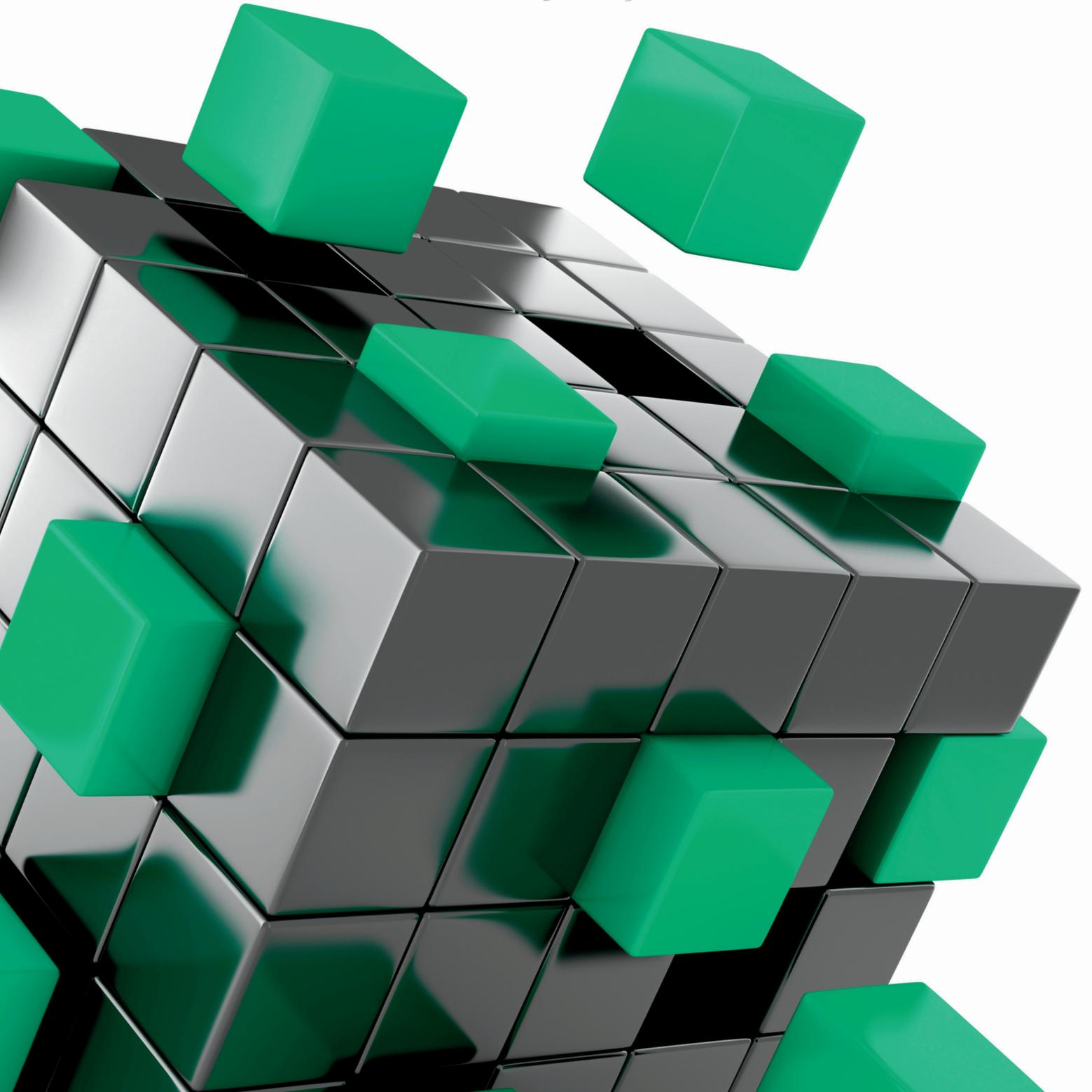




Susan Combs Texas Comptroller of Public Accounts

AGENCY WORK FORCE PLAN

2015-2019



Work Force Plan

I.

OVERVIEW OF AGENCY SCOPE AND FUNCTIONS

The Texas Comptroller of Public Accounts, created by the Texas provisional government on Dec. 30, 1835, was directed to keep an accounting of the infant nation's debts and pay them if and when money became available. The office continued as an appointed position in the Republic of Texas and, after statehood, became an elected position authorized by Article IV, Section 23, of the Texas Constitution of 1850.

Today, the Comptroller's office serves virtually every citizen in the state. As Texas' chief tax collector, accountant, revenue estimator, treasurer and purchasing manager, the agency is responsible for writing the checks and keeping the books for the multi-billion dollar business of state government.

As chief financial officer, the Comptroller's office collects taxes and fees owed the state. Most of the office's duties and powers are enumerated in the Texas Tax Code and in Chapter 403 of the Texas Government Code. As guardian of the state's fiscal affairs, agencies depend on the Comptroller's office to pay their bills and issue paychecks to state employees. Legislators rely on the Comptroller to chart the course of the Texas economy, produce annual financial reports and estimate future state revenues. Local officials and businesses look to the agency for economic development guidance and data analysis. Taxpayers rely upon the agency for assistance and guidance regarding compliance with tax laws. Strict accountability in the collection and expenditure of taxpayer dollars is essential. All Texas residents depend on the agency to safeguard their tax dollars and ensure they are handled wisely.

Senate Bill 20, as passed by the 74th Legislature, amended Chapter 404 of the Government Code to transfer the powers and duties of the State Treasurer to the Comptroller, effective Sept. 1, 1996. As the state's cashier, the Comptroller's office receives, disburses, counts, safeguards, raises, records, allocates, manages and reports the state's cash. In addition, the Comptroller chairs the state's Treasury Safe-

keeping Trust, which invests, manages and oversees more than \$57 billion in assets.

On Sept. 1, 2007, House Bill 3560, as passed by the 80th Legislature, amended various chapters of the Government Code to transfer the statewide procurement, fleet management, statewide historically underutilized businesses and support services duties of the Texas Building and Procurement Commission, now the Texas Facilities Commission, to the Comptroller's office. At that time, the Comptroller's office became the state's purchasing manager, awarding and managing hundreds of statewide contracts on behalf of more than 200 state agencies and 1,900 cooperative purchasing members.

The work of the Comptroller's office doesn't end there. Growing Texas' economy is vitally important to the prosperity and quality of life of all in the state. By assisting communities and businesses in their efforts to create new jobs and improve the standard of living, the Comptroller's office is committed to creating an environment in which a healthy economy can flourish. The agency provides services to business owners, business taxpayers, local officials, Historically Underutilized Businesses (HUBs) and everyday Texans. From online tax data and payment systems to Web pages that track how state government spends taxpayer dollars, the Comptroller's office provides vital information and data.

TAKING CARE OF TEXANS AND THE BUSINESS OF TEXANS

Business Owners and Business Taxpayers

The Comptroller's office supports Texas business owners with a variety of resources to help them get ahead. From online tax help and interactive Web tools for economic data to up-to-the-minute information on how proposed legislation could affect businesses, the Comptroller's office offers a tool for everyone.

- The *Window on State Government* website provides complete tax information that allows business owners and taxpayers to pay taxes, apply for a sales tax permit, download tax forms and register as a state vendor, all with a few mouse clicks. General information about

state taxes, including relevant statutes, Comptroller rules and preprinted tax-related forms can also be obtained online (www.window.state.tx.us).

- The *Texas Economy* website (www.thetexasconomy.org) provides the latest news, trends and analysis on issues affecting the state's economy. By taking a look inside, policymakers, businesses and taxpayers can review hard-hitting data, information and insights on a wide variety of topics of concern.
- The *Texas Ahead* website (www.texasahead.org) provides a comprehensive source of information on the Texas business climate, including economic indicators and forecasts and in-depth reports.
- Within the *Texas Ahead* website, the *Texas EDGE* (Economic Data for Growth and Expansion) Data Center allows users to tap into data and analysis for revenue planning, financial analysis, economic forecasting, site-location decisions and issues affecting trade, industry and growth. Up-to-the-minute reports on factors such as population and tax information for counties and other Texas areas can be created or custom economic research can be requested (www.texasahead.org/texasedge).
- *Where the Money Goes*, the Comptroller's award-winning transparency tool, can be used to identify opportunities to do business with the state through a review of state agency expenditures and vendors (www.texastransparency.org).
- For business owners interested in doing business with Texas, the Texas Procurement and Support Services Division manages the state's procurement and contracting programs and services. With a massive marketplace and billions of dollars in purchasing power, Texas offers abundant opportunities for vendors. Businesses can register on the state's Centralized Master Bidders List to be notified of state bid opportunities (www.window.state.tx.us/procurement).
- Proposed federal actions related to endangered species, air and water could affect Texans and the Texas economy. The *Keeping Texas First* website details the potential impact of those policies with interactive maps that display endangered species locations, pending environmental action alerts, economic impacts and more (www.keepingtexasfirst.org).
- Telephone assistance for each of the taxes the Comptroller's office administers is available and sales taxpayers can file certain reports via telephone — all of it toll-free. For face-to-face contact, any of the agency's field offices throughout Texas are open to visitors. Field personnel

can accept tax returns and payments, assist with tax permit applications and returns, answer taxability and collection-related questions and process requests for the permits, licenses and decals the agency provides.

- Taxpayer seminars are offered at locations around the state and online to provide useful information for buyers, sellers and service providers.

Historically Underutilized Business (HUB) Owners

State agencies and universities are constantly looking to work with businesses certified as HUBs. The goal of the Comptroller's Statewide HUB Program is to actively involve HUBs in the Texas procurement process and ensure they receive a fair share of state business.

- Minority-, women- and service disabled veteran-owned businesses can apply for certification as HUBs and pick up valuable tips for winning a share of billions in state contracts and subcontracting opportunities. HUB-certified companies were awarded more than \$2 billion in contracts and more than \$877 million in subcontracting opportunities in fiscal 2013.
- The agency's internal HUB program is ready to do business with all minority-, women- and service disabled veteran-owned companies certified as HUBs.

Local Officials

The Comptroller's office is committed to partnering with local governments by providing vital management assistance to help streamline operations, improve customer service and ensure compliance with state laws. The agency provides a wealth of online information for local taxing authorities, including local sales and use tax information and tax rate histories for each taxing jurisdiction, answers to frequently asked questions and historical information on local sales and use tax and mixed beverage tax allocation payments.

- The agency's TxSmartBuy initiative created an online shopping cart system that allows local governments to purchase goods and services from existing, prearranged state contracts. The system greatly simplifies the purchasing process for hundreds of thousands of common items (www.TXSmartBuy.com).
- The Texas Cooperative Purchasing Program (COP) allows member governments to access more than 200 state contracts with no bidding required (www.window.state.tx.us/procurement/prog/coop).

- Local governments can obtain up-to-date data for revenue planning and analysis, economic forecasting and site location decisions at the *Texas EDGE* website.
- The Comptroller's office oversees TexPool, a \$19 billion local government investment pool that serves more than 2,400 communities throughout the state. The TexPool program offers a convenient and effective choice for the investment of local funds. As a triple-A-rated local investment vehicle, it's a vital tool for maintaining safe and stable community revenues (www.texpool.com).
- The agency's State Energy Conservation Office (SECO) assists local governments in developing energy efficiency and renewable energy programs and offers loans and grants to help slash utility bills by improving or retrofitting buildings (www.seco.cpa.state.tx.us).
- Property tax advisory and monitoring services are provided by the agency's Property Tax Assistance Division. In-depth information on Texas' system of local property taxation, including explanations of exemptions and reporting requirements and rights and remedies under Texas law, can be found online (www.window.state.tx.us/taxinfo/proptax).
- An online database of unclaimed property can be accessed and searched 24 hours a day, seven days a week to reunite owners, or their heirs, with abandoned or unclaimed properties. A claim form can also be generated online (www.ClaimItTexas.org).
- Fraud can be reported to the Criminal Investigations Division, which works to keep taxes as low as possible by detecting, deterring and publicizing criminal conduct and fraud involving state tax laws (www.window.state.tx.us/about/cid).
- The Comptroller's office offers a variety of programs to support and develop an educated and trained Texas work force, from plans to help families save for college to scholarships for Texans. The *Every Chance, Every Texan* website is a one-stop center for planning a college career in Texas, with information on Texas colleges and universities, scholarships, savings strategies and more (www.everychanceeverytexan.org). The Comptroller's Financial Allocation Study for Texas identifies school districts that combine high academic achievement and cost-effective operations (www.fastexas.org).
- Hard-hitting reports that tackle major policy issues and offer recommendations to help the state prosper in rapidly changing times are also available. Recently, the Comptroller's office published the *Texas Water Report: Going Deeper for the Solution*, which explores the economic impact of drought in Texas. A full list of publications is online (www.window.state.tx.us/publications).

Everyday Texans

From economic news to in-depth special reports on issues that affect all Texans, the Comptroller's office offers cutting-edge analysis and data that can be used every day. By leveraging the power of modern communication tools, including the Internet, social media and others, the agency keeps Texans up-to-date with a changing world.

- The Comptroller's new transparency website provides a one-stop spot for detailed information about state spending. Tax and financial data is available from a variety of sources in raw, machine-readable, platform-independent datasets that can be downloaded and used. Links to local government transparency efforts or general information about the state budget process are also available. By demystifying state spending and providing easy access to those numbers, the agency ensures greater accountability to the public (www.texastransparency.org)
- All citizens can sign up to receive email updates, with news on topics ranging from franchise taxes to economic indicators, or subscribe to *Fiscal Notes*, which provides regular updates on issues and events affecting the state (www.window.state.tx.us/fnotes).

OUR MISSION

The Office of the Texas Comptroller of Public Accounts will serve the people of Texas by applying the tax and fiscal laws fairly and consistently. We will continue to improve our services through innovative management and technology, carrying out all our duties with integrity, openness and at the least cost to the taxpayer.

OUR PHILOSOPHY

We will carry out our duties openly, ethically and fairly. We will emphasize transparency and ensure greater accountability by making records freely accessible. We will listen to those we serve and ask them to judge our performance. We will deliver more services at lower costs by continually examining and improving the efficiency of our work. Employees will be rewarded for initiative, good ideas and productivity. While mindful that the human element is the source of creativity, we will seek out and use innovative technology to do our jobs simpler, smarter and faster. We will keep our word and deliver what we promise.

OUR COMPACT WITH TEXANS – WHAT YOU CAN EXPECT FROM US

The Comptroller's office will provide every customer with fast, fair and efficient service; exceed expectations; and continually explore ways to save taxpayer dollars through simpler, smarter and faster solutions.

Our Customer Service Principles

- Dynamic Assistance
- Quality Work
- Accessible Staff and Facilities
- Fair and Equitable Treatment
- Innovation and Improvement
- Privacy and Confidentiality
- Fast Response to Problems

Dynamic Assistance

The "Taxpayer Bill of Rights" summarizes the agency's commitment to customer service for Texas taxpayers. It also outlines when the agency will give taxpayers detrimental reliance relief in relation to the taxes, fees and other charges administered by the agency. The goal of this bill of rights is to ensure those individuals and businesses who file and pay state taxes receive the treatment and service to which they are entitled without interfering with the government's responsibility to collect taxes and assess the accuracy of returns. Customers can expect:

- Prompt and accurate responses to requests for information.
- Readily available and easy to understand rules and regulations.
- A complaint system that is fair and timely.
- A tax process that is fair, timely and confidential.
- A tax system that is equitable.
- A close working relationship with the business community.

Offices are open between 8 a.m. and 5 p.m., Monday through Friday. Tax assistance telephone lines are open from 7:30 a.m. until 5:30 p.m., Central Standard Time, Monday through Friday. Information is available on the agency's website 24 hours a day, 7 days a week.

Quality Work

The agency's trained, professional staff aims to get every aspect of a customer's affairs right the first time. A customer service liaison is available at 1-888-334-4112 or comptroller.help@cpa.state.tx.us.

Accessible Staff and Facilities

Agency staff may be contacted by email, telephone or letter. Field offices located across Texas are also open to visitors.

Headquarters address:

111 East 17th Street
Austin, Texas 78774

Mail correspondence to:

P. O. Box 13528
Austin, Texas 78711

Agency switchboard:

1-800-531-5441
(7:30 a.m.-5:30 p.m., Central Standard Time,
Monday-Friday)

Fair and Equitable Treatment

The Comptroller's office promises tax and fiscal processes that are fair, equitable and timely.

Innovation and Improvement

Customer input is critical to the agency's continuous improvement efforts. Customers are surveyed on a regular basis to obtain input and ideas to improve agency processes.

Privacy and Confidentiality

The Comptroller's office will follow the letter of the law when it comes to taxpayer privacy and confidentiality.

Fast Response to Problems

Despite the agency's best efforts, there could be times when delays arise. All complaints are handled with a sense of urgency. If a complaint is filed, a response can be expected within 10 working days.

Tax disputes are heard by administrative law judges with the Tax Division of the State Office of Administrative Hearings. Contact the State Office of Administrative Hearings at questions@soah.state.tx.us.

Fraud Prevention

The State Auditor's Office is authorized to investigate allegations of fraud and illegal acts affecting state resources. Anyone with information about the misuse or misappropriation of state resources can report this information by phone to (800) TX-AUDIT or use the State Auditor's fraud website.

Our Customer Service Standards

Agency staff will treat all customers with care and attention whether filing a tax return, undergoing an audit or simply seeking information.

- Online tax information will be available 24 hours a day, seven days a week.
- Qualifying taxpayers can file a variety of state sales tax returns via the Internet 24 hours a day, seven days a week.
- Telephone messages will be returned within 24 hours.
- Complaint letters will receive responses within 10 working days.

The Comptroller's office regularly assesses its customer satisfaction levels through a number of surveys and report cards. Because of the complexity and range of duties performed by the agency, areas individually survey their customers. The agency also monitors its progress through the use of performance measures designed to evaluate the level of customer satisfaction with major areas of the agency. A separate *Comptroller's Report on Customer Service* is available on the agency's *Window on State Government* website.

OUR GOALS, OBJECTIVES AND STRATEGIES

GOAL I.

Improve voluntary compliance with the tax laws.

Texas Tax Code, Titles 2 and 3.

As state government's chief tax collector, the Comptroller administers the state's tax laws through auditing, enforcement and the dissemination of tax policy information. Voluntary compliance is viewed as the cornerstone of tax administration. The state's ability to fund its many programs depends in large part on taxpayers meeting their tax responsibilities willingly.

Our Objectives:

- Increase the accuracy and number of audits and improve assessments from audits
- Achieve average account closure rates, ratios and turn-around times
- Improve taxpayer ratings of accuracy and speed of information disseminated
- Issue timely position letters

Our Strategies:

- Maintain an ongoing program of audit and verification activities
- Improve compliance with tax laws through contact and collection programs
- Provide information to taxpayers, government officials and the public
- Provide tax hearings, represent the agency and provide legal counsel

GOAL II.

Efficiently manage the state's fiscal affairs.

Texas Constitution (Art. III, Sec. 49a, 49g, 49k); Texas Local Gov't Code, Sections 112.003, 154.008; Texas Gov't Code, Chapters 41, 401, 403, 404, 604, 608, 659-662, 666, 815, 825, 830, 840, 1201, 2101, 2103, 2155, 2162, 2175, 2252, and 2254; Texas Education Code, Chapter 57; Texas Election Code, Chapter 19; Texas Property Code, Chapter 74.

As Texas' chief financial officer, the Comptroller manages most of the state's fiscal affairs. The Comptroller is state government's primary accountant, responsible for writing the state's checks and monitoring all spending by state agencies. The Comptroller is also the state's official revenue estimator, providing the Legislature with anticipated state revenue information.

Senate Bill 20, as passed by the 74th Legislature, amended Chapter 404 of the Government Code to transfer the powers and duties of the State Treasurer to the Comptroller, effective Sept. 1, 1996. As the state's cashier, the Comptroller's office receives, disburses, counts, safeguards, raises, records, allocates, manages and reports the state's cash. In addition, the Comptroller chairs the state's Treasury Safekeeping Trust, which invests, manages and oversees close to \$57 billion in assets.

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Our Objectives:

- Reduce the variance between estimated and actual revenue collections
- Certify the General Appropriations Act
- Obtain a customer satisfaction rating of good or excellent on systems
- Increase the volume of direct deposits
- Ensure the accuracy of the property value study
- Maximize state revenue by processing monies electronically
- Ensure the receipt of quality, cost-effective goods and services

Our Strategies:

- Project, account, audit and report receipts and disbursements for the state
- Issue payments
- Provide assistance and training to state agencies
- Maintain an integrated and uniform financial management system
- Conduct a property value study and provide assistance to appraisal districts
- Ensure that the state's assets and cash receipts are properly secured
- Provide statewide procurement and support services to state agencies and cooperative entities

GOAL III.

Expediently manage the receipt and disbursement of state tax revenue.

Texas Gov't Code, Chapter 403; Texas Tax Code, Titles 2 and 3; Texas Property Code, Chapters 72-76.

As the state's chief tax collector, the Comptroller is responsible for collecting more than 60 separate taxes, fees and assessments, including local sales taxes on behalf of more than 1,400 cities, counties and other local governments. This responsibility includes maintaining taxpayer accounts, processing tax payment exceptions and adjustments and paying all unclaimed property claims.

Our Objectives:

- Generate taxpayer refunds
- Return tax allocations
- Maintain document processing times

Our Strategy:

- Improve tax and voucher data processing, tax collection and disbursements

GOAL IV.

Develop and maintain a skilled work force, committed to quality performance.

(No specific statutory authorization).

The Comptroller's complex and varied duties require experienced, highly trained employees. We pledge to provide useful training and educational opportunities for all staff. Extensive efforts have been made to make high-quality training available and accessible to those who need it, when they need it.

Our Objective:

- Ensure that each year the Comptroller's work force will be able to attend classes that will enable them to become more productive and knowledgeable employees.

Our Strategy:

- Make high-quality training available and accessible to those who need it, when they need it.

GOAL V.

Maximize customer satisfaction by improving services while minimizing administrative burdens on those we serve.

(No specific statutory authorization).

The Comptroller's office serves two types of customers. Our external customers are the taxpayers, vendors, state agencies and government officials for whom we provide various services. The nature of our agency's relationship to its external customers is different from those in the private sector, in that most of our customers are required by law to do business with us. Nonetheless, our success in improving voluntary compliance with tax laws, for example, depends in large part on the level of satisfaction our external customers feel toward our services.

Within the agency, our divisions support each other, thus creating internal customers. The level of service we provide to one another is a crucial factor in our efforts to achieve our goals.

Our Objective:

- Attain highest ratings possible from those we serve as evidenced by feedback provided through surveys, cards or any other measuring device used by the agency.

Our Strategy:

- Improve services delivered to our internal and external clients in support of the Comptroller of Public Accounts' mission to serve the people of Texas.

GOAL VI.

Establish and carry out policies governing purchasing and contracting that foster meaningful and substantive inclusion of Historically Underutilized Businesses (HUBs).

Texas Gov't Code, Chapter 2161.

The Comptroller of Public Account's HUB Program is committed to promoting equal opportunities in the contract awards process for Historically Underutilized Businesses statewide and to serving as an exemplary model for other state agencies in meeting the HUB mandate.

Our Objective:

- Include HUBs in at least 32.7 percent of all agency dollars spent for special trade construction; 24.6 percent of all agency dollars spent for other services; and 21 percent of all dollars spent for commodities.

Our Strategy:

- Maintain ongoing program of activities to ensure HUB vendor participation in the procurement process.

II.

CURRENT WORK FORCE PROFILE (SUPPLY ANALYSIS)

CORE FUNCTIONS AND CRITICAL WORK FORCE SKILLS

Core Functions

- Collect state taxes and fees
- Enforce tax laws
- Provide tax assistance
- Oversee the state's fiscal affairs
- Estimate state revenue
- Monitor state expenditures
- Process and deposit state revenue
- Manage statewide purchasing and contracts

Critical Work Force Skills

Although the agency has many talented and qualified employees, there are a number of critical skills that are important to the agency's ability to operate. The Comptroller's office could not effectively accomplish basic business functions without these skills:

- Customer service
- Analysis/research
- Problem solving
- Communication (verbal and written)
- Computer proficiency (skills requirements range from entry-level end-user to the highly-skilled information technology specialist)
- Information security analysis
- Project management
- Investigation
- Auditing/accounting
- Financial analysis
- Management

Work Force Demographics

As of March 31, 2014, the Comptroller's office had a total headcount of 2,677 employees. The following tables profile the agency's work force, including both full-time and part-time employees.

The Comptroller's work force is comprised of 43.1 percent males and 56.9 percent females. More than 44 percent of the agency's work force is 50 years or older with almost 31 percent of the work force having 21 or more years of state service.

More than one-half of the work force has 10 years or less of experience working in the Comptroller's office with proficiency levels ranging from minimal knowledge to working knowledge of processes. One-fifth of the Comptroller's work force has 11-20 years of tenure with expertise ranging from working knowledge to the mastery level. Employees with 21 years or more of experience with the Comptroller's office, with expertise levels ranging from mastery to acknowledged subject matter expert, comprise 23 percent of the work force. These employees are also keepers of institutional business knowledge.

To prevent a decline in knowledge and experience levels within the next five years, succession planning strategies have been implemented to address the transfer of institutional business knowledge and professional expertise.

WORK FORCE BREAKDOWN

Gender

	Number of Employees	Percent of Employees
Male	1,155	43.1%
Female	1,522	56.9%

Source: Uniform Statewide Payroll System.

Agency Age

	Number of Employees	Percent of Employees
20–29 years	236	8.8%
30–39 years	551	20.6%
40–49 years	690	25.8%
50–59 years	812	30.3%
60–69 years	364	13.6%
70–79 years	24	0.9%

Source: Uniform Statewide Payroll System.

Agency Tenure

	Number of Employees	Percent of Employees
0–5 years	1,050	39.2%
6–10 years	490	18.3%
11–15 years	328	12.2%
16–20 years	200	7.4%
21–25 years	261	9.8%
26–30 years	149	5.6%
31–35 years	117	4.4%
36–40 years	69	2.6%
Over 40 years	13	0.5%

Source: Uniform Statewide Payroll System.

State Tenure

	Number of Employees	Percent of Employees
0–5 years	776	29.0%
6–10 years	407	15.2%
11–15 years	402	15.0%
16–20 years	272	10.2%
21–25 years	330	12.3%
26–30 years	232	8.7%
31–35 years	144	5.3%
36–40 years	90	3.4%
Over 40 years	24	0.9%

Source: Uniform Statewide Payroll System.

COMPTROLLER OF PUBLIC ACCOUNTS WORK FORCE COMPARED WITH STATEWIDE CIVILIAN WORK FORCE

The “Statewide Employment Statistics” table below compares the percentage of African American, Hispanic and Female Comptroller employees (as of March 31, 2014) to the statewide civilian work force as reported by the Texas Workforce Commission’s Civil Rights Division. For most job categories, the agency is comparable to or above statewide work force statistics.

Statewide Employment Statistics

Job Category	African American		Hispanic American		Females	
	Comptroller	State	Comptroller	State	Comptroller	State
Officials, Administrators	20.3%	9.0%	11.4%	19.5%	48.1%	39.3%
Professional	14.2%	11.3%	23.5%	17.4%	50.1%	59.1%
Technical	13.8%	14.2%	11.9%	21.4%	41.9%	41.5%
Administrative Support	21.6%	13.6%	39.0%	30.5%	71.1%	65.6%
Skilled Craft Worker	40.0%	6.4%	60.0%	47.4%	0.0%	4.2%
Service and Maintenance	20.9%	14.7%	27.5%	48.2%	58.8%	40.8%

*Source: Uniform Statewide Payroll System and Texas Workforce Commission (TWC).
TWC statistics extracted from “Equal Employment Opportunity and Minority Hiring Practices Report, Fiscal Years 2011-2012.”*

Employee Turnover

The agency's turnover rate averages around 5 percentage points lower than the statewide average, with the exception of the economic downturn in 2009, when the agency's turnover rate was 7 percentage points lower than the state's average rate.

Overall Turnover

Fiscal Year	Comptroller	State
2013	12.7%	17.6%
2012	12.0%	17.3%
2011	11.4%	16.8%
2010	9.3%	14.6%
2009	7.1%	14.4%
2008	11.5%	17.3%
2007	12.1%	17.4%

Source: State Auditor's Office (SAO). SAO statistics derived from "An Annual Report on Full-Time Classified State Employees Turnover" (for respective fiscal years).

Over the past three years, as the economy improved, both state and agency turnover rates also increased. In an improving economy, professional positions, such as auditors, are able to move to the private sector for higher pay. As indicated by the following chart, 51 percent of the employees lost in fiscal 2013 were in job classifications critical to the tax and revenue administration functions of the agency.

Turnover by Job Classification

Classification Job Series	Total Terminations
Auditor	73
Tax Compliance Officer	52
Accounts Examiner	46
Program Specialist	8

Source: Uniform Statewide Payroll System (Fiscal 2013 data).

Despite a lower percentage of staff turnover compared to the state as a whole, over 2,100 employees left the agency during the past seven years. More than 44 percent of the employees were lost within the first five years of employment as indicated by the "Turnover by Length of Service" table.

Turnover by Length of Service

Fiscal Year	# Terms	0-5 Years	6-10 Years	11-15 Years	16-20 Years	21-25 Years	26-30 Years	31+ Years
2013	350	158	43	37	18	29	25	40
2012	338	169	27	37	27	20	19	39
2011	339	184	39	23	15	23	28	27
2010	286	125	31	14	20	24	35	37
2009	206	88	25	15	19	17	28	14
2008	321	115	66	27	16	18	48	31
2007	344	126	69	21	24	25	55	24

Source: Uniform Statewide Payroll System.

Some level of turnover will always occur, creating both positive and negative outcomes. There can be a financial gain as experienced employees are replaced with entry level staff. Loss of those same experienced employees, however, can negatively impact an agency due to a loss of knowledge and skill.

Fiscal Year	# Terms	<20	20-29 Years	30-39 Years	40-49 Years	50-59 Years	60-69 Years	70-79 Years
2013	350	1	66	64	38	98	82	1
2012	338	0	49	75	47	105	59	3
2011	339	0	49	68	65	100	51	6
2010	286	0	42	44	36	119	44	1
2009	206	0	24	33	31	82	35	1
2008	321	0	31	64	58	128	38	2
2007	344	0	60	65	58	115	46	0

Source: Uniform Statewide Payroll System.

Retirement Eligibility

From 2007 to 2013, an average of 103 employees, or almost 4 percent of the agency’s staff, retired annually. Data obtained from the Employees Retirement System shows the number of employees eligible to retire from the Comptroller’s office over the next five years, with almost one-third of the agency’s staff eligible.

The loss of institutional business knowledge and expertise in key management and senior-level professional positions, coupled with normal attrition, continues to be a work force dilemma for this agency as well as the state. It is important to ensure the loss of technical knowledge and organizational experience is minimized.

Fiscal Year	Eligible Employees	Percent of Total Agency FTE Cap
2014	424	15.4%
2015	98	3.6%
2016	107	3.9%
2017	89	3.2%
2018	92	3.3%
Total Eligible Employees	810	29.3%

Source: Employees Retirement System.

III.

FUTURE WORK FORCE PROFILE (DEMAND ANALYSIS)

Critical Functions

- Possible expansion of, or changes to, existing taxes or the enactment of new taxes.
- Legislative mandates impacting the administration and delivery of agency services.

Expected Work Force Changes

- Increased use of technology to revise and streamline work processes.
- Greater demand for Web-related services.

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

- Current staff is able to maintain existing service levels, but attrition creates overload and leads to backlogs and decreased customer service. At a minimum, the current staffing level must be maintained. Any decrease in staffing would significantly impact the agency’s ability to perform required services.
- Continuous review and development of efficient work processes and reallocation of resources as needed must occur to ensure “smarter” working.
- Succession planning must be effectively utilized to ensure that a knowledge and skills gap does not occur.

- The likelihood of new or additional programs being added to the agency is high as each legislative session results in revisions to the Texas tax codes, which impacts the number of employees needed to do the work.

Future Work Force Skills Needed

As the agency increasingly utilizes technology to streamline processes, meet the demands of customers and provide more efficient services, additional skills may be required for the future work force, including advanced systems design and analysis, complex web design and information security analytics. Other skill requirements with increased focus include project management, contract management, team building and the ability to adapt to changing workplace demands.

To serve its constituency, the agency also requires a workforce able to communicate in multiple languages. The agency may need to establish minimal proficiency standards for some of its employees and provide training in common conversational phrase, expanding into tax specific phrases, up to complex dialogues.

IV.

GAP ANALYSIS

Anticipated Surplus or Shortage of Workers or Skills

After analyzing the work force information gathered from agency divisions, it is clear the primary gap that must be addressed between the agency's current work force supply and future demands is in transferring institutional business knowledge and technical expertise (mastery level). Overall, the agency work force currently has the necessary skills to do the required work. In the next five years, however, the agency could experience a shortage of required skills, particularly in management and senior level professional positions due to potential retirements and normal attrition.

- There is a potential skills imbalance "gap" between tenured/skilled employees (employees with 15+ years of service) with institutional business knowledge and technical expertise and employees with less tenure (10 years or less service). Human Resources will continue targeted training at the request of divisions as they identify specific needs.

- New technologies are continually introduced as current and legacy systems are replaced.
- The agency will continue its efforts to identify critical positions for succession planning.

As part of the work force planning process, Human Resources distributed a "Work Force Planning Questionnaire" to division management to develop a profile of current division skill levels and future workload demands. The following skills were identified as priorities for employees over the next five years:

- Advanced Financial Analysis
- Analysis
- Auditing
- Communication
- Computer Proficiency
- Customer Service
- Information Security Analysis
- Investigation
- Management
- Negotiation
- Problem Solving
- Property Appraisal
- Computer Programming
- Project Management
- Research

In general, survey results indicated a mastery level of proficiency in these areas. The agency's focus will be to develop less tenured staff to maintain the mastery level and reach the expert level.

No appreciable gaps in workers or skill needs were identified during the planning period, indicating success in meeting the demand for current and projected critical business skills. Reasons for the agency's strong position in this area include:

- Proactive initiatives such as the agency's leadership program, including targeted management training and succession planning.
- The implementation of an online application system in 2013 to create a more efficient process for recruiting qualified employees.

V.

STRATEGY DEVELOPMENT

The Comptroller's office has always emphasized training. One of the agency's six primary goals is to:

Develop and maintain a skilled work force, committed to quality performance.

To address any deficits between the Comptroller's current work force and future demands, several strategic goals have been incorporated into the agency's work force plan. These objectives were developed based on factors identified through an agency work force analysis. The Comptroller's future work force requirements can be met through the accomplishment of two key objectives:

Objective: Develop a Competent, Well-Trained Work Force.

Rationale Almost 30 percent of the Comptroller's work force is projected to be eligible to retire within the next five years. One of the most critical issues facing the agency is the potential skills gap that could occur due to employee retirements. The agency relies heavily on a competent and knowledgeable staff and the loss of mastery-level expertise and institutional business knowledge will have a significant impact on agency services. The training and development of current employees is critical to the success of the agency. The agency must continually assess existing staff to determine which employees demonstrate the potential or interest to develop new competencies and assume new or modified positions.

- Action Steps*
- With input from divisions, reassess on an annual basis the critical skills and competencies needed to stay "ahead of the curve" of anticipated need.
 - Monitor the level of risk facing the agency regarding the potential loss of knowledge, particularly in areas where loss is likely due to the imminent retirement of employees in key positions and identify potential, critical knowledge loss.
 - Develop succession planning and knowledge transfer strategies to ensure that institutional business knowledge and technical expertise is transferred to less tenured employees. Promote these strategies, including cross-training, as an agency priority and include accountability measures.
 - Enhance and expand the agency's management development program, including the development of a leadership program for non-managers. Use specific assessment criteria and instruments to determine areas for improvement. Require employees to participate in professional and personal development training to address undeveloped strengths.
 - Implement mentoring programs for all levels of job categories matching seasoned employees with new employees.
 - Include "job shadowing" or the pairing of new employees with more seasoned employees, as a routine part of both employees' job descriptions.
 - Enhance the agency's tuition reimbursement program to encourage employees to further their education.
 - Encourage employees to pursue professional certification(s) in their areas of employment when feasible and available.
 - Expand agency online training offerings and usage.

Objective: Attract and Retain the Right Employees for the Job.

Rationale Recruiting excellent workers is the cornerstone of building a quality work force. Retaining those same employees in a competitive market remains a continuing challenge. Retention of state employees requires a partnership between state leadership and state agencies. State leadership must offer competitive salaries and benefits packages and allow flexibility to administer non-monetary incentives. State agencies must take responsibility to recruit quality workers, recognize excellent performance and provide development opportunities. The Comptroller's office provides quality training and professional development for all employees that focus on agency and division critical skills, competencies and technical requirements. Mentoring and learning opportunities such as job shadowing must be expanded to maintain institutional business knowledge and technical expertise and enhance career and professional development opportunities for employees.

- Action Steps*
- Identify classification job series with the highest turnover and implement more aggressive retention strategies for these positions.
 - Implement more knowledge transfer opportunities within divisions to ensure continuity of business functions and processes.
 - Enhance and expand recruiting efforts to incorporate marketing the Comptroller's office as an employer of choice.
 - Create and promote a more structured agency mentoring program.
 - Create programs that allow employees who are seeking new challenges to work on special projects, rotations and/or developmental or "stretch" assignments.
 - Utilize pay incentives, where appropriate, to attract and retain staff.
 - Explore formal rewards and recognition programs and activities within divisions.
 - Encourage and promote the use of non-monetary rewards for exceptional performance (e.g., Administrative Leave for Outstanding Performance, etc.).
 - Continue to allow employees to utilize the agency's alternative work schedule programs to the extent possible.
 - Develop a recruiting plan/strategy to minimize possible knowledge gaps with a strong succession of new employees.

VI.

SUCCESSION PLANNING PROGRESS

The Comptroller's office has implemented and will continue to put into practice the action steps outlined above. Strategies such as creating opportunities for employees to work on special projects, development projects or "stretch assignments," cross-training of staff by subject matter experts, including job shadowing, structured on-the-job training programs and recognition programs have been implemented in various divisions.

Human Resources conducted formal succession planning training and consultations with divisions in a renewed effort to update and develop division succession plans. Submitted plans identified key (critical) positions, degrees of readiness and methods of knowledge transfer.

An eight-month Leadership Academy was created to further develop the skills and enhance the growth of high-potential managers. As part of the program, members were assigned to action learning project teams to address current agency challenges. These projects will culminate in presentations, recommendations and potential solutions for real-world issues, such as mentoring opportunities and non-monetary rewards. These items have been identified in the action steps above to attract, retain and develop employees. The agency is pursuing creative collaborations such as these to promote innovative approaches to employee engagement and knowledge transfer.

The Comptroller's competency based performance appraisal system allows for an inventory of position competencies and skill requirements and includes an employee

professional development plan. This model integrates the identification of skill sets and competencies with a road map toward meeting agency needs.

Human Resources and Organizational Development and Training staff work in conjunction with the agency's business continuity team to promote and prepare effective

succession planning throughout the agency. The agency's objective is to develop a sustainable business continuity program that includes a communication plan; testing, training and exercise program; and continuous monitoring and improvement. With these initiatives, the Comptroller's office is taking a renewed approach to business continuity and succession planning.



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