



**John Keel, CPA**  
**State Auditor**

A Summary Report on

# **Full-time Equivalent State Employees for Fiscal Year 2011**

January 2012

Report No. 12-702



A Summary Report on

# Full-time Equivalent State Employees for Fiscal Year 2011

SAO Report No. 12-702  
January 2012

## Overall Conclusion

During fiscal year 2011, an average of 311,525.4 full-time equivalent (FTE) employees were employed in state agencies and higher education institutions.<sup>1</sup> That was an increase of 551.7 FTEs (or 0.2 percent) over the number employed in fiscal year 2010. It is important to note that agencies and higher education institutions self-reported the FTE data presented in this report, and the State Auditor's Office did not independently verify that data.

Higher education institutions employed 159,746.4 FTEs in fiscal year 2011, an increase of 1.3 percent (or 1,993.6 FTEs) since fiscal year 2010.

State agencies employed 151,779.0 FTEs in fiscal year 2011, a decrease of 0.9 percent (or 1,441.9 FTEs) since fiscal year 2010.

### 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 a week.

FTEs do not equate to employee headcount. For example, 2 employees who each work 20 hours a week together equal 1 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 increased statewide in fiscal year 2011 from 10 years ago in fiscal year 2002; however, FTEs at state agencies decreased from fiscal year 2010 to fiscal year 2011.

The 311,525.4 average number of FTEs in fiscal year 2011 represented an increase of 34,668.4 FTEs (12.5 percent) compared to 10 years ago in fiscal year 2002 (see Table 1 on page 2 of the Detailed Results section of this report). That increase is primarily a result of changes in the numbers of FTEs at higher education institutions.

Among higher education institutions, the 159,746.4 average number of FTEs in fiscal year 2011 represented an increase of 31,752.7 FTEs (24.8 percent) compared to 10 years ago in fiscal year 2002. During that same time, state agencies experienced an increase of 2,915.7 (2.0 percent) in the average number

<sup>1</sup> This report focused on full-time equivalent employees (FTEs) at state agencies and higher education institutions. In contrast, a previous State Auditor's Office report on classified employee turnover focused on employee head counts for full-time and part-time classified employees at state agencies (see *An Annual Report on Classified Employee Turnover for Fiscal Year 2011*, State Auditor's Office Report No. 12-701, December 2011). Because the two reports focused on different populations, a comparison of the numbers in those reports should not be made.

of FTEs; however, the number of FTEs at state agencies decreased by 0.9 percent between fiscal year 2010 and fiscal year 2011.

**The majority of state agencies and higher education institutions comply with their legislatively mandated limitations on state employment levels.**

During fiscal year 2011, 9 state agencies and 21 higher education institutions exceeded their legislatively mandated limitations on state employment levels (see Tables 9 and 10 on pages 15 through 22 in Appendices 2 and 3 for agencies' and higher education institutions' reasons for exceeding their limitations on state employment levels).<sup>2</sup> Of those that exceeded their limitations, state agencies on average were 1.5 percent above their limitations and higher education institutions on average were 6.2 percent above their limitations.

**Statewide, average management-to-staff ratios comply with statutorily mandated ratios.**

Agencies and higher education institutions with more than 100 FTEs are statutorily required to comply with a minimum management-to-staff ratio of 1 manager or supervisor for no fewer than 11 full-time equivalent employees. The average management-to-staff ratio, calculated using FTEs, for fiscal year 2011 was 1:12.7 (1 manager or supervisor per 12.7 supervised staff employees). The average number of full-time equivalent state employees per manager or supervisor was 13.1 five years ago in fiscal year 2007 compared to 12.7 in fiscal year 2011.

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

The objective of this report was to provide the Legislature and the public with information and historical/trend data related to full-time equivalent employees who perform services for state government. This report covers both state agencies and higher education institutions and provides information on the number of full-time and part-time employees, the number of contractors, and management-to-staff ratios.

The scope of this project included unaudited fiscal year 2011 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 2011 with previously submitted data from the State Auditor's Office's Full-time Equivalent (FTE) System.

---

<sup>2</sup> See Appendix 4 for detailed information on the legislatively mandated limitations on state employment levels established in Section 6.10, pages IX-27 through IX-29, the General Appropriations Act (81st Legislature).

# Contents

## *Detailed Results*

---

Introduction .....	1
Chapter 1	
Trends in FTE Levels .....	2
Chapter 2	
Legislatively Mandated Limitations on State Employment Levels .....	12
Chapter 3	
Management-to-staff Ratios .....	13

## *Appendices*

---

Appendix 1	
Objective, Scope, and Methodology .....	14
Appendix 2	
State Agencies That Exceeded Their Legislatively Mandated Quarterly Limitations on State Employment Levels and Their Self-reported Explanations .....	15
Appendix 3	
Higher Education Institutions That Exceeded Their Legislatively Mandated Annual Limitations on State Employment Levels and Their Self-reported Explanations ....	19
Appendix 4	
Excerpt from the General Appropriations Act Regarding Limitations on State Employment Levels for Fiscal Year 2011 .....	23

# Detailed Results

## Introduction

The State Auditor's Office compiles full-time equivalent (FTE) data from state agencies and higher education institutions. That data, which agencies and higher education institutions self-report on a quarterly basis, is used by the Legislature to manage workforce levels and appropriate funds. The State Auditor's Office did not independently verify the self-reported data. In addition to information about the total number of FTEs the State employs, 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 Available

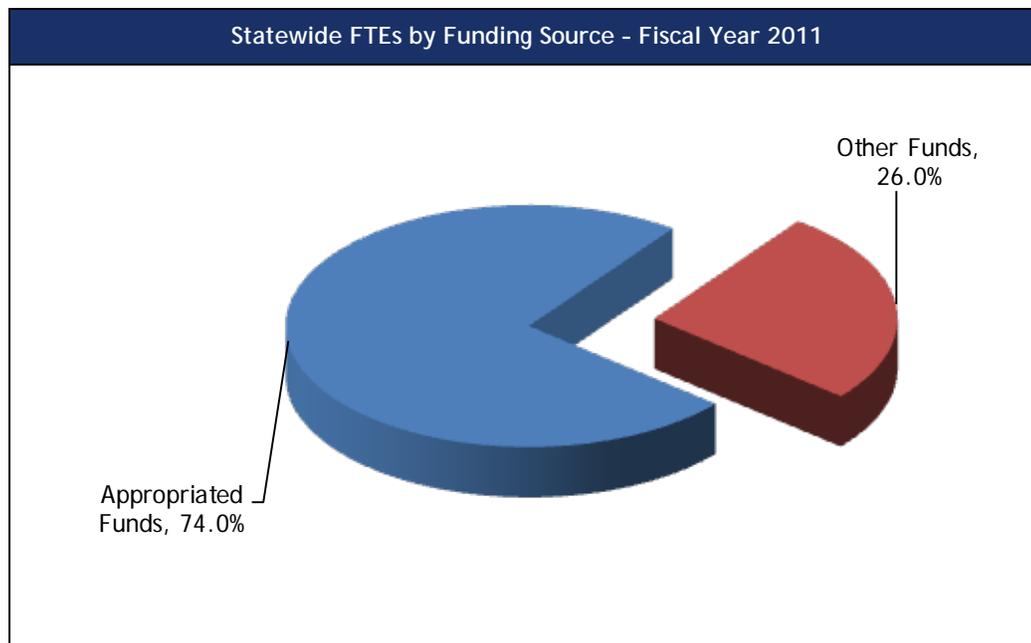
The State Auditor's Office provides additional data analysis and reports from its FTE System, which is accessible at:  
<http://www.sao.state.tx.us/apps/ftesystem/>

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 FTEs are funded through appropriated funds.

On average, in fiscal year 2011, 99.3 percent of FTEs in state agencies and 49.9 percent of FTEs in higher education institutions were paid through appropriated funds. Statewide, 74.0 percent of FTEs were paid through appropriated funds, which includes 100.0 percent federally funded programs (see Figure 1).

Figure 1



Source: FTE System, State Auditor's Office.

## Trends in FTE Levels

The 311,525.4 average number of FTEs in fiscal year 2011 represented an increase of 34,668.4 FTEs (12.5 percent) compared with 10 years ago in fiscal year 2002 (see Table 1). That increase is primarily a result of changes in the numbers of FTEs at higher education institutions:

- The number of FTEs working at higher education institutions has increased by 24.8 percent compared to 10 years ago in fiscal year 2002. Higher education institutions employed 159,746.4 FTEs in fiscal year 2011, an increase of 1.3 percent (or 1,993.6 FTEs) since fiscal year 2010.
- There has been fluctuation in FTE levels at state agencies, resulting in an overall increase of 2.0 percent in FTEs compared to 10 years ago in fiscal year 2002; however, state agencies employed 151,779.0 FTEs in fiscal year 2011, a decrease of 0.9 percent (or 1,441.9 FTEs) since fiscal year 2010.

Table 1

Change in Annual FTE Levels by General Appropriations Act Article						
General Appropriations Act Article	One-Year Comparison (Change from Fiscal Year 2010 to Fiscal Year 2011)		Five-Year Comparison (Change from Fiscal Year 2007 to Fiscal Year 2011)		Ten-Year Comparison (Change from Fiscal Year 2002 to Fiscal Year 2011)	
	Change in Number of FTEs	Percent Change	Change in Number of FTEs	Percent Change	Change in Number of FTEs	Percent Change
Article I - General Government	(309.1)	-3.2%	157.7	1.7%	365.0	4.0%
Article II - Health and Human Services	691.6	1.3%	7,984.9	16.7%	6,300.0	12.8%
Article III - Public Education	(1.8)	-0.1%	286.7	13.5%	226.6	10.4%
Article III - Higher Education	1,993.6	1.3%	14,474.5	10.0%	31,752.7	24.8%
Article IV - The Judiciary	(2.7)	-0.2%	74.1	4.6%	87.1	5.4%
Article V - Public Safety and Criminal Justice	(1,445.9)	-2.7%	855.8	1.7%	(563.8)	-1.1%
Article VI - Natural Resources	(258.0)	-3.0%	373.6	4.7%	22.0	0.3%
Article VII - Business and Economic Development	(217.3)	-1.3%	(2,309.5)	-12.6%	(3,604.9)	-18.4%
Article VIII - Regulatory	(89.8)	-2.5%	167.9	5.1%	(87.9)	-2.5%
Article X - Legislature	191.1	8.9% <sup>a</sup>	(24.4)	-1.0%	171.7	7.9%
<b>Statewide (Excluding Higher Education)</b>	<b>(1,441.9)</b>	<b>-0.9%</b>	<b>7,566.9</b>	<b>5.2%</b>	<b>2,915.7</b>	<b>2.0%</b>
<b>Statewide (Including Higher Education)</b>	<b>551.7</b>	<b>0.2%</b>	<b>22,041.3</b>	<b>7.6%</b>	<b>34,668.4</b>	<b>12.5%</b>

<sup>a</sup> This reflects the increase in FTEs that occurs in odd-numbered years, when there is a regular legislative session.

Note: Totals may not sum exactly due to rounding.

Source: FTE System, State Auditor's Office.

As Table 2 shows, when FTE data for fiscal year 2011 and 10 years ago in fiscal year 2002 is compared:

- The two university systems that experienced the largest increases in FTEs were the University of Texas System (with a 19,506.9 increase in FTEs) and the Texas A&M University System (with a 2,849.3 increase in FTEs).
- The two university systems that experienced the largest percentage increases in FTEs were the University of North Texas System (with a 37.4 percent increase in FTEs) and the Texas State University System (with a 34.8 percent increase in FTEs).

Table 2

Change in Annual FTE Levels by Higher Education Affiliation						
Higher Education Affiliation	One-year Comparison (Change from Fiscal Year 2010 to Fiscal Year 2011)		Five-year Comparison (Change from Fiscal Year 2007 to Fiscal Year 2011)		Ten-year Comparison (Change from Fiscal Year 2002 to Fiscal Year 2011)	
	Change in Number of FTEs	Percent Change	Change in Number of FTEs	Percent Change	Change in Number of FTEs	Percent Change
<b>The University of Texas System</b>	<b>1,634.5</b>	<b>1.9%</b>	<b>7,635.1</b>	<b>9.6%</b>	<b>19,506.9</b>	<b>28.7%</b>
The University of Texas at Brownsville	32.4	2.1%	144.0	10.2%	479.4	44.8%
The University of Texas - Pan American	(29.1)	-1.2%	234.5	10.4%	640.3	34.6%
The University of Texas at Arlington	(76.3)	-2.0%	387.5	11.5%	915.5	32.4%
The University of Texas at Austin	(114.7)	-0.7%	1,152.1	7.8%	1,781.2	12.5%
The University of Texas at Dallas	187.9	6.6%	638.0	26.7%	1,243.1	69.5%
The University of Texas at El Paso	(157.4)	-5.0%	156.5	5.6%	324.7	12.3%
The University of Texas at San Antonio	66.9	1.7%	723.4	21.5%	1,778.2	77.2%
The University of Texas at Tyler	16.2	2.2%	104.9	16.4%	297.1	66.5%
The University of Texas Health Science Center at Tyler	40.5	5.1%	(116.3)	-12.2%	(283.4)	-25.3%
The University of Texas Health Science Center at Houston	21.5	0.4%	771.0	17.7%	514.9	11.2%
The University of Texas Health Science Center at San Antonio	267.2	4.9%	1,106.2	23.9%	1,861.1	48.0%
The University of Texas M.D. Anderson Cancer Center	857.6	5.1%	1,770.2	11.0%	6,198.4	53.4%
The University of Texas Medical Branch at Galveston	208.1	1.9%	(1,118.1)	-9.2%	(1,591.7)	-12.5%
The University of Texas of the Permian Basin	(5.4)	-1.2%	56.2	15.0%	128.8	42.6%
The University of Texas Southwestern Medical Center at Dallas	464.0	4.3%	1,681.7	17.8%	5,113.3	85.0%
The University of Texas System Administration	(144.9)	-19.4%	(56.8)	-8.6%	106.2	21.5%

**Change in Annual FTE Levels  
by Higher Education Affiliation**

Higher Education Affiliation	One-year Comparison (Change from Fiscal Year 2010 to Fiscal Year 2011)		Five-year Comparison (Change from Fiscal Year 2007 to Fiscal Year 2011)		Ten-year Comparison (Change from Fiscal Year 2002 to Fiscal Year 2011)	
	Change in Number of FTEs	Percent Change	Change in Number of FTEs	Percent Change	Change in Number of FTEs	Percent Change
<b>Texas A&amp;M University System</b>	<b>(56.3)</b>	<b>-0.2%</b>	<b>1,892.3</b>	<b>7.3%</b>	<b>2,849.3</b>	<b>11.3%</b>
Prairie View A&M University	(13.0)	-1.0%	37.5	2.9%	125.1	10.5%
Tarleton State University	(49.9)	-4.4%	(68.4)	-6.0%	26.6	2.5%
Texas A&M International University	28.5	3.6%	143.0	21.3%	284.2	53.5%
Texas A&M University - Corpus Christi	35.7	2.4%	230.9	18.0%	374.6	32.9%
Texas A&M University at Galveston	14.3	3.4%	46.8	12.2%	61.1	16.5%
Texas A&M University - Kingsville	91.1	6.6%	307.8	26.6%	357.2	32.2%
Texas A&M University - Main	(375.6)	-3.3%	408.4	3.9%	812.7	8.1%
Texas A&M University System Administrative and General Offices	(11.7)	-3.6%	(7.9)	-2.5%	(12.0)	-3.7%
Texas A&M University System Health Science Center	7.1	0.5%	295.2	23.0%	452.6	40.2%
Texas A&M University - Commerce	36.7	3.3%	99.3	9.3%	144.7	14.2%
Texas A&M University - Texarkana	10.9	5.7%	25.5	14.4%	33.9	20.1%
Texas AgriLife Research	(28.9)	-1.6%	61.8	3.5%	(98.7)	-5.2%
Texas AgriLife Extension Service	(91.0)	-5.7%	(41.8)	-2.7%	(47.7)	-3.1%
Texas Engineering Experiment Station	51.0	4.4%	228.3	23.5%	156.2	15.0%
Texas Engineering Extension Service	(21.2)	-3.5%	(0.9)	-0.2%	113.7	23.8%
Texas Forest Service	34.2	8.7%	32.6	8.2%	47.7	12.5%
Texas Transportation Institute	(9.4)	-2.0%	21.6	4.8%	40.8	9.5%
Texas Veterinary Medical Diagnostic Laboratory	(8.2)	-5.2%	0.4	0.3%	(6.2)	-4.0%
West Texas A&M University	(38.0)	-3.5%	72.2	7.4%	136.6	15.0%
<b>Texas State University System</b>	<b>(5.5)</b>	<b>-0.1%</b>	<b>980.7</b>	<b>12.8%</b>	<b>2,235.3</b>	<b>34.8%</b>
Lamar Institute of Technology	(5.6)	-2.5%	52.0	30.8%	76.9	53.5%
Lamar State College - Orange	0.4	0.2%	12.0	7.1%	34.1	23.1%
Lamar State College - Port Arthur	(1.2)	-0.5%	(26.0)	-10.2%	(10.8)	-4.5%
Lamar University	(38.5)	-2.6%	249.3	20.7%	425.7	41.5%
Sam Houston State University	(19.6)	-0.9%	190.7	10.2%	636.9	45.0%
Sul Ross State University	(15.1)	-3.4%	(41.9)	-8.8%	(1.3)	-0.3%
Sul Ross State University - Rio Grande College	(9.7)	-10.4%	(8.9)	-9.7%	1.8	2.2%
Texas State University - San Marcos	81.8	2.1%	548.0	16.0%	1,027.5	34.8%
Texas State University System Administration	2.0	11.1%	5.5	38.3%	8.7	78.3%

**Change in Annual FTE Levels  
by Higher Education Affiliation**

Higher Education Affiliation	One-year Comparison (Change from Fiscal Year 2010 to Fiscal Year 2011)		Five-year Comparison (Change from Fiscal Year 2007 to Fiscal Year 2011)		Ten-year Comparison (Change from Fiscal Year 2002 to Fiscal Year 2011)	
	Change in Number of FTEs	Percent Change	Change in Number of FTEs	Percent Change	Change in Number of FTEs	Percent Change
<b>Texas Tech University System</b>	<b>227.0</b>	<b>1.9%</b>	<b>1,181.1</b>	<b>10.5%</b>	<b>1,999.6</b>	<b>19.1%</b>
Angelo State University	28.2	3.0%	167.0	20.5%	271.7	38.3%
Texas Tech University	204.9	3.5%	407.1	7.3%	871.6	17.0%
Texas Tech University Health Sciences Center	2.5	0.0%	605.8	12.7%	942.5	21.3%
Texas Tech University System Administration	(8.5)	-5.3%	1.1	0.7%	(86.1)	-36.0%
<b>University of North Texas System</b>	<b>190.1</b>	<b>2.8%</b>	<b>1,282.0</b>	<b>22.2%</b>	<b>1,924.2</b>	<b>37.4%</b>
University of North Texas	134.8	2.6%	853.4	19.2%	1,291.4	32.2%
University of North Texas Health Science Center at Fort Worth	(2.3)	-0.2%	290.5	23.8%	414.9	37.9%
University of North Texas System Administration	57.7	30.1%	138.2	124.2%	217.8	690.1%
<b>University of Houston System</b>	<b>25.6</b>	<b>0.3%</b>	<b>824.2</b>	<b>10.6%</b>	<b>1,760.5</b>	<b>25.7%</b>
University of Houston	(81.2)	-1.3%	476.8	8.4%	1,323.7	27.4%
University of Houston - Clear Lake	76.1	8.9%	116.2	14.2%	144.7	18.4%
University of Houston - Downtown	19.3	1.9%	153.8	17.5%	230.4	28.8%
University of Houston - Victoria	21.4	5.7%	69.8	21.2%	140.8	54.6%
University of Houston System Administration	(9.9)	-9.2%	7.6	8.4%	(79.0)	-44.7%
<b>Independent Entities</b>	<b>49.9</b>	<b>0.9%</b>	<b>650.6</b>	<b>12.4%</b>	<b>1,386.2</b>	<b>30.7%</b>
Higher Education Coordinating Board	(15.4)	-5.3%	8.3	3.1%	(3.0)	-1.1%
Midwestern State University	9.1	1.2%	48.4	6.5%	142.7	21.9%
Stephen F. Austin State University	26.1	1.5%	102.8	6.0%	268.0	17.3%
Texas Southern University	(13.0)	-1.0%	308.1	29.7%	686.6	104.1%
Texas Woman's University	43.1	2.6%	183.0	12.3%	294.8	21.4%
<b>Texas State Technical College System</b>	<b>(71.9)</b>	<b>-4.1%</b>	<b>28.5</b>	<b>1.7%</b>	<b>90.7</b>	<b>5.7%</b>
Texas State Technical College - Harlingen	(18.4)	-3.2%	4.6	0.8%	42.1	8.2%
Texas State Technical College - Marshall	(6.0)	-5.2%	4.4	4.2%	7.0	6.8%
Texas State Technical College System Administration	(0.2)	-0.5%	1.3	3.0%	9.9	28.6%
Texas State Technical College - Waco	(17.8)	-2.5%	49.5	7.5%	45.1	6.8%
Texas State Technical College - West Texas	(29.4)	-9.5%	(31.4)	-10.1%	(13.4)	-4.6%
<b>Higher Education Totals</b>	<b>1,993.6</b>	<b>1.3%</b>	<b>14,474.5</b>	<b>10.0%</b>	<b>31,752.7</b>	<b>24.8%</b>

Note: Totals may not sum exactly due to rounding.

Source: FTE System, State Auditor's Office.

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

Although the State has 116 agencies and 66 higher education institutions that report FTE data, in fiscal year 2011:

- 51.3 percent of FTEs worked in 10 agencies and higher education institutions.
- 70.9 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 4 on page 7 shows the 20 state agencies with the highest annual average FTEs, and Table 5 on page 8 shows the 20 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 2011			
Rank	State Agency or Higher Education Institution	Average Annual FTEs	Percentage of State Workforce
1	Department of Criminal Justice	39,403.8	12.6%
2	The University of Texas M.D. Anderson Cancer Center	17,810.0	5.7%
3	Department of Aging and Disability Services	17,190.5	5.5%
4	The University of Texas at Austin	15,993.6	5.1%
5	Health and Human Services Commission	12,215.3	3.9%
6	Department of State Health Services	12,177.2	3.9%
7	Department of Transportation	11,962.0	3.8%
8	The University of Texas Southwestern Medical Center at Dallas	11,132.3	3.6%
9	The University of Texas Medical Branch at Galveston	11,097.0	3.6%
10	Department of Family and Protective Services	10,901.8	3.5%
11	Texas A&M University - Main	10,882.1	3.5%
12	Department of Public Safety	8,270.6	2.7%
13	University of Houston	6,154.8	2.0%
14	Texas Tech University	5,986.7	1.9%
15	The University of Texas Health Science Center at San Antonio	5,741.8	1.8%
16	Texas Tech University Health Sciences Center	5,361.5	1.7%
17	University of North Texas	5,303.8	1.7%
18	The University of Texas Health Science Center at Houston	5,117.7	1.6%
19	The University of Texas at San Antonio	4,082.7	1.3%
20	Office of the Attorney General	4,079.9	1.3%
<b>Totals</b>		<b>220,865.0</b>	<b>70.9%</b>

Note: Totals do not sum exactly due to rounding.

Source: FTE System, State Auditor's Office.

Table 4

Twenty State Agencies With the Highest Annual Average FTEs (Subject to Limitations on State Employment Levels) Fiscal Year 2011			
Rank	State Agency	Average Annual FTEs	Percentage of State Workforce
1	Department of Criminal Justice	39,403.8	12.6%
2	Department of Aging and Disability Services	17,190.5	5.5%
3	Health and Human Services Commission	12,215.3	3.9%
4	Department of State Health Services	12,177.2	3.9%
5	Department of Transportation	11,962.0	3.8%
6	Department of Family and Protective Services	10,901.8	3.5%
7	Department of Public Safety	8,270.6	2.7%
8	Office of the Attorney General	4,079.9	1.3%
9	Texas Youth Commission	3,320.9	1.1%
10	Department of Assistive and Rehabilitative Services	3,200.3	1.0%
11	Parks and Wildlife Department	3,092.7	1.0%
12	Office of the Comptroller of Public Accounts	2,863.1	0.9%
13	Commission on Environmental Quality	2,834.7	0.9%
14	Texas Workforce Commission	2,676.2	0.9%
15	Department of Insurance	1,502.4	0.5%
16	Texas Education Agency	1,045.5	0.3%
17	Railroad Commission	636.8	0.2%
18	Department of Agriculture	632.8	0.2%
19	Adjutant General's Department	621.7	0.2%
20	District Courts (Comptroller's Judiciary Section)	610.1	0.2%
	<b>Totals</b>	<b>139,238.3</b>	<b>44.7%</b>
Note: Totals do not sum exactly due to rounding.			

Source: FTE System, State Auditor's Office.

Table 5

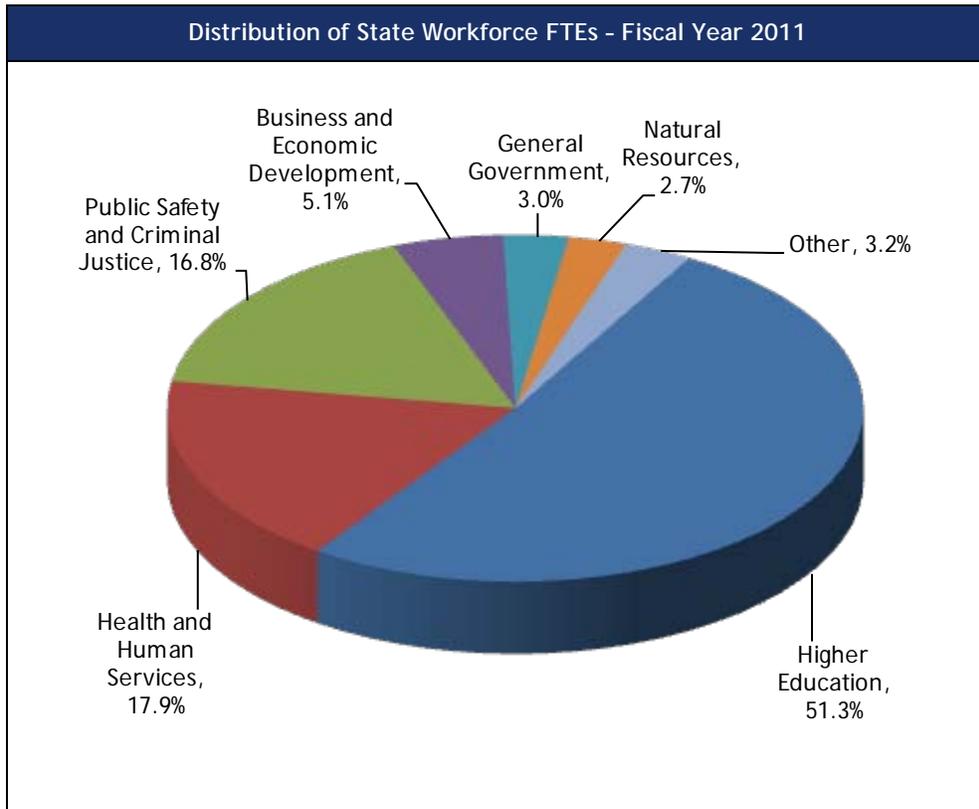
Twenty Higher Education Institutions With the Highest Annual Average FTEs Fiscal Year 2011			
Rank	Higher Education Institution	Average Annual FTEs	Percentage of State Workforce
1	The University of Texas M.D. Anderson Cancer Center	17,810.0	5.7%
2	The University of Texas at Austin	15,993.6	5.1%
3	The University of Texas Southwestern Medical Center at Dallas	11,132.3	3.6%
4	The University of Texas Medical Branch at Galveston	11,097.0	3.6%
5	Texas A&M University - Main	10,882.1	3.5%
6	University of Houston	6,154.8	2.0%
7	Texas Tech University	5,986.7	1.9%
8	The University of Texas Health Science Center at San Antonio	5,741.8	1.8%
9	Texas Tech University Health Sciences Center	5,361.5	1.7%
10	University of North Texas	5,303.8	1.7%
11	The University of Texas Health Science Center at Houston	5,117.7	1.6%
12	The University of Texas at San Antonio	4,082.7	1.3%
13	Texas State University - San Marcos	3,983.9	1.3%
14	The University of Texas at Arlington	3,742.6	1.2%
15	The University of Texas at Dallas	3,031.1	1.0%
16	The University of Texas at El Paso	2,960.4	1.0%
17	The University of Texas - Pan American	2,490.2	0.8%
18	Sam Houston State University	2,051.7	0.7%
19	Stephen F. Austin State University	1,813.5	0.6%
20	Texas AgriLife Research	1,809.8	0.6%
Totals		126,547.3	40.6%
Note: Totals may not sum exactly due to rounding.			

Source: FTE System, State Auditor's Office.

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

During fiscal year 2011, state agencies employed 48.7 percent of FTEs and higher education institutions employed 51.3 percent of FTEs. Figure 2 shows the distribution of those FTEs by General Appropriations Act article.

Figure 2



Source: FTE System, State Auditor's Office.

During fiscal year 2011, state agencies employed 151,779.0 FTEs, or 48.7 percent of the FTEs in the State. Overall, 71.2 percent of state agency employees worked for health and human services or public safety and criminal justice agencies (see Table 6).

Table 6

Distribution of State Agency FTEs - Fiscal Year 2011			
General Appropriations Act Article	Average Annual FTEs	Percentage of State Agency Workforce	Percentage of State Workforce
Article I - General Government	9,459.7	6.2%	3.0%
Article II - Health and Human Services	55,685.1	36.7%	17.9%
Article III - Public Education	2,404.3	1.6%	0.8%
Article IV - The Judiciary	1,690.9	1.1%	0.5%
Article V - Public Safety and Criminal Justice	52,392.6	34.5%	16.8%
Article VI - Natural Resources	8,388.1	5.5%	2.7%
Article VII - Business and Economic Development	15,959.8	10.5%	5.1%
Article VIII - Regulatory	3,466.2	2.3%	1.1%
Article X - Legislature	2,332.3	1.5%	0.7%
<b>All State Agencies</b>	<b>151,779.0</b>	<b>100.0%</b>	<b>48.7%</b>

Note: Totals may not sum exactly due to rounding.

Source: FTE System, State Auditor's Office.

During fiscal year 2011, 2 university systems (the University of Texas System and the Texas A&M University System) employed 115,333.8 FTEs (72.2 percent) of all higher education FTEs (see Table 7).

Table 7

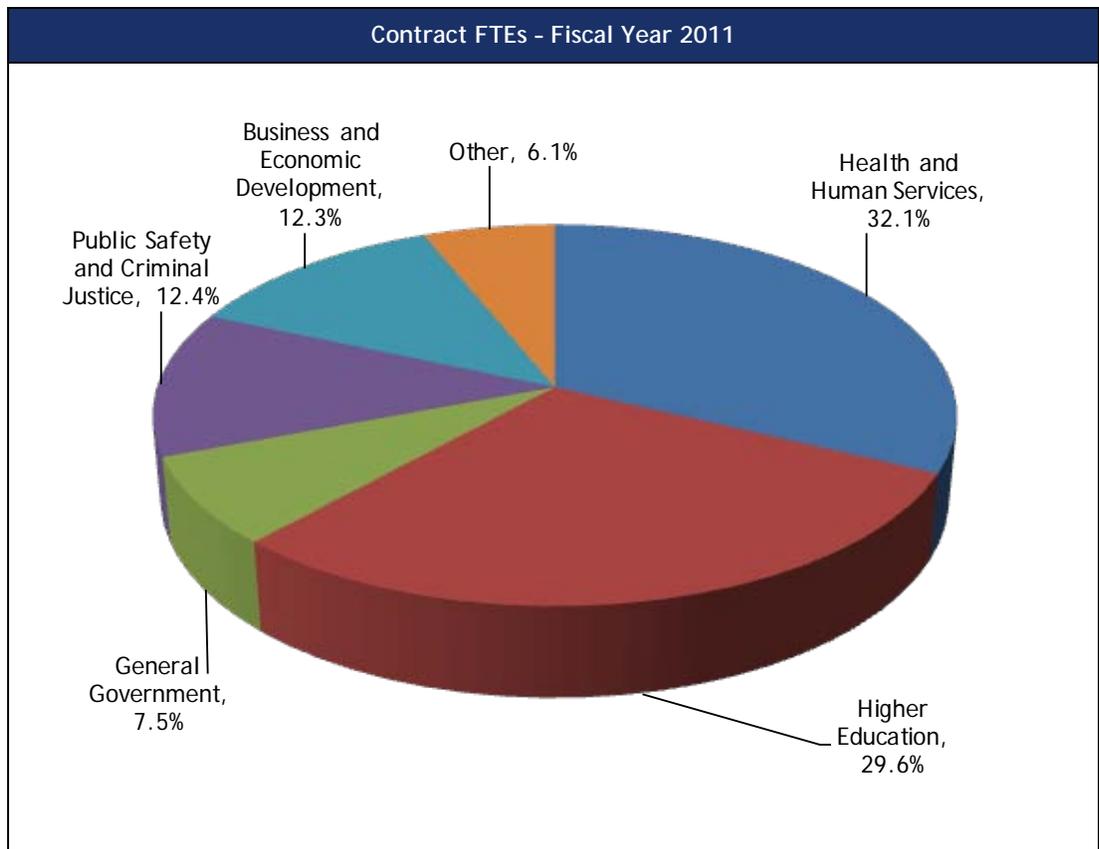
Distribution of Higher Education FTEs - Fiscal Year 2011			
University System Affiliation	Average Annual FTEs	Percentage of Higher Education Workforce	Percentage of State Workforce
The University of Texas System	87,361.7	54.7%	28.0%
Texas A&M University System	27,972.1	17.5%	9.0%
Texas Tech University System	12,482.3	7.8%	4.0%
Texas State University System	8,655.4	5.4%	2.8%
University of Houston System	8,615.3	5.4%	2.8%
University of North Texas System	7,062.6	4.4%	2.3%
Independent Entities	5,904.2	3.7%	1.9%
Texas State Technical College System	1,692.8	1.1%	0.5%
<b>All Higher Education Institutions</b>	<b>159,746.4</b>	<b>100.0%</b>	<b>51.3%</b>

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 limitation on state employment levels. 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 2011, 1,368.6 contract FTEs supplemented the workforce at 28 agencies and 13 higher education institutions.<sup>3</sup> The majority of those individuals worked in health and human services and higher education (see Figure 3).

Figure 3



Source: FTE System, State Auditor's Office.

<sup>3</sup> Some agencies and higher education institutions did not employ contract FTEs for all four quarters of fiscal year 2011.

## Legislatively Mandated Limitations on State Employment Levels

In the General Appropriations Act, the Legislature establishes state employment level limitations on FTEs. Those limitations have increased 4.0 percent compared to what they were 10 years ago in fiscal year 2002. Compared with fiscal year 2010, state employment limitations in fiscal year 2011 increased by 257.7 FTEs (an increase of less than 1.0 percent).<sup>4</sup>

During fiscal year 2011, 9 state agencies and 21 higher education institutions exceeded their limitations on state employment levels. Of those that exceeded their limitations, state agencies on average were 1.5 percent above their limitations and higher education institutions on average were 6.2 percent above their limitations. Detailed information and agencies' and higher education institutions' reasons for exceeding limitations on state employment levels are available in Appendices 2 and 3.

Legislative agencies, courts, and several state agencies are not subject to state employment level limitations, but they are still required to report their FTE numbers. For agencies with designated limitations on state employment levels, only contract FTEs and FTEs paid from appropriated funds count toward the limitation. Table 8 shows the differences between the number of FTEs subject to limitations on state employment levels at agencies and higher education institutions and those entities' limitations, grouped by General Appropriations Act article.

Table 8

Comparison of Agencies' and Higher Education Institutions' FTEs with Their State Employment Limitations - Fiscal Year 2011				
General Appropriations Act Article	Average Annual FTEs	Fiscal Year 2011 Average State Employment Limitation	Annual Average FTEs Subject to State Employment Limitation	Percent of FTEs Subject to State Employment Limitation
Article I - General Government	9,459.7	10,069.3	9,157.9	96.8%
Article II - Health and Human Services	55,685.1	57,778.5	55,608.5	99.9%
Article III - Public Education	2,404.3	2,346.3	2,321.3	96.5%
Article III - Higher Education	159,746.4	83,377.0	79,651.5	49.9%
Article IV - The Judiciary	1,690.9	1,420.1	1,373.8	81.2%
Article V - Public Safety and Criminal Justice	52,392.6	53,262.1	52,311.1	99.8%
Article VI - Natural Resources	8,388.1	8,847.9	8,355.0	99.6%
Article VII - Business and Economic Development	15,959.8	18,243.7	14,962.4	93.8%
Article VIII - Regulatory	3,466.2	3,449.0	2,997.1	86.5%
Article X - Legislature	2,332.3	Not Applicable	Not Applicable	Not Applicable
<b>Statewide (Excluding Higher Education)</b>	<b>151,779.0</b>	<b>155,416.9</b>	<b>147,087.2</b>	<b>96.9%</b>
<b>Statewide (Including Higher Education)</b>	<b>311,525.4</b>	<b>238,793.9</b>	<b>226,738.7</b>	<b>72.8%</b>

Note: Totals may not sum exactly due to rounding.

Source: FTE System, State Auditor's Office.

<sup>4</sup> This includes adjustments to state employment level limitations provided by the Legislative Budget Board for fiscal year 2011.

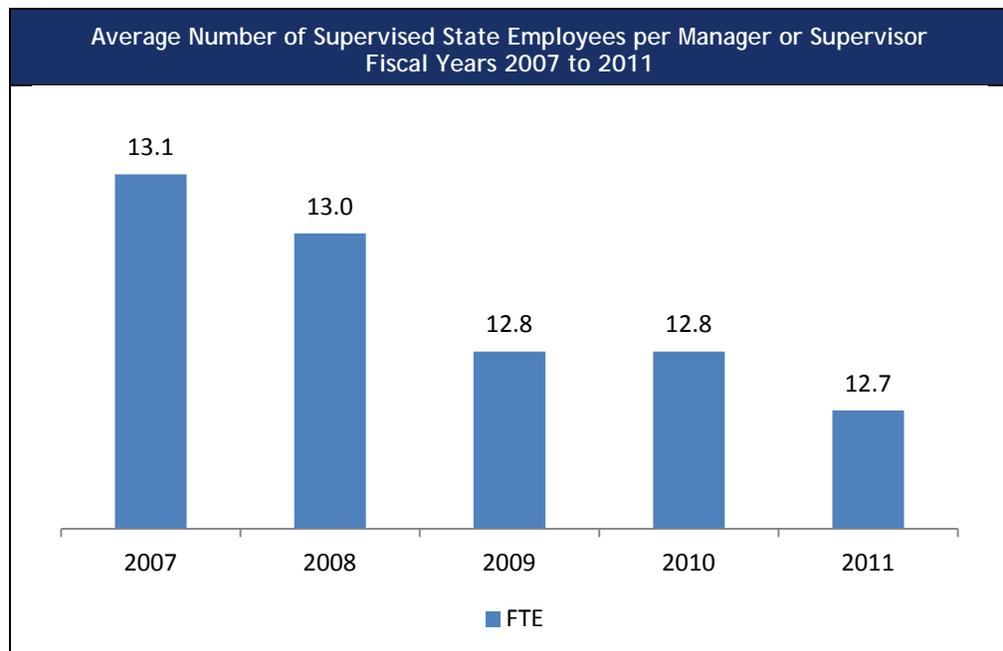
## Management-to-staff Ratios

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. Agencies and higher education institutions with more than 100 FTEs are statutorily required to comply with a minimum management-to-staff ratio of 1 manager or supervisor for no fewer than 11 full-time equivalent employees.<sup>5</sup>

The average management-to-staff ratio, calculated using FTEs, for fiscal year 2011 was 1:12.7 (1 manager or supervisor per 12.7 supervised staff employees).

Figure 4 shows a five-year trend in the average annual management-to-staff ratios calculated using FTEs from fiscal year 2007 through fiscal year 2011. The average number of employees per manager or supervisor was 13.1 in fiscal year 2007 compared to 12.7 in fiscal year 2011. (The numbers in Figure 4 represent the average number of supervised state employees per manager or supervisor).

Figure 4



Source: FTE System, State Auditor’s Office.

<sup>5</sup> Texas Government Code, Section 651.004 (c).

# Appendices

Appendix 1

## **Objective, Scope, and Methodology**

---

### **Objective**

The objective of this report was to provide the Legislature and the public with information and historical/trend data related to full-time equivalent employees who perform services for state government. This report covers both state agencies and higher education institutions and provides information on the number of full-time and part-time employees, the number of contractors, and management-to-staff ratios.

The report was prepared in accordance with Texas Government Code, Sections 2052.103 and 2052.104 (b).

### **Scope**

The scope of this project included unaudited fiscal year 2011 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 2011 with previously submitted data from the State Auditor's Office's Full-time Equivalent (FTE) System. This project was not an audit, and 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 completed this project:

- Sharon Schneider, PHR (Project Manager)
- Juliette Torres, CCP, PHR
- 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 Limitations on State Employment Levels and Their Self-reported Explanations

During fiscal year 2011, 9 state agencies exceeded their legislatively mandated quarterly limitations on state employment levels. The numbers in Table 9 represent the quarterly total number of full-time equivalent (FTEs) employees who were paid from appropriated funds plus contractor FTEs (see page 24 for additional information on contract workers). The agencies' explanations for exceeding their limitations are listed below.

Table 9

State Agencies That Exceeded Their Legislatively Mandated Quarterly FTE Limitations on State Employment Levels Fiscal Year 2011					
Agency Number and Name	Quarterly FTE Limitation	FTEs Reported	FTEs Over Limitation	Percentage Over Limitation	Reason for Exceeding the Limitation (Reported by Agency)
1st Quarter Fiscal Year 2011					
325 - Office of the Fire Fighters' Pension Commissioner	8.5	8.7	0.2	2.2%	<i>Per letter from Governor's office, the request has been made for current Commissioner, Lisa Miller, to stay on agency payroll until Dec. 15 to aide in the transition to a new Commissioner. The new Commissioner's start date is Nov. 15.</i>
327 - Employees Retirement System	323.0	323.9	0.9	0.3%	<i>It is the policy of ERS to make the most efficient use of full time equivalent positions (FTEs). The staffing level increased by two positions for hedge funds. The FY 2011 Approved Budget includes 342 FTEs. Efficiencies gained through the imaging project and other areas have been maximized by realigning those FTE's to new functions and requirements of the agency. ERS requested FTEs using a 3% vacancy rate rather than the 5% vacancy rate we have experienced in the past because our FTE count is increasing as our vacancy rate is decreasing. A detailed worksheet showing the new FTE estimate was provided to the LBB. The FTE amount will vary throughout each year depending on the actual ERS vacancy rate experience. Please note that ERS' operational budget is not appropriated and the cap restrictions that apply to most agencies do not apply to us.</i>
401 - Adjutant General's Department	619.0	643.3	24.3	3.9%	<i>The Adjutant General's Department has exceeded the FTE Cap due to the high level of 100% federal funded personnel who support multiple on-going programs including our Military Vehicle Rebuild Program (RSMS), Security Officer Program, and Information Technology Program. These 100% federal funded programs currently provide four hundred and thirty-two jobs for this agency and the State of Texas.</i>

State Agencies That Exceeded Their Legislatively Mandated Quarterly FTE Limitations on State Employment Levels Fiscal Year 2011					
Agency Number and Name	Quarterly FTE Limitation	FTEs Reported	FTEs Over Limitation	Percentage Over Limitation	Reason for Exceeding the Limitation (Reported by Agency)
464 - Board of Professional Land Surveying	5.0	5.2	0.2	3.7%	<i>The Executive Director retired on 11-10-10 and her replacement was hired on 10-10-10 utilizing the provision in Article IX Part 3 Sec. 3.05 (e) (2) (c) that allows an agency 30 days training time. Due to the size of the agency, the board felt it was in the best interest to allow as much training as possible for the Executive Director position.</i>
696 - Department of Criminal Justice	39,443.3	39,943.7	500.4	1.3%	<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 over 2,100 since the beginning of Fiscal Year 2009. Pursuant to Art. IX, Section 6.10 (b) of the 2008-09 General Appropriations Act, TDCJ has submitted a request for approval to increase the FTE Cap to the Legislative Budget Board and Governor's Office.</i>
701-Texas Education Agency	1,038.8	1,105.6	66.8	6.4%	<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 the guidelines promulgated by the SAO.</i>
2nd Quarter Fiscal Year 2011					
327 - Employees Retirement System	323.0	323.6	0.6	0.2%	<i>It is the policy of ERS to make the most efficient use of full time equivalent positions (FTEs). The staffing level increased by two positions for hedge funds. The FY 2011 Approved Budget includes 342 FTEs. Efficiencies gained through the imaging project and other areas have been maximized by realigning those FTE's to new functions and requirements of the agency. ERS requested FTEs using a 3% vacancy rate rather than the 5% vacancy rate we have experienced in the past because our FTE count is increasing as our vacancy rate is decreasing. A detailed worksheet showing the new FTE estimate was provided to the LBB. The FTE amount will vary throughout each year depending on the actual ERS vacancy rate experience. Please note that ERS' operational budget is not appropriated and the cap restrictions that apply to most agencies do not apply to us.</i>

**State Agencies That Exceeded Their Legislatively Mandated Quarterly FTE Limitations on State Employment Levels  
Fiscal Year 2011**

Agency Number and Name	Quarterly FTE Limitation	FTEs Reported	FTEs Over Limitation	Percentage Over Limitation	Reason for Exceeding the Limitation (Reported by Agency)
357 - Department of Rural Affairs	62.0	62.9	0.9	1.5%	<i>In November 2008, Texas was awarded \$1.3 billion in Community Development Block Grant funds by the Department of Housing and Urban Development (HUD) to provide relief to communities affected by the hurricane disasters. The amount received for the Texas Department of Rural Affairs (TDRA) is dedicated for infrastructure. The hurricane disaster relief funds awarded to Texas by HUD are 100% federal grant funds that do not require a state match. FTE GAA Cap = 62. Art IX Section 6.10 of GAA 81st Legislature RS = 52 FTE Federally Funded authorized positions. 45.8 are listed in this quarter. There FTE will be used to manage disaster related projects.</i>
401 - Adjutant General's Department	619.0	622.3	3.3	0.5%	<i>The Adjutant General's Department has exceeded the FTE Cap due to the high level of 100% federal funded personnel who support multiple on-going programs including our Military Vehicle Rebuild Program (RSMS), Security Officer Program, and Information Technology Program. These 100% federal funded programs currently provide four hundred and twenty-two jobs for this agency and the State of Texas.</i>
696 - Department of Criminal Justice	39,443.3	40,062.2	618.9	1.6%	<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 over 1,900 since the beginning of Fiscal Year 2009. Pursuant to Art. XI, Section 6.10 (b) of the 2008-09 General Appropriations Act, TDCJ has submitted a request for approval to increase the FTE Cap to the Legislative Budget Board and the Governor's Office.</i>
701 - Texas Education Agency	1,038.8	1,092.3	53.5	5.2%	<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 the guidelines promulgated by the SAO.</i>

State Agencies That Exceeded Their Legislatively Mandated Quarterly FTE Limitations on State Employment Levels Fiscal Year 2011					
Agency Number and Name	Quarterly FTE Limitation	FTEs Reported	FTEs Over Limitation	Percentage Over Limitation	Reason for Exceeding the Limitation (Reported by Agency)
<b>3rd Quarter Fiscal Year 2011</b>					
357 - Department of Rural Affairs	62.0	62.5	0.5	0.9%	<i>In November 2008, Texas was awarded \$1.3 billion in Community Development Block Grant funds by the Department of Housing and Urban Development (HUD) to provide relief to communities affected by the hurricane disasters. The amount received for the Texas Department of Rural Affairs (TDRA) is dedicated for infrastructure. The hurricane disaster relief funds awarded to Texas by HUD are 100% federal grant funds that do not require a state match. FTE GAA Cap = 62 Art IX Section 6.10 of GAA 81st Legislature RS = 52 FTE Federally Funded authorized positions. 14 are listed in this quarter. These FTE will be used to manage disaster related projects.</i>
<b>4th Quarter Fiscal Year 2011</b>					
533 - Executive Council of Physical and Occupational Therapy Examiners	18.0	18.3	0.3	1.5%	(This agency did not provide a reason for exceeding the limitation.)
772 - School for the Deaf	462.2	465.1	2.9	0.6%	<i>Seasonal fluctuations</i>
<sup>a</sup> The School for the Deaf had an annual (average of the four quarters) state employment limitation specified in Section 6.10(d)(2), page IX-28, of the General Appropriations Act (81st Legislature).					

Source: FTE System, State Auditor's Office.

## Higher Education Institutions That Exceeded Their Legislatively Mandated Annual Limitations on State Employment Levels and Their Self-reported Explanations

During fiscal year 2011, 21 higher education institutions exceeded their legislatively mandated annual limitations on state employment levels. The numbers in Table 10 represent the annual average full-time equivalent (FTEs) employees paid from appropriated funds plus contractor FTEs for fiscal year 2011 (see page 24 for additional information on contract workers). The higher education institutions' explanations for exceeding their limitations are listed below.

Table 10

Higher Education Institutions That Exceeded Their Legislatively Mandated Annual FTE Limitations on State Employment Levels Fiscal Year 2011					
Higher Education Institution Number and Name	Annual FTE Limitation	FTEs Reported	FTEs Over Limitation	Percentage Over Limitation	Reason for Exceeding the Limitation (Reported by Institution)
506 - The University of Texas M.D. Anderson Cancer Center	13,081.9	13,091.2	9.3	0.1%	<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>
576 - Texas Forest Service	378.2	381.9	3.7	1.0%	<i>The Texas Forest Service requests that its FTE cap be raised by 90 FTEs. The following justification is provided: Correction for Prior Errors in FTE Cap (31 FTE) 1. A reporting error by TFS in the 1998-99 LAR resulted in the agency's FTE cap being reduced by 35 FTE in error. 2. The agency was authorized a total of 49 FTE for the Texas Wildfire Protection Plan (TWPP) pilot program, the VFD Assistance Program and the VFD Insurance Program; however, the agency's FTE cap was increased by 45 FTE - a shortage of 4 FTE. 3. Subsequent to the above errors in the FTE cap, the legislature reduced FTE caps by an across the board 2%. The impact would be to reduce corrections for the above FTE errors by 8. 4. Requests for the above corrections have been included in the LARs for the 2004-2005, 2006-2007, 2008-2009 and 2010-2011 biennia. Increase for expansion of TWPP program (60 FTE) 1. The 81st Legislature provided additional funding to expand TWPP and the VFD Assistance Program. The agency's LAR indicated 65 new FTE associated with this funding. The agency's FTE cap was increased by 5.8 FTEs.</i>

**Higher Education Institutions That Exceeded Their Legislatively Mandated Annual FTE Limitations on State Employment Levels Fiscal Year 2011**

Higher Education Institution Number and Name	Annual FTE Limitation	FTEs Reported	FTEs Over Limitation	Percentage Over Limitation	Reason for Exceeding the Limitation (Reported by Institution)
709 - Texas A&M University System Health Science Center	969.1	1,096.0	126.9	13.1%	<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. Exceeding the FTE Cap is a direct result of faculty and staff hired in support the these endeavors.</i>
712 - Texas Engineering Experiment Station	740.7	971.1	230.4	31.1%	<i>Our externally-sponsored research expenditures have increased by 5.2% over FY10.</i>
715 - Prairie View A&M University	891.8	903.9	12.1	1.4%	<i>Prairie View A&amp;M University did experience a slight increase over and above the mandated cap of 891.80 due to staffing of new and expanding academic programs.</i>
717 - Texas Southern University	855.5	885.9	30.4	3.6%	<i>TSU has undergone significant administrative changes during the past three years which would account for the variance staffing levels. However, our FTE cap has consistently been 977 for the past two years and we have used this numer as our target cap. We were surprised as to the newly established FTE cap and clearly cannot operate at full capacity. As of 08/31/2011 we have cut 59 positions, this should help put our FTE in alignment.</i>
724 - The University of Texas at El Paso	1,730.3	1,762.3	32.0	1.9%	<i>The increased number of FTEs in FY 2010-11 was the result of increased enrollment and additional strategic research hires in both the faculty and staff categories.</i>
732 - Texas A&M University - Kingsville	746.0	804.3	58.3	7.8%	<i>Total FTEs include both Texas A&amp;M-Kingsville (agency 732) and Texas A&amp;M-San Antonio (agency 749) which became a stand alone university in September 2009. TAMUSA does not have their own FTE cap. The overage is all attribute to TAMUSA. The positions are needed for the additional faculty and staff that are required to expand the new institution.</i>
734 - Lamar University	913.4	1,369.5	456.1	49.9%	<i>A hiring freeze has resulted in the use of more part-time employees.</i>
738 - The University of Texas at Dallas	1,237.0	1,368.6	131.6	10.6%	<i>The FTE was exceeded as a result of increasing enrollment growth at the University. The additional faculty is needed to retain UTD's quality of education and maintain a reasonable faculty/student ratio. The additional staff is needed to provide support to additional key administrative areas, services to students, and maintain security and operations for the additional buildings on campus. We do not anticipate the four quarter average to exceed the FTE cap, assuming that the Request to Exceed FTE Limitation on Appropriated Funds is approved.</i>
739 - Texas Tech University Health Sciences Center	1,787.6	1,806.8	19.2	1.1%	<i>After receiving approval from the Texas Tech University System Board of Regents, Texas Tech University Health Sciences Center submitted a request to exceed the Annual FTE Cap on September 28, 2009, from the Legislative Budget Board and the Governor's Office of Budget, Planning and Policy. The request to exceed was from 1,787.60 FTEs to 2,058.10 FTEs. The FY 2011 actual FTEs for the institution is 1,806.75 which is below the requested level.</i>

**Higher Education Institutions That Exceeded Their Legislatively Mandated Annual FTE Limitations on State Employment Levels Fiscal Year 2011**

Higher Education Institution Number and Name	Annual FTE Limitation	FTEs Reported	FTEs Over Limitation	Percentage Over Limitation	Reason for Exceeding the Limitation (Reported by Institution)
742 - The University of Texas of the Permian Basin	296.4	344.5	48.1	16.2%	<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>
743 - The University of Texas at San Antonio	2,258.9	2,371.9	113.0	5.0%	<i>Although UTSA's enrollment continues to stabilize, this reflects the optimal number of faculty and staff to support a more traditional student population and improve the faculty / student ratio consistent with aspirant peers. Each year we continue to request authorization to exceed our FTE cap.</i>
747 - The University of Texas at Brownsville	548.9	804.1	255.2	46.5%	<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>
752 - University of North Texas	3,109.1	3,312.2	203.1	6.5%	<i>(The University of North Texas did not provide a reason for exceeding the limitation.)</i>
760 - Texas A&M University - Corpus Christi	748.8	779.9	31.1	4.2%	<i>Texas A&amp;M University-Corpus Christi's FY2011 4-quarter FTE average for FY 2011 appropriated funds is 779.86, which exceeds our cap of 748.8 by 31.06. A request was submitted to increase the FY 2011 cap to 825. Fall 2010 enrollment was 10,033. Student enrollment in both the fall of 2009 and fall 2010 increased by more than 5%. Efforts to increase Hispanic enrollment also resulted in a 6.6% increase in Fall 2009 and a 7.5% increase in Fall 2010. As a fast growing institution committed to excellence and serving the needs of South Texas, it is imperative that we employ an adequate number of faculty and staff.</i>
763 - University of North Texas Health Science Center at Fort Worth	681.1	708.2	27.1	4.0%	<i>Continuing rapid expansion of our new Physician Assistant School required that we add several positions prior to our scheduled workforce expansion. UNTHSC's Medical School also grew faster than any other Medical School in the State. We have a record number of new students, and we've grown our faculty to record numbers 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 at UNT Health, which is now the largest multi-specialty group practice in Tarrant County. This tremendous growth requires the support staff to also grow.</i>
769 - University of North Texas System Administration	115.5	229.4	113.9	98.6%	<i>(The University of North Texas System Administration did not provide a reason for exceeding the limitation.)</i>
783 - University of Houston System Administration	64.0	93.3	29.3	45.7%	<i>Management decision to move staff from UHV to UHS. Changes were relected on second submission of 2010 -11 LAR.</i>

**Higher Education Institutions That Exceeded Their Legislatively Mandated Annual FTE Limitations on State Employment Levels Fiscal Year 2011**

Higher Education Institution Number and Name	Annual FTE Limitation	FTEs Reported	FTEs Over Limitation	Percentage Over Limitation	Reason for Exceeding the Limitation (Reported by Institution)
787 - Lamar State College - Orange	133.0	141.4	8.4	6.3%	<i>Due to increased enrollment in the Fall and Spring semester, additional adjuncts were hired to fill the classes.</i>
789 - Lamar Institute of Technology	174.0	190.9	16.9	9.7%	<i>Enrollment growth has resulted in an increase in temporary faculty. LIT requeste an increase in FTE's in the appropriations bill and received an increase for 2012-2013.</i>

Source: FTE System, State Auditor's Office.

## ***Excerpt from the General Appropriations Act Regarding Limitations on State Employment Levels for Fiscal Year 2011***

---

Legislatively mandated limitations on state employment levels for fiscal year 2011 were established in Section 6.10, pages IX-27 through IX-29, the General Appropriations Act (81st Legislature), which is presented below.

### **Sec. 6.10. Limitation on State Employment Levels.**

(a) Without the written approval of the Governor and the Legislative Budget Board, a state agency or institution of higher education may not use funds appropriated by this Act to pay all or part of the salaries or benefits of a number of employees which would cause the number of full-time equivalent employees (FTEs) paid from funds appropriated by this Act by the state agency or institution of higher education for a fiscal quarter to exceed the figure indicated by this Act for that state agency or institution.

(b) A request by a state agency or institution of higher education to exceed or reduce the FTE limitations established by this section must be submitted by the governing board of the state agency or institution of higher education and must include at a minimum:

- (1) the date on which the board approved the request;
- (2) a statement justifying the need to exceed or reduce the limitation;
- (3) the source of funds to be used to pay any additional salaries; and
- (4) an explanation as to why the functions of any proposed additional FTEs cannot be performed within current staffing levels.

(c) For the purpose of Subsection (a), the number of FTEs employed by a state agency (not including an institution of higher education or an affiliated entity, the State Preservation Board, Parks and Wildlife Department, Texas School for the Blind and Visually Impaired, Texas School for the Deaf, and Texas Commission on Environmental Quality) for a fiscal quarter:

- (1) shall be determined in accordance with the report filed pursuant to § 2052.103, Government Code;
- (2) shall include only employees paid with funds appropriated through this Act;
- (3) shall not include overtime hours; and
- (4) shall include a position filled by temporary or contract workers for more than half of the work days of the year preceding the final day of the reporting period. Temporary or contract workers shall include workers employed under

contract to fill specific positions customarily filled by state employees. The State Auditor is authorized to provide interpretations of this provision.

(d) For the purpose of Subsection (a), the number of FTEs employed by the State Preservation Board, Texas Commission on Environmental Quality, the Parks and Wildlife Department, the Texas School for the Blind and Visually Impaired, the Texas School for the Deaf, or an institution of higher education or an affiliated entity, for a fiscal year:

(1) shall be determined in accordance with the reports filed pursuant to § 2052.103, Government Code;

(2) shall be an average of the four reports filed for that fiscal year;

(3) shall include only employees paid with funds appropriated through this Act;

(4) shall not include overtime hours; and

(5) shall include a position filled by temporary or contract workers for more than half of the work days of the year preceding the final day of the reporting period. Temporary or contract workers shall include workers employed under contract to fill specific positions customarily filled by state employees. The State Auditor is authorized to provide interpretations of this provision.

(e) This section shall not apply to appropriations made by this Act to the:

(1) Office of the Governor; or

(2) Comptroller when that agency has determined by a cost/benefit analysis that an outsourcing or contracting arrangement provides savings to this State.

(f) The limitations on FTEs under this section do not apply to a state agency or institution in instances of employment, including employment of temporary or contract workers, directly associated with events declared disasters by the Governor. Each state agency or institution shall annually notify the State Auditor, Comptroller, Legislative Budget Board, and Governor of FTEs exempted under this section.

(g) (1) The limitations on FTEs under this section do not apply to a state agency or institution in an instance of employment, including employment of a temporary or contract worker, if the FTEs associated with that project are not included in the number of FTEs allowed in the agency's bill pattern and the employees are associated with:

(A) implementation of a new, unanticipated project that is 100 percent federally funded; or

(B) the unanticipated expansion of an existing project that is 100 percent federally funded.

(2) With regard to the exemption from the FTE limitations provided by this Subsection (g), a state agency or institution is exempt from the FTE limitations only for the duration of the federal funding for the employment related to the project and all salaries, benefits, and other expenses incurred related to employment must be paid from federal funds.

(3) This Subsection (g) does not exempt any employees associated with existing projects that are 100 percent federally funded and included in the number of FTEs allowed in the agency's bill pattern.

(4) Each state agency or institution shall notify the State Auditor, Comptroller, Legislative Budget Board, and Governor of FTEs exempted under this Subsection (g).

(h) If a program is transferred from a state agency or institution of higher education, then at any time during the biennium, the Legislative Budget Board and the Governor may agree to reduce the number of FTEs paid from funds appropriated by this Act by the state agency or institution of higher education for one or more fiscal quarters to a figure below that indicated by this Act for that agency or institution.

Copies of this report have been distributed to the following:

### **Legislative Audit Committee**

The Honorable David Dewhurst, Lieutenant Governor, Joint Chair

The Honorable Joe Straus III, Speaker of the House, Joint Chair

The Honorable Steve Ogden, Senate Finance Committee

The Honorable Thomas “Tommy” Williams, Member, Texas Senate

The Honorable Jim Pitts, House Appropriations Committee

The Honorable Harvey Hilderbran, House Ways and Means Committee

### **Office of the Governor**

The Honorable Rick Perry, Governor

### **Office of the Comptroller of Public Accounts**

The Honorable Susan Combs, Comptroller of Public Accounts

### **Legislative Budget Board**

Mr. John O'Brien, Director



This document is not copyrighted. Readers may make additional copies of this report as needed. In addition, most State Auditor's Office reports may be downloaded from our Web site: [www.sao.state.tx.us](http://www.sao.state.tx.us).

In compliance with the Americans with Disabilities Act, this document may also be requested in alternative formats. To do so, contact our report request line at (512) 936-9500 (Voice), (512) 936-9400 (FAX), 1-800-RELAY-TX (TDD), or visit the Robert E. Johnson Building, 1501 North Congress Avenue, Suite 4.224, Austin, Texas 78701.

The State Auditor's Office is an equal opportunity employer and does not discriminate on the basis of race, color, religion, sex, national origin, age, or disability in employment or in the provision of services, programs, or activities.

To report waste, fraud, or abuse in state government call the SAO Hotline: 1-800-TX-AUDIT.