

APPENDIX E

**STATE OFFICE OF ADMINISTRATIVE HEARINGS
FISCAL YEARS 2011-2015 WORKFORCE PLAN**

Strategic Goals and Objectives

SOAH has one main goal:

Goal 1	Provide for a fair and efficient administrative hearings process
Objective	Ensure that all hearings are conducted in a fair and impartial manner
Strategy	Conduct hearings
Objective	Provide an opportunity for alternative dispute resolution proceedings
Strategy	Conduct alternative dispute resolution

Business Functions:

The critical business functions of the agency include:

- *Docketing*
- *Alternative Dispute Resolution Processes*
- *Conducting Hearings*
- *Issuance of Proposals for Decision*
- *Processing of Appeals*

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Anticipated Changes in Strategies:

SOAH anticipates no major changes in its strategies that would significantly impact the agency's business and workforce. SOAH's workforce requirements would be impacted by future legislation transferring additional jurisdiction to or from the agency. At this time, however, it is unknown what, if any, new jurisdiction will be transferred to SOAH in the future.

Current Workforce Profile

The statistical information provided in this section is based upon data as of August 31, 2009. SOAH's current workforce is comprised of approximately 114 employees; of those, 35% are males and 65% are females. Out of the same population, 83% of the agency's employees are over the age of forty. SOAH has quite an experienced workforce, with 70% of its employees holding greater than five years service and 40% have worked for SOAH over ten years. SOAH recognizes the importance of the ethnic diversity of its workforce and continues to aim to maintain or surpass the diversity of the statewide civilian workforce.

Table 1, on the following page, is the Workforce Utilization Analysis for SOAH. The analysis focuses on diversity in the workforce and allows the agency to evaluate the level of diversity within its workforce. It illustrates that SOAH has underutilization that should be addressed as vacancies become available in the applicable job category. In the categories of Official/Administrator and Technical, the under-representation is a result of the low number of employees and low turnover in these categories. Over one-half (63.5) of SOAH's employees are in the "Professional" job category, and 58.5 of those employees are administrative law judges (ALJs). Although the agency's statistical information would indicate underutilization of African Americans and Hispanics in the statewide Professional job category, SOAH's utilization is above the percentage of both Hispanics and African Americans represented in the Administrative Public Law Section of the State Bar of Texas. (This is based on the Attorney Statistical Profile for 2009-2010 compiled by the State Bar of Texas Department of Research and Analysis.)

The EEOC's Rule of 80 is used to determine underutilization. Underutilization is considered statistically significant if the percent utilization in the state agency's workforce is below 80% of that in the civilian workforce. To calculate underutilization, multiply the civilian workforce percentage by 0.8 to determine 80% of the civilian workforce. If the resulting number is greater than the percentage in the agency's workforce for the same job category, then underutilization is identified. The "percentage under" is the difference between 80% of the civilian workforce and the agency's workforce in that job category. The agency must increase the percentage of employees in that job category by the "percentage under" to alleviate underutilization.

The majority of SOAH's employees have education beyond high school, with over 50 % having advanced degrees, as ALJs are required to be licensed attorneys. It is critical to the mission of the agency to recruit, hire, train, and retain attorneys who possess the required education and experience to manage the cases transferred to SOAH's jurisdiction. The career plan for ALJs provides for recruiting and hiring at the entry level of the plan whenever possible and training these employees in-house, through regular training programs and mentoring by more experienced ALJs. This has enlarged the applicant pool, resulting in a more diversified group of applicants for posted ALJ positions.

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**Table 1. EEOC/SOAH Workforce Utilization Analysis
AFRICAN AMERICANS**

	State Civilian Workforce		SOAH Workforce		Underutilization (% Under)
	Number	Percentage	Number	Percentage	
Official/Administrator	136,065	9.0%	1	12.50%	No
Professional	204,843	11.7%	2	3.15%	6.21%
Technical	46,248	17.0%	1	100.00%	No
Protective Services	***	***	N/A	N/A	N/A
Para-Professional	***	***	1	20.0%	No
Administrative Support	352,526	13.2%	6.5	17.69%	No
Skilled Crafts	70,644	5.1%	N/A	N/A	N/A
Service and Maintenance	505,964	12.8%	N/A	N/A	N/A

HISPANIC AMERICANS

	State Civilian Workforce		SOAH Workforce		Underutilization (% Under)
	Number	Percentage	Number	Percentage	
Official/Administrator	359,348	23.7%	0	0.0%	18.96%
Professional	349,330	19.9%	7.25	11.42%	4.50%
Technical	73,329	27.0%	0	0%	21.60%
Protective Services	***	***	N/A	N/A	N/A
Para-Professional	***	***	2	50%	No
Administrative Support	855,907	31.9%	13.5	36.73%	No
Skilled Crafts	652,911	46.9%	N/A	N/A	N/A
Service and Maintenance	1,763,866	44.8%	N/A	N/A	N/A

FEMALES

	State Civilian Workforce		SOAH Workforce		Underutilization (% Under)
	Number	Percentage	Number	Percentage	
Official/Administrator	692,404	38.8%	6	62.50%	No
Professional	1,195,014	54.5%	29.75	48.43%	No
Technical	167,536	55.6%	0	0.0%	44.48%
Protective Services	***	***	N/A	N/A	N/A
Para-Professional	***	***	4	100.0%	No
Administrative Support	1,890,200	66.2%	35.5	91.84%	No
Skilled Crafts	66,720	5.1%	N/A	N/A	N/A
Service and Maintenance	1,443,400	39.7%	N/A	N/A	N/A

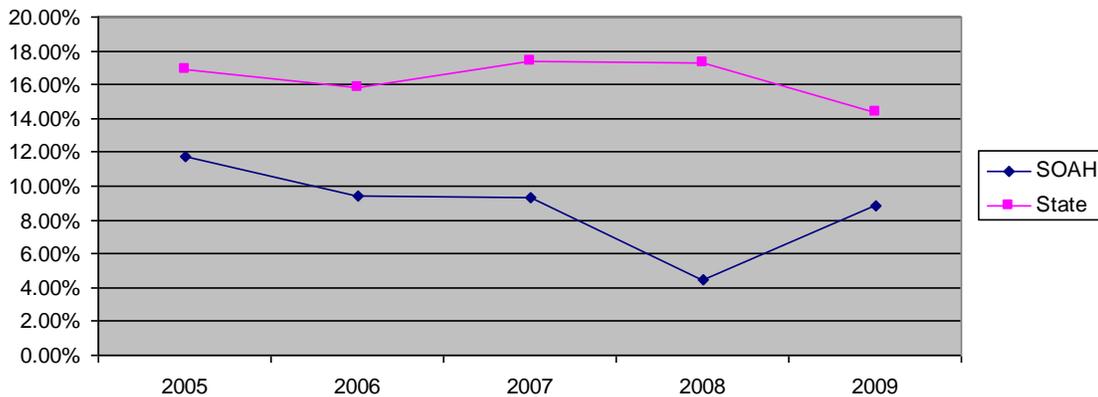
Statewide Civilian Workforce statistics for Paraprofessional and Protective Services are no longer provided by DOL.

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Employee Turnover:

Significant employee turnover impacts any organization, and SOAH is no exception. However, the agency has decreased its turnover rate significantly in recent years. During FY2005, SOAH's turnover rate was 11.7%, over five percentage points lower than the FY2005 statewide average of 16.9%. The rate dropped in FY2006 to 9.4%, again significantly lower than the statewide 15.8%. The rate remained level in FY2007 at 9.3%, and remained much lower than the 17.4% statewide turnover rate. SOAH's turnover rate dropped drastically in FY2008 to 4.5% while the statewide average was 17.3%. Although SOAH's turnover rose again in FY2009 to 8.8%, it was still much lower than the statewide average of 14.4%. The following graph compares the average SOAH turnover to that of the State over the last five years.

TURNOVER RATE - AGENCY TOTAL



Length of Service:

The greatest percentage of employee turnover experienced in FY2009 was among employees with more than 2 years service but less than five years. Turnover in this bracket was 15.4%. Turnover in the "less than 2 years" group was only 4.8%, compared to the statewide rate of 28.29% in that category. SOAH's 6.7% rate in the "5 - 10 years" bracket was only slightly higher than the statewide rate of 6.3%. The rate of turnover for employees with more than ten years service but less than 15 years increased sharply from 2.63% in FY2008 to 9.9% in FY2009. This trend is expected to continue as more employees reach retirement age. There was no turnover in the fifteen years and over bracket. This is most likely attributed to the fact that SOAH is still a relatively young agency and only 2.4% of the staff had more than fifteen years service in FY2009. SOAH continues to provide meaningful training and to implement retention strategies which will provide incentives to keep these more experienced employees within SOAH's workforce.

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Length of Service related to Turnover and Agency Workforce, 8/31/2009				
	SOAH Turnover Rate	State Turnover Rate	SOAH % Current Workforce	State % Current Workforce
Less than 2 years	4.8%	28.3%	18.5%	29.3%
2 - 5 years	15.4%	10.9%	17.2%	30.3%
5 - 10 years	6.7%	6.3%	26.3%	17.5%
10 - 15 years	9.9%	6.2%	35.5%	10.7%
15 - 20 years	0%	6.4%	2.4%	6.7%

Age:

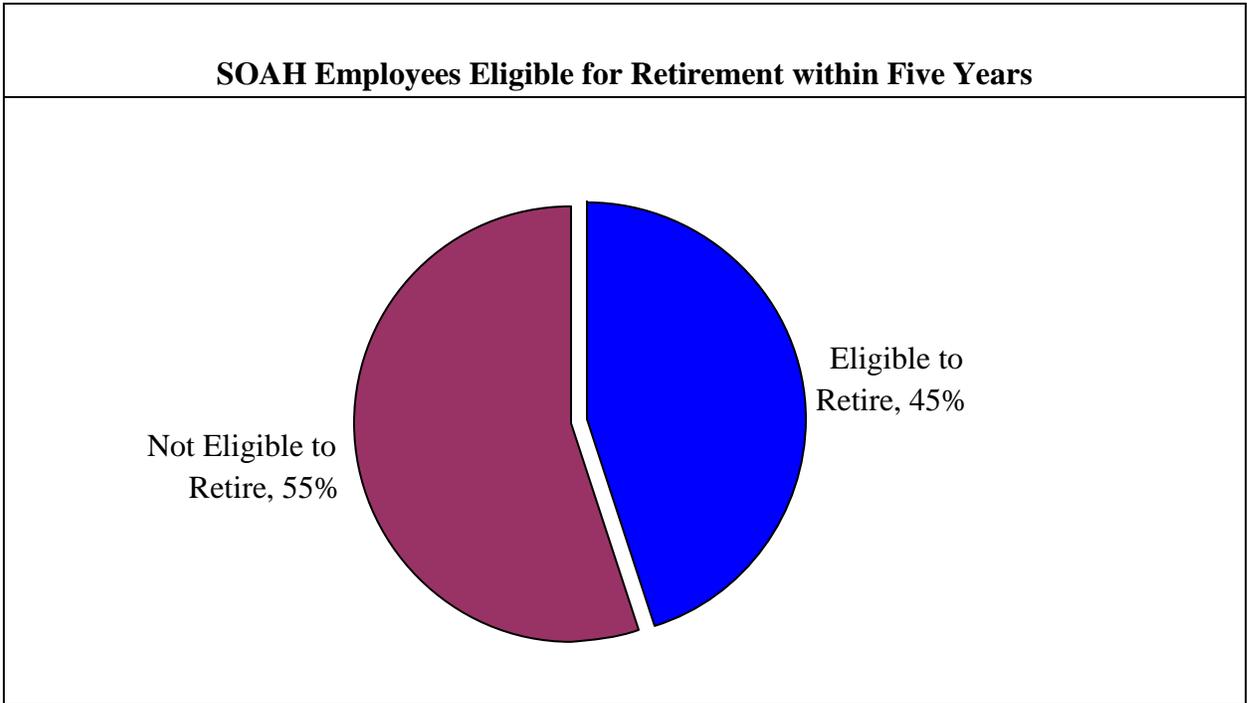
SOAH's turnover rate is substantially lower than the statewide rate in most age categories. SOAH employs a much higher percentage of employees who are over forty years of age than the statewide average.

Age related to Turnover and Agency Workforce, 8/31/2009				
	SOAH Turnover Rate	State Turnover Rate	SOAH % Current Workforce	State % Current Workforce
Under 30	0%	32.5%	5.7%	15.7%
30 - 39 years	8.0%	13.8%	11.0%	21.6%
40 - 49 years	5.3%	8.0%	33.3%	28.0%
50 - 59 years	4.7%	10.1%	37.3%	25.8%
60 - 69 years	35.1%	17.3%	12.6%	8.3%

Percentage of Workforce Eligible to Retire within the next five years:

SOAH currently has approximately 51 employees (45% of the Office's current workforce) who will meet retirement eligibility requirements within the next five years. Of these employees, 35 (69% of those eligible) are ALJs. While all areas of the agency are likely to be impacted by retiring staff, the greatest impact will most likely be among the Administrative Law Judges. Over the next five years retirement separations will become a critical issue because of the potential loss of institutional knowledge, key positions, and expertise due to the large number (38%) of current employees with ten or more years of service with the agency. Many of the employees with ten or more years of service include the employees who participated in the creation and establishment of the agency within its first three years of existence, and it is important to ensure that this knowledge and organizational experience is not lost.

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Projected Employee Five-Year Turnover Rate:

Based on the average turnover rate within SOAH during the past five years, the projected turnover rate for the Office for the next five years is 8.74%. Although SOAH’s turnover rate is far below that of the statewide rate, the number of employees who will become eligible for retirement will most likely significantly increase the turnover rate.

Workforce Skills Critical to the Mission and Goals of the Agency:

SOAH employs primarily five occupational categories: legal, information technology, hearings support, fiscal (accounting and finance), and human resources. Several critical skills have been identified that are vital to maintaining SOAH’s ability to accomplish its mission. These skills include:

- *Case Management*
- *Presiding Skills*
- *Writing Skills*
- *Customer Service*
- *Timeliness*
- *Technical Expertise*
- *Decision Making*
- *Integrity/Honesty*
- *Teamwork*
- *Flexibility*
- *Management Skills*
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Based on workforce analysis, SOAH personnel currently exhibit competence within the intermediate to advanced level in the occupational categories for most of the critical competencies.

Future Workforce Profile

The demand for the services of the agency will remain constant or will grow in general relation to the population of the state unless legislative actions require a different administrative hearings process or transfer additional agencies to or from SOAH's jurisdiction. Although the agency cannot forecast the changes with confidence, it can and does continue to evaluate its policies and procedures to enhance the delivery of the services it provides.

It is anticipated that the amendment of Chapter 2003 of the Government Code by HB 3612 which creates a pilot program authorizing SOAH to hear appeals from certain appraisal review board determinations in selected counties may have a substantial impact on the agency. SOAH may limit the number of cases accepted under the program to 1,000 per year. While some, perhaps many, appeals will settle, SOAH projects that those that don't settle will require an average of fifteen hours of Administrative Law Judge time for travel, conducting the hearing and preparing a written decision.

Future Workforce Skills Needed:

- More efficient methods to manage the caseload
- Increased use of technology to provide public access to the hearings process, to provide for more efficient filings, employee training, and reduced travel
- Continued improvement in writing skills for non-ALJ employees
- Improved management skills for team leaders and non-ALJ managers

Anticipated Increase/Decrease in Number of Employees Needed to do the Work:

No overall increase is expected in the number of authorized full time employees (FTE) absent transfer of additional agencies or hearings.

It is anticipated that the amendment of Chapter 2003 of the Government Code by HB 3612, referred above, may have a substantial impact on the agency. It is likely that SOAH will need to fill its existing vacancies in order to efficiently process this workload increase.

Functions Critical to the Success of the Strategic Plan:

All SOAH employees are seen as valued capital assets and all contribute in some fashion to the success of the agency's mission. The following functions of these employees have been identified as those that are most critical to the accomplishment of SOAH's strategic plan.

- *Conducting Hearings*
- *Mediations*
- *Docketing*
- *Issuance of Proposals for Decision*
- *Processing of Appeals*

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GAP ANALYSIS

ANTICIPATED SHORTAGE OF WORKERS OR SKILLS:

Collaboration with management personnel and analysis of the statistical data presented in this plan identify four main shortfalls:

- Difficulty in retaining administrative support staff
- Need to increase the diversity of the agency
- Need for continued staff training and development
- Potential loss of knowledge, skills and abilities due to retirement

SOAH has determined that retention of current employees and recruitment of qualified future employees remain a priority for the agency. It is important to note there is not a direct correlation between the job categories with the highest turnover and those who are eligible for retirement. Those most likely to separate from the agency for reasons other than retirement are those in administrative support job categories as opposed to those in professional and management positions. However, it is important for the agency to prepare for key talent and knowledge drain when those eligible for retirement opt to leave SOAH.

The Administrative Assistant category has consistently had a higher rate of turnover within the agency compared to other job classes. In FY 2009, SOAH’s employee turnover rate in this category was 11.4%, an increase of 3.1% compared to the category’s FY 2008 turnover rate. Eight administrative assistants (33% of this group) will be eligible for retirement within the next five years. A higher rate of retention of these workers will result in efficiencies which could be lost during training of replacement employees and will enhance the continuance of institutional knowledge.

Gap	Higher turnover in the administrative support category of employees
Goal	Develop a Human Resources plan to improve recruitment and retention of administrative support employees.
Rationale	Development of a plan and implementation of improved recruitment methods, in-house training, and mentoring of new employees should give incentive to employees to seek advancement within the agency rather than leaving to find advancement.
Action Steps	<ul style="list-style-type: none">• Continue to monitor success of the career ladder for Administrative Assistants• Seek out new sources of training and development to allow staff to develop and improve knowledge, skills and abilities• Continue to devise and implement new non-pay based retention strategies which create a culture conducive to increased longevity of current staff• Strive to maintain salaries that are competitive with those in other state agencies.

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SOAH is committed to strengthening the diversity of its workforce.

Gap	Lack of recommended levels of diversity exists in some job categories.
Goal	Develop a Human Resources plan to improve diversity of staff
Rationale	Development of a plan and implementation of improved recruitment methods should provide a more diverse applicant pool in the areas of underutilization.
Action Steps	<ul style="list-style-type: none"> • Promote the agency and network with law schools and community organizations; • Enlarge the intern program to include minority law schools; • Develop mandatory training to assist managers and supervisors in recruiting quality staff

Management has identified the need for non-ALJ employees to increase proficiency in writing skills.

Gap	Employees currently possess a need to develop and enhance writing skills.
Goal	Develop a Human Resources program to provide employees with training in all areas of verbal and written communication
Rationale	Providing employee training in writing skills will increase the quality of the work product produced by legal assistant and support staff, reducing the time spent on revisions to the written product.
Action Steps	<ul style="list-style-type: none"> • Seek out and provide training which concentrates on legal and technical writing skills • Develop a career ladder designed to incorporate proficiency in writing skills for legal assistants

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SOAH must be prepared for the potential loss of knowledge, skills and abilities due to retirement of its employees.

Gap	The potential for loss of knowledge, skills and abilities exists due to retirement of SOAH personnel.
Goal	Lessen the potential negative effect of retirement of experienced staff by recruiting highly qualified ALJ and support staff candidates and continuing to train current staff in preparation of succession into more responsible positions.
Rationale	Training current staff for promotion into team leader and management positions will increase the qualified pool of employees who may move into those positions. Recruiting highly qualified ALJ and support staff candidates will decrease the amount of time needed for training to bring the staff up to the level of competence needed for job success.
Action Steps	<ul style="list-style-type: none">• Continue to seek out and recruit highly qualified ALJ and support staff candidates through the use of the statewide Work in Texas tool as well as other recruiting sources• Continue to cross-train ALJs through the use of home teams and assignments with selected teams• Use management training resources to further develop management skills within the agency management staff to allow succession into higher level management positions.

STRATEGY DEVELOPMENT

SUCCESSION PLAN:

SOAH continues to develop its plan to ensure the continuous flow of competent leaders and staff to perform all critical functions that support the agency's mission. The agency has recognized the need for the transference of knowledge in mission critical areas and has incorporated a system for ensuring that this knowledge is not lost. Factors that Management and Human Resources have considered during this development process include the need for replacement of key management and staff personnel who may be lost due to retirement or other turnover. To facilitate the transference of knowledge and provide for well developed, qualified, ongoing leadership, the agency has taken the following action steps:

- *Mentoring, coaching and cross-training practices*
- *Designed Team Leader and Team Leader back-up positions to provide management training for potential management candidates*
- *Implementation of career ladders to allow for advancement from entry and mid-level positions*
- *Developed meaningful performance evaluations which help to identify potential management candidates*
- *Provided staff career development focusing on management skills*
- *Incorporated knowledge transfer processes*
- *Recruitment of highly qualified candidates to fill vacancies*
- *Identification of personnel with high potential for management success*

The success of continuity planning is greatly affected by an agency's rate of retention of highly qualified personnel with valuable skills. SOAH is committed to the retention of its high performing staff and has implemented the following retention strategies.

- *Adequate salaries and merit increases*
- *Desirable work culture and conditions*
- *Integrating staff development with career ladders*
- *Meaningful performance reviews*
- *Flexible work hours*
- *Tele-working*
- *Recognition Programs*
- *Promotion of State benefits*
- *Employee Assistance Program (when funding becomes available)*
- *Focus on development of employee wellness initiatives*
- *Agency support of work/life balance*

Executive support of the agency's succession plan will ensure that highly qualified employees will be prepared to transition into leadership and mission critical positions in the future. SOAH is committed to successful preparation for future workforce needs.