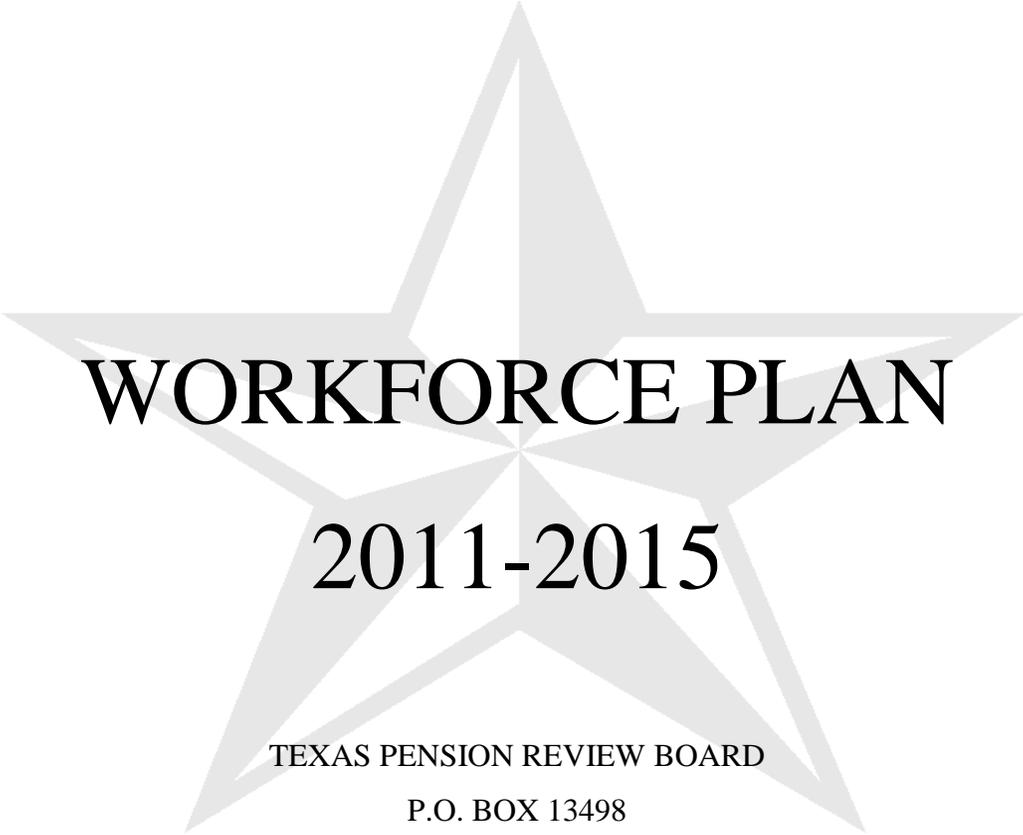




TEXAS PENSION REVIEW BOARD



WORKFORCE PLAN

2011-2015

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WORKFORCE PLAN

A. Overview

In order to comply with regulations required by Section 2056.002 of the Government Code, the PRB has conducted a staffing analysis, which includes the following:

- A systematic process for workforce planning, which is integrated, methodical and ongoing
- Identification of the human capital necessary to meet agency goals
- Development of a strategy to meet agency staffing requirements

Update Agency Workforce Snapshot: The PRB is currently composed of an executive director, with 11 other Full-time Equivalent (FTEs). Each of the FTEs reports to the executive director. The agency was started in 1980 with two employees. For many years, the agency had five FTEs. Staff levels increased to eight after three employees were added in fiscal year 2006. Five new employees were granted in fiscal year 2008, bringing the total FTE count to 13. Current staff level consists of 12 FTEs, with one additional position kept vacant due to budgetary constraints.

Agency Mission: The agency shall provide the State of Texas with the necessary information and recommendations to ensure that our public retirement systems, whose combined assets total in the multi-billions, are financially sound, benefits are equitable, and properly managed. The agency seeks to minimize tax expenditures for employee benefits yet still provide for those employees, and to expand the knowledge and education of administrators, trustees, and members of Texas public pension funds.

Agency Scope and Key Functions: The PRB was established by H.B.1506, 66th Legislature, R.S. (V.T.C.A., Title 8, Chapter 801, Government Code,) effective September 1, 1979, as an oversight agency for Texas public pension systems. The general duties of the PRB outlined in Chapter 801 of the Government Code are to (1) conduct a continuing review of public retirement systems, compiling and comparing information about benefits, creditable service, financing and administration of systems; (2) conduct intensive studies of potential or existing problems that threaten the actuarial soundness of or inhibit an equitable distribution of benefits in one or more public retirement systems; (3) provide information and technical assistance on pension planning to public retirement systems on request; and (4) recommend policies, practices, and legislation to public retirement systems and appropriate governmental entities. The agency is also charged with preparing and providing an actuarial impact statement for bills and resolutions that propose to change the amount or number of benefits or participation in benefits of a public retirement system or that proposes to change a fund liability of a public retirement system. Additionally, the board is authorized to conduct training sessions, schools, or other educational activities for trustees and administrators of public retirement systems. The board may also furnish other appropriate services such as actuarial studies or other requirements of systems and may establish appropriate fees for these activities and services.



The PRB service population consists of the current and future members, administrators, and trustees of approximately 370 individual public retirement plans; state and local government officials; and taxpayers.

The main functions of the PRB are to conduct a continuing review of all public retirement systems, to conduct intensive studies of potential or existing problems that threaten the actuarial soundness of public retirement systems, to provide information and technical assistance, and to recommend policies, practices, and legislation to public retirement systems and appropriate governmental entities. In addition, the PRB is charged with producing actuarial impact studies on proposed legislation. Though the PRB does not have civil or criminal penalties to level, the PRB has been given the power to inspect records, issue subpoenas, and request writs of mandamus to the plans to compel compliance with reporting requirements.

B. Current Workforce Profile (Supply Analysis)

Critical Workforce Skills: There are several skills that are critical to the agency's ability to successfully meet objectives. The PRB could not fulfill its mission without knowledgeable people with the following skills:

- Accounting/Budgeting
- Actuary
- Administrative
- Auditing
- Computer Research Skills
- Database Administration
- Data Analysis
- Event Planning
- Financial Analysis
- Forecasting
- Human Resources
- Mathematical Modeling
- Office Management
- Political/Legislative Experience
- Risk Analysis
- Writing, Editing, and Research



Workforce Demographics:

| Position | Skill Orientation | Sex | Race | Retirement Eligibility |
|--------------------------|---|--------------------|---|--------------------------------------|
| Executive Director | Office Management, Political/Legislative Experience, Financial Analysis, Data Analysis, Risk Analysis, Writing, Editing, and Research | M | White | No |
| Staff Services Officer | Office Management, Event Planning, Administrative, Writing, and Editing | F | White | Yes |
| Actuary | Actuary, Financial Analysis, Mathematical Modeling, Forecasting, Risk Analysis, Writing, Editing, and Research | M | White | No |
| Policy Analyst | Political/Legislative Experience, Data Analysis, Financial Analysis, Writing, Editing, and Research | F | Asian | No |
| Financial Analyst | Financial Analysis, Data Analysis, Computer Research Skills, Office Management and Political/Legislative Experience | M | White | No |
| Financial Analyst | Financial Analysis, Data Analysis, Computer Research Skills, Office Management, Political/Legislative Experience, Writing and Editing | F | White | No |
| Administrative Assistant | Administrative, Research, Event Planning | F | Black | No |
| Administrative Assistant | Administrative, Research | F | White | No |
| Research Specialist | Computer Research Skills, Data Analysis | F | Black | No |
| Research Specialist | Computer Research Skills, Data Analysis | M | White | No |
| Research Specialist | Computer Research Skills, Political/Legislative Experience | F | Hispanic | No |
| Staff Accountant | Accounting/Budgeting, Human Resources | M | Hispanic | Yes |
| | | 58% - F 42% - M | 58% - W 17% - H 17% - B 8% - A | 17% - Eligible 83% - Not Eligible |

Employee Turnover: Turnover continues to be an important issue with the PRB. A major strength of the PRB is its staff. When a position becomes vacant within the agency, the turnover rate will appear much higher than the state-wide average because the agency has 13 FTEs. Since 1981, the PRB has benefited from a very low turnover rate; however, recent years have seen the departure of senior staff whose expertise is not easily replaced.

C. Future Workforce Profile (Demand Analysis)

Expected Workforce Changes: Due to retirement eligibility of the agency's Staff Services Officer and one other staff member, the PRB could face hiring and/or development of key personnel for roles requiring leadership and managerial expertise over the next one to five years. This risk of retirement could leave the agency without senior level experience at a position essential for the management of workflow at the agency.



D. Gap Analysis

A slight gap exists in the PRB's workforce due to a program specialist position that is currently vacant because of budget constraints. Also, substantial gaps might emerge rapidly in the future, with the departure of even one key employee. Due to the highly specialized nature of pension and actuarial expertise, the labor market may not be as well suited to providing perfectly qualified replacements for the most senior positions in the agency. Successfully replacing key positions with new employees with specialized pension/actuarial expertise could be difficult. While pension/actuarial skills are scarce, they can be effectively developed within candidates with strong backgrounds in general financial analysis.

E. Strategic Workforce Plan

Skill Development: While the agency can continue to recruit future personnel with pension or actuarial expertise, an effective alternative would be the development of individuals with requisite financial and analytical skills. Development will help the agency overcome the scarcity of those specialized actuarial and pension skills in the labor market. Another focus for skill development is the encouragement of staff to use training opportunities to further already existing skill sets or to develop new skill sets.

Development Time: Due to the complexities of actuarial science found in pension review, development may require longer periods of training, perhaps exposure to several months of on-the-job experience. Understanding how to navigate the political and legislative environment is experience-driven, and will often take months and years to gain experience in those areas.

Preparing for Transition: The agency needs to improve documentation of strategic job descriptions, particularly with the executive director and financial analyst positions, as well as critical job procedures. Specialized knowledge should be captured and translated into a procedural manual, or projected into the agency website and database software. This will leave an informational reference or knowledge base for future administrators in the agency.

The agency has instituted an employment section on the website to provide a means to cultivate qualified individuals for future employment requirements.

Salary Structure: The executive director was granted a salary increase by the 81st Legislature. In the past, the agency has experienced salary compression among personnel serving the agency's core services, as there was very little difference between the salaries of the agency's executive director and the financial analysts. Additional financial resources for salaries will be needed to successfully attract and retain qualified personnel for these positions, especially as new openings arise.

Retaining Valuable Personnel: Given the budgetary limitation of the agency, two key policies are in place to retain valuable personnel. First, the flexibility of assignment allows staff members to pursue areas of interest to them while working within the needs of the agency. With staff able to match agency goals with their own professional goals, the ability to retain valuable personnel will be strong. The second policy is the flexibility of schedules which allows staff to maintain a firm work-life balance essential for retaining valuable personnel.