

A Quarterly Report of

# Full-Time Equivalent State Employees

For the Quarter Ending August 31, 1998



Office of the State Auditor  
Lawrence F. Alwin, CPA

# Key Points of Report

## A Quarterly Report of Full-Time Equivalent State Employees For the Quarter Ending August 31, 1998

---

November 1998

### Overall Conclusion

There were 264,460 full-time equivalent state employees (FTEs) for the quarter ending August 31, 1998, based on reports submitted by 214 agencies and institutions of higher education. There were 242,986 full-time state employees and 45,919 part-time state employees. The State also used the services of 28,056 consultants and contractors as of the last working day of the quarter.

### Key Facts and Findings

- Compared to the previous quarter, overall FTEs decreased by 2.88 percent with a total decrease of 7,833 FTEs, mainly as a result of decreased summer enrollment at colleges and universities.
- In comparison to the fourth quarter of fiscal year 1997, state employment has remained constant with a decrease of .18 percent (484 FTEs).
- Total statewide employment has increased by almost 7.5 percent (over 18,000 FTEs) over the past five years. This increase was due in part to a 50 percent increase (nearly 18,000 FTEs) at public safety and criminal justice agencies and a 10.9 percent increase (almost 11,000 FTEs) among institutions of higher education. During this same time period, health and human services agencies decreased by 11.7 percent (over 7,000 FTEs).
- Four agencies exceeded their quarterly FTE caps, and 29 higher education institutions exceeded their annual FTE caps without approval from the Legislative Budget Board and the Office of the Governor. Explanations from the agencies are included.
- The overall statewide management-to-staff ratio was 1 manager to 13.32 staff members. Agencies and institutions of higher education with fewer than 100 employees averaged a ratio of 1 manager to 5.56 staff members. All other agencies averaged a ratio of 1 manager to 11.35 staff members. The ratio for all other institutions of higher education was 1 manager to 17.04 staff members.

### Contact

Kelli Dan, CCP, PHR, State Classification Officer, (512) 479-4700



## Office of the State Auditor

Lawrence F. Alwin, CPA

---

*This report of full-time equivalent positions was prepared in accordance with Texas Government Code, Chapter 2052, Subchapter B.*

# Table of Contents

<b>Overview</b> .....	1
<b>State Employment Analyses</b>	
Previous Quarter Comparison .....	1
One-Year Comparison .....	2
Five-Year Trend Analysis .....	2
<b>General Appropriations Act Article Analyses</b> .....	3
Article Analysis – Percentage of Statewide Employment .....	3
Article Analysis - Percentages Changes .....	4
<b>Vacancies</b> .....	4
<b>FTE Caps</b> .....	5
<b>Management-to-Staff Ratios</b> .....	8
<b>Appendices</b>	
1 - Objective, Scope, and Methodology .....	9
2 - Late Agency Data Submissions .....	13

## Overview

There were 264,460 full-time equivalent state employees (FTEs) for the quarter ending August 31, 1998, based on reports submitted by 214 agencies and institutions of higher education. There were 242,986 full-time employees and 45,919 part-time employees (see Table I for details). The State also used the services of 28,056 consultants and contractors as of the last day of the quarter (see Table VII for details).

## State Employment Analyses

### Previous Quarter Comparison

Change in Number of Employees From Third Quarter of Fiscal Year 1998 to Fourth Quarter of Fiscal Year 1998						
Area	Increase/(Decrease) in Full-Time Equivalent Employees		Increase/(Decrease) in Full-Time Employees		Increase/(Decrease) in Part-Time Employees	
State Agencies	629.33	0.41%	900	.60%	(12)	(.38)%
Higher Education Institutions	(8,462.29)	(7.09)%	(3,550)	(3.74)%	(13,915)	(24.43)%
Statewide	(7,832.96)	(2.88)%	(2,650)	(1.08)%	(13,927)	(23.29)%

The number of FTEs has decreased from the third quarter of fiscal year 1998 to the fourth quarter of fiscal year 1998 by 7,833 FTEs (2.88 percent).

The agency with the greatest increase in FTEs compared to last quarter was the Department of Transportation (761 FTEs, 5.32 percent of agency FTEs). This increase was a result of the seasonal increase in summer employment.

Nineteen of the 20 largest FTE decreases compared to last quarter were at institutions of higher education. These decreases were a result of the traditionally lower summer employment at universities. The largest decreases occurred at The University of Texas at Austin (1,887 FTEs, 13.84 percent of agency FTEs) and Texas A&M University (1,795.17 FTEs, 17.96 percent of agency FTEs). Other significant decreases occurred at the University of Houston (888 FTEs, 18.09 percent of agency FTEs) and the University of North Texas (794 FTEs, 22.27 percent of agency FTEs).

The largest decrease at a state agency was at the Texas Workforce Commission (303 FTEs, 6.31 percent of agency FTEs). This decrease was due to three factors: transition of employees to the local workforce development boards, closure of several regional and local offices, and reduction in force at the state office complex.

### One-Year Comparison

Change in Number of Employees from Fourth Quarter of Fiscal Year 1997 to Fourth Quarter of Fiscal Year 1998						
Area	Increase/(Decrease) in Full-Time Equivalent Employees		Increase/(Decrease) in Full-Time Employees		Increase/(Decrease) in Part-Time Employees	
State Agencies	(4,225.04)	(2.68)%	(5,998)	(3.80)%	277	9.77%
Higher Education Institutions	3,741.37	3.49%	838	(.93)%	(1,464)	(3.31)%
Statewide	(483.67)	(.18)%	(5,160)	(2.08)%	(1,187)	(2.52)%

The annual decrease of 484 FTEs (.18 percent) from the fourth quarter of 1997 to the fourth quarter of 1998 reflects that the State=s employment has remained relatively constant. Compared to the same time period last year, there has been a 3.5 percent increase in FTEs at institutions of higher education and a 2.7 percent decrease in FTEs at state agencies.

### Five-Year Trend Analysis

Change in Number of Employees From Fourth Quarter of Fiscal Year 1993 to Fourth Quarter of Fiscal Year 1998						
Area	Increase/(Decrease) in Full-Time Equivalent Employees		Increase/(Decrease) in Full-Time Employees		Increase/(Decrease) in Part-Time Employees	
State Agencies	7,468.25	5.11%	6,090	4.18%	143	4.82%
Higher Education Institutions	10,865.66	10.86%	9,247	11.28%	3,268	8.27%
Statewide	18,333.91	7.45%	15,337	6.74%	3,411	8.02%

Total statewide employment has increased by approximately 7.5 percent (over 18,000 FTEs) over the past five years. This increase was due in part to a 50 percent increase (nearly 18,000 FTEs) at the public safety and criminal justice agencies and a 10.9 percent increase (almost 11,000 FTEs) among higher education institutions. During this same time period, health and human services agencies decreased by 11.7 percent (over 7,000 FTEs).

Department of Criminal Justice (14,914 FTEs), Texas Youth Commission (2,309 FTEs), and Department of Public Safety (967 FTEs) had the largest increases during this time among agencies. The University of Texas Medical Branch - Galveston (4,449 FTEs) and Texas Tech University Health Sciences Center (1,478 FTEs) had the largest increases during this time among universities.

The Department of Mental Health and Mental Retardation (5,845 FTEs), Department of Transportation (1,632 FTEs), and Department of Human Services (1,496 FTEs), had the largest decreases during this time among agencies. The University of Texas M.D. Anderson Cancer Center (463 FTEs) and the University of Houston (438 FTEs) had the largest decreases during this time among universities.

# General Appropriations Act Article Analyses

## | Article Analysis – Percentage of Statewide Employment

Article Number	4 <sup>th</sup> Quarter 1998		3 <sup>rd</sup> Quarter 1998		4 <sup>th</sup> Quarter 1997		4 <sup>th</sup> Quarter 1993	
	Number of FTEs	% of all state FTEs	Number of FTEs	% of all state FTEs	Number of FTEs	% of all state FTEs	Number of FTEs	% of all state FTEs
I	8,661.18	3.28%	8,641.77	3.17%	8,891.49	3.36%	9,234.16	3.75%
II	53,714.74	20.31%	53,650.01	19.70%	57,407.87	21.67%	60,860.50	24.73%
III (Public Education)	1,537.08	0.58%	1,652.10	0.61%	1,605.43	0.61%	1,871.24	0.76%
III (Higher Education)	110,903.21	41.94%	119,365.50	43.84%	107,161.84	40.45%	100,037.55	40.64%
IV	1,522.76	0.58%	1,512.30	0.56%	1,488.52	0.56%	1,346.19	0.55%
V	53,937.77	20.40%	53,738.23	19.74%	52,412.74	19.78%	35,947.12	14.61%
VI	8,138.11	3.08%	8,168.15	3.00%	8,408.63	3.17%	8,383.16	3.41%
VII	20,396.97	7.71%	19,951.17	7.33%	21,787.93	8.22%	22,666.77	9.21%
VIII	3,548.17	1.34%	3,545.28	1.30%	3,487.50	1.32%	3,568.40	1.45%
X	2,099.86	0.79%	2,068.34	0.76%	2,291.56	0.86%	2,210.84	0.90%
<b>TOTAL</b>	<b>264,459.85</b>	<b>100.00%</b>	<b>272,292.85</b>	<b>100.00%</b>	<b>264,943.51</b>	<b>100.00%</b>	<b>246,125.93</b>	<b>100.00%</b>

Over 80 percent of statewide FTEs are employed by institutions of higher education (Article III), health and human services agencies (Article II), or public safety and criminal justice agencies (Article V).

As a percentage of total statewide employment, health and human services agencies (Article II) have decreased from 24.7 to 20.3 percent in the past five years. During this same time period, public safety and criminal justice agencies (Article V) have increased from 14.6 to 20.4 percent of total state employment. Higher education institutions have increased from 40.6 percent to 41.9 percent of statewide employment, and business and economic development agencies (Article VII) have decreased from 9.2 percent to 7.7 percent of total state employment. All other articles have remained relatively constant as a percentage of total state employment.

## | Article Analysis - Percentage Changes

Article Number	4 <sup>th</sup> Quarter 1998 Number of FTEs	3rd Quarter 1998 Increase/(Decrease) in FTEs		4th Quarter 1997 Increase/(Decrease) in FTEs		4th Quarter 1993 Increase/(Decrease) in FTEs	
I	8,661.18	19.41	0.22%	(230.31)	(2.59%)	(572.98)	(6.21%)
II	53,714.74	64.73	(0.12%)	(3,693.13)	(6.43%)	(7,145.76)	(11.74%)
III (Public Education)	1,537.08	(115.02)	(6.96%)	(68.35)	(4.26%)	(334.16)	(17.86%)
III (Higher Education)	110,903.21	(8,462.29)	(7.09%)	3,741.37	3.49%	10,865.66	10.86%
IV	1,522.76	10.46	0.69%	34.24	2.30%	176.57	13.12%
V	53,937.77	199.54	0.37%	1,525.03	2.91%	17,990.65	50.05%
VI	8,138.11	(30.04)	(0.37%)	(270.52)	(3.22%)	(245.05)	(2.92%)
VII	20,396.97	445.80	2.23%	(1,390.96)	(6.38%)	(2,269.80)	(10.01%)
VIII	3,548.17	2.89	0.08%	54.99	1.58%	(25.91)	(0.73%)
X	2,099.86	31.52	1.52%	(191.70)	(8.37%)	(110.98)	(5.02%)
<b>Total</b>	<b>264,459.85</b>	<b>(7,833.00)</b>	<b>(2.88%)</b>	<b>(483.66)</b>	<b>(.18%)</b>	<b>18,332.92</b>	<b>7.45%</b>

Institutions of higher education (Article III) and public safety and criminal justice agencies (Article V) had the largest FTE increases compared to the same quarter last year (3,741 and 1,525 FTEs, respectively). Judiciary (Article IV) and regulatory agencies (Article VIII) had small increases in FTEs compared to last year.

Health and human services agencies (Article II) and business and economic development agencies (Article VII) had the largest decrease in FTEs compared to last year (3,693 and 1,391 FTEs respectively). General government (Article I), public education (Article III), natural resources (Article VI), and legislative (Article X) agencies also had fewer FTEs compared to last year.

Compared to five years ago, public safety and criminal justice agencies (Article V) and institutions of higher education (Article III) have increased dramatically. Public safety and criminal justice agencies (Article V) have increased by 17,991 FTEs, an increase of over 50 percent in five years. Institutions of higher education (Article III) have increased by 10,866 FTEs, an increase of nearly 11 percent over the past five years. Judiciary (Article IV) agencies slightly increased their FTEs compared to five years ago.

Health and human services agencies (Article II) decreased by 7,146 FTEs, nearly 12 percent, in the past five years. General government (Article I), public education (Article III), natural resources (Article VI), business and economic development (Article VII), regulatory (Article VIII), and legislative (Article X) agencies also decreased their FTEs during this time.

## Vacancies

In this report, vacancies are reported as an FTE variance. This variance is the difference between the FTE cap and the actual FTEs for the quarter. Agencies and institutions of higher education use many different methods for determining their budgeted number of positions. Therefore, it was decided that the FTE cap minus the

total number of FTEs represented a truer picture of vacant positions. We have reported this as FTE variance (see Table I for details).

This variance will not capture the employees that are in a leave without pay status; therefore, this variance does not directly translate to the number of vacant positions an agency may actually have. However, it does provide a consistent basis for comparing agencies and institutions of higher education when analyzing staffing levels.

## FTE Caps

Four agencies exceeded their quarterly FTE caps, set by the Legislature, without approval from the Legislature Budget Board and the Office of the Governor (see Table II for details).<sup>1</sup>

Agencies Exceeding Legislative FTE Cap			
Agency	FTEs Over Cap	Percentage Over Cap	Agency Explanation
Agricultural Experiment Station	195.71	14.70%	<i>The fourth quarter report is always the highest FTE count because agricultural research requires more employees during the summer growing/harvesting season.</i>
Agricultural Extension Service	20.61	1.85%	<i>In response to both citizen and legislative requests for educational programs to address the drought crisis, the Agricultural Extension Service required additional staff to develop and present statewide programs in a timely manner. These educational efforts covered a wide range of topics from marketing alternatives, conservation practices, risk assessment and strategies to helping support producer access to livestock feeds such as hay. These initiatives required limited additional staffing beyond that forecast in appropriations estimates to deliver the programs mandated by the Legislature.</i>
Children's Trust Fund of Texas	.84	12.04%	<i>The agency's Staff Services Officer resigned on May 28, 1998, and remained on payroll to exhaust leave balances. At no time during the quarter were there more than seven people physically working at the agency.</i>
State Law Library	.08	0.79%	<i>Three employees remained on payroll while they exhausted their leave time.</i>

Twenty-nine institutions of higher education exceeded their annual FTE caps, set by the Legislature, without approval from the Legislature Budget Board and the Office of the Governor (see Table II for details).

<sup>1</sup> See Appendix 1 regarding the Department of Transportation's FTE cap.



Higher Education Institutions Exceeding Legislative FTE Cap			
Institution	FTEs Over Cap	Percentage Over Cap	Institution Explanation
The University of Texas Medical Branch - Galveston	1,199.18	9.27%	No Explanation Provided
The University of Texas -M.D. Anderson Cancer Center	1,130.63	16.66%	<i>Additional FTEs were added in the following areas: research enhancement, patient care activities, institutional support, physical plant, and instruction.</i>
The University of Texas – Brownsville	554.35	197.98%	<i>The FTE cap only includes UT Brownsville employees. The FTE amounts reported by the institution include both UT Brownsville employees and Texas Southmost College employees.</i>
Southwest Texas State University	487.17	23.34%	No Explanation Provided
Texas A&M University	436.81	4.88%	<i>The FTE cap was exceeded due in part to the new activities on the West campus and an increase in research activities.</i>
The University of Texas Health Science Center at San Antonio	198.31	4.97%	No Explanation Provided
University of Houston	196.39	4.39%	<i>149 FTEs were transferred from the University of Houston System Administration to the University of Houston as part of an administrative reorganization.</i>
The University of Texas - El Paso	167.19	7.93	No Explanation Provided
Texas A&M University – Corpus Christi	144.48	20.11%	No Explanation Provided
University of North Texas Health Science Center at Fort Worth	140.28	16.54	No Explanation Provided
The University of Texas Health Science Center at Tyler	83.03	7.10%	No Explanation Provided
Texas A&M International University	75.40	22.99%	<i>The University was an upper-level institution from its inception until fall 1995 when it expanded to a full four-year academic program. The University was co-located on the community college campus until the fall of 1995, when it moved to a newly constructed campus. Prior to relocating to the new campus, the University did not have a police force, health services, a physical plant department, a kinesiology facility, intramural activities, and student club organizations. In the transition period, the University's student body has grown from a fall 1994 enrollment of 1,964 to a fall 1998 enrollment of 3,002. The University has added 11 new degree programs since 1992 and is currently working on implementing 8 more degree programs. The University has now completed Phases I and II of construction, which provided 8 new buildings, and construction for Phase III will begin soon. Phase III will provide 3 additional buildings and intramural athletic facilities.</i>

Higher Education Institutions Exceeding Legislative FTE Cap			
Institution	FTEs Over Cap	Percentage Over Cap	Institution Explanation
Texas State Technical College - Waco	66.12	10.13%	<i>TSTC previously submitted requests in October 1997 and March 1998 to exceed the FTE cap due to increased enrollment. TSTC has not received a response to the request.</i>
Texas State Technical College - Harlingen	62.38	16.12%	<i>TSTC previously submitted requests in October 1997 and March 1998 to exceed the FTE cap due to increased enrollment. TSTC has not received a response to the request.</i>
Texas A&M University Health Science Center	60.71	30.81%	<i>FTE cap was exceeded, due in part to the new activities on the West campus and an increase in research activities.</i>
Texas A&M University – Kingsville	58.53	6.35%	No Explanation Provided
The University of Texas – Permian Basin	38.42	17.74%	No Explanation Provided
The University of Texas - Pan American	35.74	2.38%	<i>The addition and expansion of facilities on and off campus have consequently increased staffing requirements. Also, the addition of certain staff positions has been required as a condition for compliance with various audits. Increased usage and increased complexity of computers and electronic media have necessitated the addition of staff.</i>
West Texas A&M University	30.19	3.94%	No Explanation Provided
The University of Texas – Dallas	25.19	1.86%	No Explanation Provided
Texas State Technical College - Sweetwater	22.98	11.90%	<i>TSTC previously submitted requests in October 1997 and March 1998 to exceed the FTE cap due to increased enrollment. TSTC has not received a response to the request.</i>
Lamar University - Port Arthur	16.21	7.21%	<i>The following new programs were added: Small Business Development Center (4 FTEs), Welding (4 FTEs), and Surgical Technician (2 FTEs).</i>
Lamar University - Institute of Technology	13.59	11.92%	No Explanation Provided
Tarleton State University	10.17	1.22%	No Explanation Provided
University of Houston – Downtown	6.84	1.14%	<i>149 FTEs were transferred from the University of Houston System Administration to the University of Houston as part of an administrative reorganization.</i>
Sul Ross State University - Rio Grande College	2.06	3.34	No Explanation Provided
Texas A&M University - Baylor College of Dentistry	.88	.19%	No Explanation Provided
Texas A&M University – System	.33	.14%	No Explanation Provided
The University of Texas - System Administration	.14	.05%	<i>FTE cap is exceeded due to rounding in FTE calculation.</i>

According to the General Appropriations Act, FTE caps for institutions of higher education are based on positions paid from funds both inside and outside the state treasury. Based solely on positions paid from appropriated funds, however, only Texas A&M University Health Science Center and Texas A&M International University exceeded their FTE caps.

## Management-to-Staff Ratios

Category	Management-to-Staff Ratio
Agencies/Institutions With Fewer than 100 Employees	1 Manager/Supervisor to 5.56 Staff Members
All Other Agencies	1 Manager/Supervisor to 11.35 Staff Members
All Other Higher Education Institutions	1 Manager/Supervisor to 17.04 Staff Members
Statewide Average	1 Manager/Supervisor to 13.32 Staff Members

The overall statewide management-to-staff ratio was one manager/supervisor to 13.32 staff members (see Table VI for details). At this time, there is no legislative mandate to achieve a specific management-to-staff ratio. However, each agency is required to develop procedures for achieving a management-to-staff ratio of one manager for 11 staff members.

Less than one third of agencies and higher education institutions (29 percent) achieved the desired ratio of one manager/supervisor for every 11 non-supervisory staff members. Twenty-eight agencies and 35 institutions of higher education reported a 1:11 ratio or higher.

Very small agencies will have a difficult time achieving a 1:11 ratio; therefore, we have reported these agencies separately. Thirteen of the 101 agencies and institutions (13 percent) with fewer than 100 employees met the goal of a 1:11 ratio. It should be noted that although the average management-to-staff ratio for agencies and institutions with more than 100 employees was approximately 1:14, the Texas Department of Criminal Justice, with over 40,000 FTEs, reported a ratio of 1:80 which affects the statewide average significantly.

One explanation of why only one third of agencies and institutions met the 1:11 goal may be that there are too many layers of management at these entities. This report highlights those agencies that may have a higher number of supervisors and managers.

It is difficult, however, to uniformly apply a span of control optimum across agencies, especially as organizations become less hierarchical. As organizations increasingly plan their work around project teams, which form to accomplish the mission then disband, the concept of supervisors and middle management changes. Additionally, organization size, organization function/mission, and managerial strategy may also impact the management span of control. As the Legislature continues to study the data, these types of changes in organizational structure and management systems will be an integral piece of information.

## Objective, Scope, and Methodology

### Objective

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

### Scope

This report was prepared from information submitted to the State Auditor=s Office by 214 agencies and institutions. This FTE report contains the following information:

- FTE caps as set by the Legislature.  
  
(State agencies and the Texas A&M University System service agencies are subject to a quarterly FTE cap. All other higher education institutions are subject to an annual FTE cap.)
- Number of full-time equivalent employees reported for AInside and Outside Treasury≅ for state agencies and by AAppropriated Funds and All Other Funds≅ for higher education institutions and the A&M service agencies. "Appropriated Funds" includes both inside and outside treasury funds that are appropriated to higher education institutions and the A&M services.
- Variance between FTE caps and total FTEs.
- Number of full-time and part-time employees reported for AInside and Outside Treasury≅ for state agencies and by AAppropriated Funds and All Other Funds≅ for higher education institutions and the A&M service agencies. "Appropriated Funds" includes both inside and outside treasury funds that are appropriated to higher education institutions and the A&M service agencies.
- Number of managers, supervisors, and non-supervisory staff members and overall management-to-staff ratio for all agencies and higher education institutions.

### Methodology

This report contains fiscal year 1998 data on FTE caps for institutions of higher education. Because institutions of higher education are subject to annual caps, this information was not available for previous fiscal year 1998 quarterly reports.

## FTE Caps

- Based on consultation with Legislative Budget Board staff regarding legislative intent, several agencies and higher education institutions FTE caps were adjusted to reflect rider and/or statutory language that specifically authorized changes to FTE caps.
- The FTE caps for agencies are based only on FTEs paid from funds inside the State Treasury.
- The Panhandle Plains Historical Museum (Agency No. 039) does not have an FTE cap listed in the General Appropriations Act. However, the FTE cap of 765.5 for West Texas A&M University (Agency No. 757) provides an overall FTE cap for both institutions.
- The following agencies were not assigned FTE caps by the Legislature: Health Professions Council, Southwest Collegiate Institute for the Deaf, State Bar of Texas, Board of Law Examiners, and all Article X agencies.
- The FTE caps listed in Table I of this report are the targeted *average* FTE employees for the four quarters of fiscal year 1998 for higher education institutions. The caps are the quarterly maximum for state agencies and for the Texas A&M University System service agencies. Although FTE caps are set for the courts of appeals they are not subject to these caps.
- Although the Governor=s Office and Governor=s Office Trusted Programs are assigned separate FTE caps, the report combines their total FTEs and FTE caps since they are allowed to transfer appropriations and FTEs between these two programs.
- The State Auditor=s Office and the Legislative Budget Board agree that the Teacher Retirement System should report their FTEs as AAppropriated≅ and AAll Other Funds≅ as allowed for higher education institutions.
- The Legislative Budget Board and Governor's Office of Budget and Planning have agreed to grant the Youth Commission an exception to its FTE cap for the third and fourth quarters only of fiscal year 1998.
- This report does not identify the Department of Transportation as having exceeded its FTE cap because of differing interpretations regarding Rider 46 of the agency's appropriations. This rider allots an additional 300 FTEs for the agency's summer hire program.

## FTE Data

- Agencies with a significant percentage of employees who work a non-standard workweek were granted the opportunity to choose from three methods of calculating FTEs. Each agency was required to continue its method for the entire fiscal year. The options are explained in the following table.

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

- The Texas State Museum is reported as a separate entity from the State Preservation Board beginning second quarter of 1998.
- The Department of Human Services FTEs funded by interagency contracts reported as a separate entity as of third quarter of 1998.
- The Animal Damage Control Service has changed its name to Wildlife Damage Management Service as of third quarter of 1998.

### Variances

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

### Management-to-Staff Ratio

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

$\text{Management-to-staff ratio} = [N + (S - 1)] / S$ <p>N = Number of non-supervisory employees S = Combined number of supervisors and managers</p>
---

The Office of Attorney General believes that the legislative intent of the management-to-staff provision was to exclude supervisors from the category of management when calculating the ratio. In the absence of clear statutory guidance, the State Auditor's Office looked to how the term management is typically used in the professional literature relating to human resources management. The examined

references consistently include supervisors as part of management when discussing the span of control.

The State Auditor's Office also sought clarification from (1) the Texas Performance Review, which developed the original recommendation from which the management-to-staff reporting provisions were derived and (2) the Senate State Affairs Committee, which heard testimony on this legislation during the last regular session. Both sources confirmed their understanding to be that supervisors would be included as part of management for purposes of calculating management-to-staff ratios. Using the Office of the Attorney General's method of calculation, its overall agency ratio would be 1:29 rather than 1:8.91.

The following employees of the State Auditor's Office developed this report:

- Matthew Levitt, SPHR (Project Manager)
- Frank Locklear
- Cora White
- Kelli Dan, CCP, PHR (Audit Manager)
- Deborah L. Kerr, Ph.D. (Director)

Appendix 2:

## Late Agency Data Submissions

| The following agencies were at least one week late in submitting their FTE data:

Agency	Days Late
Texas State Museum	24
Board of Nurse Examiners	20
Department of Economic Development	20
Polygraph Examiners Board	19
Commission on Law Enforcement Standards	19
Texas Woman's University	18
State Board for Educator Certification	17
Funeral Service Commission	17
State Board of Podiatric Medical Examiners	17
Incentive and Productivity Commission	17
Agricultural Experiment Station	14
Advisory Commission on State Emergency Communications	14
Board of Private Investigators and Private Security Agencies	14
Health Professions Council	14
Commission on Human Rights	13
General Land Office and Veterans' Land Board	13
Legislative Reference Library	13
Office of State Federal Relations	12
Judiciary Section, Comptroller's Department	10
Eighth Court of Appeals - El Paso	7



Copies of this report have been distributed to the following:

## **Legislative Audit Committee**

The Honorable James E. "Pete" Laney, Speaker of the House, Chair  
The Honorable Bob Bullock, Lieutenant Governor, Vice Chair  
The Honorable Bill Ratliff, Chair, Senate Finance Committee  
The Honorable Kenneth Armbrister, Chair, Senate State Affairs Committee  
The Honorable Robert Junell, Chair, House Appropriations Committee  
The Honorable Tom Craddick, Chair, House Ways and Means Committee

## **Governor of Texas**

The Honorable George W. Bush

## **Comptroller of Public Accounts**

The Honorable John Sharp

## **Governor's Office of Budget and Planning**

## **Legislative Budget Office**

## **Sunset Advisory Commission**

This document is not copyrighted. Readers may make additional copies of this report as needed. In addition, most SAO reports may be downloaded from our Internet site: <http://www.sao.state.tx.us>.

In compliance with the Americans with Disabilities Act, this document may also be requested in alternate formats. To do so, contact Production Services at (512) 479-4740 (Voice), (512) 479-4884 (FAX), 1-800-RELAY-TX (TDD), or visit Two Commodore Plaza, 206 E. Ninth Street, Room 19.100, 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.