



OCCC

Office of Consumer
Credit Commissioner



Strategic Plan 2015 – 2019

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Appendix E: Workforce Plan 2013 - 2017

Agency Overview

Since its creation in 1963, the OCCC has seen the depth and breadth of its regulatory oversight increase to encompass the expanding financial marketplace in Texas, each segment with its own unique and specific benefits and compliance concerns. The agency's mission is accomplished through five primary functional areas: Consumer Assistance, Examination and Enforcement, Licensing and Registration, Financial Education, and Legal and Administration.

As a small state agency, the importance of developing and retaining qualified staff at all levels of the agency is paramount to the agency's continued success and operation. A significant portion of staff experience and expertise for examiners is primarily developed in-house and gained through professional development and career progression within the agency. The agency places a priority on the professional development of its staff and is committed to developing a workforce that is prepared to respond and adapt to the dynamic nature of the financial service and consumer credit marketplace.

The OCCC competes with non-depository financial service providers, other state agencies, and federal regulatory agencies for its professional staff, especially within the financial examiner occupational series. The agency has been authorized to employ 89 FTEs, and as of May 2014 employs 86 individuals, with three existing vacancies. Currently 43 employees are headquartered in Austin at the State Finance Commission building; an additional 43 employees are stationed throughout the Houston, Dallas, and San Antonio regions.

To assist in reducing historical turnover within the financial examiner series, the agency has provided equity (market) and performance-based salary

adjustments for examiners during fiscal years 2012 and 2014. Adjustments were also provided to administrative staff within the agency during fiscal year 2012, and the agency will be conducting an additional market and performance-based reviews for these positions by the end of fiscal year 2014. The agency saw a decline in overall turnover beginning in fiscal year 2010 and continuing through fiscal year 2013; however, with the onset of the recovering economy, increased competitiveness of the private sector, and staff retirements, the agency saw its turnover rise to 24.7% during fiscal year 2013.

The agency has worked, and will continue to work, to reduce turnover and sustain a qualified workforce. The continued competitiveness of the private sector as well as opportunities available within federal regulatory agencies, attract qualified financial examiners. In an effort to remain competitive in this arena, the agency monitors and appropriately adjusts salary levels to ensure competitiveness across similar entities. The agency has sought to identify incentives and opportunities for staff members to include career progression ladders, alternative and flexible work schedules, enhanced processing of administrative documents, and professional development opportunities.

Providing better incentives and staff opportunities for development and career growth remain a priority for the agency. The agency continues to identify possibilities to reduce travel and encourage team approaches for its financial examiners, as well as providing for work/life balance across all departments in the agency. Continued improvements relating to infrastructure, functionality of office space, and better use of technology have created additional enhancements for work processes conducted by a growing, mobile and dispersed workforce.

Workforce Plan Focus

Economic and environmental factors facing the OCC's staff over the next five years include: an improving economy, market competitiveness, turnover and retention of financial examiners, and retirement-eligible employees within the financial examiners series and administrative staff. The agency has already seen the influences of the recovering economy and the competitiveness it has provided within the financial services marketplace.

During fiscal year 2013, the agency felt the strongest impact of these effects with 10 financial examiners departing the agency: 60% obtained employment within the federal or private sectors, 20% transferred to the Texas Department of Banking, and the remaining 20% were dismissed from the agency.

Financial Examiner Turnover by Fiscal Year				
FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
8.6%	5.6%	13.6%	7.6%	24.3%

Table 7: Turnover within Financial Examiner Series Inclusive of Interagency Transfers

Currently, 18% of our financial examiners are eligible for retirement by fiscal year 2019. While the majority of these examiners would be eligible to retire under the Rule of 80 and it is not anticipated that all will retire within the next five years; all represent examiners within the Financial Examiner III through Financial Examiner VII series.

Additionally, individuals holding three key leadership positions within the agency are currently eligible for retirement. The agency anticipates that two of the individuals may retire within the next three fiscal years and is ensuring the appropriate development of staff to ensure effective succession planning and continuity within the agency's operations and programs.

Factors Affecting Financial Examiner Retention

While the agency is committed to the retention of all staff, particular emphasis is placed upon the financial

examiner series. The agency expends considerable resources to develop its examiners. Competition with the private sector as well as with regulatory agencies such as the CFPB is expected to increase and retention of these individuals is vital to the effectiveness of the agency's regulatory programs. The agency regularly reviews its in-house training as well as external development opportunities and curricula to provide specific training related to regulated industries. A career ladder and progression program allowing for movement within levels I through III of the financial examiner series is providing opportunities for examiners to participate in projects and team-based work (e.g. out-of-state examinations) to further develop competencies and skill sets.

The goal of the agency is recruit and select quality candidates for entry-level financial examiners positions, to consistently and effectively develop those candidates for increased scope of responsibility, and to identify those who may be developed for future supervisory and leadership roles. The agency emphasizes the need to incentivize and retain those examiners within two to five years of agency service; to utilize them to assist in the training and development of entry-level examiners; and to integrate identified candidates into succession planning. The agency desires that 65% of its full-time employee staff to have agency tenure of at least five years.

The agency uses a competency- and knowledge-based approach towards the hiring of new employees to ensure that those selected possess abilities and inherent characteristics to support the fluid and dynamic nature of the agency's operations. Recruitment and selection processes have been improved during fiscal year 2013 to ensure that those selected may effectively perform both from a technical perspective and a customer relationship perspective. The agency includes a review of prior work experience in its screening process, as well as

consideration for bilingual and customer service skills.

Given the breadth of the financial services regulated by the OCC, and the distinctiveness of each industry and given examination, the agency's examination staff is primarily developed internally. Even those with previous financial services or related experience must master specific learning objectives, and at times, must relearn aspects of the industry from a regulatory perspective. As it typically takes one to three years to fully develop an examiner, the agency places as much weight on abilities as it does prior work experience.

The agency must continue to curb turnover within the lower financial examiner levels. Historically, the agency has experienced the highest levels of turnover within the Financial Examiner I and II levels. During fiscal year 2013, most of the separating financial examiners had less than five years of service with the agency. The agency will continue to focus on market competitiveness, effective recruitment and selections strategies, and retention to reduce turnover.

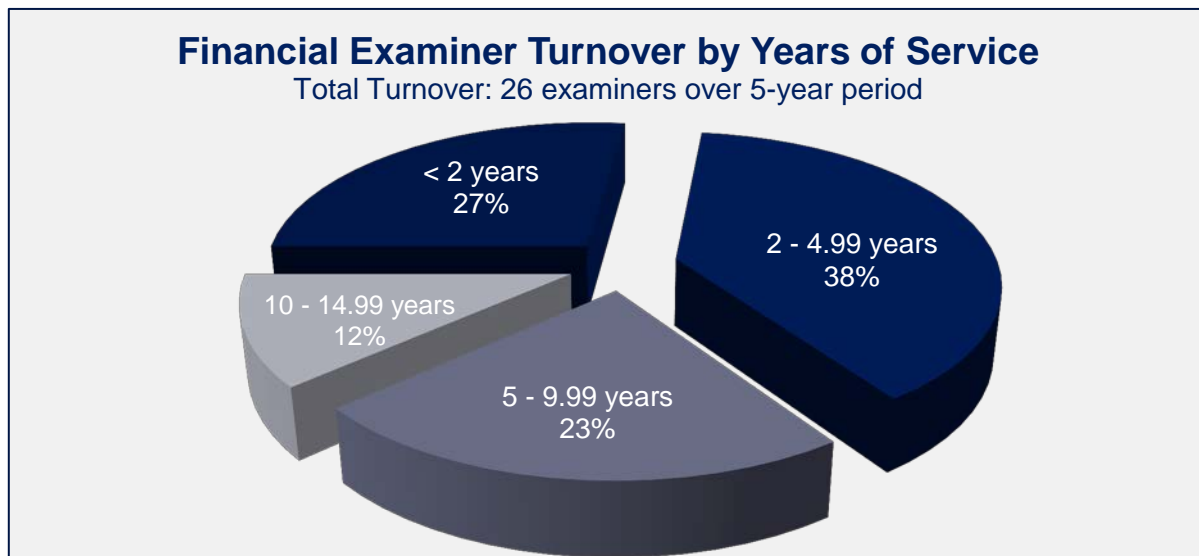


Figure 5: Turnover within the agency's financial examiners, by years of service, for the previous five years.

Factors Related to the Aging Workforce

Demographic data from the U.S. Census Bureau shows an ageing working force with nearly 10,000 baby boomers reaching the age of 65 on a daily basis.^{xxi} And, although many have delayed retirement to due to financial concerns and slower than expected economic recovery, it is anticipated that large numbers are still planning for retirement causing a gap between the number of employees

needed and the availability of entrants into the market.^{xxii}

Within the next five years, 17.4% of the agency's staff is eligible for retirement.

- 66.7% of those eligible to retire represent Financial Examiner III and above.
- 40.0% of those eligible to retire are able to do so today.

This aging workforce and factors related to succession planning will become crucial to the agency as employees become eligible for retirement at the same time. In response to these trends, the agency is furthering the development of succession planning to ensure appropriate levels of knowledge, abilities, and competencies exist within the agency as these vacancies arise. Enhancements to internal training programs have been made – specifically within the financial examiner series – that allows for more effective and stratified capabilities across the staff.

Succession planning is a priority as retirement and other turnover factors arise within the agency. Preparing qualified staff to carry on the roles of senior management and leadership will require specialized training, internal development through mentoring and project assignment, and other educational opportunities to develop technical and managerial skills. The effectiveness of the agency's succession planning is predicated upon the retention and development of mid-level examiners to replace those moving into leadership roles as retirement and turnover occurs.

Increasing Diversity

The agency is committed to emphasizing the need for workplace diversity and to strive for a workforce that effectively serves the demographic and racial composition of the population. Data from the 2010 census indicates growth within all demographic populations represented by the census. Data further showed the Hispanic population in Texas increased by 41.8% since 2000. The agency includes a preference for Spanish fluency as a qualification for all job postings. The agency has been successful in identifying candidates possessing these language skills, as well as others with differing languages.

Agency Mission

The mission of the OCCC is to regulate the credit industry and educate consumers and creditors

fostering a fair, lawful, and healthy credit environment for economic prosperity in Texas.

Recruitment activities are focused on reaching the most qualified candidates possible and include:

- Participation in job and career fairs at universities throughout the state.
- Distribution of job announcements – in person and electronically – to community colleges, universities, and professional associations throughout the state.
- Posting of job announcements on public job boards.

^{xxi} Moeller, P. Challenges of an Aging Workforce, U. S. News online. June 19, 2013. 14 May 14, 2014.
<<http://money.usnews.com/money/blogs/the-best-life/2013/06/19/challenges-of-an-aging-american-workforce>>.

^{xxii} Ibid.

Strategic Goals and Objectives

Goal A: Consumer Protection

To ensure prompt, fair, and effective enforcement of applicable state and federal statutes and regulations so that consumers are protected from abusive and deceptive practices, fraud, and misrepresentation.

Objective

A.1. Resolve 95% of consumer complaints within 90 calendar days, except those requiring an on-site investigation.

Strategy

A.1.1. Resolve consumer complaints expeditiously, identify problem creditors and industry practices, and advise creditors and consumers on their rights, remedies, and responsibilities.

Outcome Measures

- Percent of written complaints resolved within 90 calendar days
- Monies or credits returned to consumers

Output Measures

- Number of complaints closed
- Number of field investigations closed

Explanatory Measure

- Number of Consumer Assistance helpline calls received

Goal A: Consumer Protection

To ensure prompt, fair, and effective enforcement of applicable state and federal statutes and regulations so that consumers are protected from abusive and deceptive practices, fraud, and misrepresentation.

Objective

A.2. Strive to ensure a degree of compliance that results in 85% of examinations meeting acceptable levels of compliance.

Strategy

A.2.1. Examine regulated entities to determine the level of compliance with applicable statutes and regulations and initiate administrative enforcement action against licensees who commit violations.

Outcome Measures

- Percentage of examinations reporting acceptable level of compliance
- Monies or credits returned to consumers from licensees
- Percentage of licensees examined annually
- Percentage of re-examinations resulting in acceptable compliance rating

Output Measures

- Number of compliance examinations performed
- Number of enforcement actions taken
- Number of re-examinations performed

Goal B: Effective Licensing & Registration

To provide a quality, streamlined program of licensing and registration that ensures high standards for licensed or registered financial service providers and effectively serving the market demand for fair but competitive and transparent consumer credit and financial services.

Objective

B.1. To process business and pawnshop employee license applications within an average time of 30 days of receipt of a completed application.

Strategy

B.1.1. Investigate and process applications for regulated entities and pawnshop employee licenses.

Outcome Measures

- Average processing time (days) for license applications
- Average processing time (days) for pawnshop employee applications
- Average processing time (days) for residential mortgage loan originator applications

Output Measures

- Number of business applications processed
- Number of pawnshop employee license applications processed
- Number of administrative hearings conducted
- Number of registrations processed
- Number of residential mortgage loan originator applications processed

Explanatory Measures

- Number of regulated loan licenses
- Number of pawnshop licenses
- Number of pawnshop employee licenses
- Number of registrations processed
- Number of motor vehicle sales finance licenses
- Number of credit access business licenses
- Number of property tax lender licenses
- Number of residential mortgage loan originator licenses

Goal C: Financial Literacy

To educate consumers about their rights, remedies, and responsibilities and to encourage communication and cooperation between the non-bank financial services industry, the consumer public, and the agency.

Objective

C.1. Increase awareness by providing Texans with access to resources and financial education opportunities and by creating transparency regarding consumer transactions.

Strategy

C.1.1. Develop and administer formal education programs specific to the subprime demographic and include general information brochures made available through state agency partners, financial service providers and trade organizations, and through participation in community events.

Outcome Measure

- Number of Texas consumers reached through agency participation at community events, presentations, and online resources.

Output Measures

- Number of consumers receiving financial education
- Number of contacts made with community organizations and media outlets.

Goal C: Financial Literacy

To educate consumers about their rights, remedies, and responsibilities and to encourage communication and cooperation between the non-bank financial services industry, the consumer public, and the agency.

Objective

C.2 Administer the Texas Financial Education Endowment (TFEE) on behalf of the Finance Commission and establish a program that effectively supports financial education, capabilities, and asset-building opportunities, and deploys fund earnings distributions of 4.5%.

Strategy

C.2.1 Solicit funding requests from organizations that strive to increase and promote financial capability of individuals, and encourage personal financial education and responsibility within the state of Texas.

C.2.2. Award endowment funds, through a competitive grant process that meets program objectives and goals as identified and prioritized for each grant cycle.

Outcome Measures

- Total dollar amount of grant awards distributed within the grant cycle.

Output Measures

- Number of consumers served/trained.

Goal D: Effective Stakeholder Communication

To educate financial service providers about their rights, remedies, and responsibilities and to encourage communication and cooperation between the non-bank financial services industry, the consumer public, and the agency.

Objective

D. 1. Increase licensees' and financial service providers' knowledge regarding rights, remedies, and responsibilities through access to compliance education opportunities and the publication of significant regulatory trends and challenges, enforcement actions, and advisory bulletins.

Strategy

D.1.1. Develop and deliver compliance education programs addressing regulatory controls related to lending, credit products, and financial services.

D.1.2. Develop integrated communication plan focused on engaging stakeholders through various channels including live presentations, webinars, publications, and advisory bulletins.

Outcome Measure

- Percentage of licensees reached through agency participation in industry workshops, seminars, conferences, and online compliance education programs.

Output Measures

- Number of public and industry media sources publishing compliance education material developed by the agency
- Number of advisory bulletins published
- Number of enforcement action and corrective action summaries published

Goal E: Use of Historically Underutilized Businesses

To establish and implement policies governing purchasing and public works contracts that foster meaningful and substantive inclusion of historically underutilized businesses (HUBs).

Objective

E.1 To include HUBs in at least 20% of the total value of contracts and subcontracts awarded annually by the agency in purchasing and public works contracting by fiscal year 2013.

Strategy

- Develop and implement a plan for maintaining the current level of and increasing the use of HUBs through purchasing and public works contracts and subcontracts

Outcome Measure

- Percentage of total dollar value of purchasing and public works contracts and subcontracts awarded to HUBs

Output Measures

- Number of HUBs contractors and subcontractors contacted for bid proposals
- Number of HUBs contracts and subcontracts awarded
- Dollar value of HUB contracts and subcontracts awarded

Anticipated Changes in Strategies

The industries regulated by the OCCC operate within a dynamic financial service marketplace that adjusts to evolving products and business practices, market pressures, and changes in federal, state, and municipal regulation. The degree to which these influences will affect the agency's regulated population may vary and may contribute to changes within the agency's licensee population. The OCCC is currently working on strategies to align with anticipated CFPB policies and administrative rulemaking related to the collection and sharing of consumer complaint information and examination procedures. As the CFPB issues its policies and rules, the agency will assess the impact of those upon its

licensee population, administrative rules, and operating policies.

The OCCC seeks to recruit, develop, and retain employees with the skills and competencies required to support its regulatory activities. The agency will adjust staffing strategies to complement changes within the industries it regulates to ensure the agency's core functions are performed effectively and efficiently. The OCCC has placed an emphasis on career progression, competitive salaries, and succession planning. Strategies for each have been implemented within the previous two years and emphasize development and retention and reduced turnover.

Supply Analysis – Current Workforce Profile

Critical Workforce Skills

The agency currently employs 86 full-time employees with three vacant positions. The agency strives to identify, recruit and retain qualified employees to perform its regulatory activities. Several critical skills are essential to the effective

performance of the agency's core functions and its ability to operate; many of these skills are attained through a combination of education, agency-provided training, and experience.

Knowledge of or Experience in:

- Examination procedures and related state and federal financial protection laws for non-depository financial services entities covering multiple products and services
- State and federal regulatory controls, statutes, and administrative codes related to non-depository financial service products
- Analysis and reporting tools related to financial data and consumer credit products
- Corporate structures, business operating procedures, management control, and internal reporting techniques
- Financial industry terminology and practices
- Economic and accounting principles
- Statistical analysis and techniques
- Financial reports and reporting structures or mechanisms
- Training procedures and techniques
- Information Technology examination or auditing

Ability to:

- Analyze, interpret and apply a full range of legal, regulatory, and agency policies to resolve complex issues
- Apply appropriate mathematical reasoning and methodology related to financial service and consumer credit products
- Analyze and interpret statistical data
- Conduct research and develop regulatory compliance conclusions
- Conduct investigations
- Apply relevant rules, regulations, and statutes and employ inductive reasoning
- Draft clear and concise reports and correspondence
- Communicate effectively across various channels and mediums
- Coordinate projects for timely completion
- Respond to changes in a highly fluid and dynamic regulatory environment
- Establish and meet goals and objectives

Workforce Demographics

As of April 10, 2014, the OCCC's workforce of 89 FTEs was comprised of 55% males and 45% females. Overall, 31% of the agency's employees had more than five years' service, and 53% had less than two

years' service. The median age of agency employees is 37 and the average age is 40.

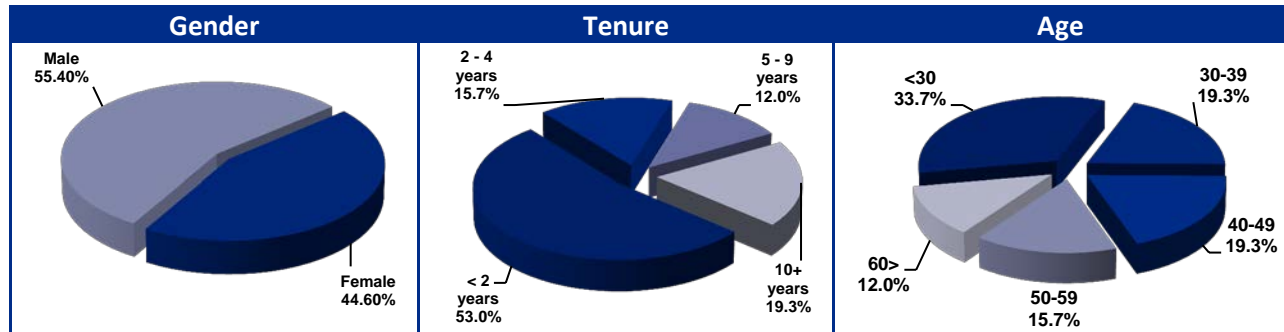


Table 8: Agency workforce demographics as of April 2014.

The following table compares the percentage of African American, Hispanic, and female OCCC employees as of August 31, 2013, to the statewide civilian workforce as reported by the Texas Workforce Commission Civil Rights Division, January

2013 Equal Employment Opportunity and Minority Hiring Practices Report. The agency works to ensure agency personnel effectively serve the diverse Texas population.

Job Categories	African American		Hispanic		Females	
	OCCC %	State	OCCC %	State	OCCC %	State
Officials, Administration (A)	0.00%	10.38%	50.00%	15.87%	50.00%	45.06%
Professional (P)	16.67%	16.60%	25.93%	22.57%	38.89%	60.09%
Technical (T)	0.00%	16.24%	0.00%	29.45%	100.00%	56.72%
Administrative Support (C)	13.34%	19.48%	20.00%	32.32%	80.00%	86.85%

Table 9: Agency workforce EEO profile as of April 2014.

Employee Turnover

Turnover is an important issue in any organization, and the OCCC is no exception. The agency has seen the turnover rates vary from a low of 10.3% in 2009 to a high of 24.7% in fiscal year 2013. The agency turnover rate remained below the state average except fiscal year 2013. The increased turnover during this past fiscal year was influenced in part by the recovering economy and competitive

opportunities that have become available in the private sector and in part by employee desires to balance personal demands with that of employment. The agency dismissed two financial examiners during fiscal year 2013 due to poor performance and inability to meet the requirements and work style characteristics needed to successfully perform those duties.

The agency currently has fifteen FTEs eligible for retirement during the next five years; nine represent mid- to senior-level financial examiner positions. The agency estimates a turnover rate of 13% for fiscal year 2014 and 9% for fiscal year 2015.

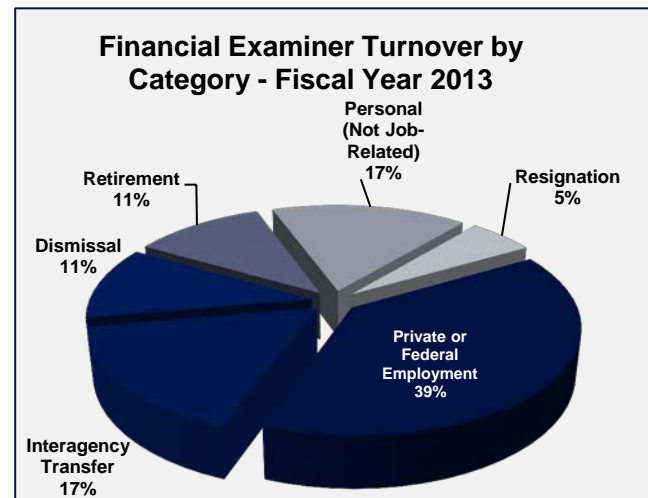


Figure 6: Categorization of financial examiner turnover for fiscal year 2013.

Average Agency Turnover FY06- FY 13

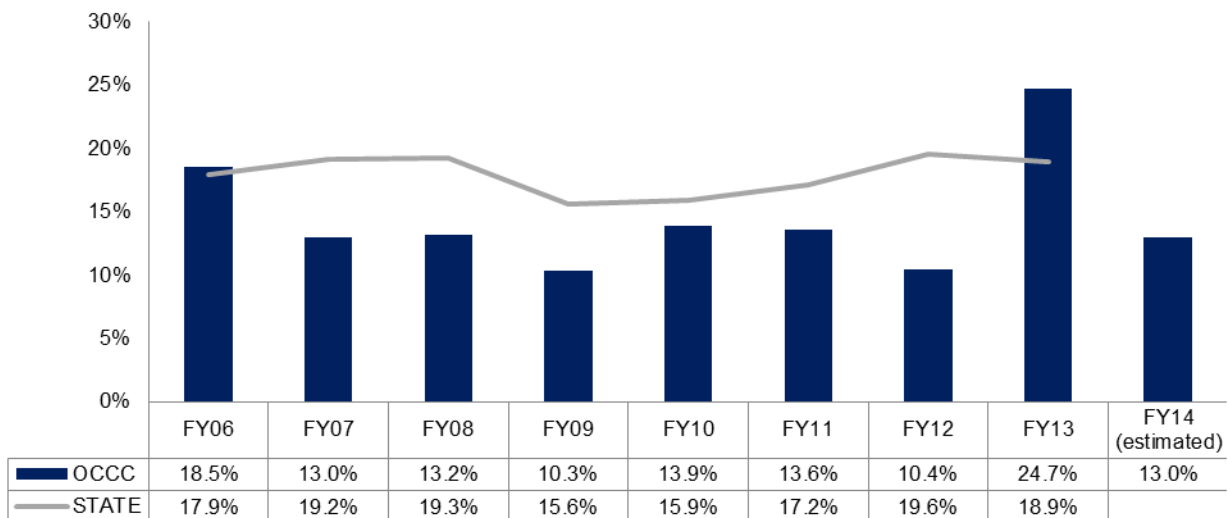


Figure 7: Comparison of agency and state turnover ratios for fiscal years 2006 through 2013, with estimated agency turnover for fiscal year 2014. Ratios include interagency transfers.

Length of Service

During fiscal year 2012 agency turnover was represented primarily by those with agency service of less than 2 years of agency service (14.0%) and those with agency service of 5 – 10 years (15.1%). During Fiscal year 2013, the highest turnover rates were represented by those with less than 2 years of agency service (50.5%) and those with 2 to 5 years of agency service (40%).

The financial examiner series represents the largest component of the agency's workforce and is the most costly to the agency in terms of replacement costs. The agency provides specific professional training to individuals selected for these positions concentrated during the first three to five years of employment; activities which represent significant monetary and time commitments by the agency.

Comparison of Agency and State Turnover by Years of Service					
Length of Service Group	FY 2012		FY 2013		FY 2014 (estimated)
	OSCC	State	OSCC	State	OSCC
Less than 2 Years	14.0%	43.5%	50.5%	41.9%	30%
2 to 5 Years	7.3%	19.6%	40.0%	18.7%	10%
5 to 10 Years	15.1%	14.1%	14.3%	11.9%	20%
10 to 15 Years	10.0%	12.1%	12.5%	10.8%	20%
15 to 20 Years	0%	10.9%	0.00%	10.2%	102%
20 to 25 Years	0.0%	12.5%	16.0%	12.9%	10%

Table 10: Workforce turnover ratios by years of agency service as compared to overall state turnover ratios for previous two fiscal years. Estimated turnover is provided for fiscal year 2014; turnover ratios include interagency transfers.

Age

The largest percentage for the agency's turnover in fiscal year 2013 occurred in the '30 – 39 years' age group, and occurred in the '60 – 69 years' age group

for fiscal year 2012. Turnover occurring in the age group for '60 – 69 years' was due to retirements during both fiscal years.

Length of Service Group	FY 2012		FY 2013	
	OSCC	State	OSCC	State
Under 30 years	5.8%	36.2%	20.3%	36.2%
30 – 39 years	14.5%	19.1%	37.5%	17.85
40 – 49 years	13.3%	12.9%	29.0%	11.6%
50 – 59 years	0.0%	15.2%	12.9%	14.5%
60 – 69 years	24.2%	23.3%	23.5%	22.6%
70 years and Over	0.0%	23.0%	0.0%	23.7%

Table 11: Workforce turnover ratios by age as compared to overall state turnover ratios for previous two fiscal years. Turnover ratios include interagency transfers.

Retirement Eligibility

Although 17.4% of the agency's staff is eligible for retirement within the next five years, the agency does not believe retirement will account for a majority of separations during the immediate future. Effective implementation of strategies related to succession planning, recruitment, retention, staff development, and general sharing of the agency's knowledge bases are vital to the continued effectiveness, continuity, and adaptability.

The OCCC currently has a workforce reflective of the growth the agency has experienced over the previous two fiscal years. With 33.7% of the staff under the age of 30 and 53% with less than 2 years of agency service, the agency emphasizes strengthening the competencies and abilities of its existing workforce and building an effective workforce for the future.

Demand Analysis - Future Workforce Profile

Assessing and determining the future requirements for the agency's workforce encompasses a broad range of duties, needed competencies and skills, and programmatic concerns. These issues have been identified through the agency's strategic planning process, interaction with industry stakeholders, and discussions with agency staff members. As the

agency's regulatory role adapts to an ever-dynamic and evolving consumer credit market, the agency will need qualified staff that can be developed to serve the industry and consumers in Texas in response to anticipated changes and growth across the agency's regulated industries.

Critical Functions

- Increased examination activity in response to the growth and evolution of consumer credit products.
- Increased collaboration with federal and state regulators.
- Increased collaboration with industry stakeholders.
- Increased demand in supervisory resources due to larger workforce and increased number of examinations.
- Increased review of electronic and web-based consumer credit products and the use of information technology at the regulated entity level.
- Development and retention of qualified professionals.
- Development and implementation of effective succession plans.

Expected Workplace Dynamics

- Increased use of technology to provide service and maximize efficiency.
- Increased use and development of subject matter experts.
- Increased investigations into unlicensed activity.
- Increased communication, collaboration, and partnerships with external stakeholders.
- Increased number of public information requests.

Anticipated Increase in Number of Employees Needed

Examination Staff

The agency currently regulates five major categories of financial service providers, as illustrated below, and conducts investigations associated with consumer concerns or complaints. Each industry has a desired examination frequency schedule that ranges from 24 months to 48 months, and each has a projected average number of hours needed to effectively conduct an examination within the given industry. To ensure effective regulation and consumer protection, the agency's goal is to examine licensed entities on a regular and more short-term cycle; this desire mirrors recommendations provided by Finance Commission members and industry stakeholders alike. Additional factors that influence examination

intervals and the effectiveness each examination include:

- The one to three years it takes for a newly hired financial examiner to reach performance maturity (even with prior financial services experience).
- The need for follow-up examinations on licensees who did not demonstrate compliance.
- The turnover rate experienced among the financial examiner series.
- The growth and development of financial services within the agency's regulatory oversight.

	CURRENT Number of Active Licensees (as of April 2014)	CURRENT Average No. of Hours per Exam	CURRENT Exam Interval Schedule (based on 40 examiners)	DESIRED Exam Interval Schedule (based on 44 Examiners)	DESIRED Projected No. of Exams Conducted per Year
Regulated Lending					
Ch 342 Sub E	714	14.8	51 mos.	36 mos.	238
Ch 342 Sub F	2,064	7.3	29 mos.	24 mos.	1,032
Ch 342 Sub G/ A6	375	6.0	44 mos.	36 mos.	125
Ch 348 MVSF	8,318	10.3	58 mos.	48 mos.	2,080
Ch 371 Pawn	1,320	8.2	28 mos.	24 mos.	660
Ch 351 Tax Lien	97	12.6	43 mos.	36 mos.	32
Loans					
Ch 393 Credit	3,363	8.3	41 mos.	36 mos.	1,121
Access Businesses					
Investigations	84*	8.0	12 mos.	12 mos.	84
Total	16,335				5,372
Total Number of Financial Examiners Needed to Complete Projected Examinations at desired interval schedules.					44
Current Number of Financial Examiners performing compliance examinations					40

**This number reflects the planned number of investigations to be performed during the year*

Table 12: Examination Schedules based on data through February 2014.

Using the above examination schedule, and considering the influencing factors noted above, the agency estimates that four additional field examiners are required to optimally perform examination and supervision activities, raise compliance levels, and bring examination intervals within the stated guidelines for the regulated industries. This estimation identified a gap of four field examiners within the financial examiner job classification.

The agency has currently filled all vacant field-based financial examiner positions, whether the vacancy occurred through turnover or newly added positions for fiscal year 2014. Recruitment efforts will focus on recruiting four additional entry-level financial examiners, if approved through the budget process, and on identifying and selecting a training coordinator (newly added position for fiscal year 2014) who will work to ensure effective and timely training and development of lower to mid-level financial examiners. The agency will continue to monitor staffing levels and needs within the examiner series to ensure that effective levels are maintained without lengthening the examination interval schedule.

Administrative and Technical Staff

With the focus on data integration and the recent implementation of ALECS, the agency will continue to provide system upgrades and integrate effective technology-based tools for its stakeholders and workforce. The agency will recruit a database administrator to supplement the IT staff; this position was added to the fiscal year 2014 budget.

As the agency seeks to strengthen its administrative programs, it may consider adding additional support staff to meet operational needs in the credit industry, communications, financial literacy, or administrative sections. The agency may consider limited-term appointments or the use of contract workers as appropriate. The agency has routinely used contract workers to supplement administrative staff to address workload volume peaks.

Future Workforce Skills Needed

In addition to the skills noted within the supply analysis, the agency needs a competent and knowledgeable staff that can efficiently and effectively administer the programs and services offered. Employees must increase skills in the following areas:

- Knowledge and understanding of IT risk in a changing environment, both from a regulatory and user perspective.
- Adaptability to changing technology and diversity of products offered and used.
- Ability to employ critical thinking, process analysis, and decision-making skills.
- Ability to effect change and adapt to change in work processes.
- Ability to communicate to a given audience, and provide effective customer service.
- Ability to manage multiple tasks and priorities.
- Ability to employ project management skills.
- Ability to effectively supervise and manage staff.

Gap Analysis

Anticipated Surplus or Shortage of Workers or Skills

As the agency's regulated population evolves, adjustments to the agency's workforce plan will be made through the addition, deletion, or realignment of positions and responsibilities. The agency's SDSI status enables it to respond to changes in the regulatory environment in a well-timed manner.

The OCCC places an emphasis on the continued development and retention of staff and personnel. To support an effective retention strategy and in comparing the agency's current workforce structure and skills to those needed in the future, the following areas of emphasis have been identified:

- An imbalance of experience exists between the agency's lower- to mid-level examiners and senior-level examiners.
- An imbalance of expertise and capabilities to perform specific examinations exists across the lower- to mid-level examiners.
- Succession planning for key positions must be accelerated to allow for retention of knowledge, experience, and personnel as anticipated turnover and retirements occur.
- An imbalance of technology skills and fundamental software skills across the agency staff.
- Increased staffing needs, primarily within the financial examiner series, are due to:
 - Increased licensee population
 - Increased complexity of examinations, given evolving consumer credit products.
 - Increased out-of-state examinations, re-examinations, and investigations.
- Increased staffing needs within the administrative staff are due to:
 - Increased use of technology in providing services.
 - Increased number of public information requests.
 - Increased communications and strategies to engage stakeholder and the legislature.
 - Improvements needed for customer service experiences related to the licensing and registration process.

The agency's analysis of its current workforce and its anticipated needs for the next three fiscal years is presented below.

	Officials/Admin			Professional			Technical			Admin Support		
	Have	Need	Gap	Have	Need	Gap	Have	Need	Gap	Have	Need	Gap
Executive/Admin	1	1	0	1	1	0	0	0	0	1	1	0
Legal Services	1	1	0	4	4	0	0	0	0	2	2	0
Accounting	0	0	0	3	3	0	0	0	0	0	0	0
Admin Services	0	0	0	2	2	0	0	0	0	0	1	1
Licensing	0	0	0	2	2	0	0	0	0	6	6	0
Inf. Technology	0	0	0	0	0	0	1	2	1	0	0	0
Examination	1	1	0	50	56	6	0	0	0	4	4	0
Consumer Assistance	0	0	0	5	5	0	0	0	0	1	1	0
Total	3	3	0	67	73	6	1	2	1	14	14	1

Table 13: OCCC Gap Analysis as of May 2014.

Strategy Development

The OCCC has identified three categories as areas of opportunity for strengthening and building the competencies and skills of its workforce. These strategies have been implemented within the agency and will continue to be utilized and adapted to meet the needs of the agency and to effectively perform its regulatory duties.

Gap	Imbalance of experience, expertise, and capabilities between the agency's lower- to mid-level examiners and senior-level examiners.
Goal	Reduce the existing experience, expertise, and capability gap within the examination department.
Rationale	Reducing the gap will minimize the impact of examiner turnover, retirements of experienced financial examiners, and examiner inabilities to perform examinations within specific regulated industries. Closing the gap will ensure continuity and effectiveness of agency examination procedures, provide for professional development and career progression, and ensure effective succession planning and replacement.
Actions Steps	<ul style="list-style-type: none"> • Continue career ladder paths within the financial examiner series. • Identify and select training coordinator to administer the examiner training program and schedules. • Allow lower- to mid-level financial examiners to participate in out-of-state examinations. • Support a mentoring program for senior examiners that mentor and coach less tenured and less experienced examiners to ensure knowledge and training learned is appropriately applied to current regulatory activities. • Continue to recruit entry-level financial examiners from university campuses, developing them for career progression within the job series. • Continue to refine and improve succession plans.

Gap	Imbalance of technology skills and fundamental software skills and capabilities across the agency staff.
Goal	Develop a qualified, competent, and well-trained staff.
Rationale	The skills, competencies, and abilities of the agency staff are essential to the success of the agency, but also to its credibility with stakeholders and the general public. The level of quality, experience, and expertise of the workforce has a direct correlation with the agency's ability to perform effectively and efficiently.
Actions Steps	<ul style="list-style-type: none"> • Identify technology and software skills that are needed to support existing operations and to meet challenges that have occurred or are anticipated. • Develop in-house foundational training opportunities to provide relatable and specific skills development. • Identify and provide opportunities for vendor-provided skills and capabilities training to support more effective and efficient operations. • Develop a knowledge-transfer strategy that may include: documenting processes or methodologies related to the use of technology, contacts, forms, and files. • Institute checklists or quick reference guides, flowcharts, and similar work aids to provide easy access to resources.

Gap	Attracting and retaining qualified staff.
Goal	Develop a competent and qualified workforce.
Rationale	17.4% of current staff is eligible to retire within the next five years; a significant number of those individuals represent mid- to senior-level examiner posting and key leadership positions. Building and strengthening our current and future workforce is critical to the continued effectiveness of the agency's regulatory activities.
Actions Steps	<ul style="list-style-type: none">• Identify the knowledge, skills, and abilities of current successful leadership and supervisory positions.• Identify qualified and high-potential staff that either possess or could readily acquire the competencies and abilities necessary for career progression and leadership opportunities.• Continue incorporating development plans into the performance management activities.• Provide training, experience, or job shadowing assignments.