



John Keel, CPA
State Auditor

A Summary Report on

Full-time Equivalent State Employees for Fiscal Year 2009

December 2009

Report No. 10-701



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Overall Conclusion

During fiscal year 2009, an average of 304,735 full-time equivalent (FTE) employees were employed in state agencies or higher education institutions. This is an increase of 8,889 FTEs (or 3.0 percent) over the number employed in fiscal year 2008.

State agencies employed 150,230 FTEs, an increase of 3.3 percent over fiscal year 2008. Higher education institutions employed 154,505 FTEs, an increase of 2.8 percent over fiscal year 2008.

State agencies and higher education institutions reported average headcounts of 273,804 full-time employees and 80,535 part-time employees during fiscal year 2009.

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.

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 12.9 percent (see Table 1 on page 2 of the Detailed Results section of this report). Among higher education institutions, the average number of FTEs has increased by 28.4 percent since fiscal year 2000. During that same time, state agencies experienced an increase of less than 1 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 2009, 11 state agencies and 22 higher education institutions exceeded their legislatively mandated FTE caps (see Tables 7 and 8 on pages 14 though 21 in Appendices 2 and 3 for agencies' and higher education institutions' reasons for exceeding FTE caps). Of those that exceeded their caps, state agencies on average were 1.3 percent above their caps and higher education institutions on average were 11.0 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 2009 was 1:14.5 (1 manager or supervisor per 14.5 supervised staff employees). The same ratio, calculated using FTEs, was 1:12.8 (1 manager or supervisor per 12.8 supervised staff employees). These ratios have remained fairly constant since fiscal year 2005.

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 2009 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 2009 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:

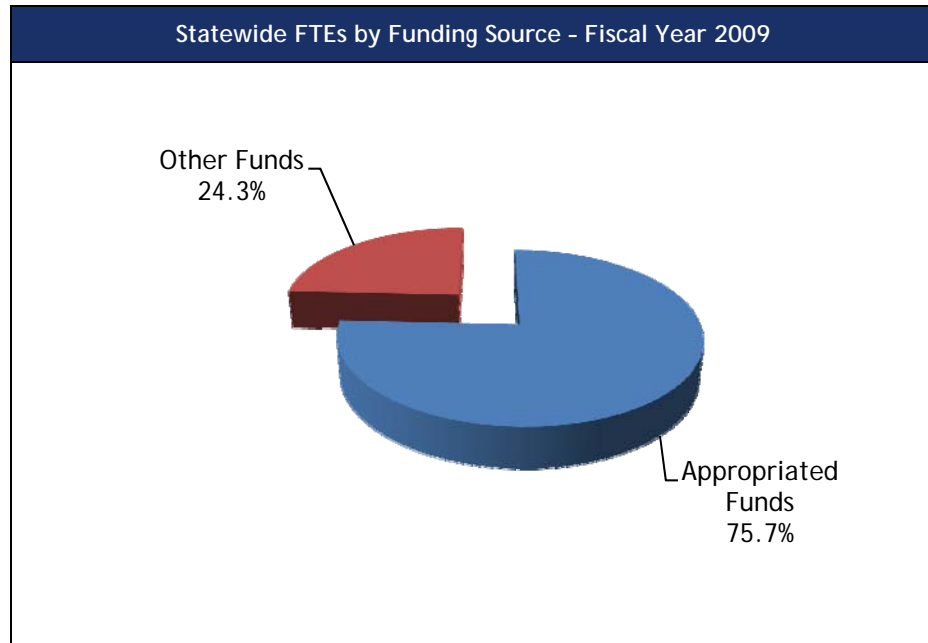
- Select "Resource & Tools."
- Under the "Tools" header, select "Full-Time Equivalent (FTE) State Employee System."

Information in the FTE system is unaudited information that agencies and higher education institutions have self-reported. Data in the FTE System may differ 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 2009, 99.4 percent of state agency FTEs and 52.7 percent of FTEs in higher education institutions were paid through appropriated funds. Overall, 75.7 percent of statewide FTEs were paid through appropriated funds, which includes 100 percent federally funded programs (see Figure 1).

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 12.9 percent (see Table 1). During that same time, state agencies experienced an increase of less than 1 percent in the average number of FTEs, while FTEs at higher education institutions increased by 28.4 percent.

Table 1

Change in Annual FTE Levels by General Appropriations Act Article						
General Appropriations Act Article	One-Year Comparison (Fiscal Years 2008 and 2009)		Five-Year Comparison (Fiscal Years 2005 and 2009)		Ten-Year Comparison (Fiscal Years 2000 and 2009)	
	Change in FTEs	Percent Change	Change in FTEs	Percent Change	Change in FTEs	Percent Change
Article I - General Government	212.2	2.3%	387.5	4.3%	705.8	8.1%
Article II - Health and Human Services	2,726.0	5.4%	7,831.1	17.4%	1,892.4	3.7%
Article III - Public Education	117.5	5.3%	411.6	21.3%	269.3	13.0%
Article III - Higher Education	4,155.1	2.8%	15,615.2	11.2%	34,131.7	28.4%
Article IV - The Judiciary	18.9	1.1%	73.9	4.6%	121.5	7.8%
Article V - Public Safety and Criminal Justice	1,835.2	3.6%	857.2	1.7%	(454.8)	-0.9%
Article VI - Natural Resources	218.9	2.6%	433.9	5.4%	424.4	5.3%
Article VII - Business and Economic Development	(866.6)	-4.9%	(1,800.4)	-9.7%	(2,513.0)	-13.1%
Article VIII - Regulatory	150.9	4.5%	85.2	2.5%	36.1	1.0%
Article X - Legislature	321.0	15.4%	33.7	1.4%	273.7	12.9%
Statewide (Excluding Higher Education)	4,734.1	3.3%	8,313.7	5.9%	755.3	0.5%
Statewide (Including Higher Education)	8,889.2	3.0%	23,928.9	8.5%	34,887.0	12.9%
Note: Totals may not sum exactly due to rounding.						

Source: FTE System, State Auditor's Office.

During the past ten years, the highest FTE increases within higher education institutions occurred within two of the eight university systems (see Table 2). The University of Texas System increased FTEs by 21,108.9 (33.3 percent), and the Texas A&M University System increased FTEs by 3,963.0 (16.7 percent).

Table 2

Change in Annual FTE Levels by Higher Education Affiliation						
Higher Education Affiliation	One-Year Comparison (Fiscal Years 2008 and 2009)		Five-Year Comparison (Fiscal Years 2005 and 2009)		Ten-Year Comparison (Fiscal Years 2000 and 2009)	
	Change in FTEs	Percent Change	Change in FTEs	Percent Change	Change in FTEs	Percent Change
The University of Texas System	1,526.0	1.8%	9,114.7	12.1%	21,108.9	33.3%
Texas A&M University System	999.9	3.8%	1,942.7	7.6%	3,963.0	16.7%
Texas State University System	432.8	4.9%	1,431.3	18.4%	2,454.5	36.3%
University of North Texas System	409.8	6.9%	658.4	11.6%	1,727.2	37.4%
University of Houston System	285.2	3.5%	754.5	10.0%	1,869.9	29.0%
Texas Tech University System	157.4	1.5%	827.5	8.2%	1,615.7	17.4%
Texas State Technical College System	63.1	3.7%	122.4	7.5%	263.1	17.7%
Independent Entities	280.9	5.1%	763.6	15.2%	1,129.5	24.2%
Higher Education Totals	4,155.1	2.8%	15,615.2	11.2%	34,131.7	28.4%

Note: Totals may not sum exactly due to rounding.

Source: FTE System, State Auditor's Office.

The majority of state FTEs work in 20 agencies and higher education institutions.

Although the State has 117 agencies and 66 higher education institutions that report FTE data, 51.7 percent of FTEs work in 10 agencies and higher education institutions, and 70.8 percent of FTEs work in 20 agencies and higher education institutions.

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

Table 3

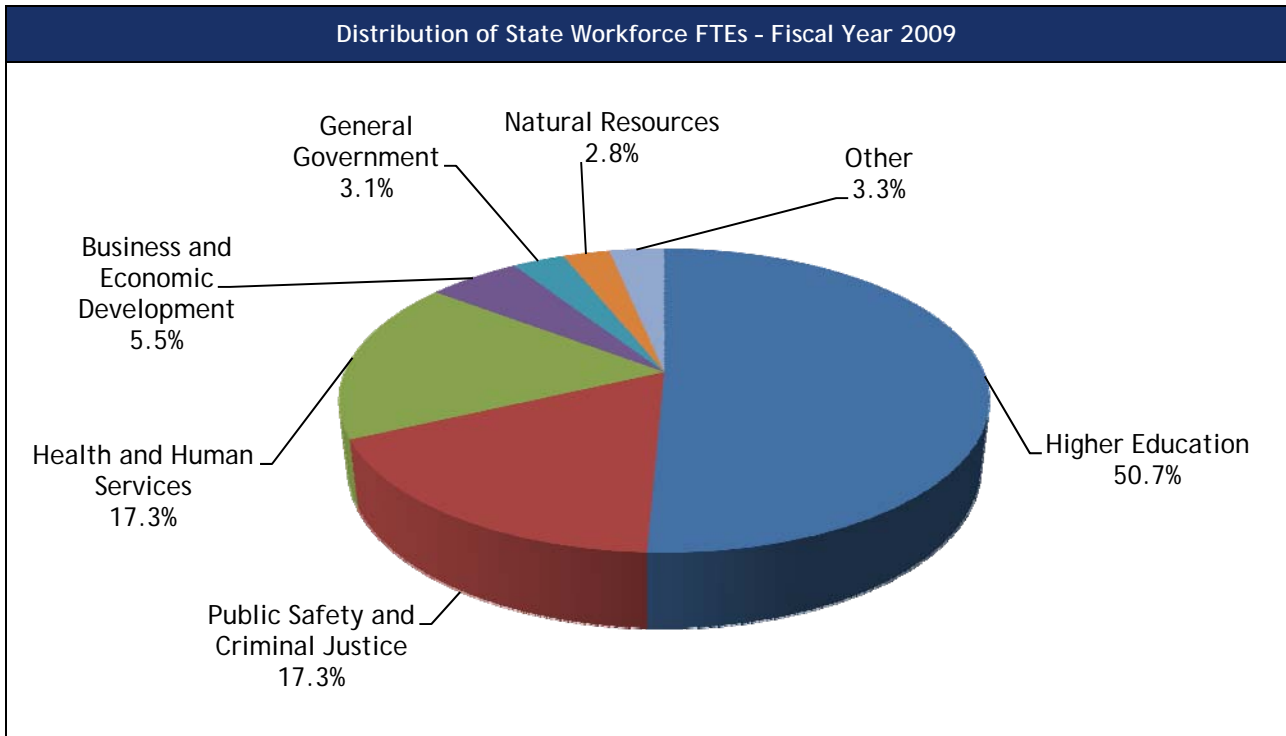
Twenty State Agencies and Higher Education Institutions With the Highest Annual Average FTEs Fiscal Year 2009			
Rank	State Agency or Higher Education Institution	Average Annual FTEs	Percentage of State Workforce
1	Department of Criminal Justice	39,129.8	12.8%
2	The University of Texas M.D. Anderson Cancer Center	17,216.6	5.6%
3	The University of Texas at Austin	15,833.5	5.2%
4	Department of Aging and Disability Services	15,435.2	5.1%
5	Department of Transportation	13,256.8	4.4%
6	Department of State Health Services	11,952.8	3.9%
7	The University of Texas Medical Branch at Galveston	11,277.3	3.7%
8	Health and Human Services Commission	11,140.6	3.7%
9	Texas A&M University	11,138.3	3.7%
10	Department of Family and Protective Services	11,090.1	3.6%
11	The University of Texas Southwestern Medical Center at Dallas	10,328.2	3.4%
12	Department of Public Safety	8,162.0	2.7%
13	University of Houston	6,026.2	2.0%
14	Texas Tech University	5,560.0	1.8%
15	The University of Texas Health Science Center at San Antonio	5,222.6	1.7%
16	Texas Tech University Health Sciences Center	5,154.8	1.7%
17	University of North Texas	4,892.8	1.6%
18	The University of Texas Health Science Center at Houston	4,759.6	1.6%
19	Office of the Attorney General	4,119.5	1.4%
20	Texas Youth Commission	4,088.6	1.3%
Total for Top 20		215,785.4	70.8%
Note: Totals may not sum exactly due to rounding.			

Source: FTE System, State Auditor's Office.

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

During fiscal year 2009, state agencies employed 49.3 percent of FTEs and higher education institutions employed 50.7 percent of FTEs. Figure 2 shows the distribution of those FTEs by General Appropriations Act article. In terms of headcount, state agencies employed 54.7 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 2009, state agencies employed 150,230.3 FTEs, or 49.3 percent of the FTEs in the State. Overall, 70.2 percent of state agency employees worked for public safety and criminal justice or health and human services agencies (see Table 4).

Table 4

Distribution of State Agency FTEs - Fiscal Year 2009			
General Appropriations Act Article	Average Annual FTEs	Percentage of State Agency Workforce	Percentage of State Workforce
Article I - General Government	9,467.8	6.3%	3.1%
Article II - Health and Human Services	52,777.1	35.1%	17.3%
Article III - Public Education	2,342.6	1.6%	0.8%
Article IV - The Judiciary	1,673.6	1.1%	0.5%
Article V - Public Safety and Criminal Justice	52,804.1	35.1%	17.3%
Article VI - Natural Resources	8,483.5	5.6%	2.8%
Article VII - Business and Economic Development	16,741.6	11.1%	5.5%
Article VIII - Regulatory	3,539.3	2.4%	1.2%
Article X - Legislature	2,400.6	1.6%	.8%
All State Agencies	150,230.3	100.0%	49.3%
Note: Totals may not sum exactly due to rounding.			

Source: FTE System, State Auditor's Office.

During fiscal year 2009, 2 of the 8 university systems (the University of Texas System and the Texas A&M University System) employed 112,185 FTEs (73 percent) of all higher education FTEs (see Table 5).

Four university systems (the Texas A&M University System, the Texas Tech University System, the University of North Texas System, and the University of Texas System) have 9 health-related institutions that employ an average of 57,592 FTEs, or 37.3 percent of all higher education FTEs.

Table 5

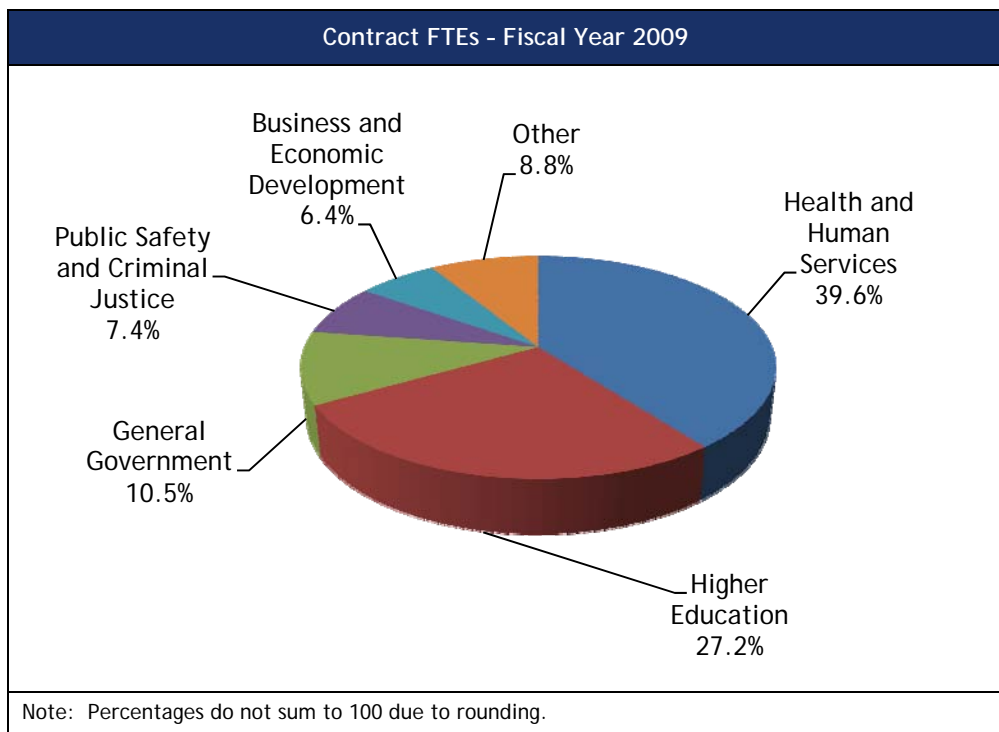
Distribution of Higher Education FTEs - Fiscal Year 2009			
University Affiliation	Average Annual FTEs	Percentage of Higher Education Workforce	Percentage of State Workforce
The University of Texas System	84,533.0	54.7%	27.7%
Texas A&M University System	27,651.8	17.9%	9.1%
Texas Tech University System	10,880.2	7.0%	3.6%
Texas State University System	9,208.8	6.0%	3.0%
University of Houston System	8,326.9	5.4%	2.7%
University of North Texas System	6,347.3	4.1%	2.1%
Independent Entities	5,803.7	3.8%	1.9%
Texas State Technical College System	1,752.9	1.1%	0.6%
All Higher Education Institutions	154,504.6	100.0%	50.7%
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. On average during fiscal year 2009, 1,127.3 contract FTEs supplemented the workforce at 27.3 agencies and 13.5 higher education institutions¹. The majority of those individuals worked in higher education, health and human services, and general government agencies (see Figure 3).

Figure 3



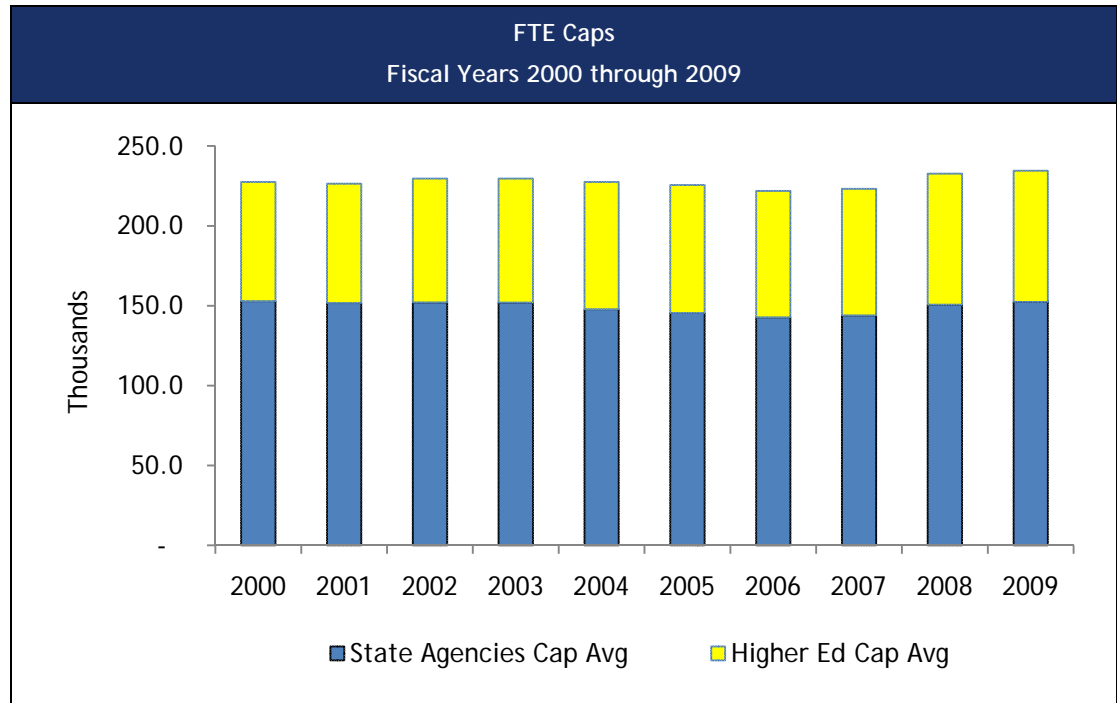
Source: FTE System, State Auditor's Office.

¹ Some agencies and higher education institutions did not employ contract FTEs for all four quarters of fiscal year 2009.

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 increased 10.0 percent (see Figure 4). Compared with fiscal year 2008, FTE caps in fiscal year 2009 increased by 86.7 FTEs (an increase of less than 1 percent).

Figure 4



Source: FTE System, State Auditor's Office.

During fiscal year 2009, 11 state agencies and 22 higher education institutions exceeded their FTE caps. Of those that exceeded their caps, state agencies on average were 1.3 percent above their caps and higher education institutions on average were 11.0 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 Fiscal Year 2009				
General Appropriations Act Article	Average Annual FTEs	Fiscal Year 2009 Average FTE Cap	Annual Average FTEs Subject to Cap	Percent of FTEs Subject to a Cap
Article I - General Government	9,467.8	9,759.4	9,085.1	96.0%
Article II - Health and Human Services	52,777.1	54,686.8	52,768.7	100.0%
Article III - Public Education	2,342.6	2,233.2	2,282.6	97.4%
Article III - Higher Education	154,504.63	82,105.2	81,356.6	52.7%
Article IV - The Judiciary	1,673.6	1,400.7	1,361.9	81.4%
Article V - Public Safety and Criminal Justice	52,804.1	53,458.1	52,654.1	99.7%
Article VI - Natural Resources	8,483.5	8,622.2	8,475.3	99.9%
Article VII - Business and Economic Development	16,741.6	18,377.7	16,366.9	97.8%
Article VIII - Regulatory	3,539.3	3,852.8	3,415.1	96.5%
Article X - Legislature	2,400.6	Not Applicable	Not Applicable	Not Applicable
Statewide (Excluding Higher Education)	150,230.3	152,390.9	146,409.8	97.5%
Statewide (Including Higher Education)	304,734.9	234,496.1	227,766.4	74.7%
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

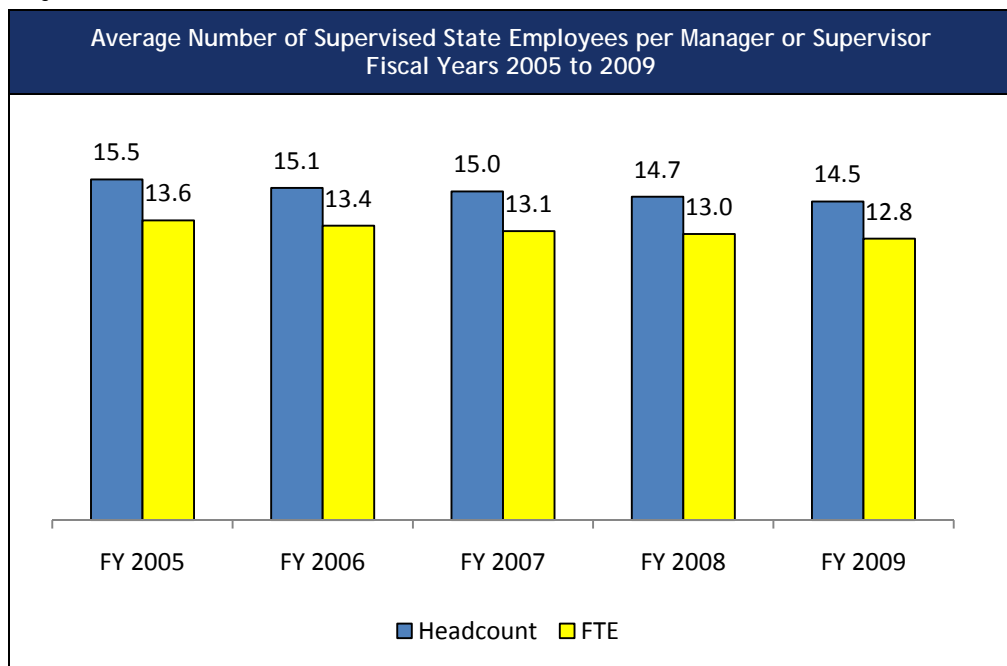
Management-to-staff ratios have been tracked since fiscal year 1998 using headcount alone. The 78th Legislature changed the reporting requirements and began requiring the additional reporting of these ratios based on FTEs. Reporting data by this method applies to fiscal years 2004 through 2009.

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 2009 was 1:14.5 (1 manager or supervisor per 14.5 supervised staff employees). The same ratio calculated using FTEs was 1:12.8 (1 manager or supervisor per 12.8 supervised staff employees). These numbers have remained stable since fiscal year 2004. Figure 5 on the next page shows the average annual management-to-staff ratios from fiscal year 2005 through fiscal year 2009. 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 supervised 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.²

A total of 113 entities in the State have more than 100 FTEs and, therefore, must comply with this ratio. As of the fourth quarter of fiscal year 2009, 67.3 percent of state agencies and higher education institutions were within the mandated ratio when using headcount and 54.0 percent were within the mandated ratio using FTEs.

² 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 2009 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 2009 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:

- Christine M. Bailey, CCP, GRP (Project Manager)
- Steve Pearson, IPMA-HR
- Lynne Ballman, CDP, CSP, CISA (Senior Systems Analyst)
- Dennis Ray Bushnell, CPA (Quality Control Reviewer)
- Nicole M. Guerrero, MBA, CIA, CGAP, CICA (Audit Manager)

State Agencies That Exceeded Their Legislatively Mandated Quarterly FTE Caps

During fiscal year 2009, 11 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 As of Fiscal Year 2009					
Agency	Quarterly FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Agency)
1st Quarter Fiscal Year 2009					
Texas Education Agency	999.3	1,006.2	6.9	0.7	<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. Staff augmentation contractors procured through DIR are not exempted as outsourced employees in this reporting and in accordance, in the agency's understanding, with guidelines promulgated by the SAO.</i>
2nd Quarter Fiscal Year 2009					
Texas Education Agency	999.3	1,024.4	25.1	2.5	<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. Staff augmentation contractors procured through DIR are not exempted as outsourced employees in this reporting and in accordance, in the agency's understanding, with guidelines promulgated by the SAO.</i>
Employees Retirement System	299.0	302.8	3.8	1.3	<i>ERS' Board of Trustees approved 340 FTEs for Fiscal Year 2009.</i>
Adjutant General's Department	628.0	632.4	4.4	0.7	<i>The Adjutant General's Department exceeded the FTE CAP by .7 FTEs during the 2nd quarter, FY 09. Our RSMS, Army Vehicle Rebuild Program at Saginaw received additional military vehicles to rebuild requiring the hiring of fourteen additional Motor Vehicle Technician Employees during the 2nd quarter. Six of the additional were hired in January 09 and eight of the additional were hired in February 09. All additional hires are 100% federal funded FTEs.</i>

State Agencies That Exceeded Their Legislatively Mandated Quarterly FTE Caps As of Fiscal Year 2009					
Agency	Quarterly FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Agency)
Board of Professional Geoscientists	6.0	6.4	0.4	5.9	<i>On the last working day of the quarter, the agency had six full-time employees and one part-time employee. Currently, our Executive Director is on active duty in the military and is only being paid a minimal amount per month. The total FTE count does not exceed the maximum.</i>
3rd Quarter Fiscal Year 2009					
Texas Education Agency	999.3	1,046.6	47.3	4.7	<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. Staff augmentation contractors procured through DIR are not exempted as outsourced employees in this reporting and in accordance, in the agency's understanding, with guidelines promulgated by the SAO.</i>
Employees Retirement System	299.0	309.9	10.9	3.6	<i>ERS' Board of Trustees approved 340 FTEs for Fiscal Year 2009.</i>
Board of Professional Geoscientists	6.0	6.7	0.7	11.8	<i>On the last working day of the quarter, the agency had seven full-time employees and on part-time employee. Currently, however, our Executive Director is on active duty in the military and is only being paid a minimal amount per month. In January of 2009 the agency was temporarily awarded an additional FTE for FY2009. The total FTE count does not exceed the maximum.</i>
Department of Family and Protective Services	11,152.5	11,296.8	144.3	1.3	<i>Management has taken the necessary steps as of January, 2009 to slow down hiring within FTE cap.</i>
Department of Criminal Justice	39,423.3	39,617.6	194.3	0.5	<i>Due to the agency's ongoing efforts focusing on the recruitment and retention of correctional officers, the number of filled correctional officer positions has increased by almost 2,000 since the beginning of Fiscal Year 2009. Pursuant to Art. XI, Section 6.10 (b) of the 2008-09 General Appropriations Act, TDCJ submitted a request for approval to increase the FTE Cap to the Legislative Budget Board and the Governor's Office.</i>
4th Quarter Fiscal Year 2009					
Texas Education Agency	999.3	1,050.3	51.0	5.1	<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. Staff augmentation contractors procured through DIR are not exempted as outsourced employees in this reporting and in accordance, in the agency's understanding, with guidelines promulgated by the SAO.</i>

State Agencies That Exceeded Their Legislatively Mandated Quarterly FTE Caps As of Fiscal Year 2009					
Agency	Quarterly FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Agency)
Employees Retirement System	299.0	316.7	17.7	5.9	<i>ERS' Board of Trustees approved 340 FTEs for Fiscal Year 2009.</i>
Adjutant General's Department	628.0	632.9	4.9	0.8	<i>The Adjutant General's Department, Agency 401, exceeded the FTE CAP by 4.9 FTEs during the 4th Quarter. Our RSMS, Army Vehicle Rebuild Program at Saginaw received additional vehicles to rebuild requiring the hiring of twenty new Motor Vehicle Technician Employees in June. These are all 100% federal funded FTEs.</i>
Department of Criminal Justice	39,423.3	40,164.9	741.7	1.9	<i>Due to the agency's ongoing efforts focusing on the recruitment and retention of correctional officers, the number of filled correctional officer positions has increased by almost 2,000 since the beginning of Fiscal Year 2009. Pursuant to Art. XI, Section 6.10 (b) of the 2008-09 General Appropriations Act, TDCJ submitted a request for approval to increase the FTE Cap to the Legislative Budget Board and the Governor's Office.</i>
School for the Blind and Visually Impaired	343.8	368.6	24.8	7.2	<i>Article IX, Section 6.10(d) provides that the FTE limitation shall be an average of the four reports filed for the fiscal year. The Agency (Texas School for the Blind and Visually Impaired) anticipates that the FTE limitation for the fiscal year will be exceeded. A request to exceed the limitation has been submitted to the LBB and GOBP. Students attending the School are increasingly more multi-handicapped, requiring more one on one direct instruction. Instruction is provided in both the classroom and the residential program after the regular school day ends. Also, due to the enormous quantity of construction projects on the campus, we have had increased demands to provide a safe and secure environment for both our students and our staff. The construction has also increased the demand on custodial and maintenance services. Further, the H1N1 concerns have increased the demands on both our Health Center staff and our custodial staff. The Board of Trustees at their meeting on 7/31/09, requested authority to exceed the cap for FY 2010 and FY 2011 by increasing the authorized FTE by 7.5% to 370 from 343.8.</i>
State Law Library	11.0	11.2	0.2	1.5	<i>Three different full-time employees were absent due to illness or vacation during August 2009. To fill the staffing shortage one part-time employee worked full-time hours to fill the staffing shortage during this time.</i>
General Land Office	605.6	608.4	2.8	0.5	<i>FTE exceeded due to summer interns.</i>

State Agencies That Exceeded Their Legislatively Mandated Quarterly FTE Caps As of Fiscal Year 2009					
Agency	Quarterly FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Agency)
Texas Lottery Commission	318.5	319.2	0.7	0.2	<i>The Commission exceeded the Commission FTE Cap of 318.50 in the 4th quarter by 0.70 FTE, or 0.02%. Included in this variance was a one-time staffing cost associated with a temporary employee and a contract employee. In addition to the one-time staffing costs, the Commission experienced lower than normal turnover in the 4th quarter. The Commission's average actual FTE's for the fiscal year was 315.12.</i>
Teacher Retirement System	435.3	440.2	4.9	1.1	<i>TRS knew the FTE Cap would increase September 1, 2009 and elected to move forward with hiring staff in the investment division to take advantage of the pool of available talent that was currently available but likely would have found alternative employment by September. Also, an employee was hired to handle communications work to ease the transition to in-house staff in accordance with the Legislature's expressed intent that the work no longer be performed by a contractor. In addition, due to the current economic situation, the turnover rate was lower than anticipated for fiscal year 2009.</i>

Source: FTE System, State Auditor's Office.

Higher Education Institutions That Exceeded Their Legislatively Mandated Annual FTE Caps

During fiscal year 2009, 22 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 2009. 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 2009					
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 at Brownsville	554.0	847.4	293.4	53.0	<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 at 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 of the Permian Basin	306.4	339.0	32.6	10.6	<i>University growth and development of instructional and student support programs have lead to the increased need for staffing as reflected in the FTE numbers; programs (some grant funded) have been added to enhance the university's ability to improve student retention and graduation rates; grant funded programs have also been put into place to recruit, mentor and retain those students enrolled in science, technology, engineering and math programs.</i>
The University of Texas at San Antonio	2,041.0	2,245.0	204.0	10.0	<i>Although UTSA's student enrollment growth is leveling out, we continue to build our employee base to catch up with previous year's growth. 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>
Texas A&M University System	108.5	173.7	65.2	60.1	<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 18, 2008. This increase was necessary as a result of: 1) A change in the method of financing of the System Offices activities which increased the amount of appropriated funding. 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 2009**

Higher Education Institution	Annual FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Institution)
Prairie View A&M University	865.3	904.0	38.7	4.5	<i>An increase in total FTE's for FY 09 was attributed to an expansion of academic programs over the past 3 years resulting in the hiring of additional faculty and staff.</i>
University of Houston System	71.0	94.3	23.3	32.8	<i>Management decision to move staff from UH Victoria to UH System. Changes were reflected on 2nd submission of 2010-11 LAR.</i>
University of Houston - Downtown	582.7	603.3	20.6	3.5	<i>Incentive funding in the amount of \$2,518,181 was received by the University of Houston-Downtown in FY09 and caused the University to exceed the FTE cap for appropriated funds by 20.63 FTE.</i>
University of North Texas	3,005.1	3,116.3	111.2	3.7	<i>The increase in FTE above the Cap is required to support the continuing growth of a student-centered research institution and new programs of the University. These growth initiatives increased the demand for faculty and staff to support our strategic goals.</i>
Stephen F. Austin State University	1,051.0	1,082.7	31.7	3.0	<i>Stephen F. Austin State University had an overall credit hour increase in FY2009 of 2.8%. We also had an increase in master's level credit hours of 5.3%. These additional increases in enrollment contributed to the increase in our FTEs for FY2009.</i>
Texas Woman's University	1,052.0	1,103.5	51.5	4.9	<i>During FY 2009 Texas Woman's University requested approval for an increase in the FTE cap of 65 additional FTE's through the Governor's office. No response was received; however, the FY 2010 cap has been increased to 1074.8. TWU is in the process of reducing its budget over the next two years. One result will be a reduction in FTEs.</i>
Lamar University	913.4	1012.4	99.0	10.8	<i>Lamar University exceeded the FTE cap in FY 2009 for the following reasons: First, Lamar University's student enrollment has increased 43% from 9,906 in the Fall of 2006 to 14,119 as of 9/8/09. Additional FTE were needed to fill necessary faculty positions, STARS (Student Advising and Retention Services) positions and Student Support Service positions. Second, the university is bringing back football which has made it necessary to hire additional staff. Third, additional positions were necessary to implement Banner for student and financial aid. Finally, please note the cap was reduced from 932.00 in fiscal years 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>
Lamar Institute of Technology	174.0	184.4	10.4	6.0	<i>Lamar Institute of Technology has experienced enrollment growth of 25% over the last three fiscal years (FY2008-4.8%, FY2009 of 10%, and FY2010 Fall of 10.2%). This enrollment increase has required the hiring of 5 additional full-time faculty and staff as well as dozens of part-time faculty to teaching close to full-time equivalents in order to meet the needs of additional classes being taught.</i>

**Higher Education Institutions That Exceeded Their Legislatively Mandated Annual FTE Caps
Fiscal Year 2009**

Higher Education Institution	Annual FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Institution)
Lamar State College - Orange	132.0	137.8	5.8	4.4	<i>Due to record enrollment in the fall and summer sessions, additional adjuncts were hired to fill the classes.</i>
Sam Houston State University	1,054.5	1,067.8	13.3	1.3	<i>The continued growth of the University increased the demand for faculty and support personnel.</i>
The University of Texas Southwestern Medical Center at Dallas	1,240.1	1,996.8	758.7	61.0	<i>A request was submitted to the office of the Legislative Budget Board to exceed the cap for fiscal year 2009, by 951.2 FTEs over the appropriated funds. Additional FTEs were required to provide appropriate staff support for the new special item, Institute for Genetic and Molecular Disease, as well as for the additional formula funding for Graduate Medical Education. The requested increase also represents existing employees that were excluded from the October submission of the Legislative Appropriations Request.</i>
The University of Texas M.D. Anderson Cancer Center	11,947.2	13,048.2	1,101.0	9.2	<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	908.0	1,032.3	124.3	13.7	<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>
University of North Texas Health Science Center at Fort Worth	669.9	695.7	25.8	3.9	<i>On September 1, 2009, UNT Health Employees (the largest multi-specialty group practice in Tarrant County) became UNTHSC employees. This action is in response to offering the surrounding community the very best in medical care and offering our students qualified and multi-talented faculty. This additional group practice will bring greater recognition to the Medical School which attracts the highest quality Faculty members and New Students. This growth represents our commitment to elevating our performance and services to new heights of unsurpassed excellence in academics, research, and clinical care. We're seeing record number of patient encounters (over 600,000), and our student population has exceeded 1200. This tremendous growth requires additional personnel needed to support that growth.</i>
Texas State Technical College - West Texas	256.0	256.5	0.5	0.2	<i>The increase is in response to its newly delegated system-wide responsibility for developing advanced distance learning curricula and delivery mechanisms. Additional FTE's have been requested.</i>

**Higher Education Institutions That Exceeded Their Legislatively Mandated Annual FTE Caps
Fiscal Year 2009**

Higher Education Institution	Annual FTE Cap	FTEs Reported	FTEs Over Cap	Percentage Over Cap	Reason for Exceeding Cap (Reported by Institution)
Texas State Technical College - Marshall	92.3	95.0	2.7	2.9	<i>The increase is due to additional faculty needed in response to growing enrollment in dual credit programs, and additional instructional programs. Additional FTE's have been requested.</i>
Texas Engineering Experiment Station (A&M)	797.6	849.8	52.2	6.6	<i>Unanticipated new research projects.</i>
Texas Veterinary Medical Diagnostic Laboratory (A&M)	155.0	158.2	3.2	2.1	<i>TVMDL's justification for exceeding its FTE CAP in FY09 by 3.20 FTES is attributed primarily to increased staffing to support the BioSafety Lab initiative, the expansion of our IT department, as well as additional focus on Quality Assurance and Safety.</i>

Source: FTE System, State Auditor's Office.

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