

APPENDIX E

**STATE OFFICE OF ADMINISTRATIVE HEARINGS
FISCAL YEARS 2015-2019 WORKFORCE PLAN**

Strategic Goals and Objectives

SOAH has one principal 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 and prepare Proposals for Decisions and Final Orders
Objective	Provide an opportunity for alternative dispute resolution proceedings
Strategy	Conduct alternative dispute resolution proceedings

I. Business Functions.

The critical business functions of the agency include:

- *Conducting Hearings;*
- *Conducting Mediations and Other Alternative Dispute Resolution Processes;*
- *Docketing;*
- *Issuing Proposals for Decision; and*
- *Processing of Administrative License Revocation Appeals*

II. 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 might be transferred to SOAH in the future.

CURRENT WORKFORCE PROFILE

The statistical information provided in this section is based on data as of August 31, 2013. SOAH's current workforce is comprised of approximately 109 employees; of those, 36 percent are males and 64 percent are females. Out of the same population, 83 percent of the agency's employees are over the age of forty. SOAH has quite an experienced workforce, with 71 percent of its employees holding greater than five years' service, and 45 percent 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 of SOAH's employees (61) are in the "Professional" job category, and 54 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 of those employees who serve as ALJs (3.7 percent) is only slightly below the percentage of African Americans (four percent) represented in the Administrative and Public Law Section of the State Bar of Texas and is 3.3 percent higher (9.3 percent) than the Hispanic category (6% in 2013-14). (*See Attorney Statistical Profile for 2013-2014* 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 percent of that in the civilian workforce. To calculate underutilization, multiply the civilian workforce percentage by 0.8 to determine 80 percent 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 percent 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 percent 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 hear and manage the cases in 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.

TABLE 1
EEOC/SOAH Workforce Utilization Analysis

AFRICAN AMERICANS

	State Civilian Workforce		SOAH Workforce		Underutilization (% Under)
	Number	Percentage	Number	Percentage	
Official/Administrator	143,157	8.99%	0	0%	7.19%
Professional	195,730	11.33%	3	5%	4.06%
Technical	79,971	14.16%	0	0%	11.32%
Administrative Support	325,214	13.57%	6.25	15.5%	No
Skilled Crafts	65,335	6.35%	N/A	N/A	N/A
Service and Maintenance	449,969	14.68%	N/A	N/A	N/A

HISPANIC AMERICANS

	State Civilian Workforce		SOAH Workforce		Underutilization (% Under)
	Number	Percentage	Number	Percentage	
Official/Administrator	310,709	19.51%	0	0.0%	15.61%
Professional	300,682	17.40%	6	9.9%	4.02%
Technical	120,647	21.36%	0	0%	17.08%
Administrative Support	731,409	30.53%	15.25	37.88%	No
Skilled Crafts	488,142	47.44%	N/A	N/A	N/A
Service and Maintenance	1,476,820	48.18%	N/A	N/A	N/A

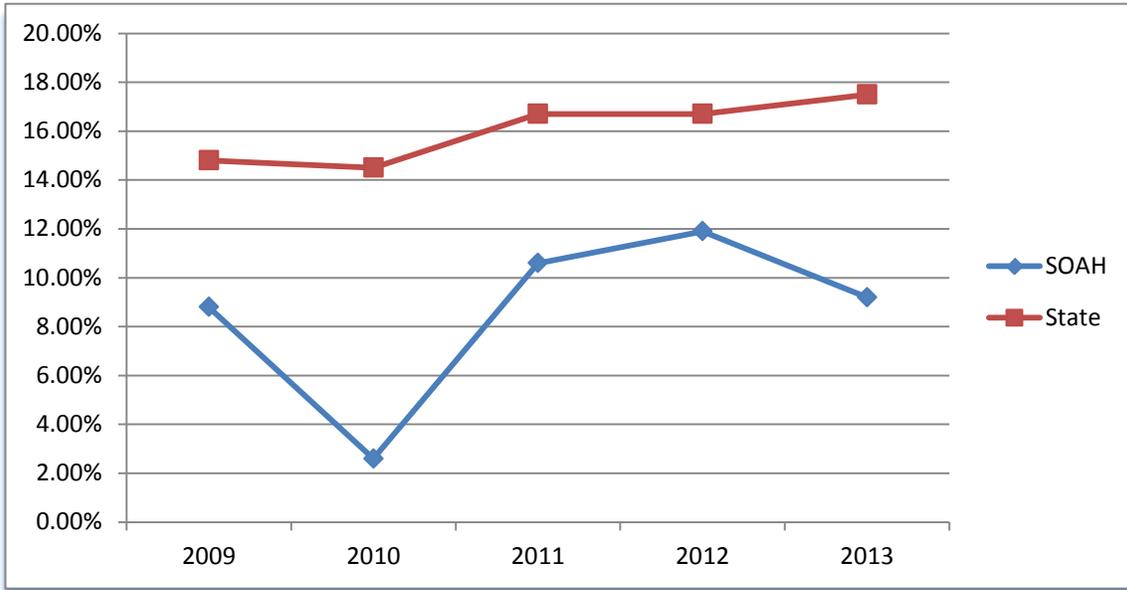
FEMALES

	State Civilian Workforce		SOAH Workforce		Underutilization (% Under)
	Number	Percentage	Number	Percentage	
Official/Administrator	686,343	39.34%	4	57.14%	No
Professional	1,140,571	59.14%	31	52.76%	No
Technical	271,417	41.47%	0	0.0%	33.17%
Administrative Support	1,702,090	65.62%	35	86.95%	No
Skilled Craft Workers	47,223	4.19%	N/A	N/A	N/A
Service and Maintenance	1,386,907	40.79%	N/A	N/A	N/A

I. 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 FY 2009, SOAH's turnover rate was 8.8 percent, six percentage points lower than the FY 2009 statewide average of 14.8 percent. The rate dropped significantly in FY 2010 to 2.6 percent. This is a sharp contrast to the statewide rate of 14.5 percent. Although the rate rose in FY 2011 to 10.6 percent, it remained much lower than the 16.7 percent statewide turnover rate. SOAH's turnover rate rose slightly in FY 2012 to 11.9 percent compared to the statewide average of 16.7 percent; however the agency's turnover rate dropped again in 2013 to 9.2 percent. There is no correlation between SOAH's FY 2013 turnover rate and the statewide turnover rate since the statewide rate rose in FY 2013 to 17.5 percent. It should be noted that SOAH's turnover rate includes interagency transfers, while the statewide rate does not. SOAH attributes the rise in its turnover to an increase in employee retirements, a trend that is likely to continue. The following graph compares the average SOAH turnover to that of the state over the last five years.

TURNOVER RATE – AGENCY TOTAL



II. Length of Service.

The greatest percentage of employee turnover experienced in FY 2013 was among employees with agency service of less than two years, with a turnover rate of 19.7 percent. The statewide average for this category was 36.7 percent. The “2 to 4.99 years” category experienced a turnover rate of 18.2 percent, compared to a statewide turnover rate of 16.3 percent. SOAH experienced a turnover rate of 7.2 percent for those employees in the “5 to 9.99 years” group, compared to the statewide rate of 10.6 percent in that category. The rate of turnover for employees with more than ten years’ service but less than fifteen was 5.1 percent for SOAH employees and 8.8 percent statewide. The agency experienced a turnover rate of 3.6 percent for employees with fifteen but less than twenty years of service compared to a statewide rate of 10.2 percent. There was no turnover for SOAH employees with more than twenty years of service. The statewide rate for this category was 14.4 percent. The agency celebrated its twentieth anniversary in FY 2012, so there are no employees with more than twenty-five years of service. Thirty percent of those leaving SOAH service were due to retirement. This trend is expected to continue and even increase as more employees reach retirement age. SOAH must continue to provide meaningful training and implement retention strategies which will provide incentive for these more experienced employees to remain with the agency.

Length of Service related to Turnover and Agency Workforce, 8/31/2013				
	SOAH Turnover Rate	State Turnover Rate	SOAH % Current Workforce	State % Current Workforce
Less than 2 years	19.7%	36.7%	14.0%	25.5%
2 - 5 years	18.2%	16.3%	15.1%	22.3%
5 - 10 years	7.2%	10.6%	25.5%	30.1%
10 - 15 years	5.1%	8.8%	17.9%	9.3%
15 - 20 years	3.6%	10.2%	25.2%	7.0%
20-25 years	0%	14.4%	2.3%	3.5%

III. Age.

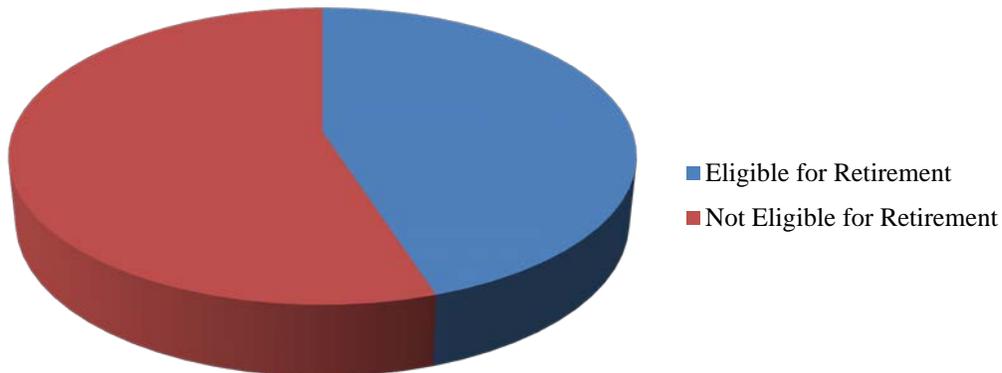
SOAH's turnover rate is substantially lower than the statewide rate in all age categories. SOAH employs a much higher percentage of employees who are over forty years of age than the statewide average.

Age related to Turnover and Agency Workforce, 8/31/2013				
	SOAH Turnover Rate	State Turnover Rate	SOAH % Current Workforce	State % Current Workforce
Under 30	32.0%	36.2%	5.7%	16.4%
30 - 39 years	16.7%	17.8%	11.0%	21.9%
40 - 49 years	3.6%	11.6%	25.5%	26.7%
50 - 59 years	6.3%	14.5%	43.6%	24.7%
60 - 69 years	13.8%	22.6%	13.3%	9.4%
70 years or older	0.0%	23.7%	0.9%	0.9%

IV. Percentage of Workforce Eligible to Retire within the Next Five Years.

SOAH currently has approximately 49 employees (45 percent of SOAH's current workforce) who will meet retirement eligibility requirements within the next five years. Of these employees, 33 (67 percent 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 ALJs. 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 (45 percent) of current employees with ten or more years of service with the agency. It is important to ensure that SOAH's institutional knowledge and organizational experience is not lost.

Retirement Eligibility within Five Years



V. 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 agency for the next five years is 8.6 percent. 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.

VI. 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:

- *Integrity/Honesty*
- *Case Management*
- *Presiding Skills*
- *Writing Skills*
- *Customer Service*
- *Timeliness*
- *Technical Expertise*
- *Decision Making*
- *Teamwork*
- *Flexibility*
- *Management Skills*

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 or work to or from SOAH's jurisdiction.

I. Future Workforce Skills Needed.

- *Increased use of technology to provide public access to the hearings process, to provide for more efficient filings, employee training, and reduced travel;*
- *Advanced training in the Individuals with Disabilities Education Act (IDEA) laws for ALJs and support staff handling these cases;*
- *Continued improvement in writing skills for non-ALJ employees;*
- *Quality management education for team leaders and non-ALJ managers;*
- *Improved technical training for agency staff as the agency updates its software and programs.*

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

Although retirements have affected the agency's pool of institutional knowledge, no overall increase is expected in the number of authorized full time employees (FTE) needed to support SOAH's mission absent transfer of additional agencies or hearings. It is anticipated that more ALJs and support staff will be needed if the Individuals with Disabilities Education Act (IDEA) cases are fully transferred to SOAH during the 84th Legislature Session.

SOAH is scheduled to migrate to the Centralized Accounting and Payroll System (CAPPS) during FY 2016. It is anticipated that during the planning stages and migration period, five FTEs will be needed to support the successful completion of the project.

III. Functions Critical to the Success of the Strategic Plan.

All of SOAH's employees contribute to the success of the agency's mission. The following functions have been identified as those that are most critical to the accomplishment of SOAH's strategic plan.

- *Conducting Hearings;*
- *Conducting Mediations;*
- *Docketing;*
- *Issuance of Proposals for Decision; and*
- *Processing of Administrative License Revocation Appeals.*

GAP ANALYSIS

I. Anticipated Shortage of Workers or Skills.

An analysis of the statistical data presented in this plan identify four areas requiring attention:

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

Retention of current employees and recruitment of qualified future employees remain a priority for the agency. The agency is beginning to experience 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 2013, SOAH's employee turnover rate in this category was 17.6 percent, a decrease of 6.6 percent compared to the category's FY 2012 turnover rate (24.2 percent). Turnover in the Docketing area has also significantly increased with a rate of 12.1 percent in FY 2012 and 35.3 percent in FY 2013. Although much of this turnover has been experienced in entry-level positions and with employees with short-term agency tenure, 12 employees in the hearings support areas (deputy clerks, administrative assistants, and legal assistants (35 percent of this group) will be eligible for retirement within the next five years. Retaining these employees will maintain the efficiencies that could be lost while replacement employees are trained, and will assuredly benefit SOAH by continuing and maintaining the agency's institutional knowledge base.

Gap	Higher turnover in the administrative support category of employees
Goal	Develop a Human Resources plan to improve recruitment, training 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"> • 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 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

I. Succession Plan.

SOAH continues to develop its plan to ensure continuity of leadership and knowledge in all areas. 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 SOAH's 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 steps:

- *Developed mentoring, coaching, and cross-training practices;*
- *Designed Team Leader and Team Leader back-up positions to provide management training for potential management candidates;*
- *Implemented career ladders to allow for advancement from entry and mid-level positions;*
- *Developed meaningful performance evaluations that help to identify potential management candidates;*
- *Provided staff career development focusing on management skills;*
- *Incorporated knowledge transfer processes;*
- *Recruited highly qualified candidates to fill vacancies; and*
- *Identified personnel with high potential for management success;*
- *Developed "ALJ University", an in-house information system to allow ALJs to quickly gather information on referring agencies and cases.*

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:

- *Providing adequate salaries and merit increases when funds permit;*
- *Making work culture and environment pleasant, supportive, and collegial;*
- *Integrating staff development with career ladders;*
- *Requiring meaningful performance reviews;*
- *Providing flexible work hours;*
- *Teleworking;*
- *Recognition programs;*
- *Promotion of state benefits;*
- *Providing an Employee Assistance Program (when funding permits);*
- *Development of employee wellness initiatives; and*
- *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.