



HHSC Strategic Plan for Vacant or Underutilized FTE Positions

**As Required by
the 2020-21 General
Appropriations Act, House Bill 1,
86th Legislature, Regular Session,
2019 (Article II, Health and
Human Services Commission,
Rider 169)**

**Health and Human Services
Commission
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TEXAS
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Executive Summary

The *HHSC Strategic Plan for Vacant or Underutilized FTE Positions* is submitted pursuant to Rider 169¹ of the 2020-21 General Appropriations Act, House Bill (H.B.) 1, 86th Legislature, Regular Session, 2019 (Article II, Health and Human Services Commission). The rider states:

Rider 169. Strategic Planning for Vacant or Underutilized FTE

Positions. Out of funds appropriated above in Strategy L.1.1, HHS System Support, the Health and Human Services Commission (HHSC) shall develop a strategic plan to transition vacant or underutilized full-time equivalent positions² (FTEs) to high priority agency functions including contract oversight and management, or to achieve cost savings by reducing vacant or underutilized FTEs. HHSC shall submit the strategic plan by August 31, 2020, and shall report associated data regarding the commission's redistribution, repurposing, or reduction of FTE positions by August 31 of each fiscal year to the Governor, the Legislative Budget Board, and permanent committees in the House of Representatives and the Senate with jurisdiction over health and human services.

The 2020 Rider 169 report details the agency's strategic plan for vacant or underutilized FTE positions, explains agency FTE position management methodology and policy, and provides an overview of current and prospective agency actions. HHSC is developing a policy to facilitate a data-driven review to identify underutilized FTEs and to determine whether those positions should be reduced or transferred to high priority or critical agency functions.

Rider 169 provides the opportunity to further efforts toward the efficiencies envisioned in Transformation³ by the legislature. To gather the needed data, all HHSC divisions and the Office of Inspector General (OIG) reviewed a comprehensive list of all HHSC positions. Program comments were received, reviewed, categorized, and analyzed. Texas Civil Commitment Office (TCCO), Department of State Health Services (DSHS), and Department of Family and Protective Services (DFPS) were not included. This rider further requires both the strategic plan and the associated data be reported to the Governor, Legislative

¹ https://www.lbb.state.tx.us/Documents/GAA/General_Appropriations_Act_2020_2021.pdf

² SAO Full-time Equivalent (FTE) Employee Reporting Instructions and Information <http://www.hr.sao.texas.gov/publications/FTEReportingInstructionsAndInformation.pdf>

³ See Appendix B

Budget Board, and legislative committees with jurisdiction over HHSC by August 31 of each year.

There are several key points from the report to note, including:

- HHSC employs workforce planning, a system-wide process for identifying, analyzing, and forecasting the number of employees and skill sets required to meet agency goals and strategic objectives.
- The consolidation and Transformation⁴ of the state's health and human services agencies continues to impact FTE management.
- There are different methodologies for managing FTE positions within the state employment level limitations set forth by the legislature in agency appropriations. HHSC uses a hybrid of Planned-basis and Actual-basis methodology at the agency organizational unit level for FTE management.
- In 2019, of the state's unutilized FTEs for Article II Health and Human Services made up 4,163.6 (7.48%). The statewide average for Article II agencies is below the statewide average for other articles.
- Unutilized FTEs are not necessarily underutilized FTEs.⁵
- Review of the agency FTE positions (April 2020) did not identify underutilized FTEs. Of the 37,977.7⁶ FTE positions appropriated to HHSC, 36,548⁷ FTE positions were filled with employees, and 1,429⁴ (3.76 percent) were unutilized FTEs.
- The strong Texas economy impacts the agency's workforce planning, recruitment, management, and retention of skilled, experienced staff. There is a shortage of experienced, skilled workers in a highly competitive job market.

⁴ See Appendix B

⁵ See Appendix B

⁶ H.B. 1, fiscal size-up, page II-36.

http://www.lbb.state.tx.us/Documents/GAA/General_Appropriations_Act_2020_2021.pdf

⁷ FTEs calculated on a Planned-basis using scheduled hours, these amounts may vary from actual FTE calculations reported to the SAO based on hours worked.

Introduction

HHSC employs just under than 38,000 staff who manage programs ranging from health care, food benefits, cash assistance, state in-patient psychiatric hospitals, regulation of child care, and nursing and health care facilities. Every program within the system's 11 regions depends on trained staff to deliver program benefits and serve the people of Texas. HHSC faces an aging workforce in a competitive labor market. Many agency programs need employees with specialized skills and most management positions require program knowledge. Additionally, like many other state agencies, HHSC salaries are not competitive with the private sector. The State Auditor's Office (SAO's) *An Annual Report on Classified Employee Turnover for Fiscal Year 2019*⁸ notes that employees seeking better pay elsewhere was reported as the number one reason for why employees left their agency. Despite ongoing investments by the legislature to shore up salaries for hard-to-fill positions with market rate increases, the pay increases and compensation strategies have not kept pace with industry salaries.

HHSC employs workforce planning, an organized process for identifying, analyzing, and forecasting the number of employees and types of employee skill sets required to meet agency goals and strategic objectives. This is a business necessity and a high priority. Program areas employ multiple workforce planning tools and strategies to ensure development of existing talent, provide staffing projections for budget planning and workload distribution, and maintain a diverse workforce. HHSC divisions work hard to fill and retain FTE positions. The outsourcing and self-service automation of main human resource functions require agency managers to play a major role in recruiting and hiring of employees. Staff positions are continually reviewed against department unit needs and capacity.

Rider 169 directs HHSC to develop a strategic plan for FTE positions that are vacant or underutilized and explain if underutilized positions will be transferred to address agency priorities or reduced to achieve cost savings. HHSC benefits from this review that supports the ongoing effort to gain the efficiencies envisioned in Transformation by reviewing and reorganizing agency resources, ongoing budget constraints, and increasing need for services and assistance by citizens.

⁸ <http://www.sao.texas.gov/SAOReports/ReportNumber?id=20-703>

Background

Transformation has impacted FTE management

The Health and Human Services (HHS) system has undergone extensive changes to its organizational structure in accordance with statutory changes made during the 84th and 85th legislative sessions and based on recommendations of the Sunset Advisory Commission issued in 2015. With the focus to create a more efficient system with greater capacity, the last reorganization, Transformation, consolidated five distinct agencies into three agencies with a variety of staff, infrastructure, systems, applications, services, and processes (with DFPS and DSHS remaining independent). The anticipated, beneficial outcomes are beginning to present due legislative support and investment, as well as consistent work to align systems and processes.

Methodologies for FTE Management

There are different methodologies for managing FTE positions within the state employment level limitations set forth by the legislature in agency appropriations. The two fundamental methods for managing FTE balances are Planned-basis and Actual-basis. HHSC uses a hybrid approach of these two methods referred to as the HHSC FTE Management.

Planned-basis

The Planned-basis aligns the agency's appropriated FTEs to that agency's positions based on scheduled hours or headcount.⁹ For example:

- At the time of reporting, a filled position scheduled for 40-hours per week, but working only 20-hours per week, would be recorded as one filled FTE.
- A vacant position scheduled for 40 hours per week would be recorded as one unutilized FTE even if the employee previously filled the position and worked 20 hours in it during that period.

Using this method means that every position (filled or vacant) based on scheduled hours reconciles to the agency's appropriated FTE employment limitation. This

⁹ A headcount is a value that represents the total number of employees working as of the end of a reporting period. This count is for all employees and contract workers regardless of hours worked.

method allows an agency increased control, simplified processes, and simplified data. This Planned-basis method is most useful in agencies with limited FTE amounts, variety, and/or turnover.

Actual-basis

The Actual-basis aligns FTEs appropriated to an agency to that agency's positions based on actual hours worked. For example:

- At the time of reporting a filled position scheduled for 40 hours per week but working only 20 hours would be recorded as the average filled FTE calculated in prior weeks including the 20 hours most recently worked.
- A vacant position would be accounted for as the difference between actual FTE calculations and targeted or projected FTE filled positions within the same time period.

Using this method does not require positions to align with FTEs appropriated to an agency based on scheduled hours, but instead monitors and projects actual FTE calculations up to assigned targets which are aligned with appropriated FTEs.

This method does not offer as much control, is a more complex process, and consists of more complex data. This Actual-basis method is most useful in agencies with high FTE amounts, variety, and/or turnover. This method tends to show a precise lapsed FTE for areas with persistent turnover but requires dedicated resources for the command and control of hiring. Resources are required to centralize decision-making on projections, hiring approval, and monitoring.

Hybrid Management Method

HHSC manages its FTE positions through a hybrid of the Planned-basis and Actual-basis methodologies at the agency organizational unit level.

- The large FTE volume areas¹⁰ of HHSC employ the Actual-basis and sets employment targets based on historical FTE calculations.
- All agency areas outside of these large FTE volume areas use the Planned-basis allowing them to hire staff into vacant positions available.

This hybrid approach allows the large volume FTE business within HHSC to gain the efficiency and flexibility of Actual-basis while allowing the rest of the agency's business to maintain the control and precision of the Planned-basis.

¹⁰ Access and Eligibility Operations, State Supported Living Centers, State Hospitals

Limitations on Employment Levels

During each legislative session, agencies and higher education institutions receive an FTE limitation for each fiscal year within the biennium. The Legislative Budget Board maintains each agency's FTE limitation. Only FTEs paid from appropriated funds count toward an entity's FTE limitation, including temporary and contract employees paid from appropriated funds who worked more than half of the workdays during the preceding 12 months. HHSC is appropriated 37,977.7 FTEs.

FTE Reduction Related Actions

HHSC historically managed its FTE authority via the FTE-basis at the agency-level. The agency monitored FTE balances at an agency-level and allowed organizational units with the agency to employee staff up to their historical FTE balance. This methodology was based on the agency as it existed prior to Transformation. Based on changes since S.B. 200¹¹, HHSC has adopted a new hybrid methodology for managing the agency's appropriated FTE balance. The agency has separated its business in terms of FTE management needs and prescribed the appropriate methodology as described above.

The 2020-21 General Appropriations Act, H.B. 1, 86th Legislature, Regular Session, 2019, reduced the total number of appropriated FTEs. The HHSC Chief Financial Officer worked with impacted divisions to address the reduction of 1,911 FTEs.

Workforce Reports

HHSC workforce management has been a focus for many years, resulting in six separate workforce reports, or reports with a portion on workforce, including:

1. Strategic Staffing and Workforce Plan, Health and Human Services System Strategic Plan, required by Texas Government Code, Section 531.022 and Chapter 2056¹²;
2. Rider 139 requires HHSC to evaluate staffing recruitment and retention efforts at the 12 State Supported Living Centers (SSLCs)¹³;

¹¹ <https://www.capitol.state.tx.us/BillLookup/Text.aspx?LegSess=84R&Bill=SB200#>

¹² <https://hhs.texas.gov/about-hhs/budget-planning/health-human-services-system-strategic-plans-2019-2023>

¹³ <https://hhs.texas.gov/sites/default/files/documents/laws-regulations/reports-presentations/2019/sb1-sslc-recruitment-retention-efforts-oct-2019.pdf>

3. Rider 110 requires A report on maximizing Resources and long-range planning for SSLCs¹⁴;
4. Rider 143 requires state hospitals to evaluate compensation levels, turnover and vacancy rates, and recruiting efforts and develop recommendations to reduce turnover and vacancy rates¹⁵;
5. Rider 207 requires HHSC to develop recruitment and retention strategies for community attendants¹⁶; and
6. Senate Bill 643, 86th Legislature, Regular Session, 2019, requires the Annual Report of the Office of the Independent Ombudsman for SSLCs.¹⁷

¹⁴ <https://hhs.texas.gov/sites/default/files/documents/laws-regulations/reports-presentations/2020/maximizing-resources-long-range-planning-sslc-july-2020.pdf>

¹⁵ <https://hhs.texas.gov/sites/default/files/documents/laws-regulations/reports-presentations/2018/rider143-state-hospital-workforce-aug-2018.pdf>

¹⁶ <https://hhs.texas.gov/sites/default/files/documents/laws-regulations/reports-presentations/2019/community-attendant-recruitmt-retention-strat-aug-2019.pdf>

¹⁷ <https://sslc-independent-ombudsman.texas.gov/sites/sslc-ombudsman/files/assets/publications/biannual-july-dec-2019.pdf>

Strategic Plan for Vacant or Underutilized FTE Positions

Overview of the Strategic Plan

The agency's plan is to design and implement a standardized, data-driven review of underutilized FTEs and a process for agency leadership to determine whether vacant or underutilized positions should be reduced or transferred to critical agency functions and ensures high priority agency functions align with the agency's strategic priorities identified by internal metrics. The process will support the hybrid of FTE position management methodologies, currently in use, which allows greater efficiency and flexibility for large divisions while maintaining a system of control and precision with remaining divisions. The diversity of business operations and the critical nature of agency business (service delivery and assistance) is linked to the management methodologies employed. Regardless of management methodology, all divisions employ workforce planning strategies specific to program needs to meet legislative mandates, agency goals, and strategic objectives.

Underutilized FTEs cannot be uniformly defined by criteria alone for HHSC. Determining which FTEs are underutilized requires context and judgement. While criteria alone cannot identify an underutilized FTE, they can be used to identify populations of positions associated to unutilized FTEs which could include underutilized FTEs. Review of an agency FTE position sample (April 2020) did not identify underutilized FTEs. Of the 37,977.7¹⁸ FTE positions appropriated to HHSC, 36,548¹⁹ FTE positions were filled with employees, and 1,429⁴ (3.76 percent) were unutilized FTEs.

Implementation of data-driven reporting and a process to review hiring strategy decisions, address challenges to retention and recruitment, discover problems, or maximize successes will improve agency FTE management. A comprehensive, ongoing review allows for the identification of potentially underutilized FTE positions and timely identification and communication of high priority agency functions. The rider instructions regarding contract oversight and management functions will be incorporated into the FTE review policy to identify and prioritize functions to which

¹⁸ H.B. 1, fiscal size-up, page II-36.

http://www.lbb.state.tx.us/Documents/GAA/General_Appropriations_Act_2020_2021.pdf

¹⁹ FTEs calculated on a Planned-basis using scheduled hours, these amounts may vary from actual FTE calculations reported to the SAO based on hours worked.

underutilized FTEs may be transferred. HHSC anticipates greater control and use of FTEs.

Definition for Underutilized FTE Positions

Critical to the agency's approach in reviewing FTE positions is the definition of underutilized FTEs. Underutilized FTEs are positions which go unfilled with little to no impact to the functions to which they are assigned. These positions result in unutilized FTE authority appropriated an agency. Unutilized FTEs are not necessarily underutilized FTEs.

When FTEs are appropriated, a state employment limitation is established for each agency. The difference between the agency's FTE employment limitation and actual FTE employment level²⁰ is the agency's unutilized FTEs. It is common for state agencies to have some number of unutilized FTEs. The lack of FTE use is not necessarily an indicator of a lack of need at an agency. Unutilized FTEs can be the result of anything from the timing of the normal agency hiring process to shortages of trained staff in the market place.

Policy for Underutilized FTE Positions

Underutilized FTEs are defined as positions that go unfilled with little to no impact to the functions to which they are assigned. As a result of the initial analysis, HHSC will:

- Add a process for FTE review with all vacancies lasting over six months with increased scrutiny on vacancies in excess of one year;
- Conduct position reviews using aging vacancy reports to analyze vacancies by the amount of time vacant; and
- Use results of FTE reviews to further narrow the scope of the review and inform additional details in the review process and policy.

High Priority Agency Functions

Per Rider 169, high priority functions are identified as those functions associated with contract oversight and management. It is anticipated that the agency will identify new and different challenges to address in the decades to come. This definition allows the flexibility for the agency to adapt to future needs.

²⁰ Annual Average reported to SAO

Recruitment and Retention Challenges

It is important for the agency to employ professionals who have the skills necessary for the development, implementation, and evaluation of health and human services programs. Significant challenges remain with recruitment and retention in the large volume FTE business units.²¹ Many of the jobs are low-paying, highly stressful, and experience higher than normal turnover. The high use of appropriated FTEs is the result of the agency's Actual-basis methodology of management and reductions to lapsed FTEs in the 86th Texas Legislature, Regular Session. No FTE positions within this business segment are considered underutilized.

Significant challenges with recruitment and retention also remain in the other 19 divisions that depend on a highly skilled, trained workforce. There is a general shortage of multiple skill sets, including: contracting, government auditors, inspectors, and information technology employees. Further examination of the balances in these divisions is required to identify potential underutilized FTEs within these unused amounts. Key to this examination is the amount of time and cause of FTE positions remaining vacant.

Data Analysis

The analysis reviews the agency's unutilized FTEs, beginning with state employee analysis and concludes with an analysis of HHSC FTE positions to better understand the agency's organization and structure.

Texas

In fiscal year 2019 the state of Texas:

- Set an FTE employment limitation of 211,933.6;²²
- Employed an average of 170,328.25¹ FTE employees subject to this limitation; and
- Had 16,106.7 FTEs (7.6 percent) unutilized statewide.
- Of the state's unutilized FTEs, Article II Health and Human Services made up 4,163.6 FTEs.

²¹ [Texas Government Code, Section 2056.0021](#), Strategic Staffing Analysis and Workforce Plan

²² A Summary Report on Full-time Equivalent State Employees for Fiscal Year 2019, SAO Report No. 20-207, page 15, Table 11. <http://www.sao.texas.gov/reports/main/20-702.pdf>

Table 1. Statewide Employment Limitations and Average FTE Employment

Fiscal Year 2019					
General Appropriations Act Article	Annual Average FTEs	Fiscal Year 2019 State Employment Limitation	Annual Average FTEs Subject to State Employment Limitation	Unutilized FTE	Percent Unutilized FTE
Article I - General Government ^a	9,584.0	6,686.0	6,265.2	420.8	6.29%
Article II - Health and Human Services	51,516.9	55,626.4	51,462.8	4,163.6	7.48%
Article III - Public Education	2,622.7	2,492.8	2,368.7	124.1	4.98%
Article III - Higher Education ^b	182,073.4	62,410.9	57,971.2	4,439.7	7.11%
Article IV - The Judiciary ^a	1,747.1	283.1	262.9	20.2	7.14%
Article V - Public Safety and Criminal Justice	49,159.4	54,061.3	49,037.9	5,023.4	9.29%
Article VI - Natural Resources	8,200.5	8,697.4	8,055.5	641.9	7.38%
Article VII - Business and Economic Dev	17,884.2	18,497.5	17,637.8	859.7	4.65%
Article VIII - Regulatory	3,417.8	3,178.2	2,764.9	413.3	13.00%
Article X - The Legislature	2,190.3	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Statewide (Excluding Higher Education)	146,322.9	149,522.7	137,855.7	11,667.0	7.80%
Statewide (Including Higher Education)	328,396.3	211,933.6	195,826.9	16,106.7	7.60%
^a Section 4, page IV-39, and Section 6.10(f), page IX-31, the General Appropriations Act (85th Legislature) contained exemption language that affected state employment limitations for the Office of the Governor, the Office of the Comptroller of Public Accounts, and appellate courts for fiscal years 2018 and 2019. ^b For applicable institutions, the number of FTEs allocated based on patient income (generated through the operation of a hospital, clinic, or dental clinic) is not counted for purposes of calculating the FTE limitation within Article IX, Section 6.10.					

Health and Human Services Commission

In fiscal year 2019, the percentage of unutilized FTEs is below the statewide average for Article II agencies, including DSHS, DFPS, and HHSC. HHSC created a snapshot of the Agency’s April 2020 FTE data to support this analysis.

HHSC FTEs fiscal year 2020 (as of April 31, 2020)

- Appropriated: 37,977.7²³

²³ H.B. 1, fiscal size-up, page II-36.

http://www.lbb.state.tx.us/Documents/GAA/General_Appropriations_Act_2020_2021.pdf

- Employed: 36,548²⁴
- Unutilized: 1,429⁴ (3.76 percent)

This data set of the agency’s FTEs was separated into three sections based on fundamental differences in agency business.²⁵ In this data set, vacant positions were grouped by the amount of time vacant and the cause of the time vacant.

- Large Workforce Volume FTE Business (two divisions) managing FTEs on an Actual-basis;
- Remaining HHSC Business (19 divisions/areas) managing FTEs on a Planned-basis; and
- TCCO, DSHS, and DSPS are out of scope for this plan.

The 3.76 percent or 1,429 FTEs of appropriated FTE Authority not used consists of:

- 45 FTEs associated to the agency’s large workforce volume FTE areas;
- 5 FTEs associated with TCCO; and
- 1,311 FTEs associated with all remaining agency business.

Further examination of these balances is required to identify potential underutilized FTEs within these unused amounts. Key to this examination is the amount of time and cause of positions remaining vacant.

Table 2. Analysis Categories

Analysis Categories	Filled	Unutilized	Total FTE	Percent
3 Large Volume FTE Business Areas ¹⁰	26,704	45	26,749	0.17%
19 Other Business	9,816	1,379	11,194	12.32%
TCCO	30	5	35	14.57%
Grand Total	36,549	1,429	37,978	3.76%

Three areas have large volume FTE business

Three areas of the agency – Access and Eligibility Services, State Hospitals, and SSLCs have large volume FTE business. All three large volume FTE business areas experience high turnover in critical positions and are constantly hiring new employees in anticipation of employee separations. If the unit waited until a staff member terminated employment before posting and filling that position, there would be gaps in care. These business areas more efficiently use their appropriated

²⁴ FTEs calculated on a Planned-basis using scheduled hours, these amounts may vary from actual FTE calculations reported to the SAO based on hours worked.

²⁵ Planned-basis vs Actual-basis explained in Background of this report.

FTE authority. They use a pool of vacant, unfunded FTEs to function as a system to maintain staffing levels. Accordingly, the vacancies in this pool are not underutilized. In addition, many FTEs, while officially may be counted as vacant, are filled with contractors critical to ongoing services (such as telemedicine psychiatrists and on-site nurses, physicians, and habilitation therapists). The vacancies in this group are not underutilized.

Low unutilized FTEs in these business areas shows an increased efficiency in FTE management, but is not an indication of changes to the high turn-over and/or low level of employment in these areas. The high use of appropriated FTEs is the result of the agency's Actual-basis methodology of management and reductions to lapsed FTEs by the 86th Legislature. These areas use historic workforce information to set employment targets based on historical FTE calculations, in anticipation of future turnover. There remain significant challenges with recruitment and retention in these respective businesses.²⁶ No FTEs within these business segments are considered underutilized.

The 0.17 percent, or 45, unutilized FTEs, associated to the agency's large volume FTE areas consists of:

- 21 FTEs in Eligibility Operations;
- 12 FTEs in SSLCs; and
- 12 associated to State Hospitals.

Other Entities

The 14.57 percent, or 5 unutilized FTEs, associated with TCCO were excluded from this analysis and plan as it is a separate agency.

DSHS and DFPS are not included.

19 areas/divisions have Planned-basis FTE business

Most areas/divisions use Planned-basis FTE business management that allows for control and precision. This aligns the agency's appropriated FTEs to that agency's positions based on scheduled hours or headcount. The 12.32 percent, 1,379 unutilized FTEs, associated with all these other business areas²⁷ were grouped into five categories.

²⁶ [Texas Government Code, Section 2056.0021](#), Strategic Staffing Analysis and Workforce Plan

²⁷ See Appendix C

1. Normal Agency Hiring Process: normal delays associated to agency operations such as reclassifying, posting, and updating positions.
2. Filled within Next Month: positions that were filled soon after the snapshot was taken.
3. Recruitment and Retention Challenges: delays related to the inability to find qualified applicants or inability to offer competitive compensation.
4. Delayed Hiring: vacancies resulting from business-driven decisions to slow hiring for planning purposes, primarily organizational or financial.
5. Unique Business Needs: delayed hiring that results from the nature of agency business, cost recovery businesses that hire as needed, and 100 percent federally funded businesses with maintained FTEs and hiring in line with Federal planning.

No FTE reductions or transfers occurred because of this review. The significant FTEs changes to date are the result of implementing FTE reductions prescribed by the 86th Legislature. The 4.8 percent, 2,022 FTE reduction was based on historical FTE lapse at the agency primarily driven by Eligibility Operations, SSLCs, and State Hospitals.

Cause of Vacancy by Category (as of April 31, 2020)

Table 3. Cause of Vacancy by Category

Cause of Vacancy	Years < 0.5	0.5 ≤ Years < 1	1 ≤ Years < 2	2 ≤ Years	Total
Normal Agency Hiring Process	851.0	6.0	0	0	857.0
Filled with Next Month	21.0	112.0	45.0	18.0	196.0
Recruitment and Retention Challenges	7.0	104.0	42.0	25.5	178.5
Delayed Hiring	0	42.3	42.0	33.0	117.3
Unique Business Needs	0	0.0	2.0	28.0	30.0
Grand Total	879.0	264.3	131.0	104.5	1,378.8

Less than 6 months

Most vacant positions in the agency’s snapshot were vacant less than 6 months and associated to the agency’s normal hiring process.

After 6 months

Vacancies are primarily driven by recruitment and retention challenges or were filled within the next month.

Vacancies lasting less than one year appear to be primarily driven by impacts to the agency.

After 1 year

Vacancies appear to be equally driven by delayed hiring decisions as by recruitment and retention challenges.

Vacancies lasting more than one year were equally impacted by agency decisions to delay hiring.

Measurement of Success

Improved FTE reporting, monitoring, and management processes for agency-wide review will be used to measure success. Reporting will include the review of vacant positions by the amount of time vacant. This plan and the implemented processes will be measured by the number of FTEs remaining vacant over time. If success is achieved, the policy approach will be strengthened and expanded.

Success will be measured by:

- A reduction in positions vacant for more than one year.

Conclusion

Efficient and effective workforce management is key to the success for program service delivery and the assistance provided to Texas clients. The OIG and HHSC divisions compete in the competitive job markets of the Austin and Texas economies, which increase the difficulty to recruit and retain qualified, trained employees. A hybrid FTE management system is used at HHSC because of the diversity and complexity of funding sources, hiring trends, and FTE limitations. Program areas employ multiple workforce planning tools and strategies to ensure development of existing talent, provide realistic staffing projections for budget planning and workload distribution, and maintain a diverse workforce. Further examination of the balances in business areas using planned-basis management divisions is required to identify potential underutilized FTEs within the unused amounts.

A consistent, agency-wide process will guide and improve how underutilized FTE positions are identified and where those additional FTE positions may be needed. This plan will strengthen current policy and procedures by adding a new process for agency leadership to review agency human resources issues, including underutilized FTE positions or reductions. During fiscal year 2020, the agency made significant changes in FTE positions because of implementing FTE reductions prescribed by the 86th Legislature.

Appendix A. Acronyms

Acronym	Full Name
DSHS	Department of Health Services
DFPS	Department of Family and Protective Services
FTE	Full-Time Equivalent
H.B.	House Bill
HHS	Health and Human Services
HHSC	Health and Human Services Commission
SAO	State Auditor's Office
SSLC	State Supported Living Center
TCCO	Texas Civil Commitment Office

Appendix B. Definitions

Employee Headcount

A headcount is a value that represents the total number of employees working as of the end of a reporting period. This count is for all employees and contract workers regardless of hours worked.

Full-Time Equivalent

A Full-Time Equivalent (FTE) is a ratio that represents the number of hours that an employee works compared to 40 hours per week. Full-time employment is generally considered to be 40 hours per week²⁸. An FTE does not necessarily equate to a headcount. FTEs are reported quarterly to the State Auditor's Office, as required by Texas Government Code Section 2052.103 and appropriated via the General Appropriation Act.

Limitations on State Employment Levels (FTE limitation)

The FTE limitation specifies the total number of FTEs available to an agency or higher education institution. The Legislative Budget Board maintains each agency's or higher education institution's FTE limitation. Only FTEs paid from appropriated funds count toward an entity's FTE limitation. This includes temporary and contract employees paid from appropriated funds who work more than half of the workdays during the preceding 12 months.

Position

A position is a specific occurrence of one job, fixed within the agency, and held by an individual. Position records are used as a basis to post/fill, track, and report jobs available within the agency.

Transformation

In September 2016, HHS Transformation began with the enactment of Senate Bill 200²⁹, 84th Legislature, Regular Session, 2015, which directed the consolidation of the Department of Assistive and Rehabilitative Services, the Department of Aging and Disability Services, and certain administrative services from the Department of State Health Services, and the Department of Family and Protective Services within HHSC. This directive resulted in the HHS Transformation effort with the goal of

²⁸ SAO Full-time Equivalent (FTE) Employee Reporting Instructions and Information <http://www.hr.sao.texas.gov/publications/FTEReportingInstructionsAndInformation.pdf>

²⁹ <https://www.capitol.state.tx.us/BillLookup/Text.aspx?LegSess=84R&Bill=SB200#>

producing a more efficient, effective, and responsive HHS system. In September 2017, the second phase was begun. Anticipated outcomes are beginning to present. This follows the first consolidation enacted by H.B. 2292³⁰, 78th Legislature, Regular Session, 2003, to merge 12 HHS agencies into five agencies under the leadership of the HHSC.

Underutilized FTE

Underutilized FTEs are positions which go unfilled with little to no impact to the functions to which they are assigned.

Unutilized FTE

Unutilized FTEs are unfilled positions that occur due multiple reasons, influenced by division priorities, including the timing of the normal agency hiring process to shortages of trained staff in the market place.

³⁰ <https://www.capitol.state.tx.us/BillLookup/Text.aspx?LegSess=78R&Bill=HB2292>

Appendix C. Agency Areas and Divisions

<i>EC</i>	<i>Executive Commissioner</i>
IA	Internal Audit
COS	Chief of Staff
<i>CPSO</i>	<i>Chief Program & Services Officer</i>
AES	Access and Eligibility Services
HDIS	Health, Developmental & Independence Services
HSCS	Health and Specialty Care System (State Hospitals & SSLCs)
IDD-BH	Intellectual and Developmental Disability & Behavioral Health Services
MCS	Medicaid and CHIP Services
<i>COO</i>	<i>Chief Operating Officer</i>
IT	Information Technology
PCS	Procurement and Contracting Services
SSS	System Support Services
<i>CPRO</i>	<i>Chief Policy and Regulatory Officer</i>
CQC	Compliance & Quality Control
OP	Office of Performance
OPR	Office of Policy & Rules
OTI	Office of Transformation and Innovation
RSD	Regulatory Services Division
<i>CPAO</i>	<i>Chief Public Affairs Officer</i>
COMMS	Communications
GSR	Government and Stakeholder Relations
OO	HHS Ombudsman
<i>OCC</i>	<i>Office of Chief Counsel</i>
	Appeals
	Legal Services
	Privacy
	Chief Ethics Officer
<i>CFO</i>	<i>Chief Financial Officer</i>
	Accounting
	Actuarial Analysis

Budget Management
Forecasting
Fiscal Program Coordination
Payroll, Time, Labor & Leave
Provider Finance

OIO Office of the Independent Ombudsman for SSLCs
(administratively attached to HHSC)

OIG *Inspector General*