

# **Public Utility Commission of Texas WORKFORCE PLAN 2008**

## **I. Agency Overview**

In 1975, Texas became the last state in the country to provide for state-wide comprehensive regulation of electric and telecommunications utilities by creating the Public Utility Commission (PUC). For approximately the first twenty years of the PUC's existence, the agency's primary role was traditional regulation of electric and telecommunications utilities. Although the PUC originally regulated water utilities, jurisdiction was transferred to the Texas Water Commission in 1986. Significant legislation enacted by the Texas Legislature in 1995, along with the Federal Telecommunications Act of 1996 (FTA), dramatically changed the PUC's role by allowing for competition in telecommunications wholesale and retail services, and by creating a competitive electric wholesale market. In 1999, the Legislature provided for restructuring of the electric utility industry, further changing the PUC's mission and focus. More recently, in 2005, the Legislature provided for further deregulation of telecommunications markets with the passage of Senate Bill 5.

Although the PUC's traditional regulatory functions have decreased over the past eleven years, many of those functions have been replaced by other, more challenging responsibilities. Restructuring of the utility industry is not simply elimination of regulation. Effective oversight of competitive wholesale and retail markets is necessary to ensure that customers receive the benefits of competition.

The PUC's responsibilities under PURA include the following:

### Electric:

- Within ERCOT, jurisdiction over rates and quality of service of transmission and distribution utilities
- Within ERCOT, establishing wholesale transmission rates for investor owned utilities, cooperatives, and municipally owned utilities
- Outside ERCOT, regulation of vertically integrated investor owned utilities
- Overseeing administration of utility energy efficiency programs
- Issuance of certificates of convenience and necessity for proposed transmission lines
- Licensing of retail electric providers
- Registration of power generation companies and aggregators
- Oversight of competitive wholesale markets and supervision of ERCOT
- Fostering the development of renewable resources
- Oversight of competitive retail markets, including designation of providers of last resort
- Facilitation of restoration of services following major disasters
- Participation in Homeland Security efforts of electric utilities
- Resolution of customer complaints, using informal processes whenever possible
- Implementation of a customer education program for retail electric choice
- Administration of low-income discount program

### Telecommunications:

- Arbitration of interconnection agreements and post interconnection disputes pursuant to the Federal Telecommunications Act
- Oversight of competitive retail markets
- Administration of the Universal Service Fund, including the Lifeline program for low-income customers
- Administration of the Relay Texas and Specialized Telecommunication Assistance programs
- Facilitation of restoration of services following major disasters
- Participation in Homeland Security efforts of telecommunication providers

# Public Utility Commission of Texas

## WORKFORCE PLAN

### 2008

- Resolution of customer complaints, using informal processes whenever possible
- Issuance of Service Provider Certificates of Operating Authority and Certificates of Operating Authority to local service providers
- Issuance of State Issued Certificates of Franchise Authority to cable and video service providers
- Registration of long distance providers, automatic dial announcing devices and pay telephones
- Administration of the Texas No-Call List

The PUC's divisions are organized based on function and program area. The Customer Protection Division which includes the call center, informal complaint resolution function, and customer education efforts, handle both electric and telecommunications matters. The Competitive Markets, Oversight & Enforcement, and Infrastructure & Reliability Divisions also oversee activities in both the telecommunications and electric industries. When organizational changes are needed to respond to changing duties prescribed in PURA, or changes in the industries that the Commission oversees, the agency attempts to make those organizational changes in ways that are the least disruptive to agency staff and persons who do business with the Commission.

#### *A. Agency Mission*

The mission of the agency is to protect customers, foster competition, and promote high quality utility infrastructure.

#### *B. Agency Goals, Objectives, and Strategies (Business Functions)*

- GOAL 1:** To ensure fair competition, customer choice, just and reasonable rates, system reliability, a high level of service quality, and the opportunity for technological advancement in the electric and telecommunication industries.
- OBJECTIVE 1-1:** Maintain innovative policies to foster competition in telecommunications and retail electric markets, such that by the end of fiscal year 2013, 85 percent of Texas cities are served by three or more certified telecommunications providers, and 95 percent of residential electric customers in areas of the state open to competition have at least five providers for electric service.
- STRATEGY 1-1-1:** Foster and monitor market competition by evaluating the relevant electric and telecommunications markets, and develop policies to enhance effectiveness of competition and benefits for customers; and register and license competitive service providers. Develop rules, conduct studies and prepare reports responsive to changes in electric and telecom markets.
- OBJECTIVE 1-2:** Regulate service providers such that by 2013, 90 percent of telecommunications customers are served by exchanges that meet service quality standards and 95 percent of electric customers are served by companies meeting service quality standards.

# Public Utility Commission of Texas

## WORKFORCE PLAN

### 2008

- STRATEGY 1-2-1:** Conduct rate cases for regulated telephone and electric utilities under the Administrative Procedures Act and methods of alternative dispute resolution to evaluate whether revenue requirements, cost allocation, rate design, and affiliate transactions are reasonable and in compliance with all laws and PUC rules; register and license regulated service providers; evaluate utility infrastructure and quality of service.
- OBJECTIVE 1-3:** To ensure compliance with statutes, rules, and orders such that by 2013, 75 percent of all settlement agreements entered in formal enforcement proceedings will contain specific provisions regarding low future violations of the same type will be avoided.
- STRATEGY 1-3-1:** Conduct investigations and initiate enforcement actions to ensure compliance with relevant law, PUC rules, and orders.
- GOAL 2:** To serve the public by distributing customer education information, administering customer service programs, and assisting customers in resolving disputes concerning electric and telecommunications services.
- OBJECTIVE 2-1:** Inform customers about their choices, opportunities, and rights pertaining to electric and telecommunications services through 2013.
- STRATEGY 2-1-1:** Provide information and distribute materials to customers on changes in the electric and telecommunications industries. Respond to requests for information from the public and media. Conduct outreach activities, administer Relay Texas and the Specialized Telecommunications Assistance Program (STAP) responsibilities.
- OBJECTIVE 2-2:** To resolve complaints consistent with relevant law and PUC rules and orders, such that all customer complaints will be concluded within the targeted average number of days each fiscal year through 2013.
- STRATEGY 2-2-1:** Assist customers in resolving disputes concerning electric and telecommunications services consistent with statutes and rules.
- GOAL 3:** To achieve specific legislative objectives by administering special programs for energy assistance to low-income Texans, and for customer education information in regions subject to electric competition (nontransferable).
- OBJECTIVE 3-1:** Administer financial assistance such that by 2013, 93 percent of eligible low-income utility customers receive a reduction in their annual electric service bill.
- STRATEGY 3-1-1:** Reimburse retail electric providers from the System Benefit Fund for electric service billing discounts; administer automated and self enrollment of eligible participants for the billing discounts.
- STRATEGY 3-1-2:** Produce and disseminate customer education information for electric market competition through outsourcing; address customer inquiries through a third party call center and Web site.

# Public Utility Commission of Texas

## WORKFORCE PLAN

### 2008

<b>GOAL 4:</b>	Indirect administration.
<b>OBJECTIVE 4-1:</b>	Indirect administration.
<b>STRATEGY 4-1-1:</b>	Central administration.
<b>STRATEGY 4-1-2:</b>	Information resources.
<b>STRATEGY 4-1-3:</b>	Other support services.

#### *C. Anticipated Changes Over Five Years*

The Commission does not anticipate significant changes in its mission, but there have been changes in the Commission's goals, objectives and strategies during the strategic planning period of 2009 – 2013. In the 2002 strategic planning cycle, the PUC made revisions to its budget structure to reflect the changes in the agency's powers and duties, and does not anticipate the need to make significant changes within the next five years absent statutory changes.

The agency's structure and functions have changed significantly over the past decade as a result of reforms. Prior to industry restructuring, the primary function of the agency was processing major rate cases for the telephone and electric industries. This required very specialized technical skills from engineers, accountants, financial analysts, and attorneys to analyze utility rate applications and provide recommendations for Commission action. While the PUC continues to have rate jurisdiction over some utilities and utility functions, the focus of the PUC's mission is to oversee competitive markets to assure that customers receive the benefits of competition.

Now, the Commission relies more on the specialized skills of economists and market analysts for monitoring the telecommunications and electric power markets for compliance with applicable statutes, rules, and PUC orders. Enforcement activities require the skills of investigators and attorneys. The agency's call center, which responds to customer inquiries and complaints regarding utility services, has increased in size due to customers' increased needs for information about purchasing utility services in competitive markets, and for assistance in resolving problems with service providers. For the foreseeable future, the PUC will need to retain staff experts in accounting, financial analysis, and rate design to perform the remaining traditional rate-setting functions.

**Public Utility Commission of Texas**  
**WORKFORCE PLAN**  
**2008**

**II. Supply Analysis: Current Workforce Profile**

*A. Critical Workforce Skills*

The Commission employs qualified individuals in a myriad of program disciplines. Strong employee competencies are critical to meet ongoing business objectives and goals.

Current critical workforce skills include the following:

1. *Management and Leadership*

Performance Management  
Planning  
Training and mentoring

2. *Technical Skills*

Knowledge of applicable federal and state laws and regulations  
Litigation and settlement facilitation  
Rules development  
Investigation  
Market analysis  
Rate setting  
Licensing of providers  
Accounting and financial analysis  
Engineering  
Policy development

3. *Customer Assistance*

Call center customer service  
Informal complaint resolution

4. *Information Management*

Web development and maintenance  
Database development  
Electronic filing and reporting

5. *Agency Administration*

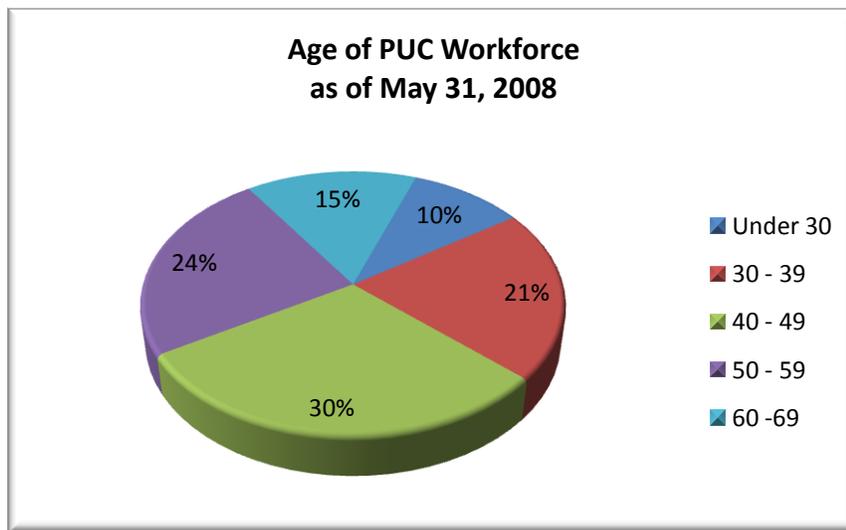
Fiscal management  
Human Resources management  
Contract management  
Purchasing  
IT Support

# Public Utility Commission of Texas WORKFORCE PLAN 2008

## *B. Workforce Demographics*

### Gender and Age

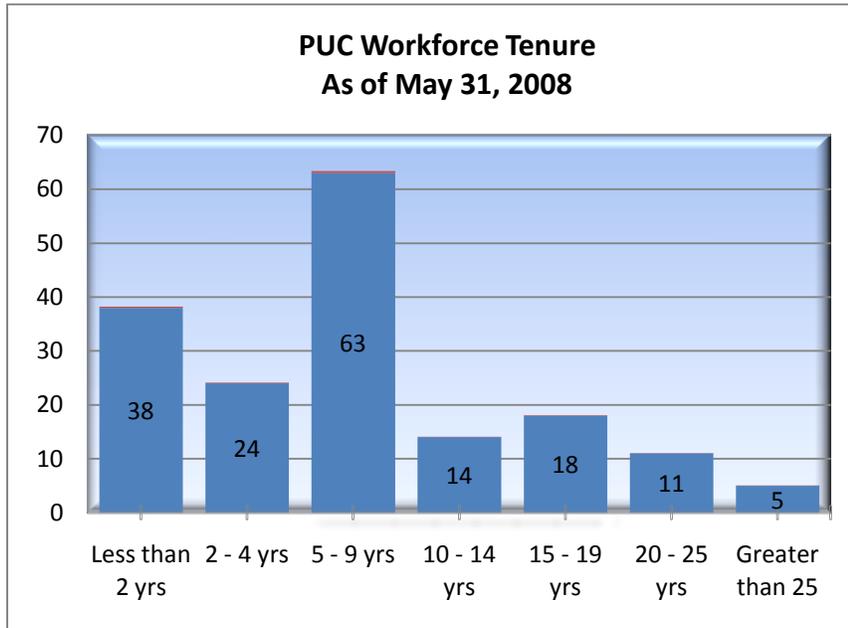
As of May 31, 2008, the Commission had a total of 170 full-time, and two part-time employees and one part-time temporary employee. Of the total employees, there were 89 females (51.4%) and 84 males (48.6%). The average age of Commission employees is 46 years, and 113 (65%) of the employees are over the age of 40.



### Tenure

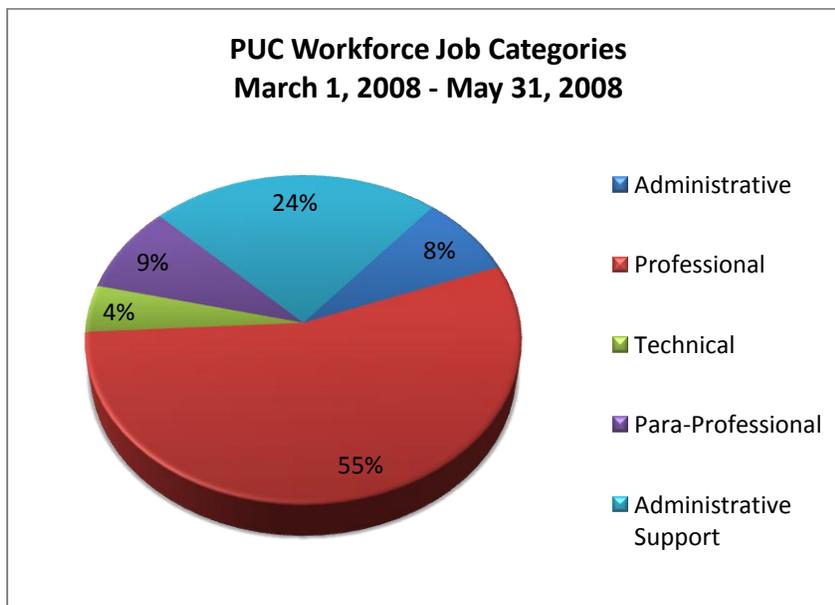
Of the Commission staff, 62 (36%) employees have fewer than five years of service with the agency. There are 77 employees (44%) with five to fourteen years service with the PUC and 34 employees (20%) who have 15 or more years of service with the PUC. The table below reflects tenure of PUC employees. Thirty-eight employees (22%) have fewer than two years of agency service.

# Public Utility Commission of Texas WORKFORCE PLAN 2008



## Job Categories

The main job categories of Commission employees are identified in the table below. The “Professional” category has the largest number of agency employees, which reflects the qualifications required to accomplish the Commission’s business goals. As a result of these requirements, the agency has a highly educated workforce with many of the employees holding advanced degrees and credentials.



# Public Utility Commission of Texas WORKFORCE PLAN 2008

## Diversity

The following three tables profile the Commission's full-time and part-time workforce of 173 employees for the third quarter of fiscal year 2008 (March 1, 2008 through May 31, 2008). The workforce comprises 51.4% females and 48.6% males, with an average age of 46 years. The tables compare the African American, Hispanic and female employees in the Commission Workforce to the State Civilian Workforce, as reported by the Civil Rights Division of the Texas Workforce Commission.

Gender – Racial – Ethnic Diversity Fiscal Year 2008, Third Quarter							
Male	Female	White	Black	Hispanic	Asian	Other	Total
84	89	113	17	38	5	0	173
48.6%	51.4%	65.3%	9.8%	22.2%	2.9%	0%	100%

All employees on payroll as of May 31, 2008.

Gender – Occupational Diversity Fiscal Year 2008, Third Quarter					
Job Category	Male		Female		Female Goal
Administrative	10	71.4%	4	28.6%	37.3%
Professional	57	60%	38	40%	53.2%
Technical	7	87.5%	1	12.5%	53.8%
Administrative Support	5	12.2%	36	87.8%	64.7%
Skilled Craft	0	0.0%	0	0.0%	4.8%
Service / Maintenance* (Para-Professional)	5	33.3%	10	66.7%	39%
Total	84		89		

Racial – Ethnic – Occupational Diversity Fiscal Year 2008, Third Quarter												
Job Category	White		Black		Goal	Hispanic		Goal	Asian		Other	
Administrative	12	85.8%	1	7.1%	6.6%	1	7.1%	14.2%	0	0.0%	0	0.0%
Professional	68	71.6%	6	6.3%	8.3%	16	16.8%	13.4%	5	5.3%	0	0.0%
Technical	6	75%	0	0.0%	12.4%	2	25%	20.2%	0	0.0%	0	0.0%
Administrative Support	20	48.8%	7	17.1%	11.2%	14	34.1%	24.1%	0	0.0%	0	0.0%
Skilled Craft	0	0.0%	0	0.0%	6%	0	0.0%	37.5%	0	0.0%	0	0.0%
Service / Maintenance * (Para-Professional)	7	46.7%	3	20%	13.8%	5	33.3%	40.7%	0	0.0%	0	0.0%

Percentage goals represent the State Civilian Workforce, as reported by the Civil Rights Division (CRD) of the Texas Workforce Commission in the EEO/Minority Hiring Practices Report in January 2007. The CRD analyzes the workforce using an 80% benchmark from the EEOC Uniform Guidelines on Employee Selection to determine utilization within each occupational category. Highlighted sections indicate areas in which the percentage of Commission employees in those categories meet or exceed the percentage in the State Civilian Workforce using the 80% benchmark. Shaded sections identify those areas where the

# **Public Utility Commission of Texas**

## **WORKFORCE PLAN**

### **2008**

percentage of Commission employees in those categories is below the percentage in the State Civilian Workforce using the 80% benchmark.

When using the EEOC Uniform Guidelines and applying the 80% benchmark, the agency exceeded the percentage goal for Female employees in the Administrative Support and Para-Professional occupations. In the ethnic categories, we exceeded the goals for Black employees in the Administrative, Administrative Support and Para-Professional occupations and for Hispanic employees in the Professional, Technical, Administrative Support and Para-Professional occupations. The agency did not attain the goals and Female employees are underutilized in the Administrative (1.2%), Professional (2.6%) and Technical (30.5%) occupations. In the ethnic categories, Black employees are underutilized in the Professional (.34%) and Technical (9.9%) occupations and Hispanic employees are underutilized in the Administrative (4.3%) occupation. The PUC does not employ staff for Protective Services and Skilled Craft occupations.

\*The Protective Services and Para-Professional categories have been combined with the Service/Maintenance category. Prior to 2005, these categories were reported as separate groups and are no longer contained in the Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment, 2004.

# Public Utility Commission of Texas

## WORKFORCE PLAN

### 2008

#### *C. Employee Turnover and Projected Attrition*

Turnover is important in any organization and the Commission is no exception. Throughout its existence, the agency has faced the difficult challenge of retaining qualified and experienced staff. The PUC has experienced high turnover, peaking at 30.7% in fiscal year 2003 as a result of legislatively mandated reductions. The agency was required to terminate 37 employees pursuant to a Reduction-in-Force (RIF) in 2003. This resulted in an overall increase in the turnover rate for FY 2003. Without the RIF, the agency turnover would have been 16.3%, a .7% increase from 2002. The following table compares the average PUC turnover to that of all state agencies for the last five years.

<b>EMPLOYEE TURNOVER</b>					
<b>Fiscal Year</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>PUC</b>	30.7%	15.8%	21.6%	16.7%	17.9%
<b>All Agencies*</b>	17.9%	41.8%**	18.9%	17.9%	19.2%

\* Information obtained from the State Auditors Office E-Class System.

\*\* The high statewide turnover in FY 2004 is due to the reorganization of the health and human services agencies.

Despite significant statutory post-employment restrictions that apply only to the PUC, the agency generally experiences a higher turnover rate than other state agencies. More lucrative positions in industry-related firms have been the major reason for the agency's high turnover.

In addition, there are organizational areas in the Commission that generate turnover due to the stressful nature of the work and limited career ladder movement. In prior fiscal years, the Customer Protection Division had difficulty retaining qualified employees due to the stressful nature of the jobs in the agency call center. Customer Care Representatives in the call center assist customers who are often angry about their telephone or electric service. "Burnout" is associated with call center jobs, and the Commission is continually challenged to minimize the negative effects associated with complaints-related jobs (including employee stress and turnover). In an effort to decrease the stress and turnover, the Customer Protection Division utilizes continuous improvement processes to make changes to work procedures. As a result, there has been a significant improvement in employee morale and drop in turnover in this area in recent years.

# Public Utility Commission of Texas WORKFORCE PLAN 2008

## Length of Service

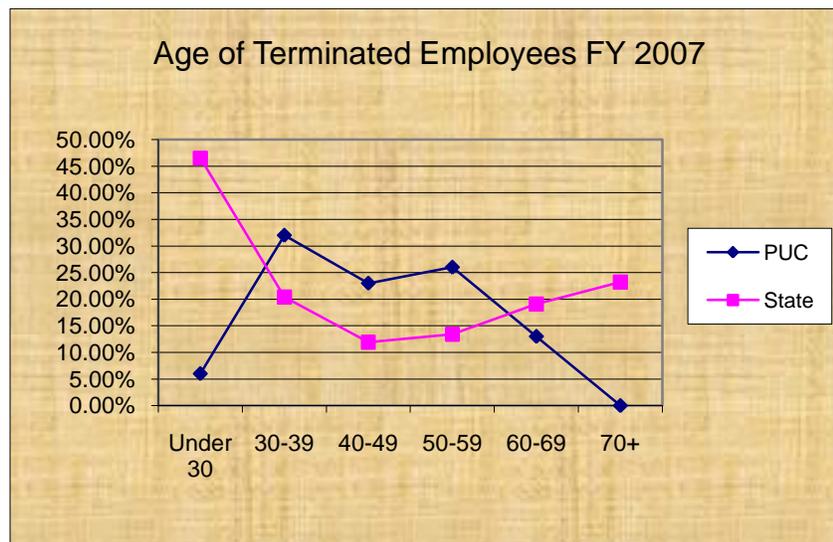
Among terminating employees in fiscal year 2007, those with less than two years of service had the highest turnover (45.2%) followed by 25.8% among employees with five to nine years of service. Two employees retired from the agency in fiscal year 2007. One of the retirees had 10 years of service and the other had less than ten years of service with the agency.

The highest percentage (68%) of terminating employees had fewer than five years service with the agency. Efforts to decrease turnover and retain staff beyond the first five years should provide greater continuity for Commission operations and allow employees to develop critical agency knowledge for training entry-level personnel.

<b>Tenure of Terminating Employees Compared To Tenure of All Employees FY 2007</b>				
<b>Tenure in Years</b>	<b>Terminating Employees</b>	<b>% Terminating Employees</b>	<b>All Employees</b>	<b>% All Employees</b>
Less than 2	14	45.2%	28	17%
2 – 4	7	22.6%	34	20.6%
5 – 9	8	25.8%	54	32.7%
10 – 14	1	3.2%	14	8.5%
15 – 19	0	0%	21	12.7%
20 – 24	1	3.2%	9	5.5%
25 +	0	0%	5	3%
<b>Total</b>	<b>31</b>	<b>100%</b>	<b>165</b>	<b>100%</b>

## Age

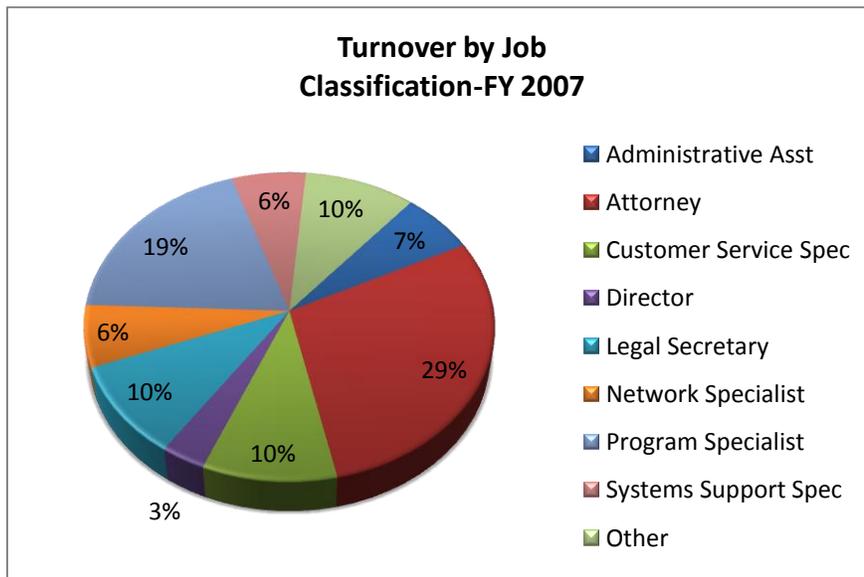
The highest percentage of turnover occurred among employees in the 30-39 years of age group. About 39% of the Commission's turnover in FY 2007 were under the age of 40 and 61% were over age 40.



# Public Utility Commission of Texas WORKFORCE PLAN 2008

## Occupations

During fiscal year 2007, a total of 31 employees separated from employment with the Commission. The table below provides detail for this turnover activity by classification. Of the 31 terminations, the Attorney title reflected the single greatest turnover rate (29%) for one classification series, followed by the Program Specialist (19%) classification. The Legal Secretary and Customer Service Specialist classifications each reflect a 10% turnover while the Administrative Assistant classification reflected 7% turnover. Both the Network Specialist and Systems Support Specialist experienced 6% turnover and the Director classification had 3% turnover. Other classifications experienced turnover rates of 3% individually, but collectively they comprised a total turnover rate of 10%.

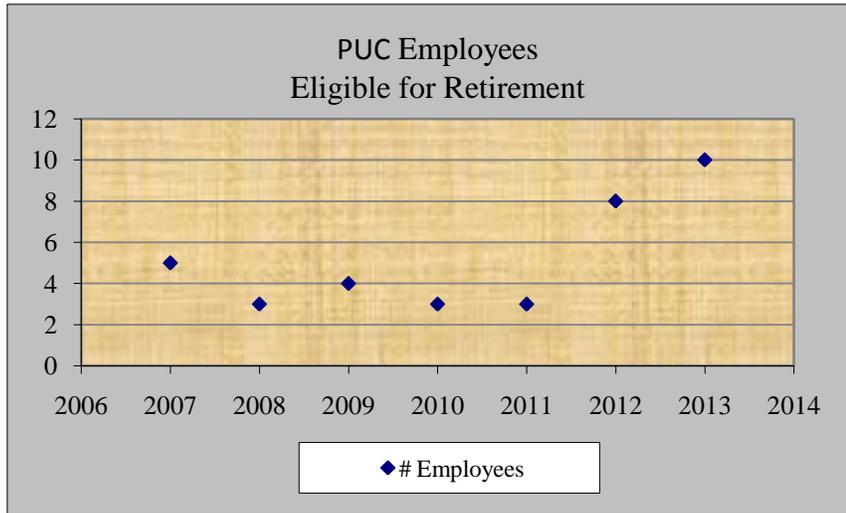


## *D. Retirement Eligibility*

Two employees retired in fiscal year 2007. Of the employees potentially eligible in 2007, five remain with the agency. Based on PUC information, during FY 2008 – 2013, 31 employees (18%) may become eligible to retire from state service. Between now and 2013, a total of 56 employees (32.5%) could potentially leave the Commission based on retirement eligibility.

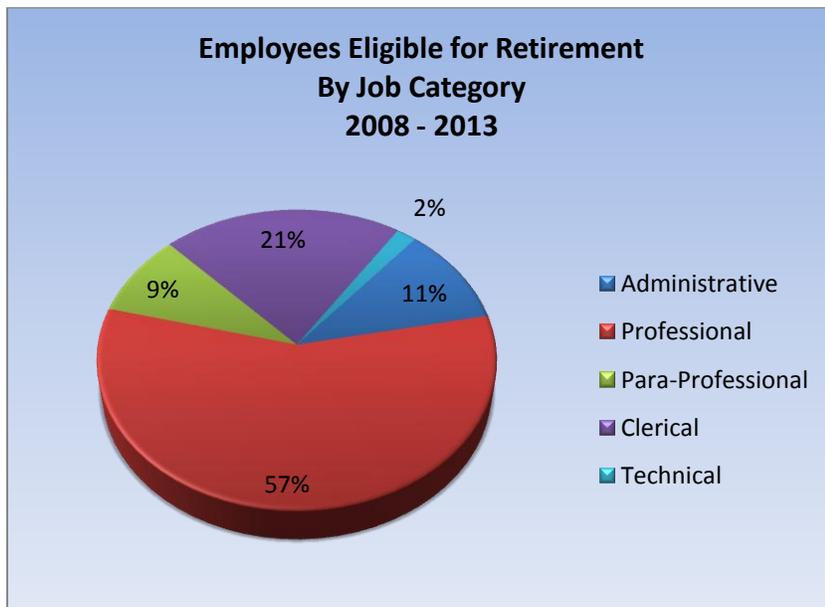
Turnover due to retirement is important to agency operations because of the loss of institutional knowledge and expertise. It also affects the level of succession planning the organization should implement to attract new employees and/or train existing staff in key competencies to assume important functions and leadership roles.

# Public Utility Commission of Texas WORKFORCE PLAN 2008



### Retirees by Category

The largest percentages of employees who may become eligible to retire over the next five years are in the *professional* (57%) category. The second largest percentage of employees potentially eligible to retire is in the *clerical* support (21%) category. Turnover as a result of retirement eligibility could have a significant impact on high-level key positions. Four employees (11.4%) in key management positions could be eligible to retire over the next biennium. All of the key management employees are in the *administrative* category and 50% will be eligible due to the Rule of 80 between 2008 and 2010.



# Public Utility Commission of Texas

## WORKFORCE PLAN

### 2008

#### Projected Attrition

In fiscal year 2007, the agency had a 17.9% turnover rate which is a 1.2% increase from fiscal year 2006. As of June 30, 2008, seventeen (9.7%) employees have terminated their employment with the agency.

As market conditions continue to improve in central Texas over the next five years and as the economy strengthens, the agency anticipates that retaining high quality staff will continue to be a challenge. The decrease in state benefits provided to state employees also impacts the ability of state agencies to attract and keep qualified employees.

### **III. Demand Analysis: Future Workforce Profile**

#### *A. Critical Functions*

- Economists and Market Analysts
- Customer Care Representatives
- Utility Infrastructure Analysts
- Enforcement (Investigators and Attorneys)

#### *B. Expected Workforce Changes*

The changing demands in the Commission's oversight role in a market competition environment within the electric and telecommunication industries will create more emphasis on recruiting and retaining employees as economists, market analysts, enforcement investigators, attorneys and customer care representatives.

Following the implementation of local telephone competition in September 1995 and electric utility restructuring in January 2002, the Commission has made changes to its workforce to ensure it has the necessary expertise to perform new functions. Many of the new functions are performed by employees with the requisite expertise whose job duties were modified to include the new functions. In some cases, the agency used opportunities associated with attrition to eliminate positions that were no longer needed and create new jobs more aligned with the agency's current mission.

During the 78<sup>th</sup> Legislative Session, the agency's overall FTE cap was decreased from 242 to 210.9. During the session, the legislature also passed HB 3442 which imposed new requirements related to state agency management-to-staff ratios. As a result of the legislation, the agency has made changes to its management structure in order to comply with the new mandates. To ensure meeting the 2007 management-to-staff ratio mandates, the agency has reviewed positions and span of control and made necessary organizational changes.

Since FY 2000, HR staffing at the agency has decreased by three positions. Human Resources has continued to assess internal processes and streamline HR operations through the use of improved administrative processes and integrated automated systems. The adequacy levels of HR staffing will need to be continually assessed and the possibility of automating internal HR systems to be more employee self-driven may need to be considered.

# Public Utility Commission of Texas

## WORKFORCE PLAN

### 2008

#### *C. Future Skills Needed*

The Commission will continue to maintain a highly educated professional workforce. Knowledge, skills and abilities central to the core functions of the Commission will remain an integral part of employee qualifications. The PUC does not anticipate significant changes in the critical workforce skills required of its workforce over the next five years. As electric retail competition is implemented throughout the state, some functions will decrease or be eliminated. For example, the PUC must retain expertise related to regulation of power generation assets as long as it has regulatory authority over vertically integrated electric utilities. In the meantime, the agency must maintain the ability to regulate vertically integrated companies as well as oversee competitive retail and wholesale markets.

#### *D. Anticipated Employee Increases/Decreases*

The Commission does not anticipate an increase in total staffing during the next five years. The workforce is expected to remain constant, although the actual number of employees may fluctuate by 10-12 positions at any given time. Gradually changing workforce needs will be handled through attrition and conversion of vacant positions to new responsibilities, as well as training existing employees with necessary education and expertise to perform new job duties.

#### *E. Future Critical Functions*

The changing demands in the Commission's oversight role in a market competition environment within the electric and telecommunication industries will drive changes to the Commission's future critical functions. Fewer resources are allocated for traditional regulatory functions, such as ratemaking activities, than in the past. More resources are being allocated for market oversight, enforcement, and customer assistance.

## IV. Gap Analysis

An examination of the workforce data indicates the Commission may face the loss of its institutional knowledge and expertise through retirements and loss of employees to the private sector. The ability to offer a combination of salary and employee benefits that will attract employees with the necessary education and experience will be a key factor in the success of the agency's workforce.

## V. Strategy Development

The Commission has developed workforce goals to address the potential deficit between the current workforce and future demands. The strategies will need to be assessed periodically to determine their effectiveness in achieving the PUC's workforce goals.

**GOAL ONE:** Recruit professionals with the requisite skills to complement the Commission's existing workforce and take steps to retain these professionals.

**Rationale:** The demand for educated, licensed and/or certified staff in the electric and telecommunication industries requires special agency efforts. Competition with the private sector for the same labor supply creates a disadvantage for state agencies due to salary differences.

# Public Utility Commission of Texas

## WORKFORCE PLAN

### 2008

- Action Steps:**
- Continue to market the “total” state compensation and benefits program to potential applicants/employees.
  - Take advantage of opportunities to participate in university sponsored career fairs and to expand the Commission’s volunteer internship program.
  - Improve recruiting techniques by streamlining application procedures.
  - Require managers to work with new employees to attempt to align PUC employment opportunities with the employee’s individual career goals.

**GOAL TWO:** Retain qualified and experienced staff ensuring smooth business operations and excellent customer service.

**Rationale:** The Commission’s experience with high turnover in a competitive market for certain skills supports the need for this goal.

- Action Steps:**
- Increase employee career planning assistance through training programs and participation in continuous professional development initiatives that enhance the employee’s current job performance and future opportunities within the agency.
  - Ensure that managers and supervisors, especially those new to these responsibilities, have adequate training in how to recruit, train and retain quality staff.
  - Manage available funds to award merit increases to provide a fair balance of rewarding employee performance and maximizing retention of key personnel.

**GOAL THREE:** Review FTE allocations to ensure conformance to current agency priorities and workload.

**Rationale:** Varying workload demands and shifting priorities can change the appropriate allocation of agency resources.

- Action Steps:**
- Continue to assess all vacancies created by employee departures to determine whether the position should be modified or relocated in the agency.
  - When a need for additional staffing in a given area is identified and vacant positions are not available, offer current employees the opportunity to relocate within the agency.
  - Encourage employees to cross train in related skill areas to provide flexibility in staff assignments.

# Public Utility Commission of Texas

## WORKFORCE PLAN

### 2008

**GOAL FOUR:** Develop a formal agency succession plan.

**Rationale:** It is critical that the agency have a leadership development program and identify potential staff with leadership and other critical skills in the event the agency experiences the loss of key staff members in leadership/critical positions (through retirement or otherwise).

**Action Steps:**

- Continue to concentrate on leadership development across the agency.
- Identify training programs that focus on development of needed critical skills and competencies.
- Develop skills of staff level employees through training and mentoring to provide in-house candidates for management positions that become available.
- Identify capable successor candidates interested in leadership and critical positions early and provide appropriate opportunities for growth.

#### **Conclusion**

During the next five years, the Commission must ensure that it does not experience a deficit in leadership and knowledge talent. As the labor force segment age 25 to 34 years declines, there will be fewer younger workers to fill vacant positions. Also, Texas population is expected to grow from 16.9 to almost 24 million by 2030, increasing demands for state and local government services.

Available talent, as well as the state's ability to develop and retain a competent, qualified workforce will be a limiting or enabling factor for state government in general. An effective workforce plan will translate into successful strategic goal achievement, program initiatives and sustained momentum for efficient, well-run agencies. The Commission's strategies encompass a realigned workforce plan to meet future business objectives by developing an effective succession management and talent retention program.