Workforce Plan

I. CURRENT WORKFORCE PROFILE (SUPPLY ANALYSIS)

CORE FUNCTIONS AND CRITICAL WORKFORCE SKILLS

Core Functions

- Collect state taxes and fees
- Enforce tax laws
- Provide tax assistance
- Oversee the state's fiscal affairs
- Estimate state revenue
- Monitor state expenditures
- Process and deposit state revenue
- Manage statewide purchasing and contracts

Critical Workforce Skills

Workforce skills are critical to the agency's ability to operate. The Comptroller's office could not effectively accomplish basic business functions without employees skilled in:

- Customer service
- Analysis and research
- Problem solving
- Communication (verbal and written)
- Computer proficiency (skills requirements range from entry-level end user to highly skilled information technology specialist)
- Information security analysis
- Project management
- Investigation
- Auditing and accounting
- Financial analysis
- Management

Workforce Demographics

As of March 2024, the Comptroller's office had a total headcount of 2,752 employees. The following tables profile the agency's workforce, including both full-time and part-time employees.

The Comptroller's office touts a diverse workforce. About 41 percent of the agency's employees are male and 59 percent female. Almost 40 percent of the agency's workforce is 50 years or older, and about 11 percent are 29 years or younger. Nearly 33 percent of the agency's workforce is Hispanic, and about 17 percent is Black.

About 63 percent of the workforce has 10 years or fewer of experience working in the Comptroller's office with proficiency levels ranging from minimal knowledge to working knowledge of processes. Approximately 23.9 percent of the Comptroller's workforce has 11 to 20 years of tenure, with expertise ranging from working knowledge to the mastery level. Employees with 21 years or more experience with the Comptroller's office, with expertise levels ranging from mastery to acknowledged subject-matter expertise, comprise 14 percent of the workforce. These employees are also keepers of institutional business knowledge.

To prevent a decline in knowledge and experience levels within the next five years, the agency has implemented strategies to address the transfer of institutional business knowledge and professional expertise.

WORKFORCE BREAKDOWN

Gender

Gender	Number of Employees	Percent of Employees
Male	1,130	41.1%
Female	1,622	58.9%

Source: Centralized Accounting and Payroll/Personnel System, March 2024

Agency Age

Agency Age	Number of Employees	Percent of Employees
20–29 years	292	10.6%
30–39 years	611	22.2%
40–49 years	764	27.8%
50–59 years	659	23.9%
60–69 years	374	13.6%
70 and older	52	1.9%

Source: Centralized Accounting and Payroll/Personnel System, March 2024

Agency Tenure

Agency Tenure	Number of Employees	Percent of Employees
0–5 years	1093	39.7%
6–10 years	639	23.2%
11–15 years	382	13.9%
16–20 years	249	9.0%
21–25 years	97	3.5%
26–30 years	57	2.1%
31–35 years	36	1.3%
36–40 years	17	0.6%
Over 40 years	182	6.6%

Source: Centralized Accounting and Payroll/Personnel System, March 2024

COMPTROLLER WORKFORCE VERSUS STATEWIDE CIVILIAN WORKFORCE

The following table compares the percentage of Black, Hispanic and female Comptroller employees (as of March 2022) to the statewide civilian workforce as reported by the Texas Workforce Commission's Civil Rights Division. For most job categories, the agency's workforce is well represented in proportion to their availability in the statewide civilian workforce.

Statewide Employment Statistics

Job Category	Black Comptroller	Black State	Hispanic American Comptroller	Hispanic American State	Female Comptroller	Female State
Officials/Administrators	9.5%	8.6%	18.9%	25.2%	55.4%	40.2%
Administrative Support	23.4%	15.2%	42.5%	38.3%	72%	74.1%
Professional	14.8%	10.6%	30.1%	23.0%	57%	53.0%
Protective Services	10.8%	19.7%	43.2%	35.5%	16.2%	25.8%
Technical	10.4%	11.7%	18.2%	38.5%	29.9%	63.5%

Source: Centralized Accounting and Payroll/Personnel System, March 2024 and Texas Workforce Commission (TWC); statistics extracted from TWC's Hiring Practices and Equal Employment Opportunity Report Fiscal Years 2021-2022

Employee Turnover

In fiscal 2022, turnover rates for the Comptroller and state agencies continued to increase. In 2023, however, the rate of overall turnover decreased, as evidenced by the table below. Both the state's turnover rate and the agency's turnover rate decreased by more than 3 percent between fiscal 2022 and fiscal 2023.

Overall Turnover

Fiscal Year	Comptroller	State
2023	12%	18.7%
2022	18.1%	22.7%
2021	12.7%	21.5%
2020	10.6%	18.6%
2019	11.3%	20.3%
2018	11.6%	19.3%
2017	10.0%	18.6%
2016	11.6%	17.6%
2015	10.8%	18.0%
2014	10.1%	17.5%
2013	12.7%	17.6%

Source: Centralized Accounting and Payroll/Personnel System, March 2024 and State Auditor's Office (SAO); SAO statistics derived from Classified Employee Turnover for Fiscal Year 2023

As indicated by the following table, 52.8 percent of the 320 employees who left the agency in fiscal 2023 were in job classifications critical to the agency's tax and revenue administration functions.

Turnover by Job Classification

Classification Job Series	Total Separations
Tax Auditor	86
Tax Compliance Officer	47
Accounts Examiner	29
Program Specialist	3
Tax Analyst	4

Source: Centralized Accounting and Payroll/Personnel System (Fiscal 2023 data)

Despite the agency's relatively low staff turnover, 3,600 employees left the Comptroller's office during the past 11 years. More than 51 percent of that group had worked for the agency for five years or fewer, as indicated in the following table. On average, only 21 percent of the employees who left the agency had more than 20 years of experience.

Turnover by Length of Service

Fiscal Year	# Terms	0-5 Years	6-10 Years	11-15 Years	16-20 Years	21-25 Years	26-30 Years	31+ Years
2023	320	193	42	24	21	15	9	16
2022	469	270	73	36	28	11	16	35
2021	339	172	46	33	16	18	13	41
2020	299	149	41	28	24	14	21	22
2019	318	160	42	25	16	17	23	35
2018	327	149	40	20	32	16	41	29
2017	281	149	23	27	13	23	26	20
2016	324	158	49	42	17	22	20	16
2015	307	153	49	23	15	20	28	19
2014	286	143	35	20	14	27	19	28
2013	350	158	43	37	18	29	25	40

Source: Centralized Accounting and Payroll/Personnel System, March 2024

When looking at turnover by age, the number of employees under 50 who have left over the past 11 years is more than those who are over 50, as indicated by the following table. The younger cohort represents about 53 percent of those who have left the agency.

Turnover by Age

Fiscal Year	# Terms	<20	20-29 Years	30-39 Years	40-49 Years	50-59 Years	60-69 Years	70-79 Years
2023	320	0	39	80	75	68	49	9
2022	469	0	59	138	92	103	64	13
2021	339	0	50	87	52	69	68	13
2020	299	0	38	68	52	67	65	9
2019	318	0	36	73	47	70	85	7
2018	327	1	32	68	55	85	78	8
2017	281	2	46	60	51	71	48	3
2016	324	1	44	62	58	92	61	6
2015	307	0	44	62	48	80	66	7
2014	286	1	51	50	50	75	55	4
2013	350	1	66	64	38	98	82	1

Source: Centralized Accounting and Payroll/Personnel System, March 2024

Some level of turnover will always occur, of course, with both positive and negative outcomes. There can be a financial gain as experienced employees are replaced with entry-level staff. Losing experienced employees, however, can negatively affect the agency due to the loss of institutional knowledge and skill and the cost of hiring and training new employees.

Retirement Eligibility

From 2013 to 2023, an average of 94 employees, approximately 3.4 percent of the agency's workforce, retired each year. Data from the Centralized Accounting and Payroll/Personnel System show that approximately 10.7 percent of the agency's staff will become eligible to retire within the next four fiscal years. A total of 303 employees have already passed the eligibility requirement as of March 2024, with another 31 eligible by August 31, 2024.

The loss of institutional business knowledge and expertise in key management and senior-level professional positions, coupled with normal attrition, makes it important to minimize the loss of technical knowledge and organizational experience.

Employees Eligible to Retire

Fiscal Year	Eligible Employees	Percent of Total Agency FTE Cap
2025	67	2.4%
2026	67	2.4%
2027	82	3.0%
2028	79	2.9%
Total Eligible Employees	295	10.7%

Source: Centralized Accounting and Payroll/Personnel System, March 2024

II. FUTURE WORKFORCE PROFILE (DEMAND ANALYSIS)

Critical Functions

- Possible expansion or changes to existing taxes or the enactment of new taxes.
- Legislative mandates affecting the administration and delivery of agency services.

Expected Workforce Changes

- Increased demand for web-related services.
- Increased need for information security.
- Continued use of technology to revise and streamline work processes.

- Expanded contract management skills.
- Increased need for flexibility in a hybrid work environment.

Anticipated Increase/Decrease in Number of Employees Needed

- Attrition can create overload and lead to backlogs and decreased customer service. About 10.7 percent of agency employees will be eligible to retire over the next four years, potentially creating a loss of institutional knowledge, specifically in management and subject matter expert-level positions.
- Although thousands of people are entering the workforce, employers continue to face challenges finding qualified workers to fill available job opportunities, according to the U.S. Chamber of Commerce. The latest job reports from the Bureau of Labor Statistics indicate the same situation holds for Texas with 0.8 available workers for every open job. According to the U.S. Chamber of Commerce, at the end of February 2024, there were 8.9 million job openings in the U.S., and there is fewer than one available worker for every job opening. At a time when turnover remains above 10 percent, the ongoing worker shortage could become a serious issue for the agency.
- A decrease in staffing levels will require more efficient processes and procedures to accomplish agency goals.
- Planning must be used effectively to prevent knowledge and skills gaps.
- The likelihood of new or additional programs being added to the agency is high, as each legislative session results in revisions to the Texas tax codes, affecting the number of employees needed to complete the work.

Future Workforce Skills Needed

As the agency increasingly employs advancing technology to streamline processes, meet the demands of customers and provide more efficient services, additional skills may be required for the future workforce, including advanced systems design and analysis, complex web design and information security analytics. In addition to analytical skills, other requirements with increased focus include collaboration, contract management, problem solving and the ability to work independently in a teleworking environment. The need for staff with strong verbal and written communication skills also continues to rise. Current staff will continue to interact with taxpayers, legislators and others. More than minimal communications proficiency is required to perform these duties effectively.

To serve its constituency, the agency also requires a workforce able to communicate in multiple languages. The agency may need to establish minimal proficiency standards for some of its employees and provide training in common conversational phrases, expanding into tax-specific phrases and complex dialogue.

III. GAP ANALYSIS

Anticipated Surplus or Shortage of Workers or Skills

Overall, the agency workforce currently has the skills needed to do the required work. A loss of knowledge, however, is occurring with newer employees – those employed five years or fewer. In fiscal year 2023, 60.3 percent of the agency's turnover came from this group. Extensive time and effort are needed to train new employees before they can function independently. A high turnover of new employees places a strain on business operations.

- A potential skills "gap" in terms of institutional business knowledge and technical expertise exists between tenured/skilled employees (those with 15+ years of service) and employees with less tenure (10 years or fewer).
- New technologies are continually introduced as current and legacy systems are replaced.
- The agency will continue its efforts to identify critical positions for succession planning.

The following skills continue to be priorities for the agency:

- Accounting
- Advanced financial analysis
- Advanced information technology analysis
- Agility
- Analytics
- Auditing
- Budgeting
- Collaboration
- Collections
- Communication
- Compliance (federal/state agency)
- Computer proficiency (basic/end user)
- Contract management
- Contract negotiations
- Customer service
- Information security analysis/cybersecurity
- Investigation
- Learning mindset

- Management
- Privacy/confidentiality
- Problem solving
- Project management
- Property appraisal
- Procurement
- Recruitment
- Research and analysis
- Software development (Oracle, CAPPS, NetSuite, Salesforce, QlikSense, etc.)
- Training
- Web administration/graphics/social media

With the potential for decreased staffing levels in the foreseeable future, the agency will immediately focus on retaining high-potential and high-performing employees, identifying future needs, and developing strategies either to train existing staff to fill potential gaps or developing recruiting strategies to select and hire employees with skills in gap areas.

IV. STRATEGY DEVELOPMENT

One of the agency's six primary goals is to:

Develop and maintain a skilled workforce, committed to quality performance.

To address any deficits between the Comptroller's current staff and future demands, two strategic objectives have been incorporated into the agency's workforce plan. These objectives were developed based on factors identified through an agency workforce analysis. The Comptroller's future workforce requirements can be met through the accomplishment of two key objectives:

Objective: Develop a Competent, Well-Trained Workforce	
Rationale	In 2023, about 60 percent of the agency's staff who separated had fewer than five years of service. One of the most critical issues facing the agency is the potential skills gap that could occur due to this turnover. New employees are leaving just as they reach an intermediate to an advanced level of performance and before they transfer that knowledge to other new employees. The training and development of current employees are critical to the success of the agency. The agency must continually assess existing staff to determine which employees demonstrate the potential or interest to develop new competencies and assume new or modified positions.
Action Steps	• Annually assess the critical skills and competencies needed to stay "ahead of the curve" of imminent retirements and anticipated turnover. • Monitor the level of risk facing the agency regarding the potential loss of knowledge, particularly in areas where loss is likely due to the imminent retirement of employees in key positions and identify potentially critical knowledge losses. • Develop recruiting strategies to attract and select for the potential knowledge loss. Through this process, the agency can create a pipeline of qualified candidates prior to the knowledge loss. • Develop knowledge-transfer strategies to ensure that institutional business knowledge and technical expertise are transferred to less-experienced employees. Promote these strategies, including cross-training, as an agency priority. • Design and deliver position-specific training materials and classes to be used for new employee onboarding and cross-training. • Provide training for management that is relevant to today's challenging work environment, including general human resources topics, succession planning, managing large teams and multiple priorities, giving constructive feedback, employee engagement and managing staff in a remote work environment. • Enhance the existing internship program to create a pipeline of potential employees with appropriate knowledge and skills. • Encourage employees to pursue professional certification(s) in their areas of employment when feasible and available. • Offer a variety of instructor-led and eLearning professional development opportunities to enable employees to complete training as needed.

Objective: Attract and Retain the Right Employees for the Job

Rationale

Recruitment is the cornerstone of any effort to build a quality workforce. Retaining employees in a competitive market remains a continuing challenge. Retention of state employees requires a partnership between state leadership and state agencies. State leaders must continue to offer competitive salaries and benefits packages. State agencies should take responsibility to recruit quality workers, recognize excellent performance and provide development opportunities. The Comptroller's office will focus on identifying strategies to retain employees and increase overall applicant interest in positions with the agency.

Action Steps

- Enhance current recruiting efforts to portray the Comptroller's office as an employer of choice.
- Partner with organizations and universities to share job postings and attract potential candidates.
- Maintain a robust internship program.
- Attend relevant career fairs.
- Improve the Comptroller's social media presence to target both active and passive job seekers to build a robust pipeline of highly qualified candidates.
- Continue exit and stay interview programs to identify the best ways to retain high-potential and high-performing employees.
- Allow employees seeking new challenges to work on special projects, rotations and/or developmental or "stretch" assignments.
- Provide flexibility with alternative work schedules and telecommuting programs when applicable and consistent with the agency's overall business objectives to increase employee satisfaction and retention.
- Utilize a recruiting task force composed of subject matter experts across the agency to recommend and develop ways to expand applicant pools, increase the number of new hires and reduce the time to fill positions.
- Continuously assess and update recruiting plans and strategies to minimize possible knowledge gaps with a strong pipeline of new employees.

V. SUCCESSION PLANNING PROGRESS

The Comptroller's office has implemented and will continue to put into practice the action steps outlined above. Various divisions have implemented strategies that create opportunities for employees to work on special projects, development projects or "stretch assignments"; cross-train with subject matter experts; receive structured on-the-job training; and be recognized for outstanding performance.

The agency's Professional Development division coordinates management training for all levels of leadership – from team leads to directors – through several programs. The LEADer in YOU, a 15-hour eLearning course, prepares aspiring leaders for future leadership opportunities. CPA Way, a 21-hour instructor-led course, prepares new supervi-

sors and managers to manage and lead following agency best practices, policies and procedures. The Leadership Institute, an 80-hour instructor-led course, further develops the skills and enhances the growth of high-potential managers. The Team Lead Resource Library and Succession Planning workshops are expected to roll out to the agency in late fiscal 2024 and early fiscal 2025.

Divisions are working with the agency's business continuity team to develop a sustainable business continuity program that includes communication planning, testing, training and exercises, and continuous monitoring and improvement. With these initiatives, the Comptroller's office is taking a proactive approach to ensure business continuity.