

APPENDIX E
Texas Lottery Commission
Workforce Plan
FY 2013-2017

I. OVERVIEW

AGENCY VISION

To be the preeminent Lottery and Charitable Bingo agency through innovative leadership.

AGENCY MISSION

Texas Lottery: The Texas Lottery is committed to generating revenue for the state of Texas through the responsible management and sale of entertaining lottery products. The Texas Lottery will incorporate the highest standards of security and integrity, set and achieve challenging goals, provide quality customer service and utilize a TEAM approach.

Charitable Bingo: Provide authorized organizations the opportunity to raise funds for their charitable purposes by conducting bingo. Determine that all charitable bingo funds are used for a lawful purpose. Promote and maintain the integrity of the charitable bingo industry throughout Texas.

AGENCY CORE VALUES

Integrity and Responsibility - The Commission works hard to maintain the public trust by protecting and ensuring the security of our lottery games, systems, drawings and operational facilities. We value and require ethical behavior by our employees, licensees and vendors. We promote the integrity of charitable bingo in Texas for the benefit of charitable organizations.

Innovation - We strive to incorporate innovation into our products to provide the citizens of Texas with the best entertainment experience available through our products. We pursue the use of technology that enhances the services that we provide to our customers and reduces our operating expenses.

Fiscal Accountability - We emphasize fiscal accountability by ensuring that all expenditures directly or indirectly generate revenue, enhance security, fulfill regulatory requirements, improve customer service and/or boost productivity. We recognize our responsibility in generating revenue for the state of Texas without unduly influencing players to participate in our games. We maximize benefits to charities through the continual examination and review of charitable bingo operations.

Customer Responsiveness - The Commission takes pride in providing exemplary service to the people of Texas through the courteous dissemination of clear and accurate information about our

products, services and regulatory functions. We seek and respond to feedback expressed by our employees, retailers, licensees and the playing and non-playing public. We apply this feedback in the development of our products and in the services that we provide.

Teamwork - We are committed to creating an environment of mutual respect where open, honest communication is our cornerstone. We embrace the diversity of our team and individual perspectives in working together to achieve our common goals.

Excellence - We strive for excellence by taking a position of leadership on issues that impact the Commission and achieve challenging goals by focusing on our core values.

STRATEGIC GOALS AND OBJECTIVES:

A. GOAL: Operate Lottery. Generate revenue for the state of Texas through the responsible management and sale of entertaining lottery products, while incorporating the highest standards of security and integrity.

OBJECTIVE: Promote and maintain an eligible, effective and productive retailer base in order to produce revenue for the state; maintain ticket sales and awareness of lottery products to produce revenue for the state; administer all games with the utmost security and integrity; and oversee major contractual obligations unique to a state lottery operation.

B. GOAL: Enforce Bingo Laws. Timely and fairly enforce all statutes and regulations relating to charitable bingo to determine that all proceeds derived from bingo are used for a lawful purpose and charitable bingo games are conducted fairly.

OBJECTIVE: Process, investigate and evaluate all bingo applications efficiently; promote voluntary compliance with all applicable bingo statutes and regulations; process all quarterly reports and payments filed by licensees, and assign disciplinary action to violators of the statutes and regulations.

FUNCTIONS

The Texas Lottery Commission has two main functions:

The Texas Lottery Commission is charged under the State Lottery Act with administering Texas Lottery games in an efficient and secure manner using appropriate marketing tools and innovative technology to generate revenue for the state of Texas while enhancing public confidence in the integrity and fairness of the games.

The Charitable Bingo Operations Division is charged under the Bingo Enabling Act with the regulation and administration of all charitable bingo-related activities in the state of Texas and contributes to the regulatory and tax and revenue collection functions of the agency. The division

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licenses all bingo-related activities; collects taxes and prize fees generated from the conduct of charitable bingo; audits bingo licensees; conducts tests on bingo products intended for use in Texas, such as bingo paper, pull-tabs and electronic equipment; and makes quarterly allocations to local units of government for their share of the prize fees collected.

STRUCTURE

The three-member Texas Lottery Commission sets policy, promulgates rules for the agency, and performs all other duties required by law. The Governor appoints Commission members, with the advice and consent of the state Senate, to staggered six-year terms. One member must have experience in the bingo industry.

Commission members serve without salary, but are entitled to reimbursement for actual and necessary expenses incurred in performing commission member duties, subject to any applicable limitation in the General Appropriations Act.

The Executive Director, the Charitable Bingo Operations Division Director, and the Internal Audit Director are appointed by and report to the three-member Commission. The Texas Lottery Commission Executive Director provides leadership to eight divisions within the agency, ensuring that staff carries out applicable state law and Commission policies. The Charitable Bingo Operations Director is responsible for the day-to-day operations relating to the regulation of charitable bingo, ensuring that the staff carries out applicable state law and Commission policies. The Internal Audit Director works to ensure that internal and external controls are adequate to improve the efficiency and effectiveness of the Texas Lottery Commission.

The agency is divided into 11 divisions: Administration, Charitable Bingo Operations, Enforcement, Executive, Governmental Affairs, Human Resources, Internal Audit, Legal Services, Lottery Operations, Media Relations and the Office of the Controller.

ANTICIPATED CHANGES TO THE MISSION, STRATEGIES, AND GOALS

The Texas Lottery Commission anticipates no major changes to its mission, strategies and goals over the next five years. However, the agency stands ready to adapt to any changes that may be required by legislation.

**TABLE E-1
POSITION ALLOCATION, BY DIVISION**

DIVISION	FTE
ADMINISTRATION	68
CHARITABLE BINGO OPERATIONS	33
ENFORCEMENT	16
EXECUTIVE	3
GOVERNMENTAL AFFAIRS	4
HUMAN RESOURCES	7
INTERNAL AUDIT	6
LEGAL SERVICES	16.5
LOTTERY OPERATIONS	127
MEDIA RELATIONS	7
OFFICE OF THE CONTROLLER	22
TOTAL	309.5

Source: Texas Lottery Commission

II. Current Workforce Profile (Supply Analysis)

A. Critical Workforce Skills

The Texas Lottery Commission has 309.5 full-time equivalent (FTE) positions allocated to accomplish the work performed in each of its divisions. Although the agency has many talented and qualified employees, there are knowledge bases, skill sets, and abilities that are critical to the agency's key business functions, and that also are critical to the agency's mission. They are listed below:

- Leadership and management skills
- Ability to effectively communicate
- Sense of teamwork
- Innovative thinking
- Strategic planning expertise
- Ability to analyze and solve problems
- Interpersonal sensitivity
- Customer service orientation
- Proficiency in negotiation strategies and techniques
- Contract management skills
- Financial management, financial analysis and accounting theory expertise
- Competency in state purchasing and procurement
- General and state agency auditing capabilities
- Expertise in regulation and enforcement of licensees, including processing of licensee applications and fees
- Ability to monitor legislation and serve as a resource to the Texas Legislature
- Computer literacy
- Software proficiency
- Web development and maintenance expertise
- Application development capabilities
- Business continuity planning expertise
- Facility operations and security skills
- Advertising and promotions expertise
- Proficiency in research and analysis
- General and administrative law expertise
- Investigative skills
- Ability to interpret and enforce statutes, administrative rules, policies and procedures

B. Workforce Demographics

The Texas Lottery Commission takes pride in the diversity of its workforce, which is illustrated in Tables 2, 3 and 4. The agency's workforce composition at the end of FY 2011 was: 11.8 percent African American, 29.2 percent Hispanic, 56.2 percent White and 2 percent Asian. During the same time period, the agency's staff was 63.8 percent female and 36.2 percent male, and 79 percent of the workforce was more than 40 years of age.

**TABLE E-2
AGE OF EMPLOYEES
(FY 2011 AVERAGE)**

LESS THAN 30	4%
BETWEEN 30 AND 40	17%
BETWEEN 40 AND 50	36%
BETWEEN 50 AND 60	31%
MORE THAN 60	12%

Source: Uniform Statewide Payroll/Personnel System (USPS)

**TABLE E-3
EMPLOYEE ETHNIC AND GENDER REPRESENTATION (FY 2011 AVERAGE)**

GENDER	AFRICAN AMERICAN	HISPANIC	WHITE	ASIAN	INDIAN	TOTAL
FEMALES	8.51%	20.36%	33.74%	1.22%	0	63.83%
MALES	3.34%	8.82%	22.49%	1.22%	.3%	36.17%
TOTAL	11.85%	29.18%	56.23%	2.44%	.3	100%

Source: Uniform Statewide Payroll/Personnel System (USPS)

**TABLE E-4
WORKFORCE DIVERSITY DATA (FY 2011 AVERAGE)**

JOB CATEGORY	AFRICAN AMERICAN	HISPANIC	FEMALE
OFFICIALS AND ADMINISTRATORS (12)	8%	17%	50%
ADMINISTRATIVE SUPPORT (52)	15%	40%	83%
PROFESSIONALS (103)	11%	17%	54%
PARAPROFESSIONALS (134)	13%	37%	69%
TECHNICIANS (28)	7%	21%	43%

Source: Uniform Statewide Payroll/Personnel System (USPS)

C. Employee Turnover

The Texas Lottery Commission remains mindful of employee turnover and its effect on the cost of operations. The agency's turnover rate has been below that of the state's average. Table E-5 compares the agency's turnover rates with that of the state average turnover rate for the past five years.

**TABLE E-5
TURNOVER RATES**

YEARS	2006	2007	2008	2009	2010
TEXAS LOTTERY	6.1%	9.2%	5.7%	5.0%	4.0%
STATEWIDE	15.8%	17.4%	17.3%	14.4%	14.6%

Source: SAO Electronic Classification Analysis System

D. Retirement Eligible Employees

In FY 2013 through 2017, approximately 101 current employees are projected to be eligible to retire based on the rule of 80 – years of age and years of service adding up to 80 – and at least 10 years of state service. An additional three current employees who will not qualify to retire under the rule of 80, are projected to have at least 10 years of service and be eligible to retire and receive health insurance benefits at age 65. Approximately 13 other current Texas Lottery Commission employees are projected to be eligible to retire at age 60 – with a minimum of five years of service – and receive at least the minimum annuity, but no health insurance, from the Employees Retirement System.

III. FUTURE WORKFORCE PROFILE (DEMAND ANALYSIS)

A. Expected Workforce Changes

With technological advances, the information needs and expectations of the public continue to expand. The agency must continue to develop the skills of current workers and identify future workforce skill sets necessary to serve these needs. In addition, the agency will continue to use technology to revise and streamline work processes and provide Web-related services. Any additional legislative changes could expand or modify the workforce needs and FTE requirements of the agency.

B. Future Critical Functions

The Texas Lottery Commission does not currently anticipate changes to the current critical functions needed to achieve the goals of the 2013 – 2017 Strategic Plan. However, legislative changes could affect agency functions by having an impact on lottery game offerings or charitable bingo initiatives. As new technology is applied to agency processes, certain job functions may be performed differently.

C. Future Workforce Skills Needed

All of the current critical skills listed in Section II will continue to be needed and, as technology moves ahead, advanced competencies in these skills will need to be obtained and maintained.

D. Anticipated Increase in Number of Employees to Do the Work

If additional programs or responsibilities are added to the functions of the agency, then additional staffing levels and workforce composition might need to be considered. For example, three charitable-bingo related proposals have been discussed during recent legislative sessions: Multi-Hall Bingo, Instant Bingo Card Minding Devices, and the authorization of the conduct of charity poker tournaments. If passed, these initiatives would require additional skills and staff.

Similarly, if Keno, video lottery, or other legalized gaming is approved and the Texas Lottery Commission is the implementing/regulatory agency, there may be a need for additional staff. If the number of lottery game drawings is increased, additional staff might be needed as well.

IV. GAP ANALYSIS

The Texas Lottery Commission has sufficient staff and expertise to accomplish the agency's current mission, goals and objectives. Any legislative changes to the current programs of the Texas Lottery Commission would require a reexamination of the agency's workforce to identify gaps in knowledge, experience and resources. The Texas Lottery Commission does not anticipate any changes occurring that would require reduction in current skill sets.

V. STRATEGY DEVELOPMENT

It is the policy of the Texas Lottery Commission to encourage all employees to continually improve their job skills; to be more productive and knowledgeable within their current job assignment; and to prepare for the possibility of future assignments.

The Texas Lottery Commission trains its workforce to acquire and implement the skills outlined in Section II of this appendix. Additional competency gaps identified for existing staff will be addressed through internal and external training, e-training initiatives, and continuing education programs offered through colleges and mentoring programs.

Employee retention is of equal importance. The agency maintains a number of programs to retain qualified employees, including alternative work schedules, tuition reimbursement, merit salary increases, employee service recognition, and continuing education programs. The agency's

Tuition Reimbursement Program provides financial assistance to employees who wish to improve or supplement their knowledge and skills by attending classes at colleges, community colleges, universities or technical schools.

Recruitment strategies such as participation in WorkinTexas.com for Internet job posting, and listing selected jobs in metropolitan job market newspapers are used to ensure broad-based applicant pools.

Conclusion:

The Texas Lottery Commission evaluates and attempts to forecast future shortages and surpluses in agency skills requirements. Whenever possible, the agency's management adjusts to these skill requirement changes in an appropriate and timely manner to ensure that staff and skills are appropriately matched to agency needs.