

## Schedule F: Agency Workforce Plan

### Agency Strategic Direction

The mission of the Office of Consumer Credit Commissioner (OCCC) is to regulate non-depository financial services and to educate consumers and industry providers, fostering a fair, lawful, and healthy financial services market that grows economic prosperity for all Texans. The OCCC recognizes the need for a healthy financial services environment and seeks to achieve a balance between consumer protection, access to financial services, and the profitable operation of financial service providers in Texas. The OCCC promotes the highest principles of professional conduct and ethics, diversity, and stewardship and conservation of funds while engaging in limited, balanced, and effective regulation.

The OCCC licenses and regulates non-depository financial service providers using the following four-part philosophy:

- **Regulate** fairly, efficiently, and effectively, balancing the needs of both consumers and financial service providers by enforcing Texas credit laws and licensing qualified financial service providers;
- **Educate** consumers about rights, responsibilities, and remedies; and financial service providers about rights and responsibilities;
- **Communicate** collaboratively with and encourage communication among the financial services industry, consumer public, and the OCCC; and
- **Protect** and safeguard consumers against abusive, unfair, and deceptive lending practices.

The OCCC is divided into five functional areas: Consumer Assistance; Consumer Protection; Licensing and Registration; Financial Education; and Administration and Legal.

The agency has identified the following four strategic goals for the 2021-2025 planning period:

- A. Protect consumers from abusive and deceptive practices, fraud, and misrepresentation through prompt, fair, and effective enforcement of applicable state and federal statutes and regulations.
- B. Provide a high quality and efficient licensing and registration process that maintains high standards for licensed or registered financial service providers and promotes a transparent, fair, and competitive financial services market.
- C. Educate consumers about their rights, remedies, and responsibilities. Encourage communication and cooperation among the nonbank financial services industry, the consumer public, and the agency. Promote the Texas Financial Education Endowment (TFEE) to support statewide financial capability and consumer credit building activities and programs.
- D. Deliver high quality, effective regulation of nonbank financial services by ensuring that the OCCC operates and performs at the highest standards of accountability, transparency, compliance, professional conduct and ethics, stewardship, and conservation of funds.

The industries regulated by the OCCC operate within a dynamic financial service marketplace that adjusts to evolving products and business practices, market pressures, and changes in federal, state, and

municipal regulation. The degree to which these influences will affect the OCCC’s regulated population may vary and may contribute to changes affecting the agency’s staffing needs.

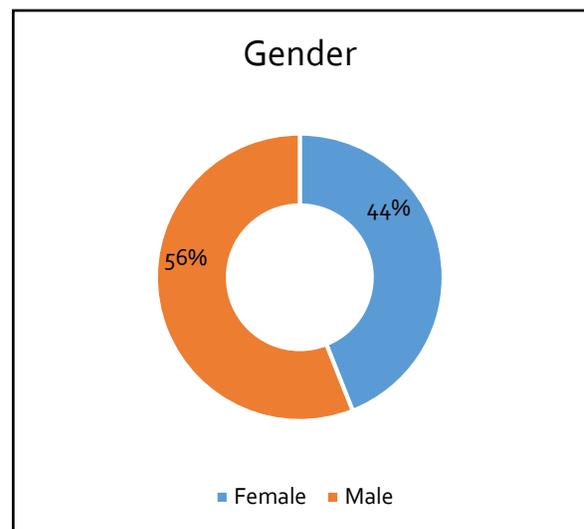
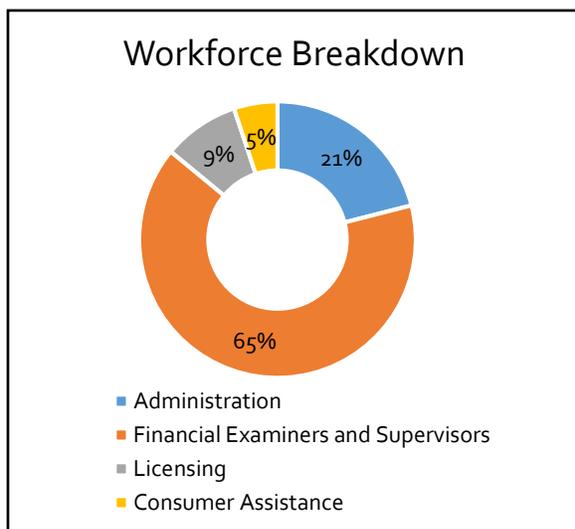
The OCCC seeks to recruit, develop, and retain employees with the skills and competencies required to support its strategic goals. The agency will adjust staffing strategies to complement changes within the industries it regulates to ensure the agency performs its core functions effectively and efficiently. The OCCC has placed an emphasis on employee retention through professional development, career progression, and competitive salaries. The OCCC also recognizes the need for increased staff cross-functionality and succession planning.

## Workforce Analysis

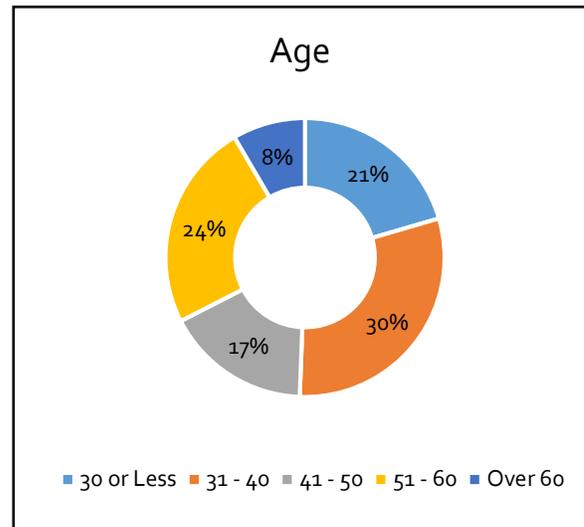
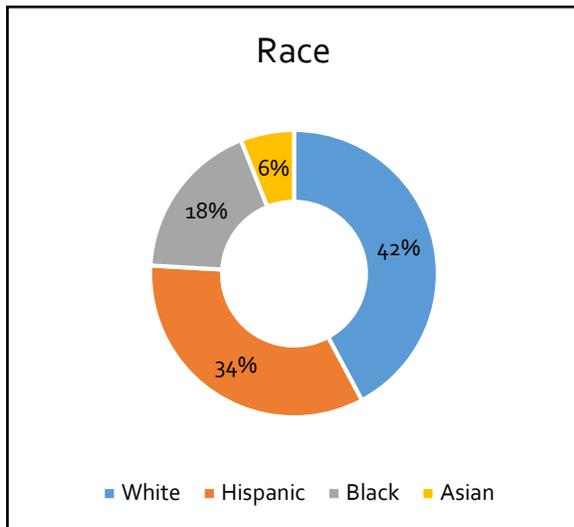
### Current Workforce Profile

As a small state agency, the importance of developing and retaining qualified staff at all levels of the agency is paramount to the agency’s continued success and operation. The OCCC invests significantly in the training and development of its Consumer Protection staff, which consists of field examiners, field supervisors, financial analysts, managers, and administrative personnel. The OCCC develops and provides robust training and professional development for its examiners to promote opportunities for career advancement. The OCCC places a priority on the professional development of all staff members and is committed to developing a workforce that is prepared to respond and adapt to the dynamic nature of the financial service and consumer credit marketplace.

The OCCC is authorized to employ 91 full-time employees (FTEs). As of February 29, 2020, the OCCC staffed 78.5 FTEs. Currently, 32.5 FTEs work at the OCCC’s Austin headquarters, and the remaining 46 work in various regions throughout the state. The staff is comprised of financial examiners, attorneys, licensing and permit specialists, accountants, investigators, other professionals and support personnel.



Fifty-six percent of OCCC staff identify as male, and 44% identify as female. Overall, 48% of employees have been with the agency more than five years, 23% have been with the agency between 2-5 years, and 29% have been with the agency less than 2 years. The median age of agency employees is 40 and the average age is 42.



### Retirement Eligibility

Although 19% of the OCCC’s staff is eligible for retirement within the next five years, the agency does not anticipate retirement will account for a majority of separations in the immediate future. Effective implementation of strategies related to succession planning, recruitment, retention, staff development, and general sharing of the agency’s knowledge bases are vital to the agency’s continued effectiveness, continuity, and adaptability.

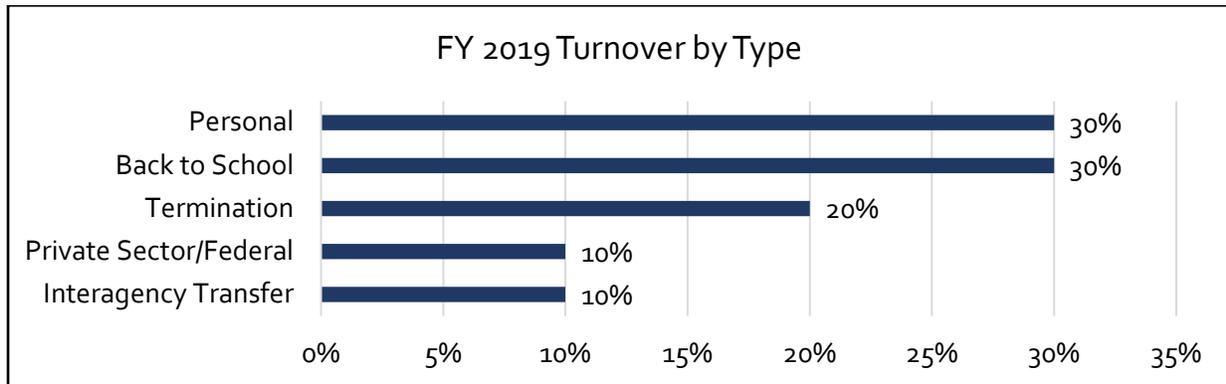
### Staff Turnover

The OCCC competes with non-depository financial service providers, other state agencies, and federal regulatory agencies for its professional staff, especially within the financial examiner occupational series.

As a small state agency, the retention of qualified staff at all levels of the agency is vital to the agency’s continued success. The OCCC seeks to limit turnover throughout all its functional areas, with particular focus on retention of financial examiner staff due to the significant investment in training for these staff members.

The OCCC seeks to maintain an acceptable turnover ratio to limit the effects of staff change. Many factors and conditions affect an agency’s turnover ratio, such as employment market conditions that may drive higher turnover from time to time. A reasonable turnover ratio for this agency is between 10-15%. The agency has seen the turnover rates over the last 5 years vary from a high of 24% in 2013 to a low of 12% in fiscal year 2017. The agency turnover rate remained below the state average, 20%, in 2019. Fiscal

year 2019 separations were primarily split between “Personal” and “Back to School” opportunities. Of those separations, the majority of those employees had between 2 and 5 years of service.



Financial Examiners represented six of the 16 separations in fiscal year 2019. The financial examiner series represents the largest component of the agency’s workforce and is the most expensive to the agency in terms of replacement costs. The OCCC provides specific professional training to individuals selected for these positions concentrated during the first three years of employment - activities that represent significant monetary and time commitments by the agency.

The OCCC must continue its efforts to minimize turnover within the lower financial examiner levels. Historically, the OCCC has experienced the highest levels of turnover within the Financial Examiner I and II levels. This may be attributed to the nature of work of the position, an individual not being a good fit for the position, or travel requirements. During the first half of fiscal year 2020, three financial examiners departed with more than five years of service with the OCCC. The OCCC continues to strengthen its retention efforts for financial examiners. In FY 2019, a total of twenty-nine merit increases or promotions were awarded within the Financial Examiners series. More than half of those were awarded within the 2-5 year longevity group. Mentoring, cross-training opportunities, and career ladder progressions are key strategies to improve examiner retention. The OCCC will continue to focus on market competitiveness, effective recruitment and selection strategies, and retention to continue to keep turnover lower than the state average.

The OCCC continues to identify possibilities to reduce travel and encourage team approaches for its financial examiners, as well as providing for work/life balance across all departments in the agency including flexible schedules and telecommuting. Continued improvements relating to infrastructure, functionality of office space, and better use of technology have created additional enhancements for work processes conducted by a growing, mobile and dispersed workforce.

The list below highlights the workforce skills critical to the mission and goals of the OCCC including knowledge of or experience in:

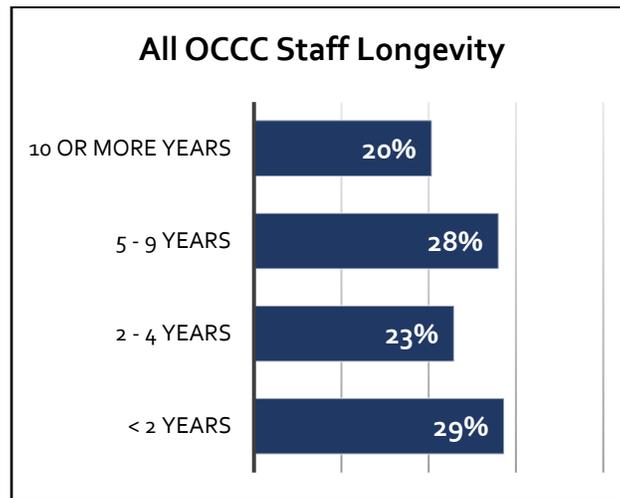
- Examination procedures and related state and federal financial protection laws for non-depository financial services entities covering multiple products and services
- State and federal regulatory controls, statutes, and administrative codes related to non-depository financial service products
- Analysis and reporting tools related to financial data and consumer financial products
- Corporate structures, business operating procedures, management control, and internal reporting techniques
- Financial industry terminology and practices
- Economic and accounting principles
- Statistical analysis and techniques
- Financial reports and reporting structures or mechanisms
- Training procedures and techniques
- Information Technology examination or auditing

#### Future Workforce Profile

Economic and environmental factors facing the OCCC's staff over the next five years include: repercussions of the COVID-19 pandemic on industries and consumers, turnover and retention of financial examiners, and retirement-eligible employees. During fiscal year 2019, the OCCC continued to experience the impact of these effects with four financial examiners departing the agency.

Competition with the private sector as well as with regulatory agencies such as the Consumer Financial Protection Bureau (CFPB) is expected to increase and retention of these individuals is vital to the effectiveness of the OCCC's regulatory programs. The OCCC regularly reviews its in-house training as well as external development opportunities and curricula to provide specific training related to regulated industries. A career ladder and progression program allowing for movement within levels I through III of the financial examiner series is providing opportunities for field examiners to participate in projects and team-based work (e.g. out-of-state examinations) to further develop competencies and skill sets. The goal of the OCCC is to recruit and select quality candidates for entry-level financial examiner positions, to consistently and effectively develop those candidates for increased scope of responsibility, and to identify those who may be developed for future supervisory and leadership roles. The OCCC emphasizes the need to incentivize and retain those examiners within two to five years of agency service; to utilize them to assist in the training and development of entry-level examiners; and to integrate identified candidates into succession planning. It is the goal of the OCCC for at least 50% of its full-time employee staff to have agency longevity of at least five years. As of the middle of fiscal year 2020, 48% of OCCC have worked with the agency at least five years. The chart below represents longevity within the agency as of February 29, 2020. Financial examiner longevity mirrors that of the agency as a whole.

Assessing and determining the future requirements for the agency's workforce encompasses a broad range of duties, needed competencies and skills, and programmatic concerns. These issues have been identified through the agency's strategic planning process, interaction with industry stakeholders, and discussions with OCCC staff members. As the OCCC adapts to a dynamic and evolving financial services marketplace, it will need qualified staff that can be developed to serve the industry and consumers in Texas.



#### Expected Workforce Dynamics

- Increased use of technology to provide service and maximize efficiency.
- Increased use and development of subject matter experts.
- Increased investigations into unlicensed businesses.
- Increased communication, collaboration, and partnerships with external stakeholders
- Increased number of public information requests
- Increased generational shift
- Increased number of Veterans eligible for work

#### Critical Functions

- Increased examination activity in response to the growth and evolution of financial services.
- Increased collaboration with federal and state regulators.
- Increased collaboration with industry stakeholders.
- Increased demand in supervisory resources due to larger workforce and increased number of examinations.
- Increased review of electronic and web-based financial services and the use of information technology at the regulated entity level.
- Increased cybersecurity awareness and training throughout agency.
- Development and retention of qualified professionals.
- Development and implementation of effective succession plans.

## Gap Analysis

As the OCCC's regulated population evolves, adjustments to the agency's workforce plan will be made through the addition, deletion, or realignment of positions and responsibilities. The agency's SDSI status enables it to respond to changes in the regulatory environment in a well-timed manner. The OCCC uses this flexibility to recruit and retain financial examiners in a highly competitive market, in the face of direct competition of a federal financial regulator. It has decreased turnover and allowed the OCCC to respond to dramatic growth in regulated industries, such as the motor vehicle sales finance industry. Further, it provides the OCCC with flexibility to expand or diminish its resources in response to economic conditions.

The OCCC has effectively demonstrated an ability to evaluate vacancies and streamline operations without affecting the productivity of the entire agency.

Depending on the fluctuation of the regulatory environment, the OCCC does not anticipate the need for additional FTEs to continue fulfilling the mission of the agency and to provide the level of customer service that is expected for consumers, licensees, and other stakeholders. Regulatory concerns and workload are often countercyclical and can mount during periods of economic weakness or instability. The required regulatory response to these conditions may necessitate an increase in staffing and experienced personnel.

## Strategy

The OCCC's goal is to retain its professional workforce and to meet the special needs described above. Future changes in the organizational structure may be necessary to respond to changing workloads or new initiatives to ensure that the mission of the OCCC is accomplished efficiently. The OCCC will continue to utilize a wide range of recruiting sources to secure the maximum number of qualified applicants, including minorities and women, for available positions within all classifications.

The OCCC will also continue to maintain and hone its career ladder and provide on-the-job training and in-house programs for employees and, when possible, provide funding for workshops, seminars, and other programs offered by universities, other agencies, and private entities to develop leadership and career development.

Training opportunities for staff remain a high priority for the OCCC. Cooperative state training opportunities are a valuable method for knowledge enhancement and the OCCC will continue to make substantial efforts to utilize these tools. These cooperative training opportunities allow staff to learn about important subject matter while working with their counterparts in other states.

Succession planning will remain an ongoing process of recruitment, retention, methodical development of required skills through training and experience, cross training, and careful evaluation of individual job performance. This will maintain the depth of skilled personnel at key positions on the OCCC's career ladder necessary to ensure continuation of the efficiency and effectiveness of the OCCC. Preparing qualified staff to carry on the roles of senior management and leadership will require specialized training,

internal development through mentoring and project assignment, and other educational opportunities to develop technical and managerial skills.

### Employee Engagement

The OCCC participates in a biannual Survey of Employee Engagement (SEE) administered by the Institute for Organizational Excellence at the University of Texas at Austin. In November 2019, surveys were emailed to 79 employees statewide. Sixty-eight surveys were completed, resulting in an 86% response rate. Survey findings were made available to the agency in December 2019.

This OCCC's 86% response rate is considered high, and is on par with the response rate from its last SEE. High rates indicate that employees have an investment in the organization and are willing to contribute towards making improvements within the workplace. The OCCC's overall score of 361 was higher than its previous score of 350. Scores above 350 are desirable, and when scores dip below 300, there may be cause for concern.

The survey evaluates employee engagement within 12 constructs or organizational topics. Based on these constructs, 44% of OCCC staff are either highly engaged or engaged. According to nationwide polling, about 30% of employees are either highly engaged or engaged. The following table shows the OCCC's scores for each construct on a scale of 100 to 500. Scores above 350 indicate positive perceptions.

