



# Workforce Plan

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## **Part 1: Agency Overview**

The Railroad Commission of Texas serves as the primary regulator of the state's energy industries. The Commission aims to protect public health and the environment through an effective regulatory program and to support the development of the state's energy resources. Three statewide officials, elected to six-year staggered terms, head the Commission. Serving at the discretion of the Commissioners is an Executive Director who implements policies and rules, and manages the Commission's daily operations.

### **A: Agency Mission**

We serve Texas by our stewardship of natural resources and the environment, our concern for personal and community safety, and our support of enhanced development and economic vitality for the benefit of Texans.

### **B: Strategic Goals and Objectives**

#### ***Goal 1: Energy Resources***

To oversee the development of the state's energy resources while protecting public health and the environment through an effective regulatory program.

**Objective 1.1.** Provide for the orderly and efficient development of oil and gas resources while preventing waste, protecting correlative rights of mineral interest owners, and conserving the state's lignite, oil and natural gas resources.

**Strategy 1.1.1.** Protect correlative rights and prevent waste while maximizing opportunities for the development of lignite, oil and gas resources through well site permitting, production allowables, production rule reviews, and exception processing.

#### ***Goal 2: Safety Programs***

Advance safety in the delivery and use of Texas petroleum products including LPG/ LNG/CNG, and in the operation of the Texas pipeline system through training, monitoring, and enforcement, and promote, educate, and enforce regulations for underground damage prevention.

**Objective 2.1.** Improve public safety through regulatory oversight of the pipeline industry by inspections, compliance, and educational activities.

**Strategy 2.1.1.** Ensure the safe operation of pipelines permitting, field inspections, accident investigations and emergency response.

**Strategy 2.1.2.** Support education and public awareness efforts to inform the public about damage prevention laws, compliance, and penalties.

**Objective 2.2.** Ensure safety through regulation of the LPG/CNG/LNG alternative fuels industries.

**Strategy 2.2.1.** Protect the health, safety and welfare of the general public by ensuring the safe storage and transportation of Liquefied Petroleum Gas, Compressed Natural Gas, and Liquefied Natural Gas as

alternative fuel sources through safety education, accident investigation, inspection and enforcement of safety regulations.

### ***Goal 3: Environmental and Consumer Protection***

To protect the environment and consumers by ensuring that energy production, storage and delivery minimize harmful effects on the state's natural resources and that just and reasonable natural gas rates promote a safe and efficient supply of natural gas.

**Objective 3.1.** Reduce the occurrence of environmental violations associated with fossil fuel extraction and energy production in Texas.

*Strategy 3.1.1.* Assure that Oil and Gas permitted activities comply with applicable state regulations through field inspections, witnessing tests, monitoring reports, processing applications, and enforcement actions.

*Strategy 3.1.2.* Assure that Surface Mining permitted activities comply with applicable state and federal regulations through field inspections, witnessing tests, monitoring reports, processing applications, and enforcement actions.

**Objective 3.2.** Identify and abate environmental and public health threats through voluntary operator actions or with use of state or federal funds.

*Strategy 3.2.1.* Protect public health and the environment by identifying, assessing, and prioritizing sites that require the use of state funds for well plugging and remediation.

*Strategy 3.2.2.* Protect public health and the environment by identifying, assessing, and prioritizing mine lands that require the use of federal funds for reclamation and provide oversight for operator-initiated remediation.

**Objective 3.3.** Maintain competitive prices and adequate natural gas supplies for Texas energy consumers.

*Strategy 3.3.1.* Oversee natural gas utility rate structures that promote safe, efficient, and reliable supply at a reasonable cost and audit regulated gas utilities to ensure compliance with rate structures and submission of gas utility taxes.

### ***Goal 4: Public Access to Information and Services***

Strive to maximize electronic government and to minimize paper transactions by developing technological enhancements that promote efficient regulatory programs and preserve and increase public access to information.

**Objective 4.1.** Increase efficiency in providing public access to information and provide more efficient interaction with regulated industries.

*Strategy 4.1.1.* Collect, maintain, and preserve oil and gas data submitted to the Commission; provide efficient public access to this information; offer regulated industries a way to conduct their business electronically.

### **C: Anticipated Changes in Mission, Strategies, and Goals**

The Railroad Commission does not expect significant changes in its mission, strategies, or goals during the next five years, but it does recognize the need to adapt readily to any changes required by legislation.

## **Part 2: Current Workforce Profile**

### **A: Workforce Demographics (As of February 29, 2016)**

#### ***Age***

The majority of Commission employees—68.4 percent—are over the age of 40. With only 31.6 percent of the Commission’s workforce under 40 years of age, the Commission must aggressively plan to replace the institutional knowledge of its 258 employees who are eligible to retire before the end of fiscal year 2019.

#### ***Gender***

As of February 29, 2016, the RRC has 428 male employees (58.9 percent) and 299 female employees (41.1 percent). The total employee count of 727 includes both full-time and part-time employees, as well as three statewide elected officials.

#### ***Ethnicity***

A comparison of the Railroad Commission’s African-American, Hispanic and female employees to the available state civilian workforce as reported by the Texas Workforce Commission, Civil Rights Division in January 2015, indicates the Commission’s performance in attracting and retaining a diverse workforce has experience some important success, as shown in the charts titled RRC Diversity by EEO Job Category.

The Workforce Analysis, required by Texas Labor Code, Chapter 21, Section 21.501, provides an analysis of the Railroad Commission’s current workforce compared to the number of African-American, Hispanics and female state employees in each job category in order to determine the percentage of exclusion or underutilization in the Commission by each job category.

The Railroad Commission produces a monthly workforce data report. The Equal Employment Opportunity and Minority Hiring Practices Report contains data detailing the availability of the civilian labor force used for comparison purposes.

EEO Job Category	African American RRC %	African American State Goal	Hispanic RRC %	Hispanic State Goal	Female RRC %	Female State Goal
Officials, Administration	2.2%	3.7%	6.5%	10.0%	28.3%	30.0%
Professional	6.6%	8.7%	15.7%	9.3%	38.3%	46.3%
Technical	6.7%	13.2%	17.9%	16.4%	19.6%	39.7%
Para-professional**	6.7%	22.7%	26.7%	28.5%	73.3%	55.6%
Administrative Support	8.4%	19.2%	39.7%	21.6%	86.3%	81.3%
Total	7.3%		20.3%		21.2%	

Table 1: RRC Diversity by EEO Job Category (As of February 29, 2016\*)

EEO Job Category	African American	Hispanic	Female	African American	Hispanic	Female
Officials, Administration	8.3%	20.10%	39.10%	-6.1	-13.6	-10.8
Professional	11.10%	22.60%	62.10%	-4.5	-6.9	-23.8
Technical	8.30%	13.6%	27.10%	-1.6	4.3	7.5
Para-professionals**	0%	0%	0%	6.7	26.7	73.3
Administrative Support	13.9%	28.80%	67.70%	-5.5	10.9	18.60

Table 2: Availability in Civilian Labor Force (Underutilization or Overutilization)

\*Source: Comptroller of Public Accounts, State Auditor’s Human Resource Information System, and Texas Workforce Commission’s EEO Report, January 2015.

\*\*Para-professionals were combined with Protective Services and Service and Maintenance categories in 2004 to obtain Availability in Civilian Workforce. Availability data for para-professionals individually is no longer available. The RRC has no employees in the Protective Services or Service and Maintenance categories. As of July 2007, the RRC does not have any employees in the Skilled Craft category.

### *Length of Service*

On February 29, 2016, the Commission had 165 employees with less than two years of Commission service, and 338 employees with less than five years of service with the Commission. There were 97 employees (13.3 percent) with five to nine years of service, and 242 (33.3 percent) had 10 or more years of service. Results from the Survey of Employee Engagement (found in Appendix F) indicate there is a desire by employees to continue long-term employment, but inadequate pay is a primary concern about continued employment at the Commission.

### **B: Percent of Workforce Eligible to Retire**

Projections indicate a gradual increase in the number of Commission employees eligible to retire between now and August 31, 2019. By fiscal year 2019, more than 35.6 percent of the Commission’s current workforce will be eligible to retire. This steady increase in the number of employees retiring indicates the

Commission will lose a significant portion of its most knowledgeable employees, including many in critical positions.

Two factors about retirement eligibility deserve emphasis. More than 19 percent of the Commission's current employees are eligible for retirement and several have been eligible for more than five years. Including those who are projected to become retirement eligible by August 31, 2019, the number of Commission employees eligible to retire is over 35 percent. This constitutes more than a third of the Commission's workforce and is exclusive of other turnover.

A compounding problem is the Commission's employment of 23 retire-rehires. When these individuals are included with the 258 individuals projected to be eligible to retire, then almost forty percent of the workforce is currently able to retire. It will be a difficult challenge for the RRC to replace these retirees' skills necessary to attain the goals set forth in this strategic plan.

Many of the Commission's leadership positions, including Division Directors and District Office Directors, will be eligible to retire during the next five fiscal years. The Commission identified specific workforce skills including engineers, scientists, and attorneys who will be eligible for retirement. To replace these important skills, succession planning as well as a greater focus on internal organizational development and training will be required as our workforce planning evolves.

### **C: Employee Turnover and Projected Attrition**

Results from the Survey of Employee Engagement indicate that there is a desire by Commission employees to continue long-term employment, but inadequate pay is a primary concern. Exit interview statistics confirm low pay as a key motivator to leave the Commission.

Many leave employment in state government for higher compensation in the private sector, but a significant number of Commission employees go to other state or federal agencies for similar jobs posted in a higher salary group.

While the highest percentage of turnover (28 percent) occurs among employees that are older than 60, the greatest concern for turnover among different age groups continues to be the Commission's inability to retain employees under the age of 40.

Thirty-six employees under the age of 40 elected to leave the Commission in fiscal year 2015, a number equal to 30.5 percent of separating employees.

### **D: Workforce Skills Critical to the Mission and Goals of the Agency**

The Commission employs qualified individuals in numerous program disciplines. Strong employee knowledge and skill competencies are critical to meet ongoing business objectives and goals. Critical competencies include:

- Engineering: Chemical, Civil, Mechanical, Mining, Natural Gas, and Petroleum
- Information Technology
- Sciences: Agronomy, Chemistry, Geology, Hydrology, Soil Science, Toxicology
- Legal

- Finance

Critical skills and qualifications include:

- Technology and automation skills and competencies
- Ability to apply scientific principles (i.e., engineering, geology)
- Leadership and management skills

The Commission has a highly educated workforce with many employees holding advanced degrees or professional licenses and credentials. Of the Equal Employment Opportunity job categories, the Commission has the greatest number of employees within the “Professional” category representing 39.6 percent of the Commission’s workforce. This reflects the qualifications, knowledge, and skill sets necessary to accomplish the Commission’s regulatory goals.

### **Part 3: Future Workforce Profile**

#### **A: Expected Workforce Change**

Although approximately 35.6 percent of the workforce will be eligible to retire between now and August 31, 2019, the Commission presently has informal succession plans that are division specific. The Commission anticipates that many division director, manager, and highly skilled professional employee positions may become vacant in the next five years. Training existing and new employees for the additional skillsets and knowledge base to properly manage the regulatory process is essential to maintaining an appropriate service level for the public and for the regulated industries.

#### **B: Future Workforce Skills Needed**

The workforce skills needed to meet Railroad Commission performance objectives include:

- Engineering
- Computer Programming and Systems Analysis
- Legal
- Science (Geo-sciences, Toxicology, Agronomy, Hydrology, and Chemistry)
- Accounting, Finance, and Budget
- Administrative Support

These functions are also needed to achieve the Commission’s Strategic Plan. Workforce skills are developed through various training programs provided by the appropriate professional disciplines. Such training is used to maintain and improve employee skills and enhance performance by incorporating new trends in each discipline.

While the Commission anticipates that its basic regulatory functions will remain the same or similar in the future, the development and implementation of technological advancements will require new skills if the future workforce is to fully utilize such improvements. Functions to accomplish future Railroad Commission goals will focus on:

- Increasing computer skill sets for employees;

- Increasing electronic recordkeeping and information processing for greater transparency;
- Increasing customer service by maximizing electronic government and minimizing paper transactions to decrease processing time; and
- Developing a comprehensive training program, talent engagement, and career development program as part of a human resources partnership with Commission management and divisions.

### **C: Anticipated Increase or Decrease in Number of Employees Needed**

The Commission regulates dynamic, cyclical, and evolving industries that require a visible field presence of Commission staff to assure its regulatory role. Specifically, pipeline safety, and oil and gas inspectors ensure the protection of public safety and the environment through enforcement and compliance strategies in the field. The Commission anticipates that increased resources will be directed to these areas in the future and additional resources will be required. Technology advancement is a primary goal of the Commission and will satisfy some of this increasing demand, but technology alone cannot address all concerns for monitoring, reviewing, and physically inspecting regulated industries' facilities.

### **D: Critical Functions to Achieve Strategic Plan**

The Railroad Commission will continue to use its recruitment plan to address critical deficiencies in its labor force and to narrow the gaps in diversity goal attainment. A variety of methods will continue to be used, including: placing job postings on the Commission's website; placing job postings on the Texas Workforce Commission's Work In Texas website; direct recruiting with college and university career services office; attending and recruiting at veteran career fairs; building relationships with industry-specific professional organizations; engaging academic professionals and recruit top performing students studying in the critically needed fields; encouraging direct referrals from existing staff; and using all other available resources.

The Commission has developed contacts at 11 targeted Texas institutions of higher education to recruit engineers and geoscientists and 15 targeted institutions to recruit computer science professionals. The Commission will continue to identify resources associated with professional organizations in order to post jobs with distinct or hard-to-find skill sets.

A critical barrier to recruitment is the high cost of advertising jobs in online recruitment sources, such as Indeed or LinkedIn. When funds permit, critical positions will be advertised using low-cost Internet job search sites or those hosted by professional organizations.

## **Part 4: Gap Analysis**

### **A: Anticipated Surplus or Shortage of Workers or Skills**

With more than 35 percent of the Railroad Commission's workforce eligible for retirement by fiscal year 2019, the Commission projects a shortage in staffing and skill levels needed to meet future requirements of the Commission. The projected staffing areas with an anticipated shortage of employees that are most affected by retirement eligibility include:

- Information Technology,
- Engineering, Toxicology, Geology, and Hydrology,
- Management, and
- Legal.

The Commission anticipates that replacing projected retirements and anticipated turnovers in management will require succession planning and greater emphasis on professional development training to replace skill sets that will potentially be lost.

With additional professional development and training, the Commission anticipates that its current workforce has the potential to fill projected staffing needs. An important barrier the Commission faces in replacing its critical skill sets is funding for professional development, training of existing employees, and recruiting expenses of hiring external employees.

## **Part 5: Strategy Development**

Methods to address the Railroad Commission's projected workforce gap include:

- Career development programs – Mentoring, the use of internships for professional areas, and an increase in professional training and development for staff.
- Recruitment plans – Recruitment efforts to focus on positions that are difficult to attract and retain such as engineers, attorneys, and the recruitment of more women and minorities.
- Leadership development – Efforts to identify, retain, and develop existing employees with management and leadership capabilities. Increased funding will be necessary to provide leadership training.
- Organizational training and development – Funding for in-house training such as IT training, managerial training, and skill development can be used to address individual employee training needs for the Commission's routine operations.
- Succession planning – Managers and supervisors will identify the skill sets critical to meeting their objectives in order to work with agency leadership on a plan for employee attrition. Succession planning can also address staffing or skill imbalances due to turnover and retirements.
- Retention programs – Some programs are already in place to help retain the employees with skills critical to the Commission's success. Future plans for integrating an employee engagement and recognition program are in development phases.

### **A: Implementation of Workforce Plan**

The Workforce Plan will be implemented in connection with the Railroad Commission's Strategic Plan. Any changes to the Strategic Plan or legislative changes will result in adjustments to the Workforce Plan.

To begin the implementation of the Workforce Plan the following actions will be key:

- Implementation of the workforce plan will consider the sustainability of the workforce amidst the cyclical and changing nature of the industries regulated by the Commission.

- Development of a continuous business partnership between Human Resources and each of the Commission's divisions. By doing so, such areas as training needs, strategic planning of the workforce to meet division objectives, and long-range planning of workforce needs can be addressed on an ongoing basis. The addition of a Management Analyst to the agency to target workforce needs was successfully implemented.
- Division Directors, along with the Commission, will review progress of the workforce planning process biennially. Adjustments to the Plan, if any, will be documented.
- Initiatives to automate regulatory functions in the Oil and Gas Division will require the Commission to critically assess the following areas: competency gaps in technological skills, job functions, and skill shortages or surpluses within the division.
- The Commission's information technology modernization program will improve efficiency and accuracy in business processes throughout the agency.

### **B: Workforce Plan Evaluation and Revision**

The final phase involves monitoring, evaluating, and revising to ensure a successful Workforce Plan. The following critical employment tools will be available to measure and evaluate changing trends in the workforce:

- Survey of Employee Engagement
- Customer Service questionnaires and feedback
- Retirements, projected retirements, and Commission turnover data
- College and diversity recruiting programs
- The Statewide Exit Survey and the internal Railroad Commission Exit Interview System
- Hiring trends including the lead time to hire
- Develop a veteran workforce that may possess the necessary skills for RRC operations

The Commission will review its efforts to revise and implement its Workforce Plan each even-numbered fiscal year in preparation for the upcoming biennium. As with this workforce planning effort, Commissioners, agency management and Division Directors will participate to ensure that the plan evolves into a document reflecting the Commission's current workforce and its projected workforce for the succeeding five years. The Commission will emphasize professional training and development to address the turnover in management due to the projected increase in retirements. Internal professional training and development will be key to a successful transition, both from a budgetary perspective as well as a business process perspective. The Commission may suffer productivity losses in the near-term, but the long-term benefits should outweigh any such losses.