

Workforce Plan

I. Current Workforce Profile (Supply Analysis)

Critical Workforce Skills

TEA provides leadership, resources, and guidance for Texas LEAs. The following areas of professional knowledge and expertise are critical to perform TEA's core business functions:

- Accreditation and School Improvement
- Assessment and Accountability
- Data Analysis
- Educator Leadership and Quality
- Finance and Administration
- Grants and Fiscal Compliance
- Information Technology Services
- Policy and Programs
- Standards and Programs
- Texas Permanent School Fund

Further, additional critical workforce skills include change management; strategy development, implementation, and evaluation; teamwork; and communication.

TEA's goal is to attract and retain a workforce that enables TEA to accomplish its mission. TEA attracts employees from LEAs and many other educational organizations. This provides these employees an opportunity to obtain experience in a statewide role and then potentially return to the schools in an administrative capacity. Additionally, TEA attracts employees who have retired from the Teacher Retirement System and come to TEA for a second career opportunity under the Employees' Retirement System.

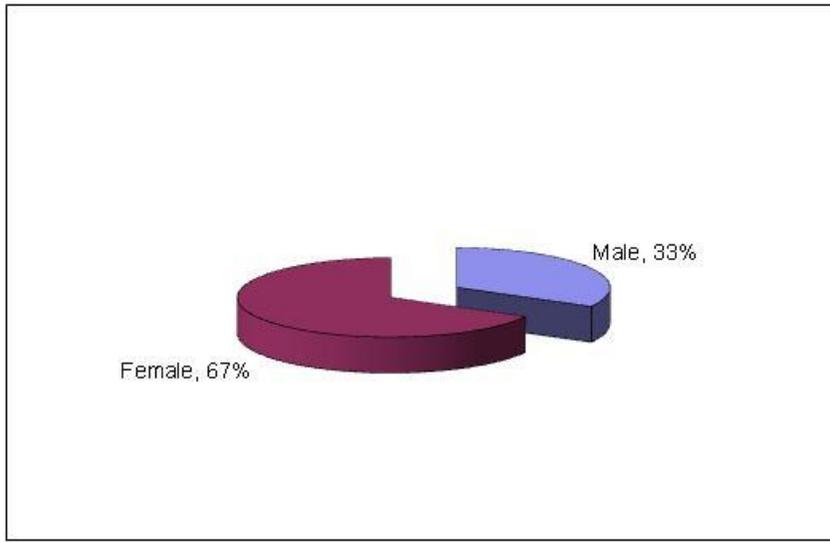
In 2007, TEA implemented an online job posting and recruiting system. This system has created national exposure for TEA's job opportunities. Additional job advertising in educational and professional association publications is used to target applicants with the professional knowledge and expertise TEA needs.

Workforce Demographics

Gender

Figure 5 illustrates TEA's workforce as of March 1, 2012. 67% of TEA's employees are female and 33% are male. A large proportion of the workforce consists of former educators.

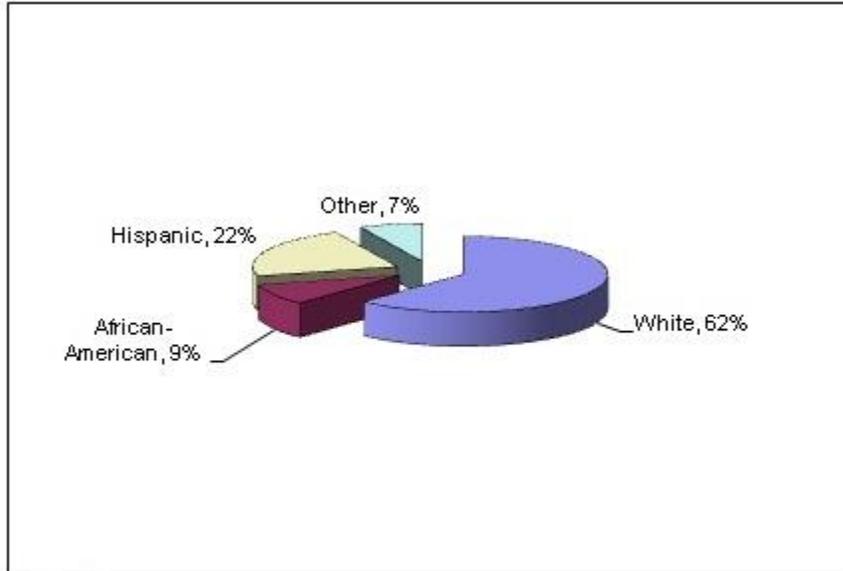
Figure 1: TEA Workforce by Gender



Ethnicity

As Figure 6 illustrates, just under two-thirds (62%) of TEA’s workforce is white, while 22% is Hispanic and 9% is African American. The remaining 7% of the TEA workforce represents other racial and ethnic origins.

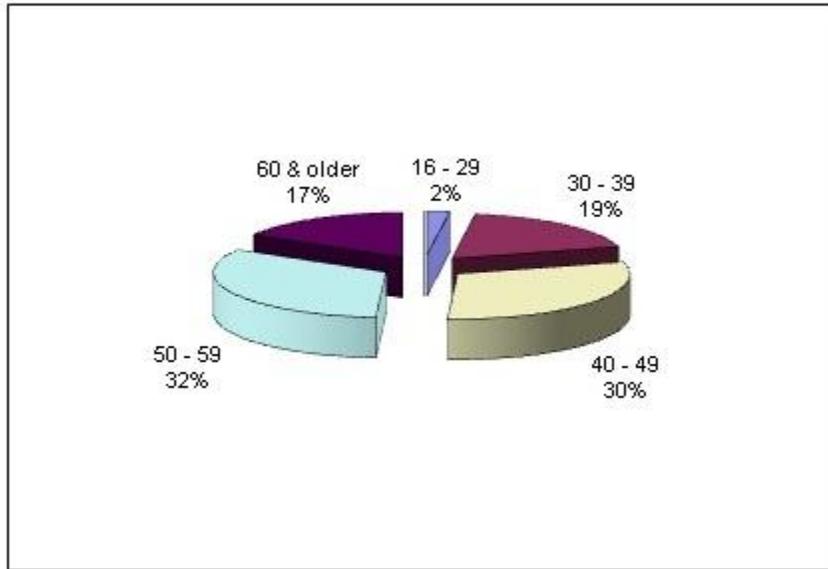
Figure 2: TEA Workforce by Ethnicity



Age

Over three-quarters (79%) of TEA’s workforce is over the age of 40, with 49% of the workforce over the age of 50 (see Figure 7). Many of TEA’s education-related professional positions require several years of public school education experience, which is a contributing factor to the high average age of the workforce.

Figure 3: TEA Workforce by Age



Employee Turnover

The comparison of the State’s employee turnover data vs. TEA’s turnover data for fiscal years 2007–2011 is depicted in Table 10 below

Table 1: TEA Employee Turnover Rate by Year

Fiscal Year	State	TEA
2007	17.4%	12.0%
2008	17.3%	11.0%
2009	14.4%	8.0%
2010	14.6%	9.0%
2011	16.8%	40.0%

Source: Texas Workforce Commission¹

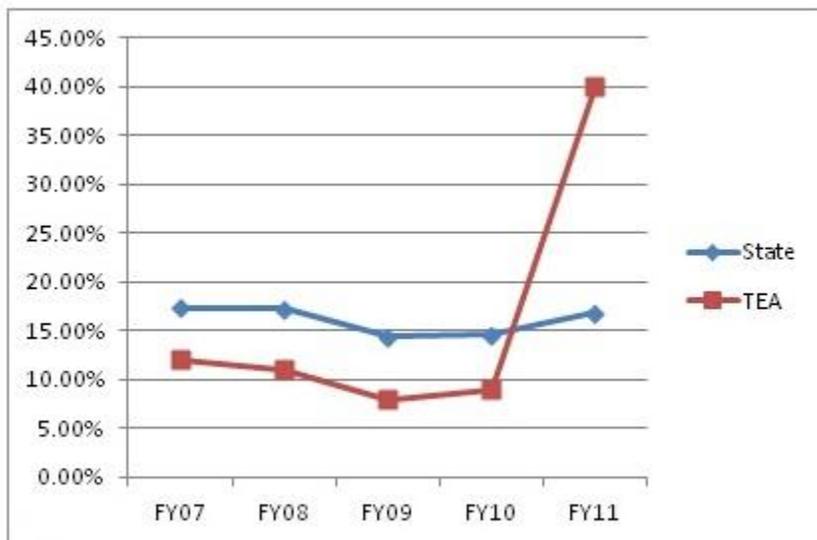
TEA’s turnover rate for the past several years has consistently been below the state’s turnover rate except for FY 2011. The agency experienced quite a difficult year in FY 2011. Due to the budgetary constraints, the agency had to make some very difficult decisions and experienced two reductions in force. Had there not been a reduction in force, the turnover rate would have been 13% for FY 2011. The agency had 269 employees who were affected by the reduction in force. The first phase took place in April of 2011 in which 91 employees were affected by the RIF. The second phase took place in August 2011 and 178 employees were affected by this RIF which included 41 employees who volunteered for the RIF. Out of the 41 employees who volunteered for the RIF, approximately 28 elected to retire. The State Auditor’s report noted that TEA

¹ Texas Workforce Commission. Texas Long-term Occupation Projections (online), http://www.tracer2.com/admin/uploadedPublications/826_826_Tx_OCC.XLS, Austin, TX: Texas Workforce Commission, Department of Labor Market and Career Information, May 2012.

experienced the highest turnover rate of 40% among state agencies with 1,000 or more employees in FY 2011 with over 60% of TEA's separations due to reductions in force.

According to a state auditor's report, the state's average turnover rate of 16.8% for fiscal year 2011 was the highest turnover rate for the state since FY 2008. This report indicates several reasons that may have contributed to the state's increasing turnover rate. These factors include an increase in the number of employees retiring. According to the report, retirements have increased by 40.6% over the past five fiscal years. Many employees were concerned about the stability of their respective agencies due to budget cuts. The exit surveys support this was a reason that some employees resigned their positions. There was a reduction in merit pay which also was a contributing factor in employees choosing to leave state government. TEA did place a hold on the merit program in the second quarter of FY 2011 for much of the same reasons. 29.6% of the involuntary state separations were primarily due to reductions in force. See Figure 8 which depicts the State's turnover vs. TEA's turnover in a graph.

Figure 4: Employee Turnover Rate – TEA vs. State



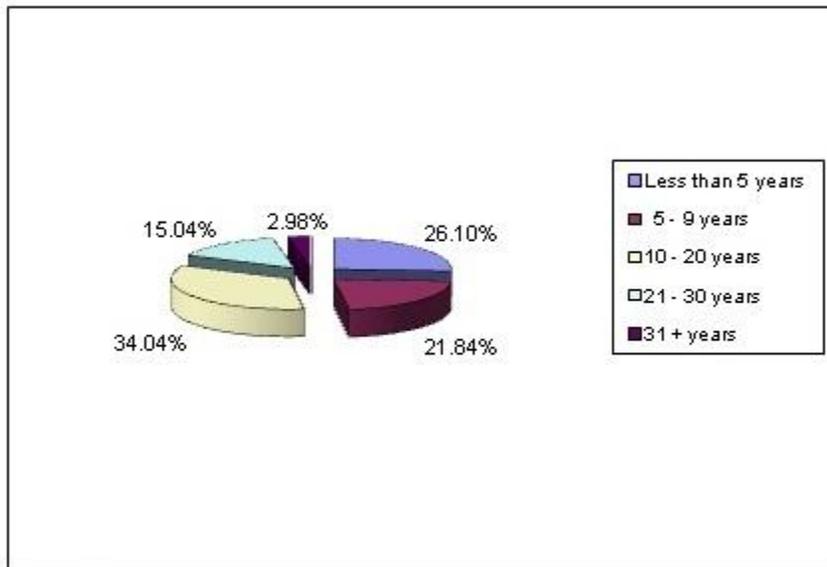
TEA provides various incentive/retention programs to help promote longer tenure, including the pay-for-performance merit system; one-time merits; a tuition reimbursement program; employee service awards; teleworking/telecommuting; compressed work hours; alternate work schedules, and an employee assistance program. TEA's Quality Workplace Committee, made up of administrative to mid-level professional staff, responds to employee concerns regarding workplace issues or problems and recommends solutions, thus providing another mechanism for reducing employee turnover.

The Wellness Program created in September 2009 as authorized in HB 1297 is a very worthwhile benefit of which employees are able to take advantage. The Wellness Program implemented at TEA allows 30 minutes of physical activity three days a week to be incorporated into an employee's work schedule. This is another benefit designed not only to reduce turnover but also to improve employee productivity and morale.

Tenure

About 26% of TEA’s workforce have been with the agency for less than five years, while 22% have been employed for five to nine years, and 34% have been employed from 10 to 20 years. Of the remainder, 15% of TEA’s employees have worked for the agency between 20 and 30 years, and 3% have worked for the agency for over 30 years. (See Figure 9.)

Figure 5: TEA Workforce by Agency Tenure



Retirement

Figure 10 shows the percentage of the TEA workforce that will be eligible to retire in the near future. Approximately 22% of TEA’s authorized workforce is currently or will become eligible to retire within the next five years. The low percentage of actual retirements could be attributed to several factors, such as the state of the economy and a societal trend of people working longer. While the agency has been fortunate that fewer than the number of eligible employees have retired, should the eligible employees actually exercise their retirement option, the projected number of retirees would have a significant negative impact on TEA’s ability to perform its core functions.

With the potential loss of knowledge and expertise, TEA must continue to develop strategies both to encourage the retention of employees eligible to retire and compensate for the anticipated loss of knowledge and expertise. Some of these strategies to retain retirement-eligible employees include merits, promotions, flexible hours, work-life balance incentives and programs, teleworking/telecommuting, changes in job duties, and special project assignments.

TEA will also use other strategies to bridge the gap and attempt to minimize the impact of retiring employees and the associated loss of critical professional knowledge, expertise, and experience, including encourage retirees to mentor or coach coworkers; attempt to capture and codify knowledge from potential retirees; create teams to share content knowledge; rotate jobs so current staff in divisions are cross-trained by potential

retirees; and cross-train replacement staff in current eligible retirees' job functions. These strategies involve employing various techniques and methods such as utilizing knowledge management, training within divisions, sharing workflow processes, cross-training and exploring succession plans.

Figure 6: TEA Current Workforce Eligible for Retirement in FY 2013-2017

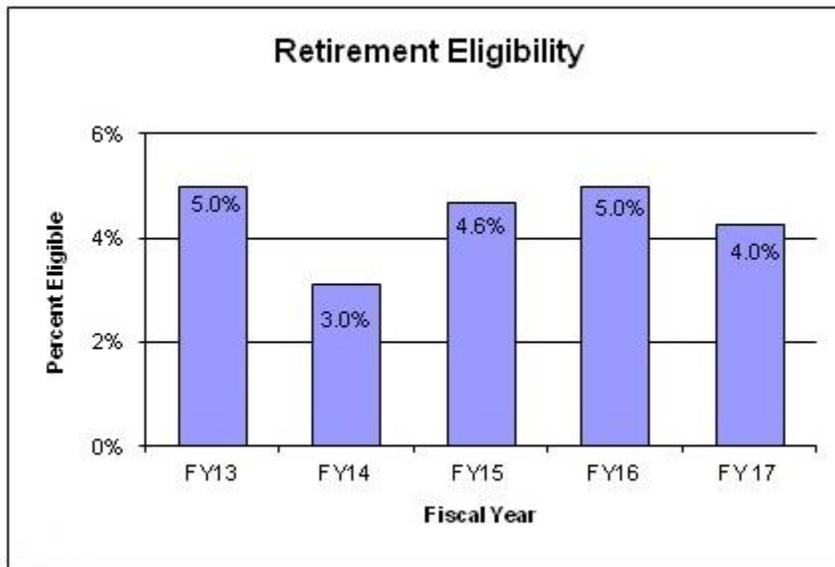


Table 11 shows the cumulative number and percentage of TEA employees who are eligible to retire in each of the next five years.

Table 2: Percent of TEA Employees Eligible to Retire by Year

	FY13	FY14	FY15	FY16	FY17
# of Employees Eligible to Retire	35	22	33	35	30
% of Workforce	5.0%	3.0%	4.6%	5.0%	4.0%
Cumulative # of Employees Eligible to Retire	35	57	90	125	155
Cumulative %	5.0%	8.0%	12.6%	17.6%	21.6%

II. Future Workforce Profile (Demand Analysis)

Given that almost 22% of the agency will be eligible to retire within the next five years and the financial constraints facing the state, TEA will continue to look at different ways of filling vacancies. Currently, the agency is using a Vacancy Management Process which enables TEA to better manage FTEs by posting both “traditional” FTE positions for those ongoing, critical agency functions while also posting “term” FTE positions (with specific employment start and end dates). This Vacancy Management Process includes a thorough review of requests to post vacancies. This review is conducted every week by the executive review team to determine if it is in the best interest of the agency to fill a

position. This process also helps the review team manage and control the number of FTE's being filled as well as the type of budgeted positions being requested to fill.

Recruiting highly skilled individuals will be very important, especially when attempting to replace knowledgeable retirees. It is important that TEA recruit smarter so that staff hiring is at the optimal level. Hiring managers will need to work with the HR division in order to assist with recruitment efforts especially for hard to fill postings. Some of the skill sets needed will be in leadership, management, systems analysis, planning, compliance, legal and research fields. TEA will continue to advertise in educational and professional association publications to target applicants with the professional knowledge and expertise needed for vacant positions. In addition, TEA will use various on-line advertising avenues such as electronic job boards, job banks, and on-line advertising as the need becomes available.

The HR division has begun a new on boarding process in which it will be interviewing new employees twice during their first year of employment. The time frame will be at 90 days and 270 days to help with the retention effort and support new employees entering the agency.

Expected Workforce Changes

TEA should be strategic in preparing for workforce changes, which include the following possibilities:

- Possible further decrease in number of FTE's due to state budgetary constraints
- An aging workforce, with almost 22% eligible to retire in the next five years
- Retirement of employees with significant historical knowledge and expertise
- Increased emphasis on the use of technology to accomplish core functions
- Increased training to bridge the gap and continuity of professional knowledge, expertise, and skill sets
- Increased emphasis on reaching various target audiences and skill sets for hard to fill positions

Anticipated Increase/Decrease in Number of Employees Needed to Perform Core Functions

2011 continued with the same FTE cap of 1038.8 as it was in FY 2010. The FTE cap for FY 2012 was reduced to 826 as a part of the budget reductions implemented during the last legislative session. As a result of those reductions, the agency experienced two reductions in force in FY 2012. There were 269 employees affected by this action. The agency is currently working at minimum capacity and any additional reductions would negatively impact TEA's ability to perform its core functions. The turnover rate for FY 2011 was 40% due to the agency's two reductions in force and voluntary separations.

Future Workforce Skills Needed

TEA's normal turnover rate is 10% which drives the need to recruit talented candidates with the proper skill set to meet the needs of the agency.

To effectively accomplish its mission and goals, TEA will continue to require competent staff in the following program areas:

- Accreditation and School Improvement
- Assessment and Accountability
- Data Analysis
- Educator Leadership and Quality
- Finance and Administration
- Grants and Fiscal Compliance
- Information Technology Services
- Policy and Programs
- Standards and Programs
- Texas Permanent School Fund

Further, additional critical workforce skills will include change management; strategy development, implementation and evaluation; teamwork; and communication.

Gap Analysis

Budgetary constraints and the number of potential retirements may cause TEA to experience a significant shortage of employees within the next year especially since TEA has already reduced its workforce by 40% as of FY11. A worst-case scenario is if 100% of the eligible retirees which would be 35 employees, left the agency next year, this would reduce the workforce by 5%. TEA could experience a range from 35 employees to 155 eligible retirees leaving in the next five years. The potential of losing nearly 22% of the agency's workforce creates significant demand in the following areas:

- Educational leadership
- Program area expertise, e.g., accountability, accreditation, math, science and other curriculum content areas, etc.
- Education research and data quality and analyses
- Grants administration
- Information technology

TEA is facing a great challenge in the next five years to meet its workforce requirements.

Strategy Development

To bridge the gap between the current workforce and future needs, TEA will use methods that provide the highest return on investment to attract, develop, and retain employees needed to accomplish TEA's mission. These methods include the following:

- Recruiting practices that provide TEA a qualified, diverse pool of applicants
- Employee training and development opportunities to build leadership, program-area expertise, and other skills
- Succession planning combined with training and development opportunities
- Retention practices such as challenging work, recognizing and rewarding employees, and providing work-life balance

TEA's Human Resources Division will work with the agency's executive management team to balance the diverse and challenging needs of the agency, the constraints of the external environment, as well as the needs of the agency's internal and external customers and stakeholders in maintaining and improving its greatest asset—its human resources.