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**State Auditor**

A Summary Report on

# **Full-time Equivalent State Employees for Fiscal Year 2012**

March 2013

Report No. 13-706



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Fiscal Year 2012**

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## Overall Conclusion

During fiscal year 2012, state agencies and higher education institutions employed an average of 306,975.8 full-time equivalent (FTE) employees.<sup>1</sup> That was a decrease of 5,806.6 FTEs (or 1.9 percent) compared with the average number of FTEs in fiscal year 2011 (312,782.4).<sup>2</sup> It is important to note that state 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.

State agencies employed an average of 147,117.2 FTEs in fiscal year 2012. That was a decrease of 3.8 percent (or 5,842.9 FTEs) since fiscal year 2011.

Higher education institutions employed an average of 159,858.6 FTEs in fiscal year 2012. That was an increase of less than 1 percent (or 36.3 FTEs) since fiscal year 2011.

## Key Points

FTE levels increased in fiscal year 2012 compared to 10 years ago in fiscal year 2003.

The 306,975.8 average number of FTEs in fiscal year 2012 represented an increase of 26,395.0 FTEs (9.4 percent) compared to 10 years ago in fiscal year 2003 (see Table 3 on page 3 of the Detailed Results section of this report).

### Full-time Equivalent (FTE) Employee 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.

<sup>1</sup> This report focuses on 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 2012*, State Auditor's Office Report No. 13-704, December 2012). Because the two reports focused on different populations, a comparison of the numbers in those reports should not be made.

<sup>2</sup> The number of FTEs shown for previous years may vary from prior State Auditor's Office FTE reports due to corrections that agencies and higher education institutions made to their FTE data.

Among higher education institutions, the 159,858.6 average number of FTEs in fiscal year 2012 represented an increase of 28,026.5 FTEs (21.3 percent) compared to 10 years ago in fiscal year 2003. During that same time, state agencies experienced a decrease of 1,631.5 (1.1 percent) in the average number of FTEs.

**All state agencies and the majority of higher education institutions complied with their legislatively mandated limitations on state employment levels.**

During fiscal year 2012, no state agencies exceeded their legislatively mandated limitations on state employment levels. However, 16 higher education institutions exceeded their legislatively mandated limitations on state employment levels (see Table 13 on pages 21 through 23 in Appendix 2 for higher education institutions' reasons for exceeding their limitations on state employment levels). Of those that exceeded their limitations, higher education institutions on average were 7.5 percent above their limitations.

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

Most state 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 FTEs. The average management-to-staff ratio, calculated using FTEs, for fiscal year 2012 was 1:12.3 (1 manager or supervisor per 12.3 supervised staff employees). The average number of FTEs per manager or supervisor was 13.1 in fiscal year 2008.

## ***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 FTEs who perform services for state government. This report covers both state agencies and higher education institutions. It contains information on state employment limitations, the number of contractors, and management-to-staff ratios.

The scope of this project included unaudited fiscal year 2012 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 2012 with data previously submitted to the State Auditor's Office's FTE System.

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# Detailed Results

## Introduction

The State Auditor's Office compiles full-time equivalent (FTE) employee 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 Auditor's Office's FTE System collects data on state employment limitations and management-to-staff ratios (see text box for additional details).

During fiscal year 2012, the State Auditor's Office issued quarterly reports that compared FTE levels for fiscal year 2011 and fiscal year 2012. From those quarterly reports, an annual average is calculated that provides a summary of the FTE activity for the entire fiscal year. Table 1 compares quarterly FTE data from fiscal years 2011 and 2012.

### 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 updated information submitted by state agencies and higher education institutions. However, differences should be minimal.

Table 1

| FTE Comparison <sup>a</sup><br>Fiscal Year 2011 and Fiscal Year 2012  |                  |                               |                  |                  |                               |                  |
|---|------------------|-------------------------------|------------------|------------------|-------------------------------|------------------|
| Time Period   | Fiscal Year 2011 |                               |                  | Fiscal Year 2012 |                               |                  |
|   | Agencies         | Higher Education Institutions | Totals           | Agencies         | Higher Education Institutions | Totals           |
| Quarter 1   | 153,803.2        | 165,975.1                     | 319,778.3        | 147,024.4        | 164,159.6                     | 311,184.0        |
| Quarter 2   | 154,434.4        | 162,351.1                     | 316,785.5        | 147,079.9        | 162,646.9                     | 309,726.8        |
| Quarter 3   | 153,071.8        | 163,992.5                     | 317,064.3        | 147,040.1        | 164,069.7                     | 311,109.8        |
| Quarter 4   | 150,531.5        | 146,970.3                     | 297,501.8        | 147,325.0        | 148,557.9                     | 295,882.9        |
| <b>Annual Average<sup>b</sup></b>   | <b>152,960.2</b> | <b>159,822.3</b>              | <b>312,782.5</b> | <b>147,117.2</b> | <b>159,858.6</b>              | <b>306,975.8</b> |
| <sup>a</sup> Agencies and higher education institutions may have submitted updates for prior reporting periods, which could change their numbers from reports the State Auditor's Office has previously issued.<br><sup>b</sup> Annual averages are not precise calculations due to rounding. |                  |                               |                  |                  |                               |                  |

Source: FTE System, State Auditor's Office.

The majority of FTEs are paid with funds in the State Treasury.

On average in fiscal year 2012, 98.6 percent of FTEs in state agencies and 47.9 percent of FTEs in higher education institutions were paid with funds in the State Treasury. Statewide, 72.2 percent of FTEs were paid with funds in the State Treasury, which includes 100 percent federally funded programs (see Table 2). In fiscal year 2011, 74.0 percent of FTEs were paid with funds in the State Treasury.

Table 2

| Statewide FTEs by Funding Source - Fiscal Year 2012                               |  |              |  |              |                     |             |                  |
|---|--|--------------|--|--------------|---------------------|-------------|------------------|
| Affiliation   | Total FTEs Paid with Funds in the State Treasury |              | Total FTEs Paid with Funds Outside of the State Treasury |              | Total Contract FTEs |             | Total FTEs       |
|   | Number of FTEs                                   | Percent      | Number of FTEs   | Percent      | Number of FTEs      | Percent     |                  |
| State Agencies  | 145,019.2  | 98.6%        | 1,152.3  | 0.8%         | 945.7               | 0.6%        | 147,117.2        |
| Higher Education Institutions   | 76,515.8   | 47.9%        | 82,933.9   | 51.9%        | 409.0               | 0.3%        | 159,858.6        |
| <b>Statewide<sup>a</sup></b>  | <b>221,535.1</b>                                 | <b>72.2%</b> | <b>84,086.1</b>  | <b>27.4%</b> | <b>1,354.6</b>      | <b>0.4%</b> | <b>306,975.8</b> |
| <sup>a</sup> Totals and percentages are not precise calculations due to rounding. |  |              |  |              |                     |             |                  |

Source: FTE System, State Auditor's Office.

## Average Annual FTEs Decreased in Fiscal Year 2012

During fiscal year 2012, the State employed an average of 306,975.8 FTEs in state agencies and higher education institutions. Statewide there was a 1.9 percent (5,806.6 FTEs) decrease in FTEs when compared to fiscal year 2011. Table 3 shows that within state agencies, average FTEs decreased by 3.8 percent (5,842.9 FTEs). Higher education institutions experienced an increase of less than 1 percent (36.3 FTEs).

Table 3

| Change in Annual FTE Levels by General Appropriations Act Article |                                 |   |                |  |                |   |                |
|---|---------------------------------|---|----------------|--|----------------|---|----------------|
| General Appropriations Act Article                                | Fiscal Year 2012 Annual Average | One-year Comparison<br>(Change from Fiscal Year 2011 to Fiscal Year 2012) |                | Five-year Comparison<br>(Change from Fiscal Year 2008 to Fiscal Year 2012) |                | Ten-year Comparison<br>(Change from Fiscal Year 2003 to Fiscal Year 2012) |                |
|   |                                 | 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                                    | 9,130.4                         | (329.3)   | -3.5%          | (125.3)  | -1.4%          | 62.0  | 0.7%           |
| Article II - Health and Human Services                            | 53,960.9                        | (1,736.1)   | -3.1%          | 3,909.8  | 7.8%           | 5,657.0   | 11.7%          |
| Article III - Public Education                                    | 2,297.6                         | (383.7)   | -14.3%         | (191.6)  | -7.7%          | (166.1)   | -6.7%          |
| Article III - Higher Education                                    | 159,858.6                       | 36.3  | 0.0%           | 9,773.0  | 6.5%           | 28,026.5  | 21.3%          |
| Article IV - The Judiciary  | 1,692.8                         | 1.8   | 0.1%           | 38.4   | 2.3%           | 76.0  | 4.7%           |
| Article V - Public Safety and Criminal Justice                    | 50,178.8                        | (2,213.7)   | -4.2%          | (790.2)  | -1.6%          | (3,591.0)   | -6.7%          |
| Article VI - Natural Resources                                    | 7,854.8                         | (533.2)   | -6.4%          | (409.7)  | -5.0%          | (441.1)   | -5.3%          |
| Article VII - Business and Economic Development                   | 16,531.4                        | (320.8)   | -1.9%          | (1,076.8)  | -6.1%          | (2,793.8)   | -14.5%         |
| Article VIII - Regulatory   | 3,398.6                         | (67.3)  | -1.9%          | 10.1   | 0.3%           | (77.8)  | -2.2%          |
| Article X - Legislature   | 2,071.8                         | (260.5)   | -11.2%         | (7.9)  | -0.4%          | (356.8)   | -14.7%         |
| Statewide (Excluding Higher Education) <sup>a</sup>               | 147,117.2                       | (5,842.9)   | -3.8%          | 1,356.9  | 0.9%           | (1,631.5)   | -1.1%          |
| Statewide (Including Higher Education) <sup>a</sup>               | 306,975.8                       | (5,806.6)   | -1.9%          | 11,129.9   | 3.8%           | 26,395.0  | 9.4%           |

<sup>a</sup> Totals do not all sum precisely due to rounding.

Source: FTE System, State Auditor's Office.

The average number of FTEs in fiscal year 2012 represented an increase of 9.4 percent (26,395.0 FTEs) since fiscal year 2003. However, when excluding the FTE growth for higher education institutions, there was a decrease in state agency average FTEs of 1.1 percent (1,631.5 FTEs) since fiscal year 2003.

The number of higher education institution FTEs increased by 28,026.5 (21.3 percent) since fiscal year 2003.

**Change in Annual FTE levels by University System**

As Table 4 shows, when FTE data for fiscal year 2012 and 10 years ago in fiscal year 2003 is compared:

- The two university systems that experienced the largest increases in FTEs were the University of Texas System (with an 18,399.0 increase in FTEs) and the Texas A&M University System (with a 2,132.4 increase in FTEs).
- The two university systems that experienced the largest percentage increase in FTEs were the University of North Texas System (with a 35.5 percent increase in FTEs) and the Texas State University System (with a 28.0 percent increase in FTEs).

Table 4

| Change in Annual FTE Levels by University System |                                 |   |                |  |                |   |                |
|--|---------------------------------|---|----------------|--|----------------|---|----------------|
| Higher Education Institution                     | Fiscal Year 2012 Annual Average | One-year Comparison<br>(Change from Fiscal Year 2011 to Fiscal Year 2012) |                | Five-year Comparison<br>(Change from Fiscal Year 2008 to Fiscal Year 2012) |                | Ten-year Comparison<br>(Change from Fiscal Year 2003 to Fiscal Year 2012) |                |
|  |                                 | 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>            |                                 |   |                |  |                |   |                |
| The University of Texas System Administration    | 556.6                           | (43.8)  | -7.3%          | (165.9)  | -23.0%         | 19.1  | 3.6%           |
| The University of Texas at Arlington             | 3,763.9                         | 1.1   | 0.0%           | 272.5  | 7.8%           | 841.3   | 28.8%          |
| The University of Texas at Austin                | 15,999.3                        | 5.7   | 0.0%           | 755.1  | 5.0%           | 1,645.9   | 11.5%          |
| The University of Texas at Brownsville           | 1,473.1                         | (77.6)  | -5.0%          | 43.3   | 3.0%           | 368.7   | 33.4%          |
| The University of Texas at Dallas                | 3,223.3                         | 192.2   | 6.3%           | 725.7  | 29.1%          | 1,331.7   | 70.4%          |
| The University of Texas at El Paso               | 3,185.8                         | 18.1  | 0.6%           | 325.6  | 11.4%          | 510.4   | 19.1%          |
| The University of Texas - Pan American           | 2,312.0                         | (178.2)   | -7.2%          | (227.5)  | -9.0%          | 375.4   | 19.4%          |
| The University of Texas of the Permian Basin     | 403.0                           | (31.1)  | -7.2%          | 29.5   | 7.9%           | 76.2  | 23.3%          |



| Change in Annual FTE Levels by University System             |                                 |   |                |  |                |   |                |
|--|---------------------------------|---|----------------|--|----------------|---|----------------|
| Higher Education Institution                                 | Fiscal Year 2012 Annual Average | One-year Comparison<br>(Change from Fiscal Year 2011 to Fiscal Year 2012) |                | Five-year Comparison<br>(Change from Fiscal Year 2008 to Fiscal Year 2012) |                | Ten-year Comparison<br>(Change from Fiscal Year 2003 to Fiscal Year 2012) |                |
|  |                                 | Change in Number of FTEs  | Percent Change | Change in Number of FTEs   | Percent Change | Change in Number of FTEs  | Percent Change |
| The University of Texas at San Antonio                       | 4,174.6                         | 91.9  | 2.2%           | 561.8  | 15.5%          | 1,698.3   | 68.6%          |
| The University of Texas at Tyler                             | 815.1                           | 71.7  | 9.6%           | 137.8  | 20.3%          | 334.0   | 69.4%          |
| The University of Texas M. D. Anderson Cancer Center         | 18,434.4                        | 624.4   | 3.5%           | 1,358.4  | 8.0%           | 6,019.8   | 48.5%          |
| The University of Texas Southwestern Medical Center          | 11,340.6                        | 208.3   | 1.9%           | 1,558.2  | 15.9%          | 5,013.8   | 79.2%          |
| The University of Texas Medical Branch at Galveston          | 10,806.8                        | (290.2)   | -2.6%          | (1,710.0)  | -13.7%         | (1,951.3)   | -15.3%         |
| The University of Texas Health Science Center at Houston     | 5,158.5                         | 15.2  | 0.3%           | 732.5  | 16.5%          | 424.9   | 9.0%           |
| The University of Texas Health Science Center at San Antonio | 5,622.2                         | (119.6)   | -2.1%          | 701.5  | 14.3%          | 1,881.4   | 50.3%          |
| The University of Texas Health Center at Tyler               | 912.6                           | 25.2  | 2.8%           | 76.2   | 9.1%           | (190.6)   | -17.3%         |
| <b>Subtotals for the University of Texas System</b>          | <b>88,181.8</b>                 | <b>513.2</b>  | <b>0.6%</b>    | <b>5,174.7</b>   | <b>6.2%</b>    | <b>18,399.0</b>   | <b>26.4%</b>   |
| Texas A&M University System                                  |                                 |   |                |  |                |   |                |
| Texas A&M University System Administration                   | 315.6                           | 4.0   | 1.3%           | 7.6  | 2.5%           | (12.1)  | -3.7%          |
| Texas A&M University - Central Texas <sup>a</sup>            | 218.6                           | 218.6   | 100.0%         | 218.6  | 100.0%         | 218.6   | 100.0%         |
| Texas A&M University - Commerce                              | 1,196.2                         | 33.8  | 2.9%           | 127.6  | 11.9%          | 165.8   | 16.1%          |
| Texas A&M University - Corpus Christi                        | 1,418.2                         | (96.2)  | -6.4%          | 99.3   | 7.5%           | 244.1   | 20.8%          |
| Texas A&M University at Galveston                            | 430.5                           | (0.9)   | -0.2%          | 33.5   | 8.4%           | 45.6  | 11.8%          |

| Change in Annual FTE Levels by University System             |                                 |   |                |  |                |   |                |
|--|---------------------------------|---|----------------|--|----------------|---|----------------|
| Higher Education Institution                                 | Fiscal Year 2012 Annual Average | One-year Comparison<br>(Change from Fiscal Year 2011 to Fiscal Year 2012) |                | Five-year Comparison<br>(Change from Fiscal Year 2008 to Fiscal Year 2012) |                | Ten-year Comparison<br>(Change from Fiscal Year 2003 to Fiscal Year 2012) |                |
|  |                                 | Change in Number of FTEs  | Percent Change | Change in Number of FTEs   | Percent Change | Change in Number of FTEs  | Percent Change |
| Texas A&M University - Kingsville                            | 1,169.7                         | (297.6)   | -20.3%         | (26.5)   | -2.2%          | 7.8   | 0.7%           |
| Texas A&M International University                           | 806.6                           | (9.1)   | -1.1%          | 117.6  | 17.1%          | 240.9   | 42.6%          |
| Texas A&M University   | 10,706.6                        | (175.5)   | -1.6%          | (74.3)   | -0.7%          | 426.6   | 4.1%           |
| Texas A&M System - Office of Sponsored Research <sup>b</sup> | 108.9                           | 108.9   | 100%           | 108.9  | 100%           | 108.9   | 100%           |
| Prairie View A&M University                                  | 1,315.9                         | (6.7)   | -0.5%          | 11.4   | 0.9%           | 56.1  | 4.5%           |
| Texas A&M University - San Antonio <sup>c</sup>              | 283.2                           | 283.2   | 100%           | 283.2  | 100%           | 283.2   | 100%           |
| Tarleton State University                                    | 1,119.7                         | 45.3  | 4.2%           | (31.6)   | -2.7%          | 71.6  | 6.8%           |
| Texas A&M University - Texarkana                             | 208.3                           | 5.9   | 2.9%           | 28.2   | 15.7%          | 27.6  | 15.2%          |
| West Texas A&M University                                    | 1,041.9                         | (6.8)   | -0.6%          | 45.9   | 4.6%           | 113.4   | 12.2%          |
| Texas A&M University System Health Science Center            | 1,604.9                         | 25.7  | 1.6%           | 268.1  | 20.1%          | 425.3   | 36.1%          |
| Texas A&M AgriLife Extension Service                         | 1,414.6                         | (98.2)  | -6.5%          | (151.7)  | -9.7%          | (85.9)  | -5.7%          |
| Texas A&M AgriLife Research                                  | 1,644.5                         | (165.3)   | -9.1%          | (114.0)  | -6.5%          | (217.1)   | -11.7%         |
| Texas A&M Engineering Experiment Station                     | 1,126.3                         | (71.8)  | -6.0%          | 171.9  | 18.0%          | 25.6  | 2.3%           |
| Texas A&M Engineering Extension Service                      | 562.8                           | (27.6)  | -4.7%          | (78.5)   | -12.2%         | 71.9  | 14.6%          |
| Texas A&M Forest Service                                     | 430.8                           | 1.6   | 0.4%           | 39.4   | 10.1%          | 47.4  | 12.4%          |
| Texas A&M Transportation Institute                           | 470.5                           | (0.7)   | -0.2%          | 7.3  | 1.6%           | 28.0  | 6.3%           |

| Change in Annual FTE Levels by University System              |                                 |   |                |  |                |   |                |
|---|---------------------------------|---|----------------|--|----------------|---|----------------|
| Higher Education Institution                                  | Fiscal Year 2012 Annual Average | One-year Comparison<br>(Change from Fiscal Year 2011 to Fiscal Year 2012) |                | Five-year Comparison<br>(Change from Fiscal Year 2008 to Fiscal Year 2012) |                | Ten-year Comparison<br>(Change from Fiscal Year 2003 to Fiscal Year 2012) |                |
|   |                                 | Change in Number of FTEs  | Percent Change | Change in Number of FTEs   | Percent Change | Change in Number of FTEs  | Percent Change |
| Texas A&M Veterinary Medical Diagnostic Laboratory            | 152.3                           | 3.9   | 2.6%           | 2.8  | 1.9%           | (2.8)   | -1.8%          |
| Texas A&M Wildlife Damage Management Service                  | N/A                             | N/A   | N/A            | N/A  | N/A            | (157.9)   | -100.0%        |
| <b>Subtotals for Texas A&amp;M University System</b>          | <b>27,746.6</b>                 | <b>(225.5)</b>  | <b>-0.8%</b>   | <b>1,094.6</b>   | <b>4.1%</b>    | <b>2,132.4</b>  | <b>8.3%</b>    |
| <b>University of Houston System</b>                           |                                 |   |                |  |                |   |                |
| University of Houston System Administration                   | 96.4                            | (1.2)   | -1.3%          | 5.8  | 6.4%           | (69.7)  | -42.0%         |
| University of Houston   | 6,118.0                         | (36.8)  | -0.6%          | 294.6  | 5.1%           | 944.5   | 18.3%          |
| University of Houston - Clear Lake                            | 924.7                           | (7.7)   | -0.8%          | 63.1   | 7.3%           | 138.7   | 17.6%          |
| University of Houston - Downtown                              | 997.2                           | (34.4)  | -3.3%          | 90.0   | 9.9%           | 200.1   | 25.1%          |
| University of Houston - Victoria                              | 412.0                           | 13.2  | 3.3%           | 53.1   | 14.8%          | 149.5   | 56.9%          |
| <b>Subtotals for University of Houston System</b>             | <b>8,548.3</b>                  | <b>(66.9)</b>   | <b>-0.8%</b>   | <b>506.6</b>   | <b>6.3%</b>    | <b>1,363.1</b>  | <b>19.0%</b>   |
| <b>University of North Texas System Administration</b>        |                                 |   |                |  |                |   |                |
| University of North Texas System Administration               | 320.5                           | 71.1  | 28.5%          | 189.3  | 144.2%         | 282.1   | 734.2%         |
| University of North Texas                                     | 5,155.8                         | (147.9)   | -2.8%          | 566.5  | 12.3%          | 1,011.8   | 24.4%          |
| University of North Texas at Dallas <sup>d</sup>              | 178.9                           | 178.9   | 100.0%         | 178.9  | 100.0%         | 178.9   | 100.0%         |
| University of North Texas Health Science Center at Fort Worth | 1,475.6                         | (33.8)  | -2.2%          | 258.7  | 21.3%          | 396.9   | 36.8%          |
| <b>Subtotals for the University of North Texas System</b>     | <b>7,130.8</b>                  | <b>68.3</b>   | <b>1.0%</b>    | <b>1,193.4</b>   | <b>20.1%</b>   | <b>1,869.7</b>  | <b>35.5%</b>   |

| Change in Annual FTE Levels by University System   |                                 |   |                |  |                |   |                |
|--|---------------------------------|---|----------------|--|----------------|---|----------------|
| Higher Education Institution                       | Fiscal Year 2012 Annual Average | One-year Comparison<br>(Change from Fiscal Year 2011 to Fiscal Year 2012) |                | Five-year Comparison<br>(Change from Fiscal Year 2008 to Fiscal Year 2012) |                | Ten-year Comparison<br>(Change from Fiscal Year 2003 to Fiscal Year 2012) |                |
|  |                                 | 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>                |                                 |   |                |  |                |   |                |
| Texas Tech University System Administration        | 146.6                           | (6.5)   | -4.3%          | (18.8)   | -11.4%         | (81.1)  | -35.6%         |
| Angelo State University                            | 964.7                           | (16.3)  | -1.7%          | 123.0  | 14.6%          | 233.0   | 31.8%          |
| Texas Tech University                              | 5,957.7                         | (29.0)  | -0.5%          | 312.4  | 5.5%           | 676.6   | 12.8%          |
| Texas Tech University Health Sciences Center       | 5,227.2                         | (134.3)   | -2.5%          | 315.1  | 6.4%           | 844.4   | 19.3%          |
| <b>Subtotal for Texas Tech University System</b>   | <b>12,296.2</b>                 | <b>(186.2)</b>  | <b>-1.5%</b>   | <b>731.6</b>   | <b>6.3%</b>    | <b>1,672.9</b>  | <b>15.7%</b>   |
| <b>Texas State University System</b>               |                                 |   |                |  |                |   |                |
| Texas State University System Administration       | 20.5                            | 0.7   | 3.6%           | 4.2  | 25.8%          | 8.0   | 63.7%          |
| Lamar Institute of Technology                      | 216.3                           | (4.3)   | -1.9%          | 27.8   | 14.7%          | 39.6  | 22.4%          |
| Lamar State College - Orange                       | 176.8                           | (5.0)   | -2.7%          | 4.4  | 2.6%           | 28.8  | 19.5%          |
| Lamar State College - Port Arthur                  | 219.6                           | (9.9)   | -4.3%          | (27.0)   | -11.0%         | (36.2)  | -14.2%         |
| Lamar University                                   | 1,333.2                         | (118.5)   | -8.2%          | (24.9)   | -1.8%          | 233.9   | 21.3%          |
| Sam Houston State University                       | 2,118.9                         | 67.1  | 3.3%           | 199.0  | 10.4%          | 647.3   | 44.0%          |
| Sul Ross State University                          | 422.9                           | (9.8)   | -2.3%          | (40.3)   | -8.7%          | (21.4)  | -4.8%          |
| Sul Ross State University Rio Grande College       | 78.1                            | (5.4)   | -6.5%          | (10.6)   | -12.0%         | (9.1)   | -10.4%         |
| Texas State University - San Marcos                | 4,076.0                         | 92.1  | 2.3%           | 595.4  | 17.1%          | 1,005.8   | 32.8%          |
| <b>Subtotals for Texas State University System</b> | <b>8,662.3</b>                  | <b>7.0</b>  | <b>0.1%</b>    | <b>728.0</b>   | <b>9.2%</b>    | <b>1,896.8</b>  | <b>28.0%</b>   |

| Change in Annual FTE Levels by University System          |                                 |   |                |  |                |   |                |
|---|---------------------------------|---|----------------|--|----------------|---|----------------|
| Higher Education Institution                              | Fiscal Year 2012 Annual Average | One-year Comparison<br>(Change from Fiscal Year 2011 to Fiscal Year 2012) |                | Five-year Comparison<br>(Change from Fiscal Year 2008 to Fiscal Year 2012) |                | Ten-year Comparison<br>(Change from Fiscal Year 2003 to Fiscal Year 2012) |                |
|   |                                 | Change in Number of FTEs  | Percent Change | Change in Number of FTEs   | Percent Change | Change in Number of FTEs  | Percent Change |
| <b>Texas State Technical College</b>                      |                                 |   |                |  |                |   |                |
| Texas State Technical College System Administration       | 43.3                            | (1.3)   | -2.8%          | (1.9)  | -4.3%          | 9.4   | 27.6%          |
| Texas State Technical College - Harlingen                 | 536.8                           | (18.6)  | -3.4%          | (12.3)   | -2.2%          | 3.2   | 0.6%           |
| Texas State Technical College - Marshall                  | 107.9                           | (0.9)   | -0.8%          | (1.6)  | -1.4%          | 1.3   | 1.2%           |
| Texas State Technical College - Waco                      | 707.2                           | 2.1   | 0.3%           | 38.6   | 5.8%           | 31.4  | 4.7%           |
| Texas State Technical College - West Texas                | 252.8                           | (25.9)  | -9.3%          | (64.4)   | -20.3%         | (42.5)  | -14.4%         |
| <b>Subtotals for Texas State Technical College System</b> | <b>1,648.0</b>                  | <b>(44.6)</b>   | <b>-2.6%</b>   | <b>(41.6)</b>  | <b>-2.5%</b>   | <b>2.8</b>  | <b>0.2%</b>    |
| <b>Independent Universities</b>                           |                                 |   |                |  |                |   |                |
| Midwestern State University                               | 753.4                           | (40.4)  | -5.1%          | (8.6)  | -1.1%          | 71.9  | 10.6%          |
| Texas Southern University                                 | 1,344.3                         | (48.0)  | -3.5%          | 189.3  | 16.4%          | 39.7  | 3.0%           |
| Stephen F. Austin State University                        | 1,843.8                         | 30.5  | 1.7%           | 91.3   | 5.2%           | 266.4   | 16.9%          |
| Texas Woman's University                                  | 1,703.1                         | 29.1  | 1.7%           | 113.8  | 7.2%           | 314.7   | 1.2%           |
| <b>Subtotals for Independent Universities</b>             | <b>5,644.6</b>                  | <b>(28.8)</b>   | <b>-0.5%</b>   | <b>385.7</b>   | <b>7.3%</b>    | <b>689.8</b>  | <b>13.9%</b>   |
| <b>Totals<sup>e</sup></b>                                 | <b>159,858.6</b>                | <b>36.3</b>   | <b>0.0%</b>    | <b>9,773.0</b>   | <b>6.5%</b>    | <b>28,026.5<sup>f</sup></b>   | <b>21.3%</b>   |

| Change in Annual FTE Levels by University System  |                                 |   |                |  |                |   |                |
|---|---------------------------------|---|----------------|--|----------------|---|----------------|
| Higher Education Institution  | Fiscal Year 2012 Annual Average | One-year Comparison<br>(Change from Fiscal Year 2011 to Fiscal Year 2012) |                | Five-year Comparison<br>(Change from Fiscal Year 2008 to Fiscal Year 2012) |                | Ten-year Comparison<br>(Change from Fiscal Year 2003 to Fiscal Year 2012) |                |
|   |                                 | Change in Number of FTEs  | Percent Change | Change in Number of FTEs   | Percent Change | Change in Number of FTEs  | Percent Change |
| <p><sup>a</sup> Texas A&amp;M University - Central Texas's FTEs were reported as part of Tarleton State University's FTEs prior to fiscal year 2012.</p> <p><sup>b</sup> Texas A&amp;M University - Office of Sponsored Research FTEs were reported as part of the Texas A&amp;M University System Administration's FTEs prior to fiscal year 2012.</p> <p><sup>c</sup> Texas A&amp;M University - San Antonio's FTEs were reported as part of Texas A&amp;M University - Kingsville's FTEs prior to fiscal year 2012.</p> <p><sup>d</sup> The University of North Texas at Dallas's FTEs were reported as part of the University of North Texas System Administration's FTEs prior to fiscal year 2011.</p> <p><sup>e</sup> Totals do not always sum precisely due to rounding.</p> <p><sup>f</sup> The ten-year change in number of FTEs includes 3.0 FTEs from fiscal year 2003 at the Food and Fibers Commission not shown in the table. That agency was abolished effective January 1, 2006.</p> |                                 |   |                |  |                |   |                |

Source: FTE System, State Auditor's Office.

**Twenty State Agencies and Higher Education Institutions with the Highest Annual Average FTEs**

Table 5 lists the 20 state agencies and higher education institutions with the highest annual average FTEs in fiscal year 2012. Those agencies and higher education institutions employed 217,633.1 FTEs (70.9 percent of the State’s workforce). During fiscal year 2012, the Department of Criminal Justice comprised 12.3 percent (37,830.7 FTEs) of the State’s workforce. Thirty-five percent (107,458.7 FTEs) of state employees worked for health and human services agencies or within higher education medical institutions listed in Table 5.

Table 5

| Twenty State Agencies and Higher Education Institutions With the Highest Annual Average FTEs<br>Fiscal Year 2012 |  |                        |                                  |
|--|--|------------------------|----------------------------------|
| Rank   | State Agency or<br>Higher Education Institution              | Average<br>Annual FTEs | Percentage of<br>State Workforce |
| 1  | Department of Criminal Justice                               | 37,830.7               | 12.3%                            |
| 2  | The University of Texas M. D. Anderson Cancer Center         | 18,434.4               | 6.0%                             |
| 3  | Department of Aging and Disability Services                  | 16,436.9               | 5.4%                             |
| 4  | The University of Texas at Austin                            | 15,999.3               | 5.2%                             |
| 5  | Health and Human Services Commission                         | 12,021.8               | 3.9%                             |
| 6  | Department of State Health Services                          | 11,912.9               | 3.9%                             |
| 7  | Department of Transportation                                 | 11,762.8               | 3.8%                             |
| 8  | The University of Texas Southwestern Medical Center          | 11,340.6               | 3.7%                             |
| 9  | The University of Texas Medical Branch at Galveston          | 10,806.8               | 3.5%                             |
| 10   | Texas A&M University   | 10,706.6               | 3.5%                             |
| 11   | Department of Family and Protective Services                 | 10,497.6               | 3.4%                             |
| 12   | Department of Public Safety                                  | 8,392.9                | 2.7%                             |
| 13   | University of Houston  | 6,118.0                | 2.0%                             |
| 14   | Texas Tech University  | 5,957.7                | 1.9%                             |
| 15   | The University of Texas Health Science Center at San Antonio | 5,622.2                | 1.8%                             |
| 16   | Texas Tech University Health Sciences Center                 | 5,227.2                | 1.7%                             |
| 17   | The University of Texas Health Science Center at Houston     | 5,158.5                | 1.7%                             |
| 18   | University of North Texas                                    | 5,155.8                | 1.7%                             |
| 19   | The University of Texas at San Antonio                       | 4,174.6                | 1.4%                             |
| 20   | Texas State University - San Marcos                          | 4,076.0                | 1.3%                             |
| <b>Totals <sup>a</sup></b>   |  | <b>217,633.1</b>       | <b>70.9%</b>                     |
| <sup>a</sup> Total and percent are not precise calculations due to rounding.                                     |  |                        |                                  |

Source: FTE System, State Auditor’s Office.

As shown in Table 6, the 20 state agencies with the highest annual average FTEs in fiscal year 2012 comprised 44.0 percent (135,108.5 FTEs) of the state workforce. The Department of Criminal Justice represented 12.3 percent of the State's workforce and was the largest state agency. The top five agencies included three agencies in Article II of the General Appropriations Act (the Department of Aging and Disability Services, the Health and Human Services Commission, and the Department of State Health Services). Those three agencies comprised 13.2 percent of the State's workforce.

Table 6

| Twenty State Agencies<br>With the Highest Annual Average FTEs<br>Fiscal Year 2012  |   |                     |                            |
|--|---|---------------------|----------------------------|
| Rank   | State Agency  | Average Annual FTEs | Percent of State Workforce |
| 1  | Department of Criminal Justice                      | 37,830.7            | 12.3%                      |
| 2  | Department of Aging and Disability Services         | 16,436.9            | 5.4%                       |
| 3  | Health and Human Services Commission                | 12,021.8            | 3.9%                       |
| 4  | Department of State Health Services                 | 11,912.9            | 3.9%                       |
| 5  | Department of Transportation                        | 11,762.8            | 3.8%                       |
| 6  | Department of Family and Protective Services        | 10,497.6            | 3.4%                       |
| 7  | Department of Public Safety                         | 8,392.9             | 2.7%                       |
| 8  | Office of the Attorney General                      | 4,037.9             | 1.3%                       |
| 9  | Texas Workforce Commission                          | 3,474.1             | 1.1%                       |
| 10   | Department of Assistive and Rehabilitative Services | 3,091.7             | 1.0%                       |
| 11   | Parks and Wildlife Department                       | 2,895.4             | 0.9%                       |
| 12   | Office of the Comptroller of Public Accounts        | 2,700.0             | 0.9%                       |
| 13   | Texas Juvenile Justice Department <sup>a</sup>      | 2,695.0             | 0.9%                       |
| 14   | Commission on Environmental Quality                 | 2,644.3             | 0.9%                       |
| 15   | Department of Insurance                             | 1,446.0             | 0.5%                       |
| 16   | Texas Education Agency                              | 716.5               | 0.2%                       |
| 17   | Department of Motor Vehicles                        | 672.8               | 0.2%                       |
| 18   | Railroad Commission                                 | 660.1               | 0.2%                       |
| 19   | Adjutant General's Department                       | 610.4               | 0.2%                       |
| 20   | District Courts (Comptroller's Judiciary Section)   | 608.7               | 0.2%                       |
| <b>Total<sup>b</sup></b>   |   | <b>135,108.5</b>    | <b>44.0%</b>               |
| <sup>a</sup> The average annual FTE count for the Texas Juvenile Justice Department was calculated based on the number of FTEs reported by the Juvenile Probation Commission, the Texas Youth Commission, and the Texas Juvenile Justice Department during fiscal year 2012. |   |                     |                            |
| <sup>b</sup> Total and percent are not precise calculations due to rounding.   |   |                     |                            |

Source: FTE System, State Auditor's Office.



As shown in Table 7, the 20 higher education institutions with the highest annual average FTEs in fiscal year 2012 comprised 41.3 percent of the State's workforce. The University of Texas M. D. Anderson Cancer Center comprised 6.0 percent of the State's workforce and was the State's largest higher education institution. Within the top 20 higher education institutions were six medical institutions with 56,589.5 FTEs.

Table 7

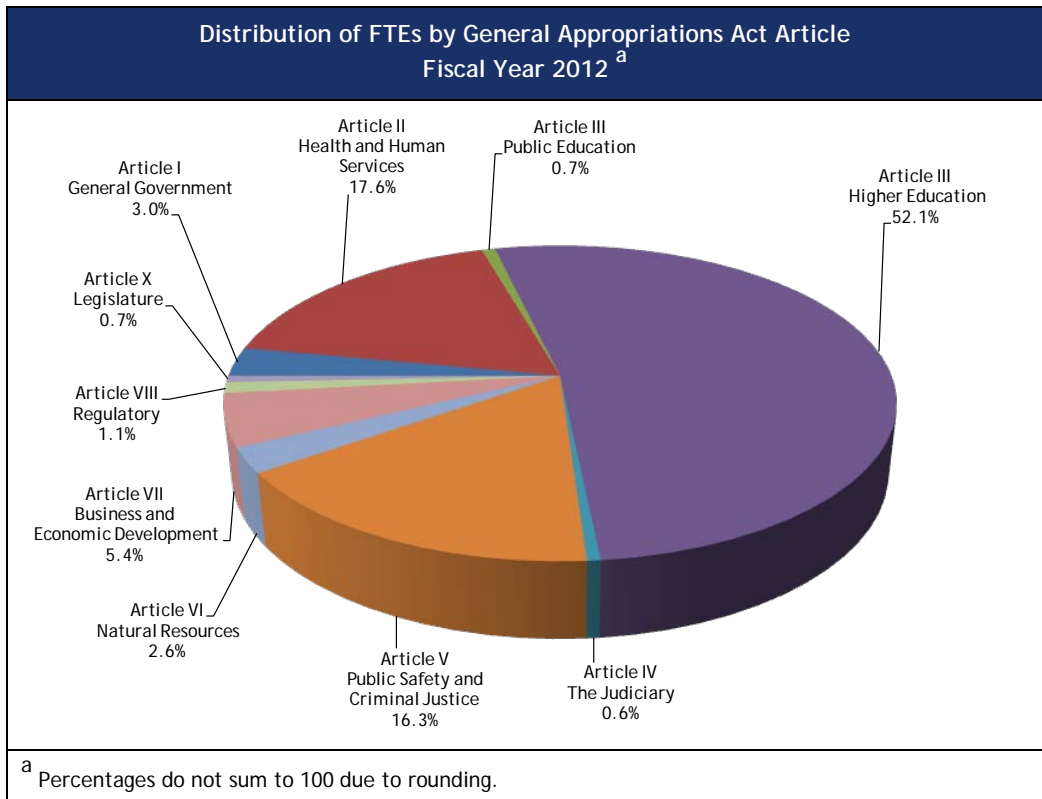
| Twenty Higher Education Institutions<br>With the Highest Annual Average FTEs<br>Fiscal Year 2012 |  |                     |                            |
|--|--|---------------------|----------------------------|
| Rank   | Higher Education Institution                                 | Average Annual FTEs | Percent of State Workforce |
| 1  | The University of Texas M. D. Anderson Cancer Center         | 18,434.4            | 6.0%                       |
| 2  | The University of Texas at Austin                            | 15,999.3            | 5.2%                       |
| 3  | The University of Texas Southwestern Medical Center          | 11,340.6            | 3.7%                       |
| 4  | The University of Texas Medical Branch at Galveston          | 10,806.8            | 3.5%                       |
| 5  | Texas A&M University   | 10,706.6            | 3.5%                       |
| 6  | University of Houston  | 6,118.0             | 2.0%                       |
| 7  | Texas Tech University  | 5,957.7             | 1.9%                       |
| 8  | The University of Texas Health Science Center at San Antonio | 5,622.2             | 1.8%                       |
| 9  | Texas Tech University Health Sciences Center                 | 5,227.2             | 1.7%                       |
| 10   | The University of Texas Health Science Center at Houston     | 5,158.5             | 1.7%                       |
| 11   | University of North Texas                                    | 5,155.8             | 1.7%                       |
| 12   | The University of Texas at San Antonio                       | 4,174.6             | 1.4%                       |
| 13   | Texas State University - San Marcos                          | 4,076.0             | 1.3%                       |
| 14   | The University of Texas at Arlington                         | 3,763.9             | 1.2%                       |
| 15   | The University of Texas at Dallas                            | 3,223.3             | 1.1%                       |
| 16   | The University of Texas at El Paso                           | 3,185.8             | 1.0%                       |
| 17   | The University of Texas - Pan American                       | 2,312.0             | 0.8%                       |
| 18   | Sam Houston State University                                 | 2,118.9             | 0.7%                       |
| 19   | Stephen F. Austin State University                           | 1,843.8             | 0.6%                       |
| 20   | Texas Woman's University                                     | 1,703.1             | 0.6%                       |
| <b>Total <sup>a</sup></b>  |  | <b>126,928.4</b>    | <b>41.3%</b>               |
| <sup>a</sup> Total and percent are not precise calculations due to rounding.                     |  |                     |                            |

Source: FTE System, State Auditor's Office.

### Distribution of FTEs by General Appropriations Act Article in Fiscal Year 2012

During fiscal year 2012, higher education institutions employed 52.1 percent of the State's workforce. Health and human services (Article II in the General Appropriations Act) employees represented 17.6 percent of the State's workforce and public safety and criminal justice (Article V in the General Appropriations Act) employed 16.3 percent of FTEs. Figure 1 provides information on FTEs for all General Appropriations Act articles for fiscal year 2012.

Figure 1



Source: FTE System, State Auditor's Office.

Table 8 shows the distribution of FTEs by General Appropriations Act article at state agencies.

Table 8

| Distribution of FTEs by General Appropriations Act Article at State Agencies<br>Fiscal Year 2012 |                     |                                      |                               |
|--|---------------------|--------------------------------------|-------------------------------|
| General Appropriations Act Article   | Average Annual FTEs | Percentage of State Agency Workforce | Percentage of State Workforce |
| Article I - General Government   | 9,130.4             | 6.2%                                 | 3.0%                          |
| Article II - Health and Human Services   | 53,960.9            | 36.7%                                | 17.6%                         |
| Article III - Public Education   | 2,297.6             | 1.6%                                 | 0.7%                          |
| Article IV - The Judiciary   | 1,692.8             | 1.2%                                 | 0.6%                          |
| Article V - Public Safety and Criminal Justice   | 50,178.8            | 34.1%                                | 16.3%                         |
| Article VI - Natural Resources   | 7,854.8             | 5.3%                                 | 2.6%                          |
| Article VII - Business and Economic Development  | 16,531.4            | 11.2%                                | 5.4%                          |
| Article VIII - Regulatory  | 3,398.6             | 2.3%                                 | 1.1%                          |
| Article X - Legislature  | 2,071.8             | 1.4%                                 | 0.7%                          |
| <b>All Articles<sup>a</sup></b>  | <b>147,117.2</b>    | <b>100.0%</b>                        | <b>47.9%</b>                  |
| <sup>a</sup> Total and percent are not precise calculations due to rounding.                     |                     |                                      |                               |

Source: FTE System, State Auditor's Office.

Table 9 shows the distribution of FTEs by university system.

Table 9

| Distribution of Higher Education FTEs by University System<br>Fiscal Year 2012 |                     |  |                               |
|--|---------------------|--|-------------------------------|
| University System  | Average Annual FTEs | Percentage of Higher Education Workforce | Percentage of State Workforce |
| The University of Texas System   | 88,181.8            | 55.2%                                    | 28.7%                         |
| Texas A&M University System  | 27,746.6            | 17.4%                                    | 9.0%                          |
| Texas Tech University System   | 12,296.2            | 7.7%                                     | 4.0%                          |
| Texas State University System  | 8,662.3             | 5.4%                                     | 2.8%                          |
| University of Houston System   | 8,548.3             | 5.3%                                     | 2.8%                          |
| University of North Texas System   | 7,130.8             | 4.5%                                     | 2.3%                          |
| Independent Entities   | 5,644.6             | 3.5%                                     | 1.8%                          |
| Texas State Technical College System   | 1,648.0             | 1.0%                                     | 0.5%                          |
| <b>All University Systems<sup>a</sup></b>                                      | <b>159,858.6</b>    | <b>100.0%</b>                            | <b>52.1%</b>                  |
| <sup>a</sup> Total and percent are not precise calculations 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 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 those requirements and, therefore, are excluded from the numbers in Table 10.

Table 10 shows contract employees by General Appropriations Act article. On average during fiscal year 2012, 1,354.6 contract FTEs supplemented the State's workforce. Contract FTEs reported by state agencies and higher education institutions comprised 0.4 percent of the State's workforce.

Table 10

| Distribution of Contract FTEs by General Appropriations Act Article<br>Fiscal Year 2012 |                     |                |  |
|---|---------------------|----------------|--|
| General Appropriations Act Article  | Average Annual FTEs | Contract FTEs  | Contractors as Percentage of State Workforce |
| Article I - General Government  | 9,130.4             | 102.3          | 0.0%   |
| Article II - Health and Human Services  | 53,960.9            | 378.5          | 0.1%   |
| Article III - Higher Education  | 159,858.6           | 409.0          | 0.1%   |
| Article III - Public Education  | 2,297.6             | 21.8           | 0.0%   |
| Article IV - The Judiciary  | 1,692.8             | 0.1            | 0.0%   |
| Article V - Public Safety and Criminal Justice  | 50,178.8            | 172.6          | 0.1%   |
| Article VI - Natural Resources  | 7,854.8             | 24.1           | 0.0%   |
| Article VII - Business and Economic Development   | 16,531.4            | 239.9          | 0.1%   |
| Article VIII - Regulatory   | 3,398.6             | 6.5            | 0.0%   |
| Article X - Legislature   | 2,071.8             | 0.0            | 0.0%   |
| <b>Totals<sup>a</sup></b>   | <b>306,975.8</b>    | <b>1,354.6</b> | <b>0.4%</b>                                  |
| <sup>a</sup> Totals are not precise calculations due to rounding.                       |                     |                |  |

Source: FTE System, State Auditor's Office.

## 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 2.6 percent compared to 10 years ago in fiscal year 2003. Compared with fiscal year 2011, state employment limitations in fiscal year 2012 decreased by 3,217.7 FTEs (a decrease of 1.3 percent).<sup>3</sup>

During fiscal year 2012, no state agencies exceeded their limitations on state employment levels. However, 16 higher education institutions exceeded their limitations on state employment levels. Of those that exceeded their limitations, higher education institutions on average were 7.5 percent above their limitations. Detailed information and higher education institutions' reasons for exceeding limitations on state employment levels are presented in Appendix 2.

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 limitations on state employment levels, only contract FTEs and FTEs paid from appropriated funds count toward the limitation. Table 11 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 11

| Comparison of Agencies' and Higher Education Institutions' FTEs<br>With Their State Employment Limitations<br>Fiscal Year 2012 |                     |  |  |  |
|--|---------------------|--|--|--|
| General Appropriations Act Article   | Average Annual FTEs | Fiscal Year 2012 Average State Employment Limitation | Annual Average FTEs Subject to State Employment Limitation | Percent of FTEs Subject to State Employment Limitation |
| Article I - General Government   | 9,130.4             | 9,295.5  | 8,569.8  | 93.9%  |
| Article II - Health and Human Services   | 53,960.9            | 57,001.2   | 53,917.2   | 99.9%  |
| Article III - Public Education   | 2,297.6             | 2,423.5  | 2,243.6  | 97.7%  |
| Article III - Higher Education   | 159,858.6           | 82,823.6   | 76,924.8   | 48.1%  |
| Article IV - The Judiciary   | 1,692.8             | 857.1  | 834.8  | 49.3%  |
| Article V - Public Safety and Criminal Justice   | 50,178.8            | 53,527.3   | 50,171.4   | 99.9%  |
| Article VI - Natural Resources   | 7,854.8             | 8,604.5  | 7,847.1  | 99.9%  |
| Article VII - Business and Economic Development  | 16,531.4            | 16,934.8   | 16,242.9   | 98.3%  |
| Article VIII - Regulatory  | 3,398.6             | 3,292.7  | 2,836.1  | 83.4%  |
| Article X - Legislature  | 2,071.8             | Not Applicable                                       | Not Applicable   | Not Applicable   |
| Statewide (Excluding Higher Education) <sup>a</sup>  | 147,117.2           | 151,936.6  | 142,662.7  | 97.0%  |
| Statewide (Including Higher Education) <sup>a</sup>  | 306,975.8           | 234,760.2  | 219,587.5  | 71.5%  |

<sup>a</sup> Totals are not precise calculations due to rounding.

Source: FTE System, State Auditor's Office.

<sup>3</sup> That includes adjustments to state employment level limitations provided by the Legislative Budget Board for fiscal year 2012.

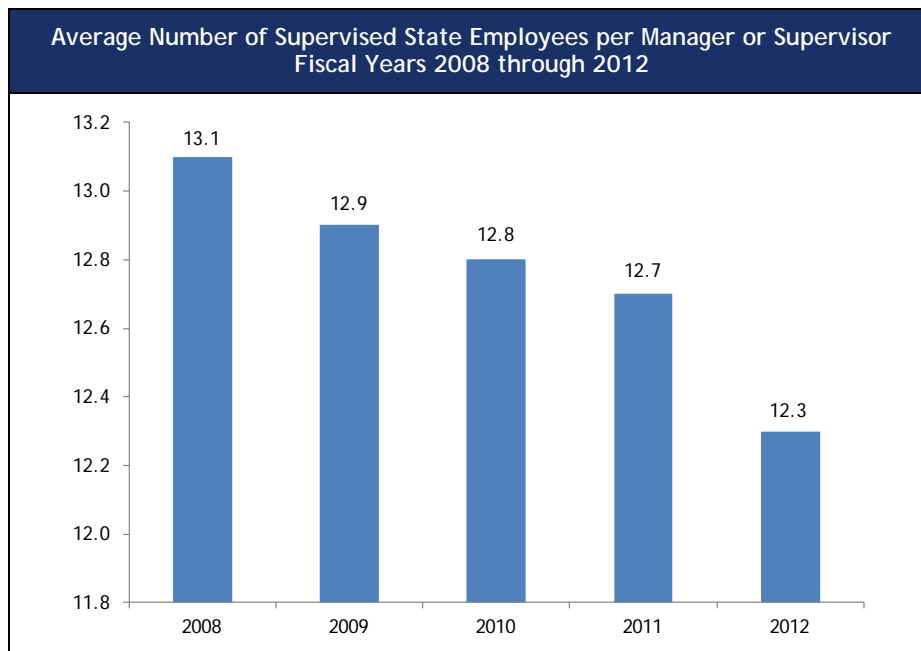
## Management-to-staff Ratios

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 FTEs.<sup>4</sup>

The average management-to-staff ratio, calculated using FTEs, for fiscal year 2012 was 1:12.3 (1 manager or supervisor per 12.3 supervised staff employees).

Figure 2 shows the five-year trend in the average annual management-to-staff ratio calculated using FTEs for fiscal year 2008 through fiscal year 2012.

Figure 2



Source: FTE System, State Auditor’s Office.

<sup>4</sup> Texas Government Code, Section 651.004(c).

## Administrators, Faculty, and Other Staff at Higher Education Institutions

During the third quarter of fiscal year 2012, the State Auditor's Office asked higher education institutions to provide the number of FTEs in administrator, faculty, and other staff positions. For comparison purposes, the higher education institutions also provided FTEs in those positions for the preceding fiscal year.

### Employee Categories

**Administrators** - Includes the following positions: chancellor, vice chancellor, associate chancellor, assistant chancellor, president, vice president, associate vice president, assistant vice president, dean, associate dean, assistant dean, and any other administrative position having similar responsibilities to those positions.

**Faculty** - Includes positions with the purpose of conducting instruction, research, or public service as a principal activity. Individuals appointed to those positions may hold academic rank titles of professor, associate professor, assistant professor, instructor, lecturer, or the equivalent of any of those academic ranks. Faculty does not include graduate, instruction, or research assistants. If a faculty member also serves in an administrator position, headcount are prorated based on the hours reported in each category.

**Other Staff** - Includes graduate and student assistants and all other positions not reported as administrators or faculty.

For the fourth quarter of fiscal year 2012, higher education institutions reported 3,023.6 FTEs in the administrator category, 21,747.9 FTEs in the faculty category, and 123,765.5 FTEs in the other staff category. That was an increase in the number of FTEs in the higher education employee categories of administrators, faculty, and other staff of 1.1 percent (1,587.6 FTEs) since the fourth quarter of fiscal year 2011. Table 12 provides a summary of the data reported for the fourth quarter of fiscal years 2011 and 2012.

Table 12

| Higher Education Institutions<br>Reported FTEs as of the End of the Fourth Quarters of Fiscal Year 2011 and Fiscal Year 2012  |   |   |                |                          |
|---|---|---|----------------|--------------------------|
| Category of Employee  | FTEs as of the End of<br>the Fourth Quarter of<br>Fiscal Year 2011<br>(August 31, 2011) | FTEs as of the End of<br>the Fourth Quarter of<br>Fiscal Year 2012<br>(August 31, 2012) | Change in FTEs |                          |
|   |   |   | Number         | Percent                  |
| Administrators  | 2,953.6   | 3,023.6   | 70.0           | 2.4%                     |
| Faculty   | 21,372.0  | 21,747.9  | 375.9          | 1.8%                     |
| Other Staff   | 122,612.0   | 123,765.5   | 1,153.5        | 0.9%                     |
| Unreconciled Number <sup>a</sup>  | 32.7  | 20.9  | (11.8)         | -                        |
| <b>Total FTEs Reported</b>  | <b>146,970.3</b>  | <b>148,557.9</b>  | <b>1,587.6</b> | <b>1.1%</b> <sup>b</sup> |
| <sup>a</sup> Unreconciled numbers are attributed either to rounding or to cases in which higher education institutions did not reconcile differences prior to the reporting date. |   |   |                |                          |
| <sup>b</sup> This percentage is not the sum of the percentages above it.  |   |   |                |                          |

Source: FTE System, State Auditor's Office.

# Appendices

Appendix 1

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

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### **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 (FTE) employees who perform services for state government. This report covers both state agencies and higher education institutions and provides information on state employment limitations, 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 2012 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 2012 with data previously submitted to the State Auditor's Office's 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:

- Juan R. Sanchez, MPA, CIA, CGAP (Project Manager)
- Sharon K. Schneider, CCP, PHR
- Dennis Ray Bushnell, CPA (Quality Control Reviewer)
- John Young, MPA (Audit Manager)



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

No state agencies exceeded their legislatively mandated quarterly limitations on state employment levels in fiscal year 2012.

However, during fiscal year 2012, 16 higher education institutions exceeded their legislatively mandated annual limitations on state employment levels. The numbers in Table 13 represent the annual average full-time equivalent (FTE) employees (subject to the annual limitations on state employment levels) paid from appropriated funds plus contractor FTEs for fiscal year 2012 (see Table 10 on page 16 for additional information on contract workers). The higher education institutions' explanations for exceeding their limitations are listed below.

Table 13

| Higher Education Institutions That Exceeded Their Legislatively Mandated Annual FTE Limitations on State Employment Levels Fiscal Year 2012 |                       |   |                      |                            |  |
|---|-----------------------|---|----------------------|----------------------------|--|
| Higher Education Institution Number and Name  | Annual FTE Limitation | FTEs Reported (Subject to the Annual Limitations) | FTEs Over Limitation | Percentage Over Limitation | Reason for Exceeding the Limitation (Reported by Institution)  |
| 506 - The University of Texas M. D. Anderson Cancer Center  | 12,565.1              | 13,510.0  | 944.9                | 7.5%                       | <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 institutions 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 A&M Forest Service  | 378.2                 | 379.8   | 1.6                  | 0.4%                       | <i>The Texas Forest Service requests that its FTE cap be raised by 80 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 and VFD Assistance (59 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. Decrease for TFS elimination of positions (10 FTE) 1. As part of the 2010-11 and 2012-13 budget reductions, TFS eliminated 10 positions.</i> |

**Higher Education Institutions That Exceeded Their Legislatively Mandated  
Annual FTE Limitations on State Employment Levels Fiscal Year 2012**

| Higher Education Institution Number and Name            | Annual FTE Limitation | FTEs Reported (Subject to the Annual Limitations) | FTEs Over Limitation | Percentage Over Limitation | Reason for Exceeding the Limitation (Reported by Institution)   |
|---|-----------------------|---|----------------------|----------------------------|---|
| 709 - Texas A&M University System Health Science Center | 1,090.6               | 1,107.0   | 16.4                 | 1.5%                       | <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 these endeavors.</i>  |
| 712 - Texas A&M Engineering Experiment Station          | 840.7                 | 904.6   | 63.9                 | 7.6%                       | <i>50 fewer FTEs on State appropriated funds due to the 10% State general revenue budget reduction, a 52.5% reduction in our appropriation for the Texas Emissions Reduction Plan (Fund 5071) in the current biennium, and accompanying increased efforts to reduce administrative costs and create efficiencies through shared services. 79 fewer FTEs on Federal funds due to an overall decrease in federal awards from the prior year as well as the expiration of much of our ARRA funding from the previous biennium. We do however expect to see an increase in Federal contract/grant activity during this current quarter and anticipate higher expenditures of awards in FY 2013 based on current data. The above is offset by 33 additional FTEs on other sponsored contract funding, particularly an increase in private/industry sponsored contracts and grants.</i> |
| 724 - The University of Texas at El Paso                | 1,826.9               | 1,840.6   | 13.7                 | 0.7%                       | <i>This institution did not provide an explanation for exceeding its FTE limitation.</i>  |
| 738 - The University of Texas at Dallas                 | 1,370.6               | 1,503.7   | 133.1                | 9.7%                       | <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.</i>  |
| 743 - The University of Texas at San Antonio            | 2,321.9               | 2,399.6   | 77.7                 | 3.3%                       | <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            | 591.2                 | 749.0   | 157.8                | 26.7%                      | <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>  |
| 758 - Texas State University System Administration      | 12.0                  | 12.6  | .6                   | 5.0%                       | <i>Additional legal support for components.</i>   |
| 764 - Texas A&M University - Texarkana                  | 151.2                 | 164.8   | 13.6                 | 9.0%                       | <i>The increase in FTEs is due to normal hiring in the second quarter. Texas A&amp;M University-Texarkana and the Texas A&amp;M University Board of Regents submitted a "Request to Exceed Limitation on State Employment Levels" for FY 2012.</i>  |

**Higher Education Institutions That Exceeded Their Legislatively Mandated  
Annual FTE Limitations on State Employment Levels Fiscal Year 2012**

| Higher Education Institution Number and Name          | Annual FTE Limitation | FTEs Reported (Subject to the Annual Limitations) | FTEs Over Limitation | Percentage Over Limitation | Reason for Exceeding the Limitation (Reported by Institution)   |
|---|-----------------------|---|----------------------|----------------------------|---|
| 765 - University of Houston - Victoria                | 281.0                 | 293.1   | 12.1                 | 4.3%                       | <i>UHV is in a high growth and expansion period due to recently adding Freshmen and Sophomores; therefore, a greater number than anticipated of faculty and staff are necessary to support these successful efforts.</i>  |
| 769 - University of North Texas System Administration | 77.0                  | 143.8   | 66.8                 | 86.8%                      | <i>The University of North Texas System Administration is in the process of centralizing Business Services, Computer Services, Purchasing and Payment Services, Human Resources and possibly other functions from our campuses into a more cost-effective and efficient model. The increase in FTEs in agency 769 is generally offset by reductions in those counts from agencies 752, 763 and 773.</i> |
| 770 - Texas A&M University - Central Texas            | 123.8                 | 136.0   | 12.2                 | 9.9%                       | This institution did not provide an explanation for exceeding its FTE limitation.   |
| 773 - University of North Texas at Dallas             | 110.5                 | 143.3   | 32.8                 | 29.7%                      | <i>The University of North Texas System Administration is in the process of centralizing Business Services, Computer Services, Purchasing and Payment Services, Human Resources and possibly other functions from our campuses into a more cost-effective and efficient model. The increase in FTEs in agency 769 is generally offset by reductions in those counts from agencies 752, 763 and 773</i>  |
| 785 - The University of Texas Health Center at Tyler  | 619.2                 | 775.4   | 156.2                | 25.2%                      | This institution did not provide an explanation for exceeding its FTE limitation.   |
| 925 - Texas State Technical College - Waco            | 551.2                 | 560.1   | 8.9                  | 1.6%                       | This institution did not provide an explanation for exceeding its FTE limitation.   |

Source: FTE System, State Auditor's Office.

## ***Excerpt from the General Appropriations Act Regarding Limitations on State Employment Levels for Fiscal Year 2012***

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Legislatively mandated limitations on state employment levels for fiscal year 2012 were established in Section 6.10, pages IX-29 through IX-30, the General Appropriations Act (82nd 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.

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