies and procedures.
- ✓ 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 websites and continually evaluate them.
- ✓ Expand understanding and use of predictive and other data analytics to assist institutions with meeting *60x30TX* goals.
- ✓ Improve awareness of data resources available at the THECB.
- ✓ Continue building and strengthening a culture of collaboration and communication with stakeholders through regular briefings, negotiated rulemaking, advisory committees, and regular email communications via GovDelivery and the use of social media.
- ✓ Continue working with the Texas Higher Education Foundation (formerly known as the College for All Texans Foundation) to identify private funding to support the annual publication of the *Texas Higher Education Almanac*.

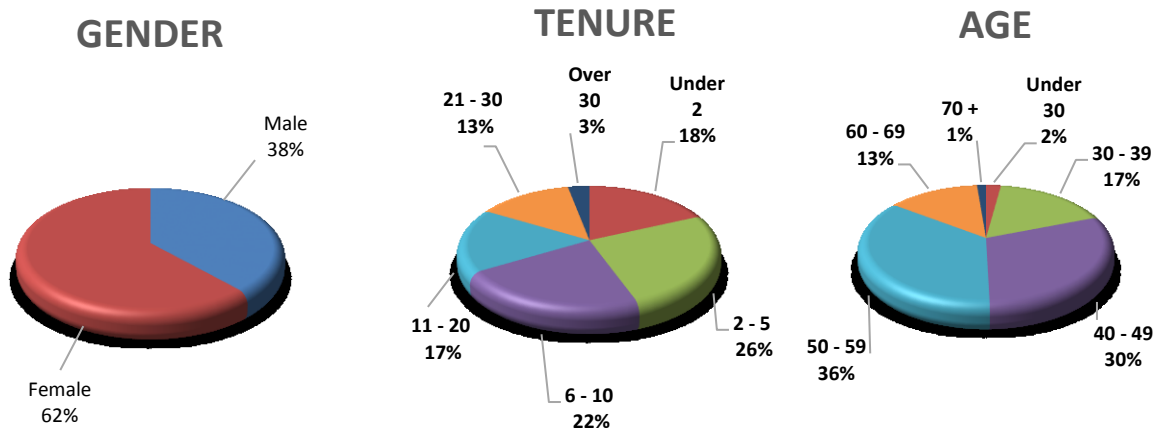
2. Current Workforce Profile (Supply Analysis)

The THECB employees are comprised of diverse, well-qualified individuals.

A. Workforce Demographics

The following charts profile the agency's workforce as of August 31, 2017. The THECB staff include part-time and full-time employees comprised of 38 percent male and 62 percent female. Approximately 81 percent is over the age of 40 and approximately 18 percent has fewer than two years of service with THECB.

Workforce Breakdown August 31, 2017



The following table provides a comparison of the ethnicity of THECB employees, as of August 31, 2017, and the ethnicity of the statewide civilian workforce as reported by the Texas Workforce Commission, Civil Rights Division.

| Workforce Utilization Analysis | | | | | | |
|--------------------------------|---------|----------------------|----------|----------------------|------------------|----------------------|
| | Female | | Hispanic | | African American | |
| | THECB % | Civilian Workforce % | THECB % | Civilian Workforce % | THECB % | Civilian Workforce % |
| Officials/Administration | 30% | 37% | 20% | 21% | 10% | 7% |
| Professional | 58% | 55% | 20% | 19% | 10% | 11% |
| Technical | 32% | 51% | 9% | 29% | 5% | 14% |
| Administrative Support | 77% | 73% | 38% | 33% | 22% | 14% |

Note: There were inconclusive statistical results for the utilization analysis in the African American, female, and Hispanic population of the Technical job category due to a small number of employees (<30).

B. Retirement Eligibility

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

| THECB FY Retirement | | | | |
|---------------------|---------|---------|---------|---------|
| | FY 2016 | | FY 2017 | |
| | Number | Percent | Number | Percent |
| Retirement | 4 | 11% | 10 | 33% |

Given that 81 percent of the THECB's workforce is over the age of 40, 10 employees retired during FY 2017, and 76 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 tenured 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 FY 2017 was 13.04 percent. The state’s average turnover rate for FY 2017 was 18.6 percent. The following charts compare the THECB’s turnover rates to that of the state from FY13 to FY17. Over this timeframe, the THECB’s turnover has generally been lower than the state’s turnover rate.

| Turnover Rate for Fiscal Years 2013-2017 | | | | | |
|---|---------|---------|---------|---------|---------|
| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| Statewide | 17.60% | 17.50% | 18.00% | 17.60% | 18.60% |
| THECB | 12.70% | 16.23% | 11.59% | 15.65% | 13.04% |

Source: An Annual Report on Classified Employee Turnover

| THECB Turnover by Age | | | | |
|------------------------------|----------------|----------------|----------------|----------------|
| | FY 2016 | | FY 2017 | |
| | Number | Percent | Number | Percent |
| Under 30 | 2 | 6% | 0 | 0% |
| 30 - 39 | 2 | 6% | 14 | 47% |
| 40 - 49 | 8 | 22% | 6 | 20% |
| 50 - 59 | 9 | 25% | 6 | 20% |
| 60+ | 15 | 42% | 4 | 13% |

| THECB Turnover by Tenure | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | FY 2016 | | FY 2017 | |
| | Number | Percent | Number | Percent |
| Under 2 years | 12 | 33% | 15 | 50% |
| Between 2-5 years | 6 | 17% | 6 | 20% |
| Between 6-10 years | 4 | 11% | 2 | 7% |
| Between 11-20 years | 9 | 25% | 3 | 10% |
| Between 21-30 years | 4 | 11% | 2 | 7% |
| Over 30 years | 1 | 3% | 2 | 7% |

| THECB Turnover by Gender & Ethnicity | | | | |
|---|----------------|----------------|----------------|----------------|
| | FY 2016 | | FY 2017 | |
| | Number | Percent | Number | Percent |
| Male | 15 | 42% | 22 | 73% |
| Female | 21 | 58% | 8 | 27% |
| African American | 5 | 14% | 5 | 17% |
| Hispanic | 4 | 11% | 10 | 33% |

Projected Retirement Rate over the Next Five Years

The employee projected retirement chart below, projects the retirement rate by EEO classification for the next five years.

| Projected Retirement Eligibility | | | | | | | |
|---|---------------------------------|------------------------------|-------|-------|-------|-------|-------|
| EEO Classification | Current Workforce as of 8/31/17 | % of Workforce as of 8/31/17 | FY 18 | FY 19 | FY 20 | FY 21 | FY 22 |
| Officials/Administrators | 10 | 4% | 10% | 0% | 0% | 0% | 10% |
| Professionals | 112 | 49% | 3% | 4% | 3% | 4% | 4% |
| Technical | 22 | 10% | 5% | 0% | 5% | 0% | 0% |
| Para-Professional | 26 | 11% | 0% | 4% | 12% | 4% | 4% |
| Administrative Support | 60 | 26% | 7% | 2% | 3% | 2% | 5% |
| Skilled Craft | 0 | 0% | 0% | 0% | 0% | 0% | 0% |
| Total | 230 | 100% | 24% | 10% | 22% | 9% | 23% |

D. 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 and legislative mandates.

These current critical workforce knowledge and skills are in the following areas:

- Knowledge of higher education programs and curriculum review
- Formula funding and capital planning
- Legal expertise
- Student loan bonds
- Governmental accounting
- Project management
- Research and data analysis
- Leadership/management
- 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 skills. 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

The THECB will continue efforts to improve diversity targets that are potentially underrepresented. The agency focuses on recruitment efforts to produce a pool of qualified applicants that reflect the female, Hispanic and African American groups for the Technical category.

To meet the agency's goal to recruit in the potentially underutilized categories, the THECB posts jobs with Workplace Diversity, which targets minorities, including Hispanics; Executive Women in Texas Government; CareerBuilder, which advertises on several sites that target women; Texas Association of Black Personnel in Higher Education; NAACP; and a variety of colleges and universities,

including minority-serving institutions, to seek a diverse applicant pool.

There may be a need to develop nontraditional workplace and employment relationships, such as short-term assignments. Recruitment and retention strategies must be developed and monitored to maintain 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 leave employment from their respective state agencies.

Within the next two years, the agency plans to analyze and restructure an updated Classification and Compensation 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 work demands, along with the state's increasing population and number of students attending 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 a significant number of retirements over the next five years and the expectation that many of these retirements will represent the loss of 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. 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.