

**A Quarterly Report of  
Full-Time Equivalent State Employees for  
the Quarter Ending August 31, 1999**

January 26, 2000

Members of the Legislative Audit Committee:

There were 264,331 full-time equivalent (FTE) state employees for the quarter ending August 31, 1999, based on reports submitted by 212 agencies and institutions of higher education. There were 243,170 full-time state employees and 47,546 part-time state employees. Agencies and institutions of higher education reported using 31,153 contractors and consultants as of the last working day of the quarter. The overall statewide management-to-staff ratio was 1 manager to 12.30 staff members. The Incentive and Productivity Commission failed to submit its data.

**Changes in State Employment**

Compared to the previous quarter, overall FTEs decreased by 3.10 percent. In comparison to the fourth quarter of 1998, state employment has remained nearly constant with a decrease of .06 percent. Total statewide employment has increased by over 4 percent over the past five years. Since 1994, the number of FTEs working in public safety and criminal justice agencies and at institutions of higher education has increased significantly. Both have increased by over 11,000 FTEs.

Since 1989, total statewide FTEs have increased by over 25 percent (53,972 FTEs). Nearly all of this growth in the past 10 years has been at public safety and criminal justice agencies (27,118 FTEs) and higher education institutions (23,374 FTEs).

**Distribution of State Employees**

Fifty-eight percent of the State's employees work in state agencies:

- Almost three-quarters work for health and human services or public safety and criminal justice agencies.
- Ninety-one percent work for the 15 largest agencies, which make up 11 percent of total agencies.

Forty-two percent of the State's employees work at institutions of higher education:

- Over one-third of higher education employees are paid with funds that are not appropriated by the State.
- Over one-third of higher education employees work in health-related institutions.
- Almost three-quarters of higher education employees work for The University of Texas System, the Texas A&M University System, or one of their components.

#### FTE Caps

The Commission on Alcohol and Drug Abuse exceeded its quarterly FTE cap without approval from the Legislative Budget Board and the Office of the Governor. Additionally, 40 institutions of higher education exceeded their annualized FTE caps without approval from the Legislative Budget Board and the Office of the Governor. Explanations from these agencies are included on page 11 of the attachment.

The attachment contains additional information about the State's FTEs. However, it does not contain the Quarterly Summary tables that our bound FTE quarterly reports have contained in the past. The Quarterly Summary tables contain detailed FTE, trend analysis, contractor, and management-to-staff data for each agency and university. If you would like the Quarterly Summary tables, you may download them from our website at [www.sao.state.tx.us/ ReportsMn/reports/00-704.pdf](http://www.sao.state.tx.us/ReportsMn/reports/00-704.pdf). You may also request a hard copy from Production Services by calling (512) 479-4740 and asking for SAO Report No. 00-704 (tables only).

If you have any questions, please contact Mike Mericle, Assistant State Classification Officer, at (512) 479-4700.

Sincerely,

Lawrence F. Alwin, CPA  
State Auditor

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Attachment

#### Summary of Objective, Scope, and Methodology

This report provides the Legislature and the public with information on the number of state employees and the number of consultants and contract individuals who perform services for state government. The report was prepared in accordance with Government Code, Chapter 2052, Subchapter B.

This report was prepared from information submitted to the State Auditor's Office by 212 agencies and institutions.

Please see the attachment for the full text of the objective, scope, and methodology.

## Overview

There were 264,331 full-time equivalent (FTE) state employees for the quarter ending August 31, 1999, based on reports submitted by 212 agencies and institutions of higher education. There were 243,170 full-time state employees and 47,546 part-time state employees. Agencies and institutions of higher education reported using 31,153 contractors and consultants as of the last working day of the quarter. The Incentive and Productivity Commission failed to submit its data.

The tables and graphics are based on self-reported data from the agencies and institutions of higher education. The State Auditor's Office has not independently verified the data.

## Changes in State Employment Over Time

Compared to the Third Quarter of Fiscal Year 1999, the Number of FTEs Has Decreased

Table 1

Change in Number of FTEs From the Third Quarter of Fiscal Year 1999 to the Fourth Quarter of Fiscal Year 1999		
Area	Increase/(Decrease) in FTEs	
State Agencies	(214.16)	(.14)%
Higher Education Institutions	(8272.53)	(6.89)%
Statewide	(8486.69)	(3.10)%

- The largest increases were at the Department of Transportation (789.81 FTEs), The University of Texas M.D. Anderson Cancer Center (398.98 FTEs), the Texas Agricultural Experiment Station (321.38 FTEs), the Texas Engineering Experiment Station (205.91 FTEs), and the Parks and Wildlife Department (203.55 FTEs). Three other agencies and universities increased by more than 100 FTEs each.
- The largest decreases were at The University of Texas at Austin (1,936.62 FTEs), and Texas A&M University (1,480.84 FTEs). Twenty other institutions of higher education had decreases of at least 100 FTEs each compared to last quarter. The largest decrease at a state agency was at the Department of Human Services (206.00 FTEs). The House of Representatives (177.90 FTEs) and the Department of Mental Health and Mental Retardation (166.39 FTEs) also had significant decreases.

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Compared to the Fourth Quarter of Fiscal Year 1998, the Number of FTEs Has Remained Nearly Constant

Table 2

Change in Number of FTEs From the Fourth Quarter of Fiscal Year 1998 to the Fourth Quarter of Fiscal Year 1999		
Area	Increase/(Decrease) in FTEs	
State Agencies	(1,386.20)	(.90)%
Higher Education Institutions	1,232.71	1.12%
Statewide	(153.49)	(.06)%

- The decrease of 153.49 FTEs (0.06 percent) from the fourth quarter of 1998 to the fourth quarter of 1999 reflects that the State's employment has remained nearly constant.
- There has been a 1.12 percent increase in FTEs at institutions of higher education and a .90 percent decrease in FTEs at state agencies.

Over the Past Five Years, Total Statewide Employment Has Increased by 4.04 Percent

Table 3

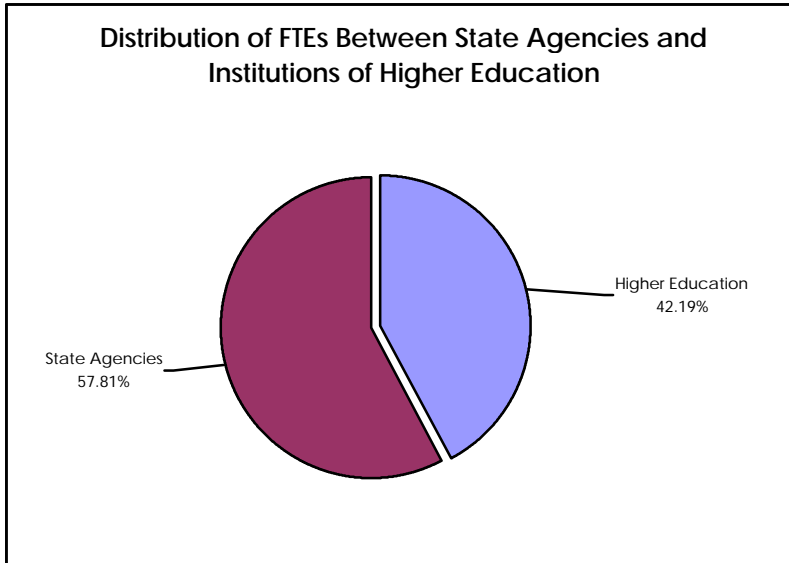
Change in Number of FTEs From the Fourth Quarter of Fiscal Year 1994 to the Fourth Quarter of Fiscal Year 1999		
Area	Increase/(Decrease) in FTEs	
State Agencies	(1,077.83)	(.70)%
Higher Education Institutions	11,343.83	11.29%
Statewide	10,266.00	4.04%

- Public safety and criminal justice agencies increased by 26 percent:
  - Department of Criminal Justice: 8,367 FTEs
  - Youth Commission: 2,226 FTEs
  - Department of Public Safety: 774 FTEs
- Higher education institutions increased by 11 percent:
  - The University of Texas Medical Branch at Galveston: 2,790 FTEs
  - Texas Tech University Health Sciences Center: 1,441 FTEs
- Health and human services agencies decreased by 15 percent:
  - Department of Mental Health and Mental Retardation: (6,242) FTEs
  - Department of Human Services: (3,198) FTEs

## Distribution of State Employees

### Nearly Half of the State's FTEs Work for Institutions of Higher Education

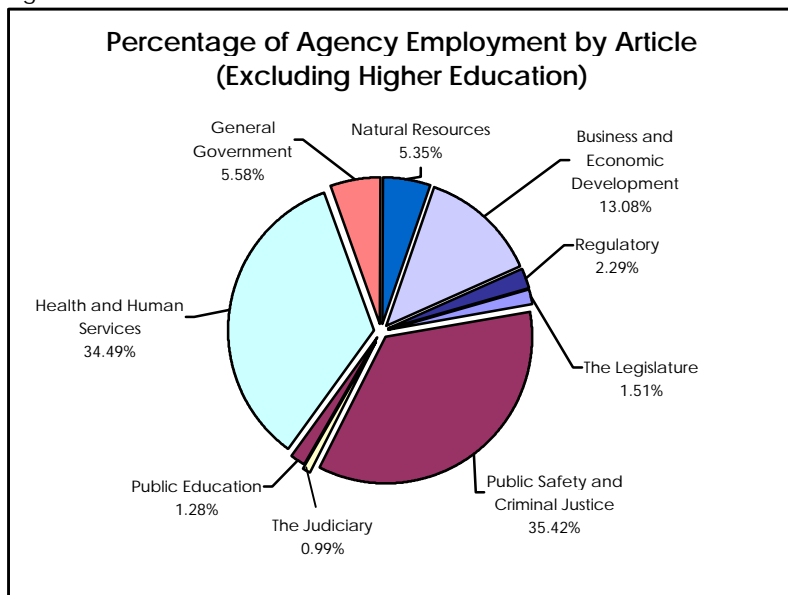
Figure 1



As Figure 1 shows, 58 percent of state employees are employed by state agencies, and 42 percent are employed by institutions of higher education.

### Almost Three-Fourths of State Agency Employees Work in Public Safety and Criminal Justice or Health and Human Services Agencies

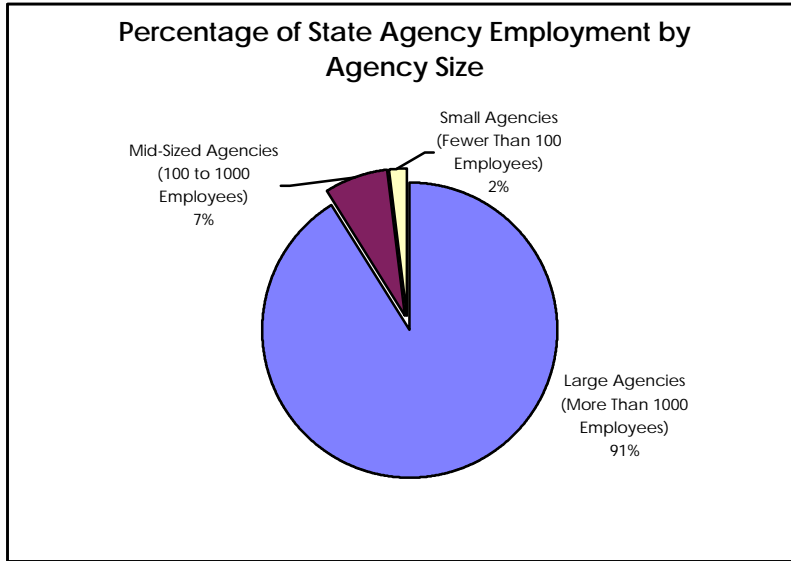
Figure 2



As Figure 2 shows, almost 70 percent of employees at state agencies are employed at public safety and criminal justice or health and human services agencies.

## Eleven Percent of State Agencies Employ 91 Percent of State Agency FTEs

Figure 3



As Figure 3 shows, 91 percent of employees at state agencies are employed at large agencies, although large agencies make up 11 percent of total agencies.

Figure 4

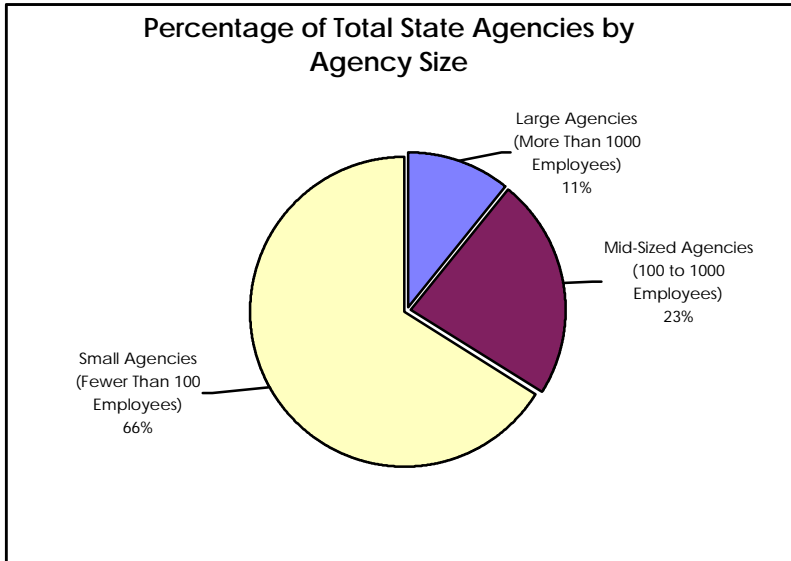
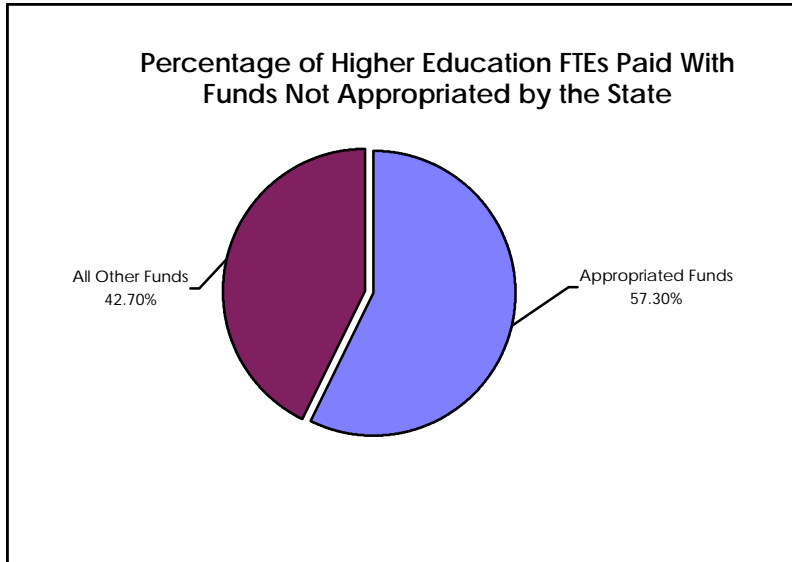


Figure 4 shows that although less than 2 percent of state employees work for small agencies, two-thirds of all agencies are small agencies.

## Over 40 Percent of Higher Education Employees Are Paid With Funds That Are Not Appropriated by the State

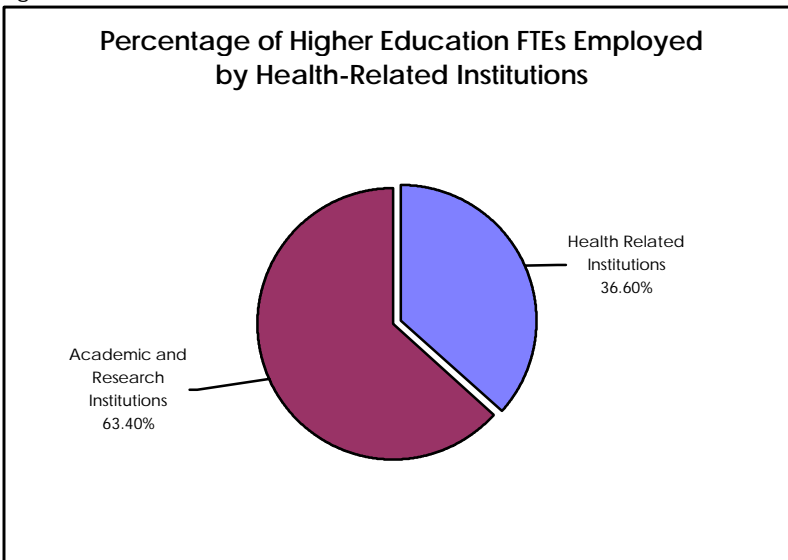
Figure 5



As Figure 5 shows, over 40 percent of employees at higher education institutions are paid with funds other than those appropriated by the Texas Legislature.

## Over One-Third of Higher Education Employees Work in Health-Related Institutions

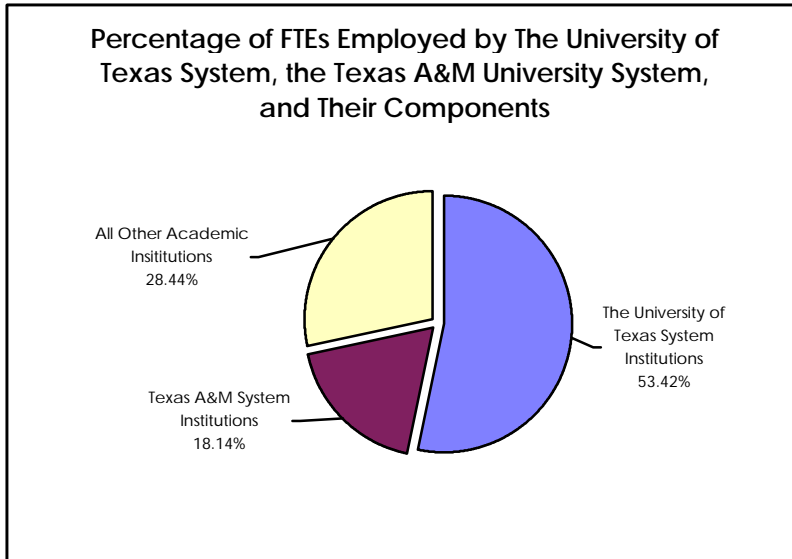
Figure 6



As Figure 6 shows, over one-third of higher education FTEs are employed at health-related institutions.

## Two University Systems Employ Almost Three-Fourths of Texas' Higher Education Employees

Figure 7



As Figure 7 shows, over half of higher education FTEs are employed at branches of The University of Texas System. The Texas A&M University System components employ the next highest number of FTEs, with over one-sixth of higher education FTEs.

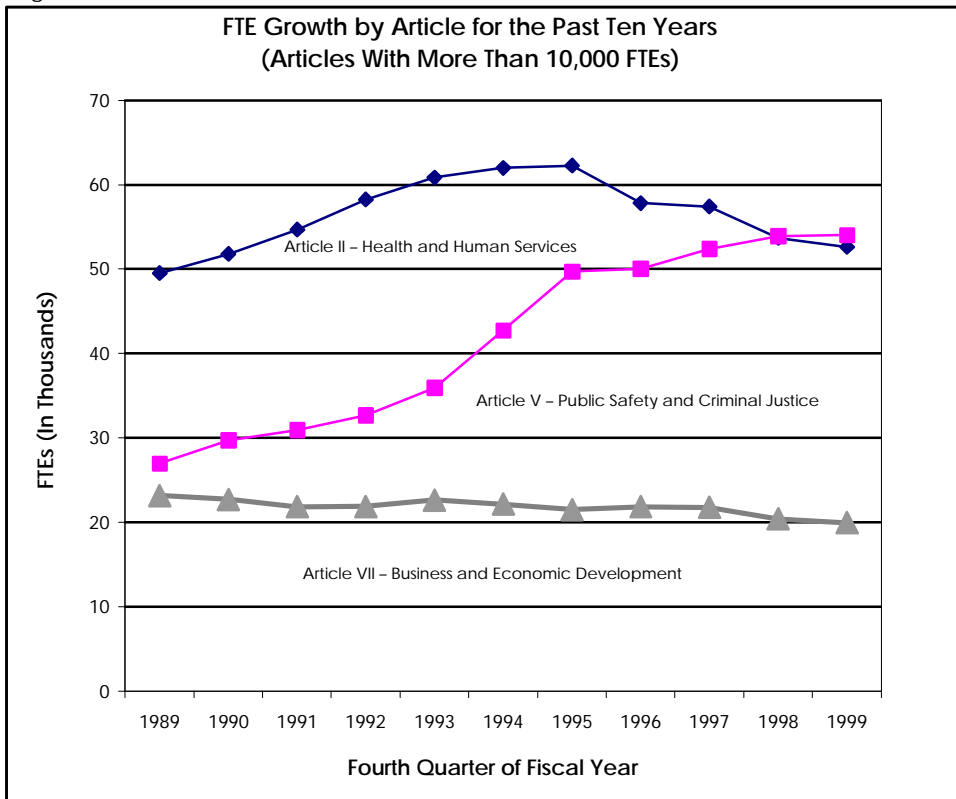


# Changes in State Employment by General Appropriations Act Article

Since 1989, Public Safety and Criminal Justice Agencies Have Added the Most FTEs

Figure 8 shows that public safety and criminal justice agencies have significantly increased in the past 10 years (over 27,000 FTEs).

Figure 8



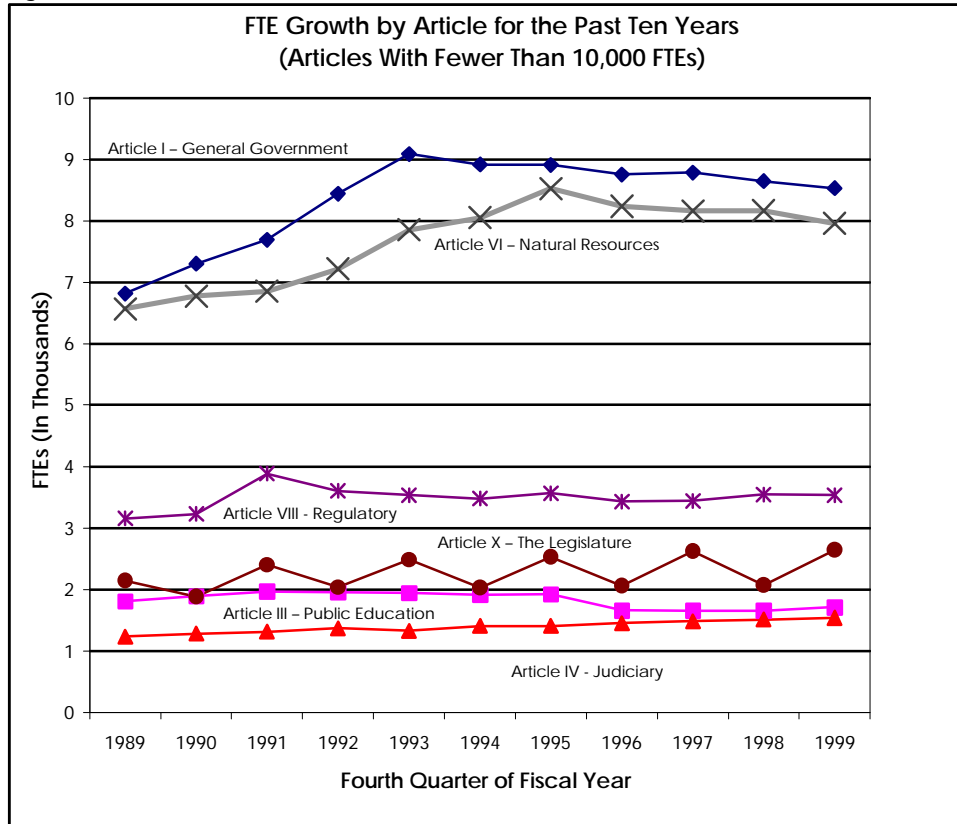
The number of FTEs at health and human services increased from 1989 until 1995 and has since decreased by almost 10,000 FTEs.

Business and economic development agencies have decreased by over 3,000 FTEs in the past 10 years, mainly due to decreases at the Texas Workforce Commission.

**The Number of FTEs in Articles With Fewer Than 10,000 FTEs Has Grown in the Past 10 Years, But Has Not Changed Significantly Over the Past 5 Years**

As Figure 9 shows, general government and natural resources agencies have experienced significant growth since 1989. General government agencies added 1,713 FTEs, and natural resources agencies added 1,395 FTEs. Both articles, however, have decreased their FTEs since 1995.

Figure 9



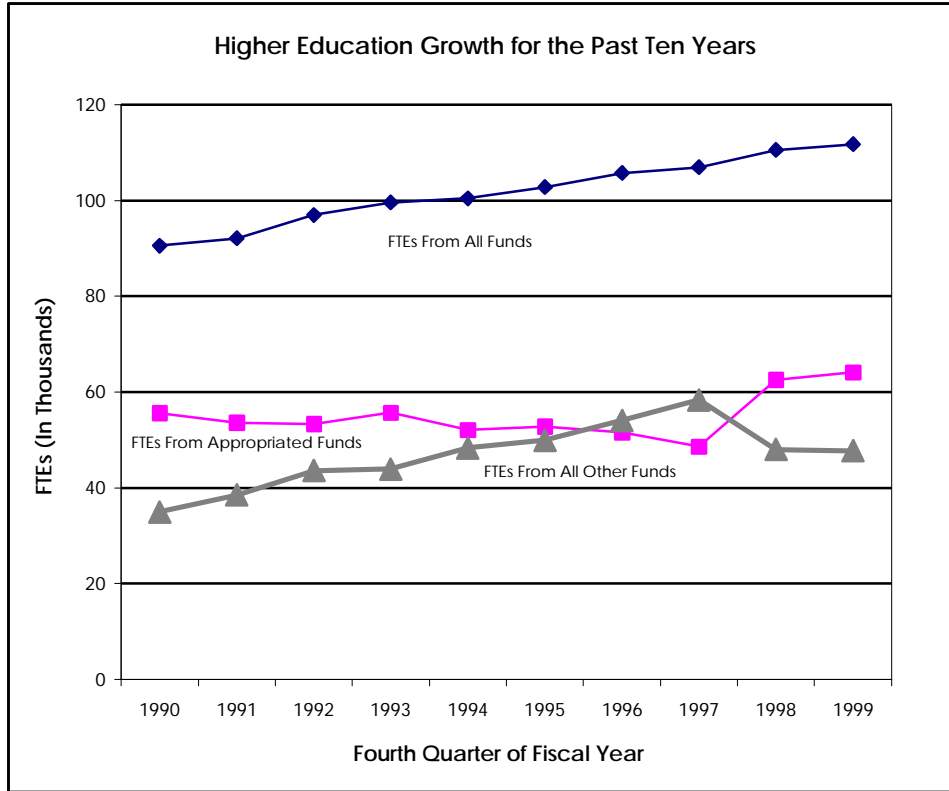
Legislative, judiciary, and regulatory agencies also increased in the past 10 years: legislative by 502 FTEs, judiciary by 307 FTEs, and regulatory by 380 FTEs.

Public education agencies decreased total FTEs by 97 FTEs in the past 10 years.

## The Number of FTEs in Institutions of Higher Education Has Increased Significantly Over the Past Ten Years

Figure 10 shows that FTEs in higher education institutions have increased by over 23,000 FTEs since 1989.

Figure 10



About half of this increase (over 10,000 FTEs) has been in positions paid from funds other than those appropriated by the Texas Legislature (prior to 1998, this number represents the number of FTEs paid from funds outside of the State Treasury).

## Consultants and Contractors

### During the Fourth Quarter of Fiscal Year 1999, More Than One-Third of the State's Contractors and Consultants Worked for the Department of Transportation

Agencies and institutions of higher education reported using 31,153 contractors and consultants as of the last working day of the quarter. Four agencies and six higher education institutions employed over 500 contractors or consultants during the quarter.

Table 4

Agencies and Institutions of Higher Education With More Than 500 Contractors and Consultants			
Agencies	Contractors/ Consultants	Institutions of Higher Education	Contractors/ Consultants
Department of Transportation	14,740	The University of Texas at Austin	2,187
General Services Commission	1,201	Texas A&M University System	1,435
Department of Mental Health and Mental Retardation	910	The University of Texas M.D. Anderson Cancer Center	869
Department of Health	538	The University of Texas at San Antonio	903
		The University of Texas Medical Branch at Galveston	720
		Sam Houston State University	520

## FTE Caps

One agency exceeded its quarterly FTE cap, which the Legislature sets, without approval from the Legislature Budget Board and the Office of the Governor. (See Table 5 for explanation.)

Table 5

Agencies Exceeding Legislative FTE Cap			
Agency	FTEs Over Cap	Percentage Over Cap	Explanation (Per agency and Legislative Budget Board)
Commission on Alcohol and Drug Abuse	2.79	1.21	No explanation provided.

Forty institutions of higher education exceeded their annual FTE caps, set by the Legislature, without approval from the Legislature Budget Board and the Office of the Governor (See Table 5 for their explanations). Institutions of higher education are subject to annual caps and are only reported compared to the cap at the end of the fiscal year.

Higher Education Institutions Exceeding Legislative FTE Cap			
Institution	FTEs Over Cap	Percentage Over Cap	Explanation
The University of Texas M.D. Anderson Cancer Center	2,050.57	31.04	No explanation provided.
Texas A&M University	630.63	7.05	FTEs exceeded the cap because of a reporting error in setting the methodology used to set the cap; approximately 2,000 additional students in fiscal year 1999 and the opening of new facilities on the West Campus. A request to exceed the cap was submitted in March 1999. The actual number is within the new requested FTE cap.
The University of Texas at Brownsville	614.21	216.27	No explanation provided.
Southwest Texas State University	551.75	26.46	No explanation provided.
The University of Texas Medical Branch at Galveston	374.71	2.93	No explanation provided.
Texas Engineering Experiment Station	328.39	57.36	No explanation provided.
The University of Texas Health Science Center at San Antonio	299.42	7.50	No explanation provided.
The University of Texas at El Paso	223.68	10.61	No explanation provided.
Corpus Christi State University	205.15	28.55	No explanation provided.
University of Houston	194.41	4.35	No explanation provided.
University of North Texas Health Science Center	147.83	17.43	No explanation provided.

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Higher Education Institutions Exceeding Legislative FTE Cap			
Institution	FTEs Over Cap	Percentage Over Cap	Explanation
The University of Texas Southwestern Medical Center at Dallas	144.68	2.95	No explanation provided.
The University of Texas at Dallas	142.96	10.58	No explanation provided.
Texas Tech University	127.93	2.75	No explanation provided.
The University of Texas - Pan American	114.21	7.60	The addition of certain staff positions has been required as a condition for compliance with various audits. Increased usage and increased complexity of computers and electronic media have necessitated the addition of staff.
Texas A&M University - Kingsville	110.85	12.03	No explanation provided.
Texas A&M University Health Science Center	96.03	48.75	No explanation provided.
The University of Texas at San Antonio	88.85	4.60	No explanation provided.
Texas A&M International University	85.62	26.10	No explanation provided.
Texas State Technical College - Harlingen	70.44	17.81	Texas State Technical College (TSTC) previously submitted requests in March 1997 and March 1998 to exceed the cap due to increased enrollment. TSTC has not received a response to the requests.
The University of Texas Health Science Center at Houston	66.37	1.50	No explanation provided.
West Texas A&M University	50.65	6.62	No explanation provided.
The University of Texas of the Permian Basin	47.39	21.89	No explanation provided.
Texas Agricultural Extension Service	45.19	4.07	Emergency funding of Senate Bill 472 approved by the 76 <sup>th</sup> Legislature appropriated funding and authorized an additional 22.5 new FTEs for the establishment of a statewide risk management program. In addition, FTEs have been added to accommodate other legislative appropriations during the 75 <sup>th</sup> legislative session in support of statewide programs. Finally, the agency is significantly impacted by the seasonal nature of agriculture in its staffing patterns. The seasonal nature of required FTE totals is clearly reflected on the quarterly report filed over the past five years.
Texas State Technical College - Sweetwater	39.95	20.38	The increase in FTEs is needed to support enrollment growth, implementation of new programs, expanded workforce training, and the transfer of instructional costs previously covered by grant funds to Education and General (E&G) funds.
Lamar University Institute of Technology	32.91	28.01	No explanation provided.
Tarleton State University	27.50	3.31	No explanation provided.
Texas Agricultural Experiment Station	26.50	1.99	No explanation provided.
Texas A&M University System	25.16	10.44	No explanation provided.

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Higher Education Institutions Exceeding Legislative FTE Cap			
Institution	FTEs Over Cap	Percentage Over Cap	Explanation
Texas State Technical College System Admin	24.97	416.08	The increase in FTEs is needed to support enrollment growth, implementation of new programs, expanded workforce training, and the transfer of instructional costs previously covered by grant funds to E&G funds.
Lamar University - Port Arthur	23.37	10.39	No explanation provided.
University of Houston - Downtown	20.76	3.38	No explanation provided.
The University of Texas Health Center at Tyler	18.06	1.54	No explanation provided.
Texas State Technical College - Waco	12.91	1.92	The increase in FTEs is needed to support enrollment growth, implementation of new programs, expanded workforce training, and the transfer of instructional costs previously covered by grant funds to E&G funds.
Texas A&M University System-Baylor College of Dentistry	10.63	2.34	No explanation provided.
Texas A&M University - Texarkana	7.26	6.75	No explanation provided.
Texas A&M University - Commerce	3.75	0.37	No explanation provided.
The University of Texas System	2.46	0.86	No explanation provided.
Sul Ross State University Rio Grande College	1.82	2.96	No explanation provided.
Lamar University - Orange	1.26	0.74	No explanation provided.

## Management-to-Staff Ratios

Table 6

Category	Management-to-Staff Ratio
Agencies/Institutions With Fewer Than 100 Employees	1 Manager/Supervisor to 5.29 Staff Members
All Other Agencies	1 Manager/Supervisor to 9.85 Staff Members
All Other Higher Education Institutions	1 Manager/Supervisor to 16.87 Staff Members
Statewide Average	1 Manager/Supervisor to 12.30 Staff Members

The overall statewide management-to-staff ratio was 1 manager/supervisor to 12.30 staff members. (See Table 6.) At this time, there is no legislative mandate to achieve a specific management-to-staff ratio. However, each agency is required to develop procedures for achieving a management-to-staff ratio of 1 manager for 11 staff members.

Twenty-seven percent of agencies and higher education institutions achieved the desired ratio of 1 manager/supervisor for every 11 non-supervisory staff members. Nineteen agencies and forty institutions of higher education reported a 1:11 ratio or higher.

Very small agencies have a difficult time achieving a 1:11 ratio; therefore, we have reported these agencies separately. Ten of the 99 agencies and institutions (10 percent) with fewer than 100 employees met the goal of a 1:11 ratio. It should be noted that although the average management-to-staff ratio for agencies and institutions with more than 100 employees was approximately 1:12.5, the Department of Criminal Justice, with over 40,000 FTEs, reported a ratio of 1:78 which affects the statewide average significantly.

One explanation of why only 27 percent of agencies and institutions met the 1:11 goal may be that there are too many layers of management at these entities. This report highlights agencies that may have a higher number of supervisors and managers. It is difficult, however, to say that entities should all have the same management-to-staff ratio, especially as organizations become less hierarchical. As organizations increasingly plan their work around project teams, which form to accomplish the mission then disband, the concept of supervisors and middle management changes. Additionally, organization size, organization function/mission, and managerial strategy may also affect management's span of control. As the Legislature continues to study the data, these types of changes in organizational structure and management systems will be an integral piece of information.



# Objective, Scope, and Methodology

## Objective

This report provides the Legislature and the public with information on the number of state employees and the number of consultants and contract individuals who perform services for state government. The report was prepared in accordance with Government Code, Chapter 2052, Subchapter B.

## Scope

This report was prepared from information submitted to the State Auditor's Office by 212 agencies and institutions.

## Methodology

### FTE Caps

- Based on consultation with Legislative Budget Board staff regarding legislative intent, several agencies' and higher education institutions' FTE caps were adjusted to reflect rider and/or statutory language that specifically authorized changes to FTE caps.
- The FTE caps for agencies are based only on FTEs paid from funds inside the State Treasury.
- The Panhandle Plains Historical Museum (Agency No. 039) does not have an FTE cap listed in the General Appropriations Act. However, the FTE cap of 765.5 for West Texas A&M University (Agency No. 757) provides an overall FTE cap for both institutions.
- The following agencies were not assigned FTE caps by the Legislature: the Health Professions Council, the Southwest Collegiate Institute for the Deaf, the State Bar of Texas, the Board of Law Examiners, and all Article X agencies.
- Although the Governor's Office and Governor's Office - Trusteed Programs are assigned separate FTE caps, the report combines their total FTEs and FTE caps, as these two programs are allowed to transfer appropriations and FTEs with each other.

### FTE Data

- The State Auditor’s Office and the Legislative Budget Board agree that the Teacher Retirement System should report its FTEs as “Appropriated” and “All Other Funds” as allowed for higher education institutions.
- Agencies with a significant percentage of employees who work a non-standard workweek were granted the opportunity to choose from three methods of calculating FTEs. Each agency was required to continue its method for the entire fiscal year. The options are explained in Table 7.

Table 7

Option	Agencies
Count the actual number of hours in the quarter based on the number of Mondays through Fridays.	Youth Commission Department of Mental Health and Mental Retardation Department of Public Safety Parks and Wildlife Department School for the Blind School for the Deaf
Use 520 hours as the standard number of hours in every quarter regardless of the actual number of work hours.	Alcoholic Beverage Commission
Allocate both methods of calculation so that the hours in a quarter will be the average total number during the quarter that one full-time employee would be paid.	Department of Criminal Justice

### Variances

Employees of the Health Professions Council, the Southwest Collegiate Institute for the Deaf, the State Bar of Texas, the Board of Law Examiners, and all Article X agencies are reported in the FTE employee totals. These agencies, however, were not assigned FTE caps in the General Appropriations Act. Therefore, an overall statewide variance figure was not computed.

### Management-to-Staff Ratio

The following formula is used to calculate the management-to-staff ratio:

<p><b>Management-to-staff ratio = <math>\frac{[N+(S-1)]}{S}</math></b></p> <p>N = Number of non-supervisory employees S = Combined number of supervisors and managers</p>
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The following employees of the State Auditor’s Office developed this report:

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- Mike Mericle (Assistant State Classification Officer)
- Kelli Dan, CCP, PHR (Audit Manager)
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