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State Auditor

A Summary Report on

Full-time Equivalent State Employees for Fiscal Year 2008

November 2008

Report No. 09-702



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Overall Conclusion

During fiscal year 2008, an average of 295,846 full-time equivalent (FTE) employees were employed in state agencies or higher education institutions. This is an increase of 6,362 FTEs (or 2.2 percent) over the number employed in fiscal year 2007.

State agencies employed 145,496 FTEs, an increase of 0.9 percent over fiscal year 2007. Higher education institutions employed 150,350 FTEs, an increase of 3.5 percent over fiscal year 2007.

State agencies and higher education institutions reported average headcounts of 265,855 full-time employees and 77,749 part-time employees during fiscal year 2008.

FTE Calculations

A full-time equivalent (FTE) employee is a ratio that represents the number of hours that an employee works compared to 40 hours a week. One FTE is any combination of employees whose hours total 40 hours.

FTEs do not equate to employee headcount. For example, two employees who each work 20 hours a week together equal one FTE. The number of FTEs for an agency is equal to the total hours paid divided by the total work hours in a quarter.

Key Points

FTE levels overall have increased during the past 10 years.

During the past 10 years, the average number of FTEs in the State has increased by 9.8 percent (see Table 1 on page 2). Among higher education institutions, the average number of FTEs has increased by 28.0 percent since fiscal year 1999. During that same time, state agencies experienced a decrease of 4.3 percent in the average number of FTEs.

The majority of state agencies and higher education institutions comply with their legislatively mandated FTE caps.

During fiscal year 2008, 2 state agencies and 21 higher education institutions exceeded their legislatively mandated FTE caps (see Tables 7 and 8 for agencies' and higher education institutions' reasons for exceeding FTE caps on pages 13 though 17). Of those that exceeded their caps, state agencies on average were 1.4 percent above their caps and higher education institutions on average were 8.2 percent above their caps.

This review was conducted in accordance with Texas Government Code, Section 2052.104 (b).

For more information regarding this report, please contact Nicole Guerrero, Audit Manager, or John Keel, State Auditor, at (512) 936-9500.

Statewide, average management-to-staff ratios are in compliance with statutorily mandated ratios.

The average management-to-staff ratio, calculated using headcount, for fiscal year 2008 was 1:15 (1 manager or supervisor per 15 staff employees). The same ratio, calculated using FTEs, was 1:13 (1 manager or supervisor per 13 staff employees). These ratios have remained fairly constant since fiscal year 2004. Currently, Texas Government Code, Section 651.004 (c), mandates a management-to-staff ratio for the State of 1:11 (1 manager or supervisor per no fewer than 11 staff employees, based on FTEs).

Summary of Objective, Scope, and Methodology

The objective of this review was to provide the Legislature and the public with information on the number of FTEs who perform services for state government.

The scope of this review included unaudited fiscal year 2008 information on FTEs submitted each quarter to the State Auditor's Office by agencies and higher education institutions.

This report compares data from fiscal year 2008 with previously submitted data from the State Auditor's Office's Full-Time Equivalent (FTE) System.

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Detailed Results

Introduction

The State Auditor's Office has compiled full-time equivalent (FTE) data from state agencies and higher education institutions since 1988. This data, which agencies and higher education institutions report quarterly, is used by the Legislature to manage workforce levels across the State and appropriate funding. In addition to information about the total number of FTEs employed in the State, the State Auditor's Office's Full-Time Equivalent (FTE) System collects data on full-time and part-time employees and management-to-staff ratios (see text box for additional details).

Additional FTE Analysis

The State Auditor's Office provides additional data analysis and reports from its FTE System through its Web site at <http://www.sao.state.tx.us>. To access that information:

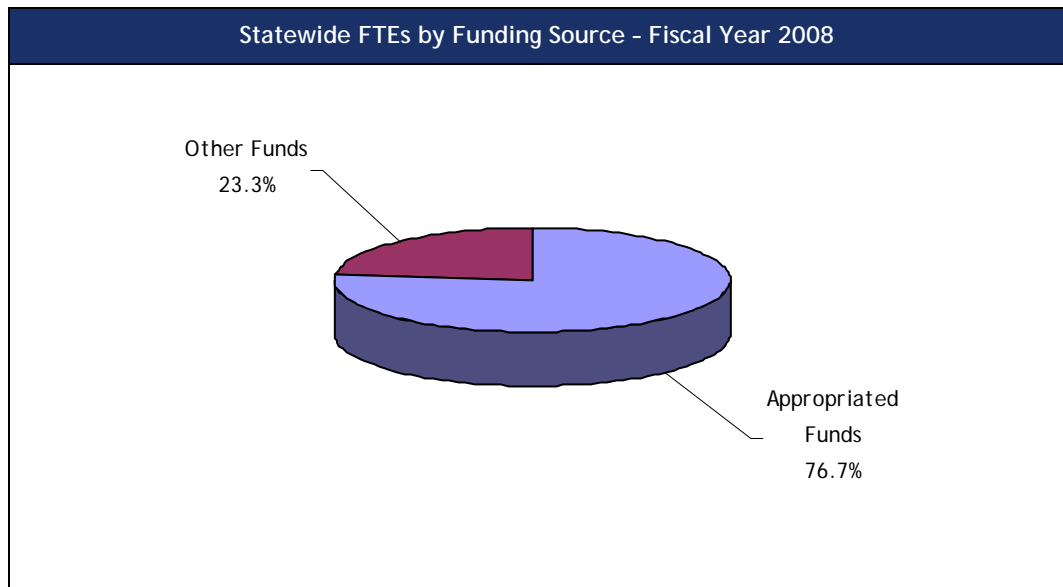
- Select "Resource & Tools."
- Under the "Tools" header, select "Full-Time Equivalent (FTE) State Employee System."

Data in the FTE System may vary from data contained in this report due to routine system maintenance and updated information submitted by state agencies and higher education institutions. However, differences should be minimal.

The majority of state FTEs are funded through appropriated funds.

The General Appropriations Act funds FTEs primarily through appropriated funds and other funding sources. On average, in fiscal year 2008, 76.7 percent of FTEs were paid through appropriated funds, which includes 100 percent federally funded programs (see Figure 1). This represents 99.5 percent of state agency FTEs and 54.6 percent of FTEs in higher education institutions.

Figure 1



Source: FTE System, State Auditor's Office.

FTE Levels Overall in the State Have Increased During the Past Ten Years

During the past ten years, the average number of FTEs in the State has increased by 9.8 percent. Among higher education institutions, the average number of FTEs has increased by 28.0 percent since fiscal year 1999. During that same time, state agencies experienced a decrease of 4.3 percent in the average number of FTEs (see Table 1).

Table 1

Change in Annual FTE Levels by General Appropriations Act Article						
General Appropriations Act Article	One-Year Comparison (Fiscal Years 2007 and 2008)		Five-Year Comparison (Fiscal Years 2004 and 2008)		Ten-Year Comparison (Fiscal Years 1999 and 2008)	
	Change in FTEs	Percent Change	Change in FTEs	Percent Change	Change in FTEs	Percent Change
Article I - General Government	(46.4)	-0.5%	348.2	3.9%	662.2	7.7%
Article II - Health and Human Services	2,350.9	4.9%	4,268.6	9.3%	(2,577.2)	-4.9%
Article III - Public Education	107.6	5.1%	397.6	21.8%	176.1	8.6%
Article III - Higher Education	5,077.7	3.5%	17,280.7	13.0%	32,932.1	28.0%
Article IV - The Judiciary	37.9	2.3%	60.7	3.8%	126.0	8.2%
Article V - Public Safety and Criminal Justice	(567.9)	-1.1%	(1,020.8)	-2.0%	(3,081.8)	-5.7%
Article VI - Natural Resources	250.0	3.1%	278.0	3.5%	283.1	3.5%
Article VII - Business and Economic Development	(661.2)	-3.6%	(531.8)	-2.9%	(1,849.1)	-9.5%
Article VIII - Regulatory	90.1	2.7%	8.1	0.2%	(146.9)	-4.2%
Article X - Legislature	(277.0)	-11.8%	70.7	3.5%	(200.2)	-8.8%
Statewide (Excluding Higher Education)	1,284.0	0.9%	3,879.3	2.7%	(6,607.9)	-4.3%
Statewide (Including Higher Education)	6,361.6	2.2%	21,159.9	7.7%	26,324.2	9.8%

Note: Totals may not sum exactly due to rounding.

Source: FTE System, State Auditor's Office.

The majority of state FTEs work in 10 agencies and higher education institutions.

Although the State has 117 agencies and 66 higher education institutions that report FTE data, the majority of FTEs (52.1 percent) work in 10 agencies and higher education institutions. See Table 2 for the distribution of state FTEs and Table 3 for the agencies and higher education institutions with the highest annual average FTEs.

Table 2

Distribution of State FTEs - Fiscal Year 2008		
Category	Average Annual FTEs	Percentage of State Workforce
The 10 agencies and higher education institutions with the most FTEs	154,152.3	52.1%
The 15 agencies and higher education institutions with the most FTEs	188,357.2	63.7%
The 20 agencies and higher education institutions with the most FTEs	210,433.1	71.1%
All agencies and higher education institutions	295,845.7	100.0%

Source: FTE System, State Auditor's Office.

Table 3 shows the 20 state agencies and higher education institutions with the highest annual average FTEs.

Table 3

Twenty State Agencies and Higher Education Institutions With the Highest Annual Average FTEs Fiscal Year 2008			
Rank	State Agency or Higher Education Institution	Average Annual FTEs	Percentage of State Workforce
1	Department of Criminal Justice	37,440.7	12.7%
2	The University of Texas MD Anderson Cancer Center	17,076.0	5.8%
3	The University of Texas at Austin	15,244.2	5.2%
4	Department of Aging and Disability Services	14,923.2	5.0%
5	Department of Transportation	14,148.4	4.8%
6	The University of Texas Medical Branch at Galveston	12,516.7	4.2%
7	Department of State Health Services	11,849.8	4.0%
8	Texas A&M University	10,780.9	3.6%
9	Department of Family and Protective Services	10,379.4	3.5%
10	Health and Human Services Commission	9,793.0	3.3%
11	The University of Texas Southwestern Medical Center at Dallas	9,782.4	3.3%

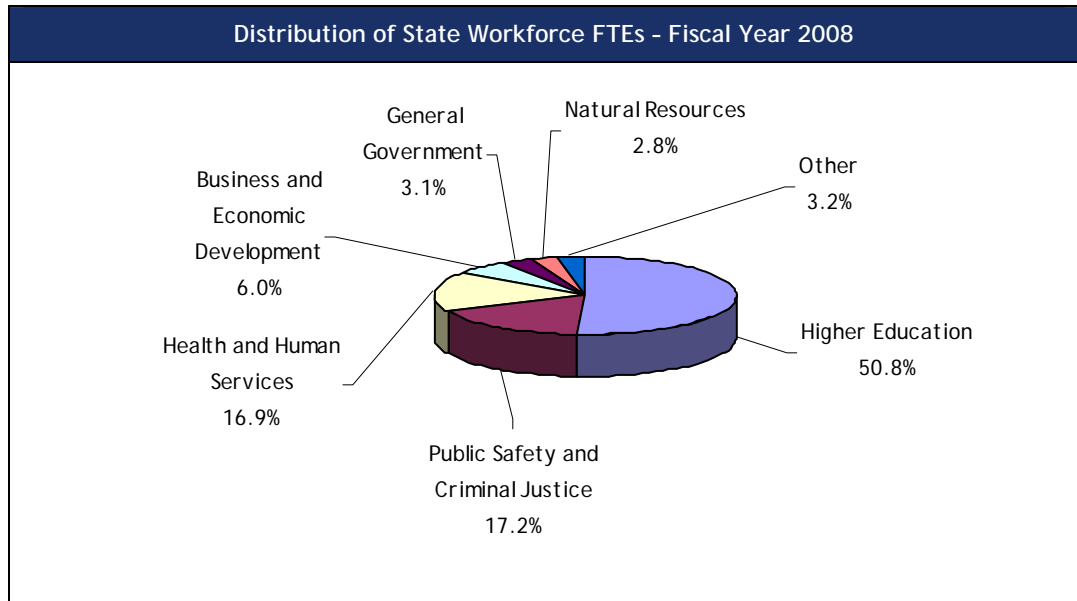
Twenty State Agencies and Higher Education Institutions With the Highest Annual Average FTEs Fiscal Year 2008			
Rank	State Agency or Higher Education Institution	Average Annual FTEs	Percentage of State Workforce
12	Department of Public Safety	8,033.1	2.7%
13	University of Houston	5,823.4	2.0%
14	Texas Tech University	5,645.3	1.9%
15	The University of Texas Health Science Center at San Antonio	4,920.7	1.7%
16	Texas Tech University Health Sciences Center	4,912.1	1.7%
17	University of North Texas	4,589.3	1.6%
18	University of Texas Health Science Center at Houston	4,426.0	1.5%
19	Texas Youth Commission	4,113.1	1.4%
20	Office of the Attorney General	4,035.4	1.4%

Source: FTE System, State Auditor's Office.

State FTEs are distributed almost equally across state agencies and higher education institutions.

During fiscal year 2008, state agencies employed 49.2 percent of FTEs and higher education institutions employed 50.8 percent of FTEs. Figure 2 on the next page shows the distribution of those FTEs by General Appropriations Act article. In terms of headcount, state agencies employed 54.3 percent of full-time employees, while higher education institutions employed the majority (96.8 percent) of the part-time employees working in the State.

Figure 2



Source: FTE System, State Auditor's Office.

During fiscal year 2008, state agencies employed 145,496.2 FTEs, or 49.2 percent of the FTEs in the State. The majority of state agency employees (69.4 percent) worked for public safety and criminal justice, or health and human services agencies (see Table 4).

Table 4

Distribution of State Agency FTEs			
General Appropriations Act Article	Average Annual FTEs	Percentage of State Agency Workforce	Percentage of State Workforce
Article I - General Government	9,255.7	6.4%	3.1%
Article II - Health and Human Services	50,051.1	34.4%	16.9%
Article III - Public Education	2,225.1	1.5%	0.8%
Article IV - The Judiciary	1,654.7	1.1%	0.6%
Article V - Public Safety and Criminal Justice	50,968.9	35.0%	17.2%
Article VI - Natural Resources	8,264.6	5.7%	2.8%
Article VII - Business and Economic Development	17,608.1	12.1%	6.0%
Article VIII - Regulatory	3,388.4	2.3%	1.1%
Article X - Legislature	2,079.6	1.4%	0.7%
All State Agencies	145,496.2	100.0%	49.2%

Note: Totals may not sum exactly due to rounding.

Source: FTE System, State Auditor's Office.

During fiscal year 2008, 2 of the 7 university systems (the University of Texas System and the Texas A&M University System) employed 109,658.9 (72.9 percent) of all higher education FTEs (see Table 5).

Table 5

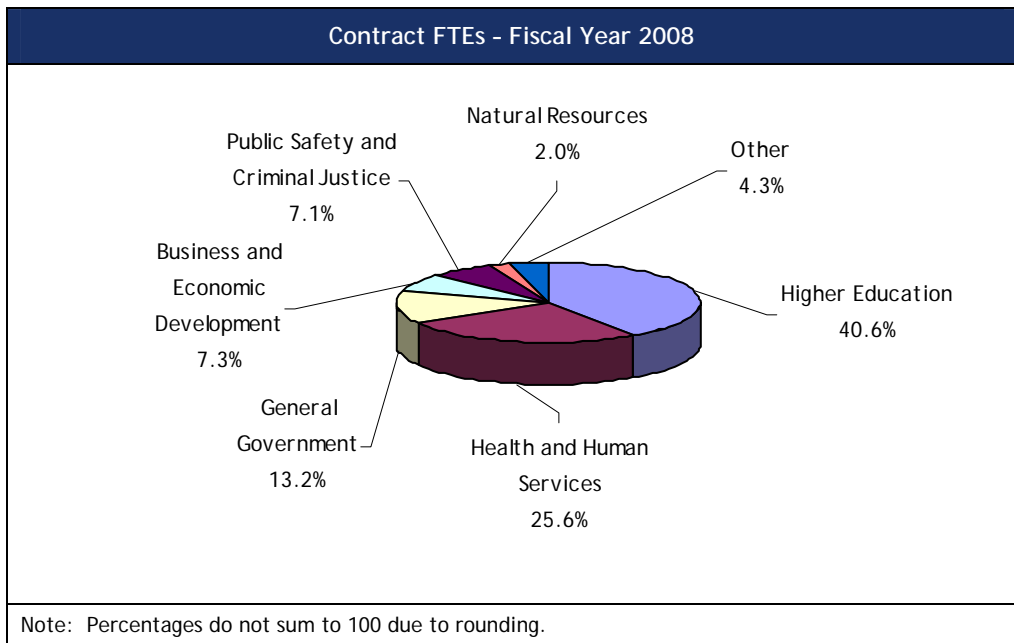
Distribution of Higher Education FTEs			
University Affiliation	Average Annual FTEs	Percentage of Higher Education Workforce	Percentage of State Workforce
The University of Texas System	83,007.0	55.2%	28.1%
Texas A&M University System	26,651.9	17.7%	9.0%
Texas Tech University System	10,722.8	7.1%	3.6%
Texas State University System	8,776.0	5.8%	3.0%
University of Houston System	8,041.6	5.3%	2.7%
University of North Texas System	5,937.5	3.9%	2.0%
Independent Entities	5,522.9	3.7%	1.9%
Texas State Technical College System	1,689.8	1.1%	0.6%
All Higher Education Institutions	150,349.6	100.0%	50.8%
Note: Totals may not sum exactly due to rounding.			

Source: FTE System, State Auditor's Office.

Temporary and contract employees represent less than 1 percent of the State's FTEs.

Temporary and contract employees who worked more than half of the workdays in the previous 12 months count toward an agency's FTE cap. For reporting purposes, temporary or contract workers include individuals who are under contract to fill specific positions that are customarily filled by state employees. Outsourced functions and work performed by consultants are excluded from these requirements and, therefore, are excluded from these numbers. During fiscal year 2008, 1,292.5 contract FTEs supplemented the workforce at 28 agencies and 20 higher education institutions. The majority of those individuals worked in higher education, health and human services, and general government agencies (see Figure 3 on the next page).

Figure 3

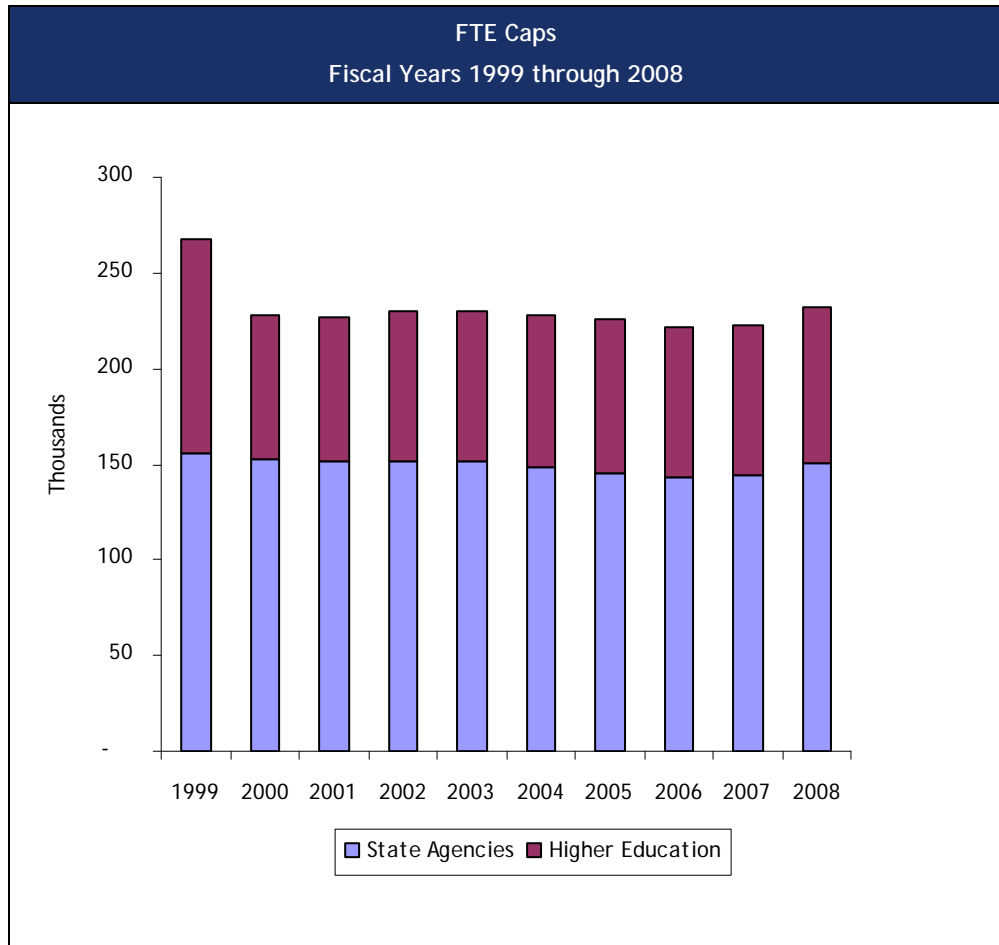


Source: FTE System, State Auditor's Office.

The Majority of State Agencies and Higher Education Institutions Comply with Legislatively Mandated FTE Caps

FTE caps are established by the Legislature and place limits on state employment levels. During the past 10 years, total FTE caps have decreased 13.2 percent (see Figure 4). Compared with fiscal year 2007, FTE caps in fiscal year 2008 increased by 9,226.1 FTEs (an increase of 4.1 percent).

Figure 4



Source: FTE System, State Auditor's Office.

During fiscal year 2008, 2 state agencies and 21 higher education institutions exceeded their FTE caps. Of those that exceeded their caps, state agencies on average were 1.4 percent above their caps and higher education institutions on average were 8.2 percent above their caps. Detailed information and agencies' and higher education institutions' reasons for exceeding FTE caps are available in Appendices 2 and 3.

Legislative agencies, courts, and several state agencies are not subject to FTE caps, but they are still required to report their FTE numbers. For those agencies with designated FTE caps, contract FTEs and FTEs paid from appropriated funds count toward the cap. Table 6 shows the differences between the number of FTEs subject to caps at agencies and higher education institutions and those entities' FTE caps, grouped by General Appropriations Act article.

Table 6

Comparison of Agencies' and Higher Education Institutions' FTEs with Their FTE Caps				
General Appropriations Act Article	Average Annual FTEs	Fiscal Year 2008 Average FTE Cap	Annual Average FTEs Subject to Cap	Percent of FTEs Subject to a Cap
Article I - General Government	9,255.7	9,732.1	8,955.9	96.8%
Article II - Health and Human Services	50,051.1	52,984.8	50,051.1	100.0%
Article III - Public Education	2,225.1	2,217.2	2,169.9	97.5%
Article III - Higher Education	150,349.6	82,018.5	81,991.8	54.5%
Article IV - The Judiciary	1,654.7	1,396.5	1,345.8	81.3%
Article V - Public Safety and Criminal Justice	50,968.9	53,058.1	50,731.0	99.5%
Article VI - Natural Resources	8,264.6	8,607.2	8,260.0	99.9%
Article VII - Business and Economic Development	17,608.1	18,515.8	17,595.3	99.9%
Article VIII - Regulatory	3,388.4	3,838.6	3,264.6	96.3%
Article X - Legislature	2,079.6	Not Applicable	Not Applicable	0.0%
Statewide (Excluding Higher Education)	145,496.2	150,350.3	142,373.6	97.9%
Statewide (Including Higher Education)	295,845.7	232,368.8	224,365.4	75.8%
Note: Totals may not sum exactly due to rounding.				

Source: FTE System, State Auditor's Office.

Statewide, Average Management-to-staff Ratios Are in Compliance with Statutorily Mandated Ratios

Management-to-staff ratios are used to determine an organization’s “span of control” or the number of employees who report directly to a single manager or supervisor. A correlation generally exists between the span of control and the number of levels within an organization. Texas state agencies and higher education institutions have statutory guidelines for management-to-staff ratios (see text box for additional details).

Background Information

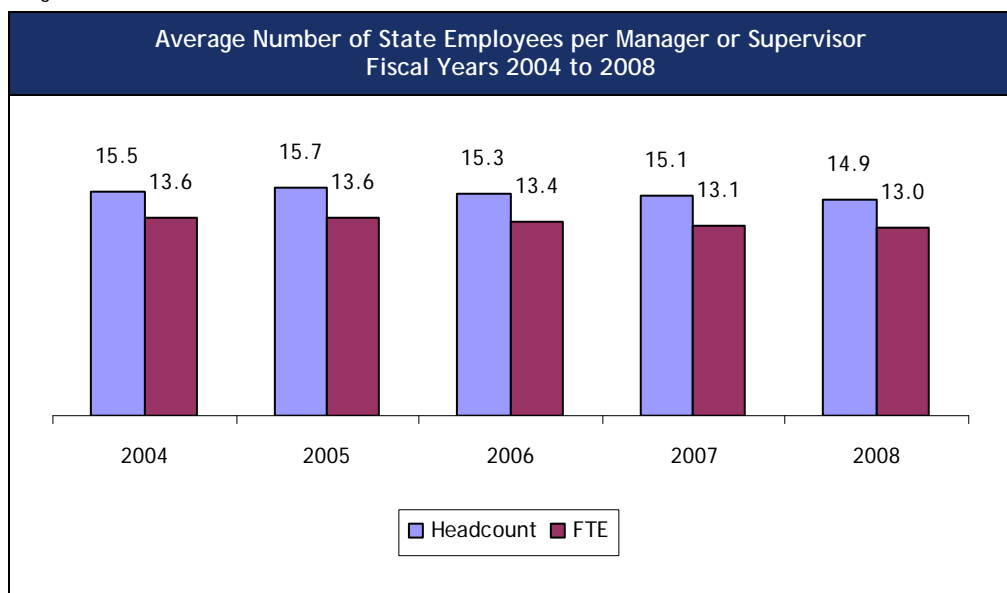
Management-to-staff ratios have been tracked since fiscal year 1998 using headcount alone. The 78th Legislature changed the reporting requirements and began requiring the additional reporting of these ratios based on FTEs. Reporting data by this method applies to fiscal years 2004 through 2008.

For state agencies and higher education institutions that have part-time employees, reporting ratios based on FTEs may result in a lower overall ratio when compared with reporting ratios based on headcount.

The average management-to-staff ratio, calculated using headcount, for fiscal year 2008 was 1:15 (1 manager or supervisor per 15 staff employees). The same ratio calculated using FTEs was 1:13 (1 manager or supervisor per 13 staff employees). These numbers have remained stable since fiscal year 2004. On average, the State is in compliance with the statutorily mandated ratio, which is 1:11 (1 manager or supervisor per no fewer than 11 staff employees, based on FTEs).

Figure 5 shows the average annual management-to-staff ratios from fiscal year 2004 through fiscal year 2008. These ratios have remained fairly constant since fiscal year 2004. The data includes the ratio based on both headcount and FTEs. (The numbers in Figure 5 represent the average number of state employees per manager or supervisor).

Figure 5



Source: FTE System, State Auditor’s Office.

More than half of state agencies and higher education institutions are in compliance with statutorily required management-to-staff ratios.

Currently, agencies and higher education institutions with more than 100 FTEs are required to comply with a minimum management-to-staff ratio of 1 manager or supervisor for no fewer than 11 employees.¹

A total of 115 entities in the State have more than 100 FTEs and, therefore, must comply with this ratio. As of the fourth quarter of fiscal year 2008, 66.1 percent of state agencies and higher education institutions were within the mandated ratio when using headcount, and 53.0 percent were within the mandated ratio using FTEs.

¹ Texas Government Code, Section 651.004 (c).

Appendices

Appendix 1

Objective, Scope, and Methodology

Objective

The objective of this review was to provide the Legislature and the public with information on the number of full-time equivalent (FTE) employees who perform services for state government. The report was prepared in accordance with Texas Government Code, Section 2052.104 (b).

Scope

The scope of this review included unaudited fiscal year 2008 information on FTEs submitted each quarter to the State Auditor's Office by agencies and higher education institutions in accordance with Texas Government Code, Section 2052.103.

Methodology

The report compares data from fiscal year 2008 with previously submitted data from the State Auditor's Office's Full-Time Equivalent (FTE) System. This project was a review; therefore, the information in this report was not subjected to all the tests and confirmations that would be performed in an audit.

The following members of the State Auditor's staff performed the review:

- Juliette Torres, CCP, PHR (Project Manager)
- Christine M. Bailey, CCP, GRP
- Lynne Ballman, CDP, CSP, CISA (Senior Systems Analyst)
- Dana Musgrave, MBA (Quality Control Reviewer)
- Nicole Guerrero, MBA, CGAP, CIA (Audit Manager)

State Agencies That Exceeded Their Legislatively Mandated Quarterly FTE Caps

During fiscal year 2008, two state agencies exceeded their legislatively mandated quarterly FTE caps. The numbers in Table 7 represent the quarterly total number of full-time equivalent employees (FTEs) who were paid from appropriated funds plus contractor FTEs. The agencies' explanations for exceeding their caps are listed below.

Table 7

State Agencies That Exceeded Their Legislatively Mandated Quarterly FTE Caps Fiscal Year 2008 - Fourth Quarter					
Agency	Quarterly FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Agency)
Texas Education Agency	991.30	1,000.88	9.58	0.97	<i>The overage is due to contract-FTE commitments related to multiple mission-critical information technology development projects including CEMS, SBEC, Foundation School Program Rewrite, e-Grants and others.</i>
School for the Blind and Visually Impaired	343.80	353.23	9.43	2.74	<i>Increased demands to provide a safe and secure environment for our students and staff have resulted in the School exceeding the authorized FTE cap. Also, the use of substitutes (hourly, part-time employees) for full-time employees on a paid leave status, in both the classroom and the dormitories, result in additional hours paid and correspondingly an increase in the FTE calculation. The use of the substitutes was necessary to insure, not only the safety and security of our students, but also to provide an appropriate level of education.</i>

Source: FTE System, State Auditor's Office.

Higher Education Institutions That Exceeded Their Legislatively Mandated Annual FTE Caps

During fiscal year 2008, 21 higher education institutions exceeded their legislatively mandated annual FTE caps. The numbers in Table 8 represent the annual average full-time equivalent employees (FTEs) paid from appropriated funds plus contractor FTEs for fiscal year 2008. The higher education institutions' explanations for exceeding their caps are listed below.

Table 8

Higher Education Institutions That Exceeded Their Legislatively Mandated Annual FTE Caps Fiscal Year 2008					
Higher Education Institution	Annual FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Institution)
The University of Texas MD Anderson Cancer Center	11,947.20	13,037.35	1,090.15	9.12	<i>The increase in FTE above the Cap is required to support the continuing growth in patient care, research, and support services at M.D. Anderson Cancer Center (MDACC). These additional employees will allow MDACC to continue to provide the institution's standard of care and service to the increasing number of cancer patients. The source of funds for the salaries and benefits of the additional FTEs is Health-related Patient Income.</i>
Texas A&M University System Health Science Center	908.00	958.13	50.13	5.52	<i>The State of Texas has approved and funded a major class size expansion in the Health Science Center's College of Medicine, approved the creation of a new College of Nursing and created and funded a new College of Pharmacy in Kingsville. Exceeding the FTE Cap is a direct result of faculty and staff hired in support of the College of Medicine class size expansion, growth in the newly formed Irma Lerma Rangel College of Pharmacy, and formation of the new College of Nursing.</i>
Texas A&M University System Administration	108.50	170.31	61.81	56.97	<i>The Board of Regents of The Texas A&M University System submitted a request to the Governor's Office and Legislative Budget Board requesting an FTE increase from 108.5 to 194.0 on September 13, 2007. This increase was necessary as a result of 1) A change in the method of financing of the System Offices activities which reduced the amount assessed to each System member. 2) The transfer of the Office of Technology Commercialization from Texas A&M University to the System Offices. Although this transfer occurred in FY 2006, the current FTE cap was not adjusted to reflect this transfer of activities. 3) The inclusion of student worker positions. The FTE cap does not include student worker positions paid from appropriated funds.</i>

**Higher Education Institutions That Exceeded Their Legislatively Mandated Annual FTE Caps
Fiscal Year 2008**

Higher Education Institution	Annual FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Institution)
Texas A&M University	5,457.40	5,579.85	122.45	2.24	<i>As required by Article IX, Part 6, Section 6.10, of House Bill 1, passed by the 80th Legislature, at a special meeting held August 30, 2007, the Board of Regents of the Texas A&M University System approved a request to increase the limitation on State FTE Employment levels to 5650.9 FTE, to accommodate the Faculty Reinvestment initiatives approved by the 78th and 79th Legislative Sessions and support enrollment growth in FY2008.</i>
Prairie View A&M University	865.30	901.05	35.75	4.13	<i>Prairie View A&M University exceeded the FTE Cap during FY08 as a result of increase in faculty and staff in our doctoral programs as well as an increase in staffing in some of our colleges in preparation for accreditation reviews.</i>
Texas Engineering Extension Service (within the Texas A&M University System)	616.80	622.79	5.99	0.97	<i>The Texas Engineering Extension (TEEX) made a formal request to exceed the limitation on State employment levels. TEEX requested an increase of 26 FTEs for FY 2008 to accommodate growth in various training programs. TEEX continues to receive new contracts and grants and approximately half of the requested increase in positions will be fully funded by the sponsoring agencies. The remainder of the positions will be funded by tuition and fees.</i>
The University of Texas Medical Branch at Galveston	5,534.70	5,818.73	284.03	5.13	<i>UTMB at Galveston exceeded the FTE cap because a provision for contract employee FTEs was erroneously not incorporated in data used to establish the FTE cap for FY08 and FY09.</i>
The University of Texas Southwestern Medical Center at Dallas	1,240.10	2,013.50	773.40	62.37	<i>The FTE cap was exceeded as a result of new special item funding of \$18 million provided for the biennium 2008 and 2009 budget related to the Obesity, Diabetes and Metabolism research.</i>
Texas Woman's University	1,052.00	1,081.91	29.91	2.84	<i>TWU's enrollment has increased by 43.5% from 2002-2008. As a result of this growth, there has been a need to increase teaching faculty and support staff. The TWU Board of Regents has asked the University to request a 65 FTE increase in the FTE cap.</i>
Lamar University	913.40	989.68	76.28	8.35	<i>Lamar University exceeded the FTE cap in FY2008 for the following reasons: First and foremost, Lamar University's student enrollment has increased 36% from 9,906 in the Fall of 2006 to over 13,457 in the Fall of 2008. Additional FTE were necessary to fill necessary faculty positions, HEH (Higher Ed Holdings) program positions, STARS (Student Advising and Retention Services) positions and Student Support Service positions. Second, other positions were necessary due to the Banner implementation. The Banner implementation includes the HR, finance, and student information systems. Finally, please note the cap was reduced from 932.00 in Fiscal Year's 2006 and 2007 to 913.4 in Fiscal Years 2008 and 2009. In order to meet the needs of increased student enrollment and updating computer information systems, additional positions were necessary.</i>

**Higher Education Institutions That Exceeded Their Legislatively Mandated Annual FTE Caps
Fiscal Year 2008**

Higher Education Institution	Annual FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Institution)
The University of Texas - Pan American	1,896.10	1,986.69	90.59	4.78	<i>We note that the average FTE for the four quarters exceeds the appropriated cap. After further review of our quarterly FTE reports, it appears that the calculation method used by our relatively new software may be leading to an overstatement of appropriated FTEs for salaried employees. We are working quickly to rectify this situation.</i>
The University of Texas of the Permian Basin	306.40	311.95	5.55	1.81	<i>Continuing growth and development of the University's instructional and student support programs led to the increased staffing reflected in the FTE numbers. These programs enhanced the University's ability to improve graduation rates for our students.</i>
The University of Texas at San Antonio	2,041.00	2,107.18	66.18	3.24	<i>Although UTSA's student enrollment growth is leveling out, we continue to build our employee base to catch up with previous years' growth. The University still maintains one of the highest student/faculty ratios in the state. Faculty hiring has increased relative to enrollment as a critical priority to allow sufficient course sections and support research initiatives. Each year we continue to request authorization to exceed our FTE cap.</i>
The University of Texas at Brownsville	554.00	831.71	277.71	50.13	<i>It is necessary to exceed the authorized limits for FTE's which are associated and paid with the Texas Southmost College contract in accordance with the partnership agreement between The University of Texas Brownsville and Texas Southmost College. FTE's for this function include faculty, professional, and classified staff and departments providing lower level instruction.</i>
The University of Texas at Tyler	481.80	493.04	11.24	2.33	<i>Enrollment growth from fall 2001 through fall 2006 shows substantial growth in the number of students and substantial growth in the number of semester credit hours. In order to accommodate the growth in students and credit hours, additional faculty were needed to teach more sections and additional staff needed to support the additional faculty and students. We can report that exceeding the caps require no additional money from education and general funds. The salaried will be paid from the appropriated funds secured in the 80th legislative session.</i>
Sam Houston State University	1,054.50	1,101.81	47.31	4.49	<i>The continued growth of the University increased the demand for faculty and support personnel.</i>
Stephen F. Austin State University	1,051.00	1,051.56	0.56	0.05	<i>Stephen F. Austin State University offered, for the first time, an additional summer semester or mini-mester during fiscal year 2008. The offering of this semester was well received, but contributed to an increase in faculty FTEs reported for the year.</i>

**Higher Education Institutions That Exceeded Their Legislatively Mandated Annual FTE Caps
Fiscal Year 2008**

Higher Education Institution	Annual FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Institution)
The University of North Texas Health Science Center	669.90	674.05	4.15	0.62	<i>Rapid expansion of our Medical School required that we add several positions prior to our scheduled workforce expansion. UNTHSC's Medical School grew faster than any other Medical School in the State. We have a record number of new students - 1,222 to be precise - and we've also grown our faculty to record numbers - nearly double, to 400 - to handle the influx. This growth represents our commitment to elevating our performance to new heights of unsurpassed excellence in academics, research, and clinical care. We're also seeing record numbers of patient encounters (600,000) at UNT Health, which is now the largest multi-specialty group practice in Tarrant County. The tremendous growth requires the supportive staff to also grow.</i>
Texas A&M University - Texarkana	156.00	156.96	0.96	0.62	<i>To move us toward our goal of increasing student enrollment, we have received preliminary authority for a BS in Electrical Engineering, a MS in Nursing, and a MS in Computer Information Sciences. Private funding will provide significant salary support to these new programs. However, state FTEs will also increase with new academic program implementation and downward expansion preparation. The Texas A&M University System Board of Regents approved a request to exceed limitations from 156 to 180 on state employment levels under Article IX, Part 6, Section 6.10 for FY 2008 and forwarded it to the appropriate state oversight offices.</i>
University of Houston - Victoria	268.00	280.05	12.05	4.50	<i>University of Houston (UH) at Cinco Ranch and Sugar Land are UH System employees but for efficiency these employees are on the UH-Victoria payroll which resulted in exceeding the FTE cap.</i>
Texas State Technical College - West Texas	256.00	257.20	1.20	0.47	<i>On August 8, 2008, a request to exceed the FTE cap for FY 2009 was submitted to the LBB and the Office of the Governor. The additional FTE were required to address increased enrollment in several programs as well as to accommodate system-wide distance learning curricula projects at TSTC West Texas.</i>

Source: FTE System, State Auditor's Office.

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