

AGENCY WORKFORCE PLAN
Schedule F to Agency Strategic Plan

FISCAL YEARS 2021 TO 2025

BY

TEXAS EDUCATION AGENCY

JUNE 1, 2020



Supplemental Schedule F: Agency Workforce Plan

Public education is the largest function of the state, representing 38 percent of the state's budget.¹ As such, attending to the public education system is a top priority for the Legislature in any legislative session, but it was especially true in the 86th legislative session, when the Legislature passed House Bill 3 (HB 3) – one of the most sweeping school finance laws in state history. Not only did the law increase funding for our schools and reduce property taxes, but it also set the stage for major improvements in our schools over the next decade. Reforms embedded in HB 3 enhance how we support our teachers, how we educate our youngest learners on the fundamentals, and how we ensure high school students are successfully launched into colleges, careers, and the military. HB 3 substantially increases support for students in special education. The law brings an unparalleled commitment to equity in the finance system – providing targeted resources to support every child, in every classroom, every day.²

The Texas Education Agency (TEA), which is responsible for implementing these bold reforms, serves nearly 5.5 million students enrolled in 8,845 campuses that are administered by 1,201 school districts and open-enrollment charters schools.³ The agency distributes approximately \$64.6 billion in funds each biennium through numerous state and federal programs and supports the development of 358,445 teachers across the state.⁴

When compared to other large state agencies with significant responsibilities and complicated programs, TEA has relatively few full-time equivalent positions (FTEs). In 2011, TEA had 1,084 FTEs compared to only 935 FTEs in March of 2020, a decrease of 149 or 14 percent (see Figure 1).⁵ The agency has been operating with fewer FTEs since 2011, largely because during the 82nd legislative session, TEA was required to undertake a reduction in force and reduce its FTEs from 1,084 to 715, a 34 percent decrease. During the same decade, the number of Texas public school students increased nearly 14 percent and outpaced the student body growth of nearly every other state.⁶

In the 86th session, the Legislature accounted for the complexity of the agency's work as well as the heightened demands from HB 3 by increasing the agency's appropriated funds and FTE cap.

¹ Legislative Budget Board, Fiscal Size-Up 2020 - 2021, Recapitulation – All Articles (All Funds), pg. xi.

² Annual Report, 2018-2019 Texas Public School Statistics, Texas Education Agency, pg. 3.

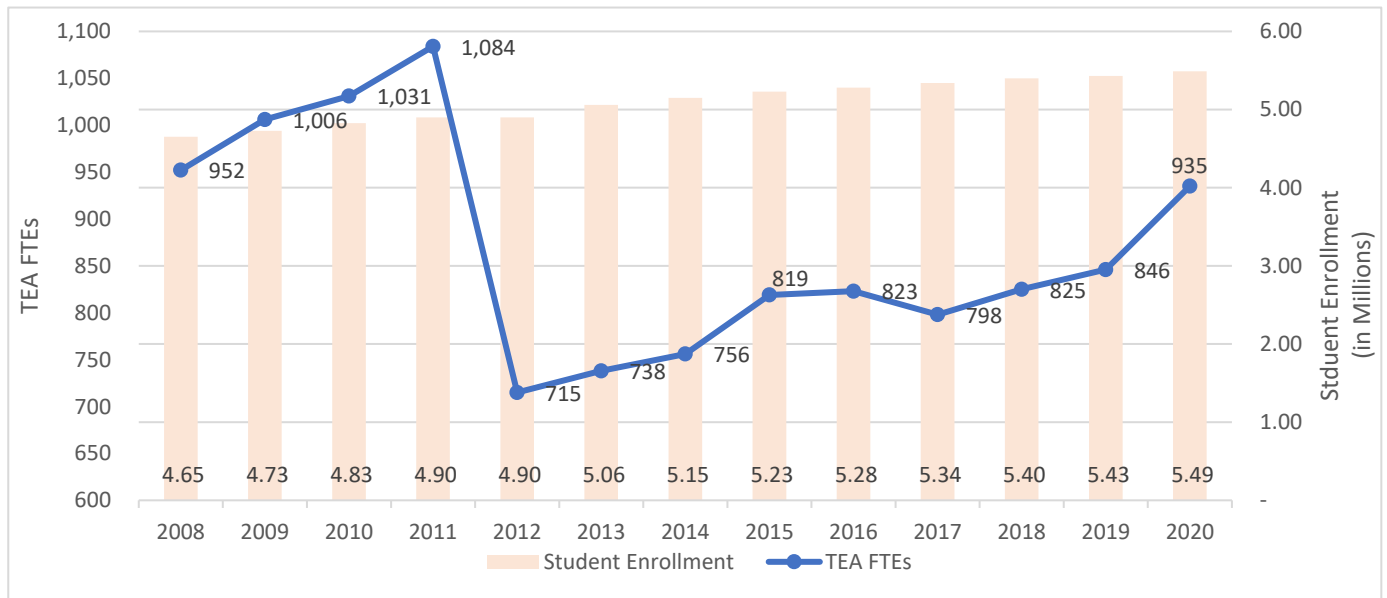
³ Pocket Edition, 2018-2019 Texas Public School Statistics, Texas Education Agency.

⁴ Pocket Edition, 2018-2019 Texas Public School Statistics, Texas Education Agency.

⁵ Legislative Budget Board, Fiscal Size-Up 2020-2021, Article III, pg. 1.

⁶ Enrollment in Texas Public Schools, 2019-2020, Texas Education Agency.

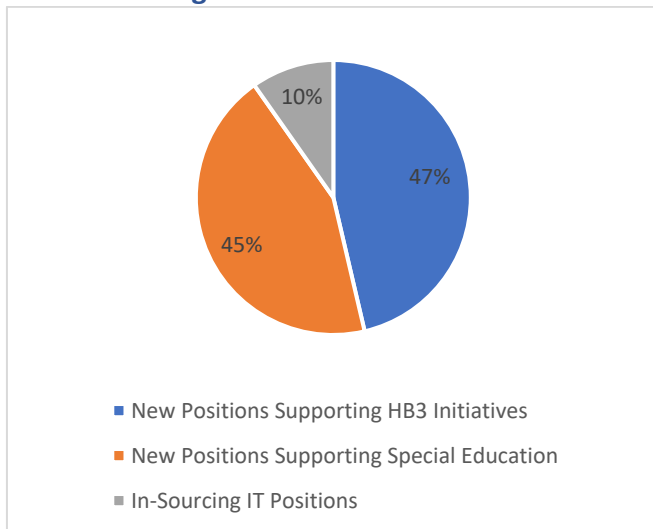
Figure 1: TEA Full-Time Equivalent Positions 1978, 2010-2020



Source: Fiscal Years 2008-2019 based on Texas State Auditor's Office Quarterly FTE Report (4th Quarter). Fiscal Year 2020 based on Texas State Auditor's Office Quarterly FTE Report (2nd Quarter). District FTE counts based on PEIMS Stand Report, Staff FTE Counts and Salary Reports.

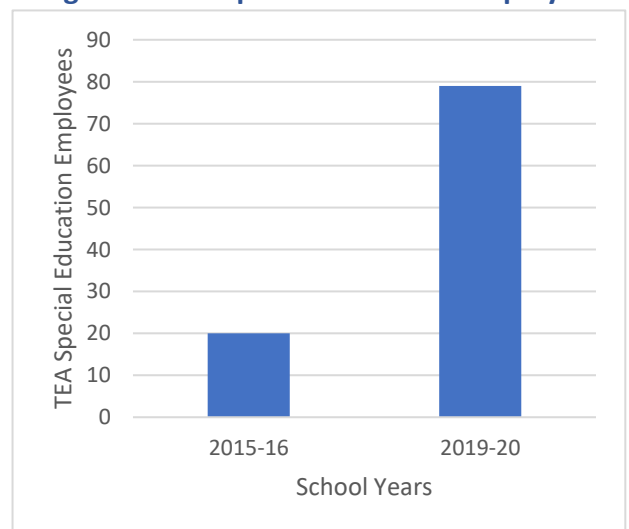
Of the approximately 123 new positions appropriated in the last session, 92 percent are supporting the implementation of HB3 initiatives and/or special education (See Figure 2). In fact, today TEA has nearly quadrupled the number of FTEs that support special education over just four years ago (See Figure 3). Most of the remaining positions are improve overall efficiency by bringing essential technology services in house that were previously outsources to contractors.

Figure 2: New FTEs in 2020



Legislative Budget Board, Fiscal Size-Up 2020-2021, Article III, pg. 1.

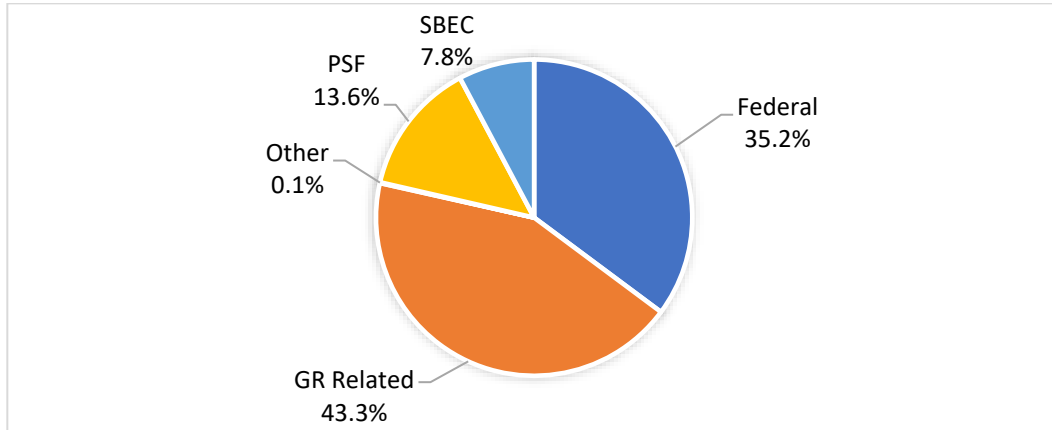
Figure 3: TEA Special Education Employees



Annual Report, 2018-2019 Texas Public School Statistics, Texas Education Agency, pg. 14.

TEA relies on both General Review and federal funding for the majority of its FTEs. Below is the breakdown in TEA’s method of finance for its FTEs (See Figure 4).

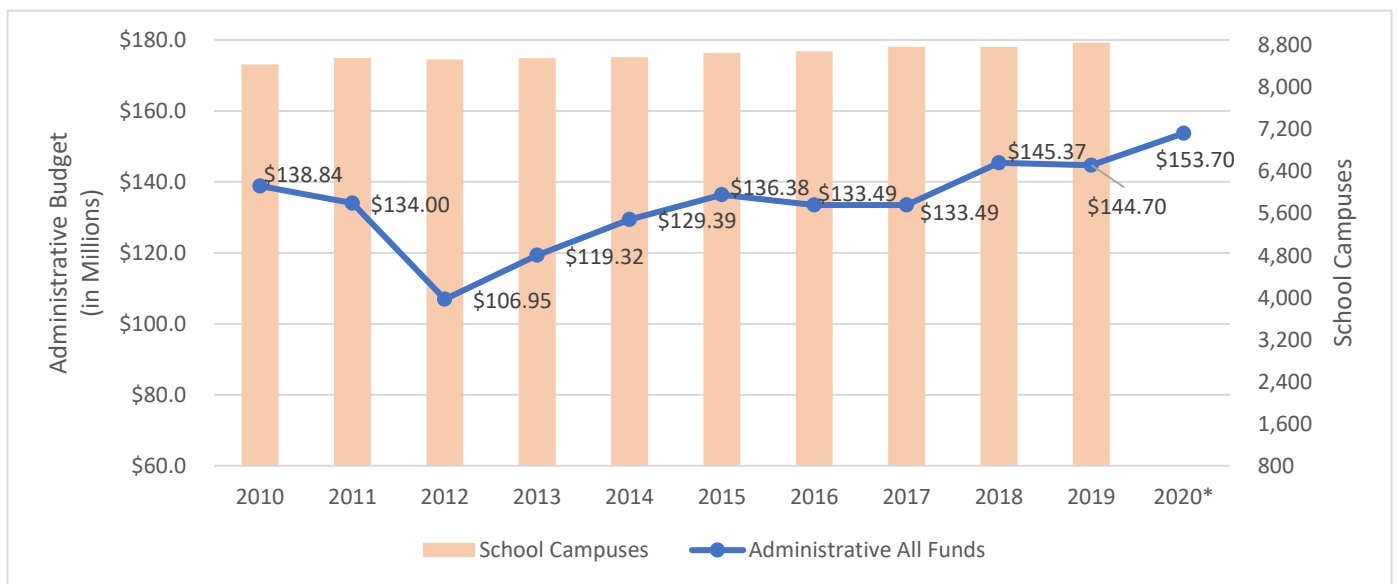
Figure 4: 2020 TEA Full Time Equivalent Positions by Method of Finance



Source: Texas State Auditor’s Office Quarterly FTE Report (4th Quarter)

Despite the increase in our FTE count and overall appropriation, TEA continues to operate leanly by ensuring high levels of productivity from a skilled, dedicated workforce. Since the cuts to our administrative funding in 2012, TEA’s administrative budget stabilized in recent years 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 5). The increased funding in 2020 reflects the exponential increase in the agency’s responsibilities as a result of HB 3.

Figure 5: TEA All Funds Administrative Budget 2010–2020

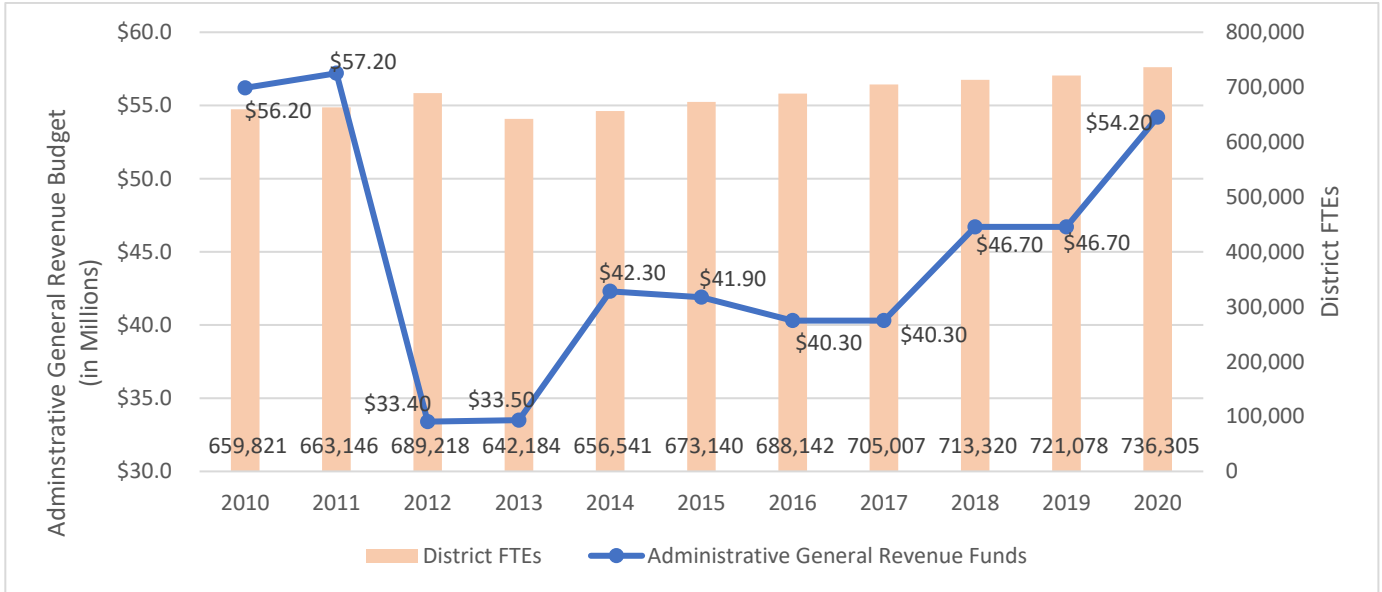


*School campus data is not available for the 2019-20 school year.

Despite our increased scope of work, TEA’s general revenue-funded administration revenue has consistently remained below 2011 funding levels. Even with the increase in our technical support

responsibilities and the demands of HB3, TEA’s general revenue-funded administration revenue is three million dollars below 2011 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 6).

Figure 6: TEA General Revenue Funds Administrative Budget 2010 – 2020



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:

- To implement major elements of HB 3 the agency will require staff with specialized skills in the following areas:
 - State education funding for 18 new or changed allotments and incentives, including allotments for compensatory education, early education, dual language, fast growth, and special education mainstream, among others
 - Early literacy education
 - Early childhood education
 - Dyslexia
 - Innovative human capital models, including compensation, mentoring, staffing patterns
 - Blended learning models
 - School Safety
- To continue the successful implementation of the Special Education Strategic Plan will require staff with specialized skills in the following areas:
 - State and federal special education requirements

- Compliance and review best practices
- Stakeholder and community engagement
- Data analysis and insights
- Providing leadership and support to districts in response to COVID-19 will require staff with specialized skills in the following areas:
 - Distribution and oversight of CARES Act funds and other federal funding in response to COVID-19
 - Strategic planning, instructional continuity, innovative school models, virtual learning, and mental health support
- School turnaround and improvement
- Mental health and school safety
- Educator leadership, support, retention, and quality
- Programs to support college, career and military preparedness
- Administration of statewide assessment, accreditation, and financial and academic accountability systems
- Distribution of nearly \$64.6 billion in state and federal funds (excluding CARES Act funding)
- 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

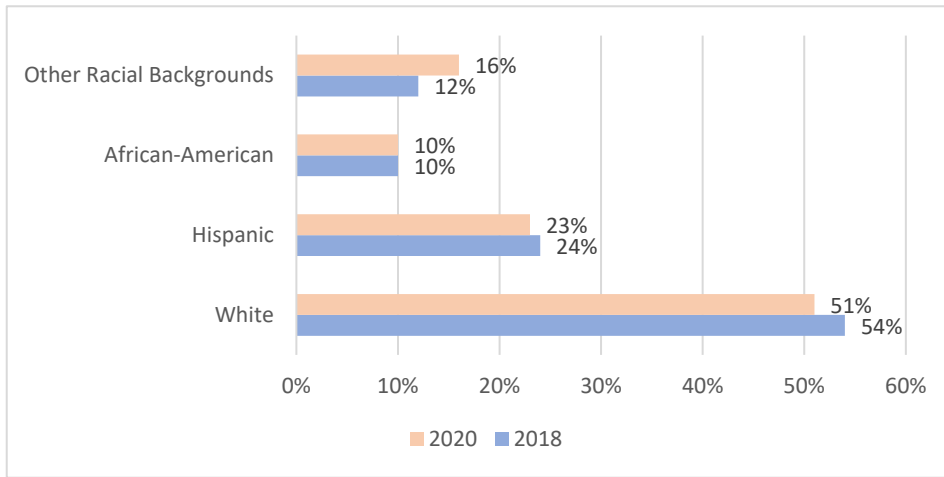
Additional critical workforce skills include stakeholder engagement; change management; strategy development, implementation and evaluation; project management; product development; data-informed decision-making; facility with new technology tools and resources; collaboration; and communication.

Workforce Demographics

Gender. As of March 1, 2020, of the agency's 935 FTEs, 63 percent are female, and 37 percent are male.

Race. Just over one-half (51 percent) of TEA's workforce is white, while 23 percent is Hispanic, and ten percent is African American. The remaining 16 percent of the TEA workforce represents other racial backgrounds. In the last two years, TEA has increased the diversity of its workforce by 4 percentage points from 2018 (See Figure 7).

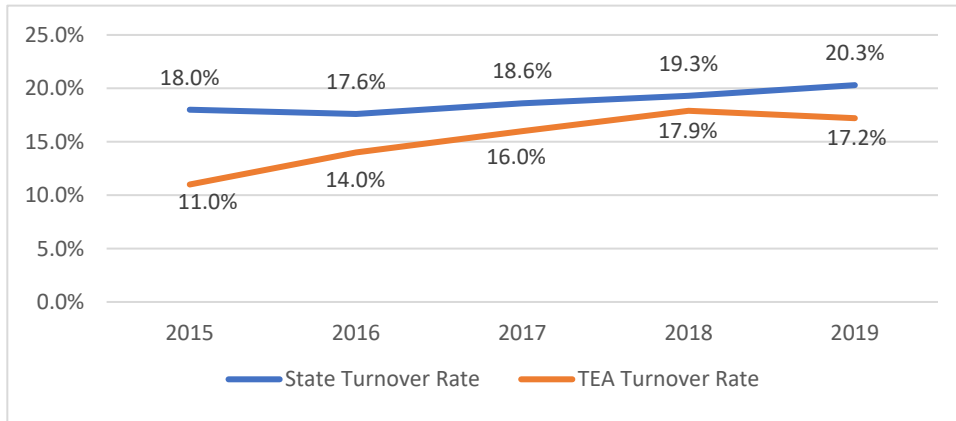
Figure 7: Diversity of TEA's Workforce 2018 – 2020



Employee Turnover

A comparison of the state's employee turnover rate to TEA's turnover rate for fiscal years 2015 through 2019 is depicted in Figure 8. TEA's turnover rate for the past several years has consistently been below the state's turnover rate.

Figure 8: Comparison of Employee Turnover Rate by Year



Source: Texas State Auditor's Office Report No. 20-703.

Tenure

About 38 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 28 percent has been employed from ten to 20 years. Of the remainder, 19 percent of TEA's employees has worked for the agency between 20 and 30 years, and three percent has worked for the agency for over 30 years.

Retirement

Three-quarters (75 percent) of TEA's workforce is over the age of 40, with 42 percent of the workforce over the age of 50. As a result, approximately 29 percent of TEA's authorized workforce is currently eligible or will become eligible to retire within the next five years (see Figure 9).

Figure 9: TEA Current Workforce Eligible for Retirement in FY 2020 – 2024

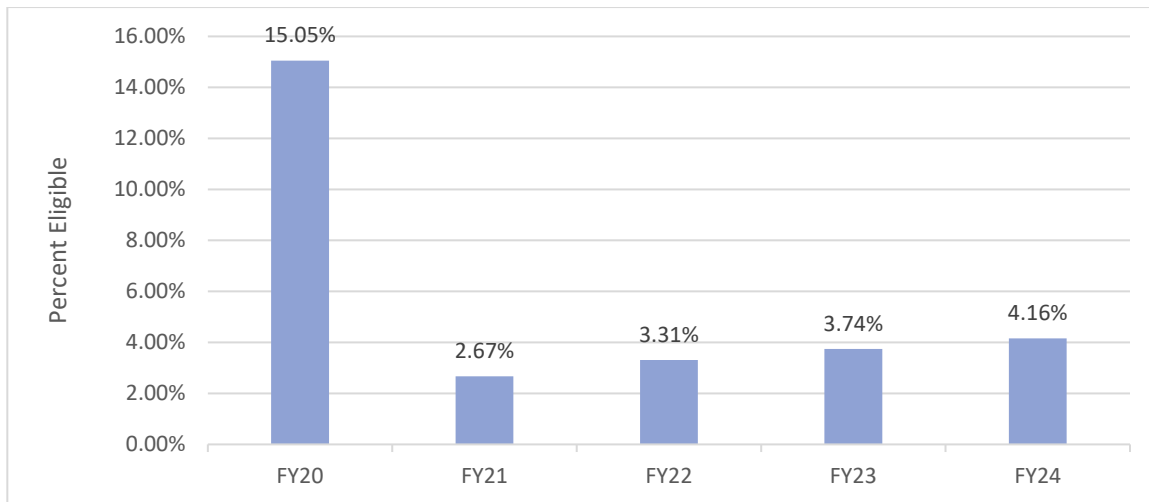


Table 1 shows the cumulative number and percentage of TEA employees who are eligible to retire in each of the next five years.

Table 1: Percent of TEA Employees Eligible to Retire by Year 2024

	FY 20	FY 21	FY 22	FY 23	FY 24
Number of Employees Eligible to Retire	141	25	31	35	39
Percent of Workforce	15.05%	2.67%	3.31%	3.7%	4.16%
Cumulative Number of Employees Eligible to Retire	141	166	197	232	271
Cumulative Percent of Workforce	15.05%	18.0%	21.31%	25.01%	29.17%

Despite the high rates of retirement eligibility, the agency has been fortunate that only small numbers of eligible employees have actually retired. In both FY18 and FY19, even though more than 18 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 workforce planning is challenged by:

- 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 over 29 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 finance, legal, and IT roles.
- Continuous increases in agency responsibilities caused by federal or state legislative changes and expectations, including implementation of HB3 and the Special Education Strategic Plan.
- Providing leadership and technical assistance to districts in response to COVID-19.

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

TEA does not anticipate needing additional positions in the next biennium; however, we do expect to continue to need the FTEs that were appropriated in the last biennium.

As mentioned, TEA received an increase in its FTE cap in the 86th legislative session. The agency's FTE cap was increased from 885 to 1006 for 2020.⁷ TEA needed those additional positions and has diligently filled and utilized the additional positions.

TEA consistently maximizes our available human capital capacity. Currently, TEA has 935 FTEs, which is roughly a seven percent vacancy rate for available FTE positions. That vacancy rate is consistent with 2018 levels where our FTE cap was 885, and our FTE count was 825. Additionally, over 90 percent of our vacant positions are currently posted for hiring, demonstrating that the agency utilizes its available resources and that TEA's FTE requests have accurately reflected the necessary capacity to execute our strategic plan.

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 70) left the agency in FY 2020, 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

Over the last two years, TEA has built on the talent management reforms initiated in 2017 and has made concerted efforts to increase the capacity of its workforce in order to meet the evolving demands of our school systems. In doing so, we prioritized initiatives and methods that provide the highest return on investment to attract, develop, and retain employees needed to accomplish TEA's mission and Strategic Plan. Some of the notable successes from those initiatives include:

- **Improved talent acquisition practices** that resulted in a more efficient process and reduced our time-to-hire by more than half from 2017 to 2019.
- **Senior leadership's investment in staff engagement and culture** that resulted in an overall improvement in staff engagement and focused improvements in several key areas.

⁷ Legislative Budget Board, Fiscal Size-Up 2020-2021, Article III, pg. 1

- **Increased focus on equity and competitiveness in compensation** informed by a comprehensive Compensation & Classification Study that resulted in a number of data-informed improvements in agency compensation and personnel action policies.
- **Enhanced performance management practices** including a redesign of the agency's performance management system that resulted in an overall increase in the percent of employees who agree that their manager evaluates them fairly in the Survey of Employee Engagement.
- **Expanding talent development opportunities** by adding seven custom-made trainings for our staff, offering multiple series of external trainings to build capacity in critical needs areas, and supporting all staff to create career development plans that they drive in partnership with their supervisors.
- **Improving supervisor capacity as leaders and developers of talent** by introducing professional development opportunities to support managers specifically with strategies to develop staff.
- **Improve knowledge sharing** through expanded internal communications and enhanced technology tools.

To bridge the gap between the current workforce and future needs, TEA will build on these initiatives, including:

- Develop tools and update information systems that will enable HR and leadership to expand the use of data to inform talent strategy and decision-making
- Refine talent acquisition practices to expand targeted marketing and recruitment supports for hiring managers
- Continue the agency-wide focus on staff engagement, including the efforts to improve processes, communication, and professional development opportunities as areas of growth.
- Engage with leadership to update succession plans and talent pipelines for their offices
- Explore opportunities to expand including flexible hours, teleworking, and work-life balance incentives and programs
- Funding permitting, TEA will continue a performance-based merit program to retain key personnel. We plan to review our merit policy and consider changes informed by our 2019 compensation study.
- Develop tailored compensation strategies for hard-to-staff classifications or functions informed our 2019 compensation study and updated policies

TEA's Human Resources Division will support these goals by working closely with the agency's senior leadership 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 high-performing talent to serve Texas' 5.4 million public school students.