

Schedule F

Fiscal Year 2019 to 2023 Workforce Plan

I. Agency Overview

With the advent of the GI Bill providing unprecedented education opportunities for a new generation and the VA Home Loan Guaranty program enabling home mortgage loans with a federal insurance feature, the nation dramatically shifted to a substantial increase in home-ownership potential after World War II. Created in 1949 to respond to this trend, the Texas Real Estate Commission (TREC) administers four laws: Texas Occupations Code, Chapter 1101, the Real Estate License Act; Texas Occupations Code, Chapter 1102, Real Estate Inspectors; Texas Occupations Code, Chapter 1303, Residential Service Companies; and Texas Property Code, Chapter 221, Texas Timeshare Act.

The Texas Appraiser Licensing and Certification Board (TALCB) was created in 1991 to enable Texas to operate a program for the licensing and oversight of licensed and certified appraisals pursuant to Title XI of the Financial Institutions Regulatory Reform and Enforcement Act (FIRREA). The Board serves as an independent subdivision of the Texas Real Estate Commission with independent rulemaking and disciplinary authority. The main functions of TALCB are to license, register, and certify real estate appraisers in conformity with state law and federal requirements and to administer the Act in the interests of the public. The enabling statutes for TALCB are the Texas Occupations Code, Chapter 1103, the Texas Appraiser Licensing and Certification Act, and Texas Occupations Code, Chapter 1104, the Appraisal Management Company Registration and Regulation Act.

The Agency regulates the following license types:

- real estate brokers and salespersons
- real estate inspectors
- real estate appraisers
- appraisal management companies
- education providers for real estate and inspection courses
- residential service companies
- timeshare developers
- easement or right-of-way agents

The Agency's mission is carried out through broad regulatory functions that include issuing licenses, registrations and certificates and related activities; investigating and resolving complaints; participating in administrative disciplinary actions against license holders and others who may violate any of the laws under its jurisdiction. The Agency also oversees aspects of real estate education, including the registration of real estate providers, instructors and courses for both pre-licensure and continuing education; and communicating regularly with licensees and the general public to educate them about the many programs administered by the Agency.

The Agency's main office is located in Austin, Texas. Six investigators located throughout the state assist in the TREC Standards & Enforcement Services Division. Five appraiser investigators located throughout the state assist in the TALCB Standards & Enforcement Services Division. The Commission currently has 106.2 authorized full time equivalent (FTE) employees, an increase of 1.2 FTEs from FY 2015. In addition, in FY 18, the Agency has authorized the addition of four more staff to directly manage the surge in phone calls and license applications. One hundred percent of the funds needed to finance the Agency's activities come from fees paid by licensees.

A. Agency Mission and Philosophy

The Agency exists to safeguard the public interest and protect consumers of real estate services. In accord with state and federal laws, the Agency oversees real estate brokerage, appraisal, inspection, home warranty and timeshare interest providers. Through education, licensing and regulation, the Agency ensures the availability of qualified and ethical service providers, thereby facilitating economic growth and opportunity in Texas.

To achieve its mission, the Agency embraces these core values:

- Provide exceptional customer service that is accessible, responsive and transparent;
- Demand integrity, accountability and high standards, both of licensees and ourselves;
- Strive continuously for excellence and efficiency.

B. Strategic Goals and Objectives

The Texas Real Estate Commission has three main goals and the Texas Appraiser Licensing and Certification Board has a distinct primary goal:

Ensure Standards

Objective To maintain procedures through 2022 to evaluate applicants for honesty, integrity, trustworthiness, competency, and legal qualifications through education evaluation, requirement of continuing education, and criminal history background checks.

Strategies Perform the Commission's licensing function by:
Reviewing applications
Issuing exam eligibility letters
Evaluating education
Processing criminal history background checks
Issuing licenses

Enforce TREC Regulations

Objective To resolve 85 percent of documented complaints within six months by 2022.

Strategies Administer an effective system of enforcement and adjudication which includes investigating and resolving valid complaints.

Communicate Effectively

Objective To maintain a communications center which is available via telephone ten hours daily Monday through Friday and responds to inquiries emails promptly, produce a minimum of eight newsletters annually, and maintain a website that provides clear, concise information through 2022.

Strategies Maintain a communications center which responds to inquiries via telephone and email promptly, produce newsletters, provide an informative website and maintain an online customer survey.

Implement and Enforce TALCB Standards & Regulations

Objective To maintain procedures to evaluate applicants for honesty, integrity, trustworthiness, competency and legal qualifications to ensure qualified real estate appraisers through 2022.

- Strategies Perform the Board's licensing function by:
- Processing appraiser license applications
 - Issue licenses, certifications, registrations and renewals
 - Approve appraisal educational coursework
 - Develop standards and agreements for reciprocity with other states for licensing and certification
- Objective To Enforce the provisions of the Texas Appraiser Licensing and Certification Act and the Uniform Standards of Professional Appraisal Practice and the Texas Appraisal Management Company Registration and Regulation Act by resolving 50 percent of complaints within six months by August 31, 2022.
- Strategies Investigate and resolve complaints & failures of Uniform Standards of Professional Appraisal Practice (USPAP) standards
Impose Penalties as Appropriate

C. Core Business Functions

The Agency licenses and regulates real estate brokers, salespersons, home inspectors, appraisers, appraisal management companies, and easement or right-of-way agents. It also regulates timeshare projects and residential service companies. Its core functions are to issue licenses, registrations and certificates; and to accept and process complaints from consumers against persons regulated by the Agency.

D. Anticipated Changes in Strategies

Based on information gathered during the strategic planning process that included feedback from persons subject to the Agency's jurisdiction as well as the general public, a number of strengths and weaknesses were identified. The Agency's strengths with respect to workforce planning include:

- a set of deeply held core values founded on consumer protection and effective personal service;
- the knowledge, experience, and dedication of an exceptional staff;
- policies, processes, and procedures which have been developed over many years and have come to be accepted by its licensees; and
- open channels of communication with its stakeholders.

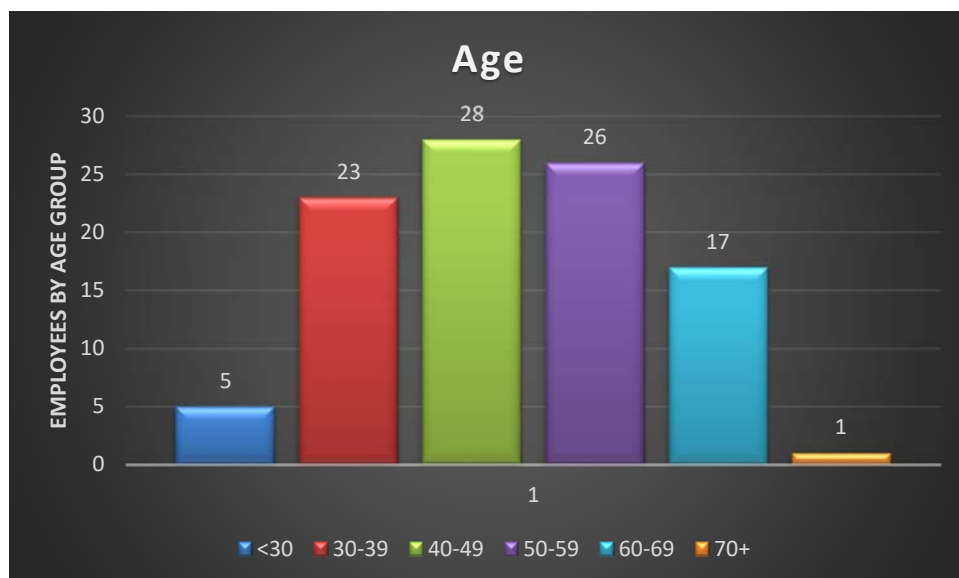
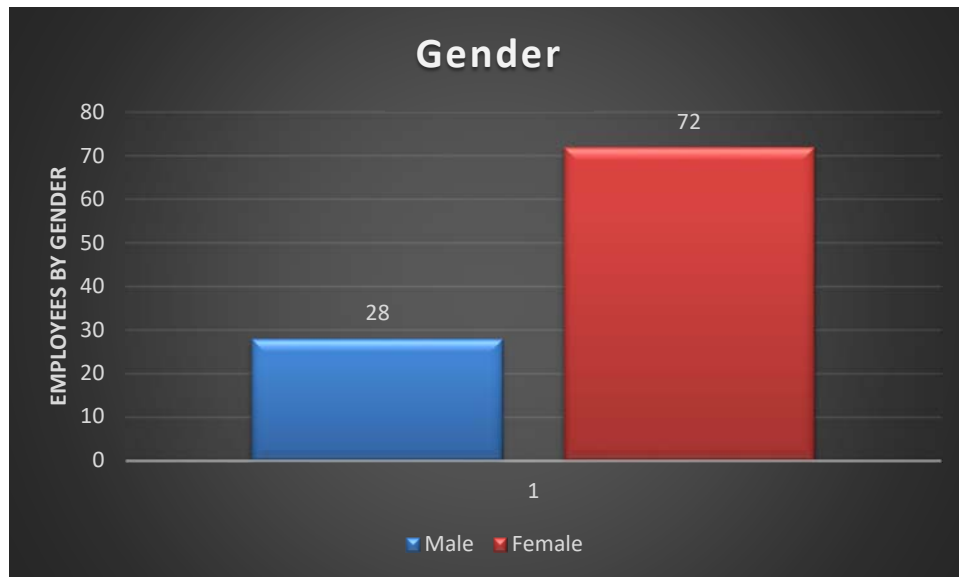
The Agency's weaknesses include:

- a dedicated commitment to personalized service, which is of tremendous value when it can be achieved without compromising efficiency, but now is undergoing review as the Commission and the Board strive to become more efficient in order to meet high stakeholder expectations;
- staffing that does not include many of the "support" functions one would expect to find in an agency overseeing such a large and important fields of activity, such as a staff training function to enhance increasing technical requirements of the Agency, a robust staff development effort led by the Human Resources function, and a consumer outreach and education function;
- highly detailed historic processes which require the full-time involvement of management in variables arising in day-to-day operations, meaning that strategic initiatives, ongoing process improvements, and similar efficiency measures may be given lower priority than they merit; and
- in the areas of the TALCB Standards & Enforcement Services Division, Information & Technology, and the Reception & Communications Services Division, the adequacy of appropriately skilled staff. The issue of adequacy involves primarily the skill levels of qualified individuals appropriated to carry out differing duties, and the ability to pay enough to attract and retain those individuals who possess the skills and knowledge that are essential tools for change.

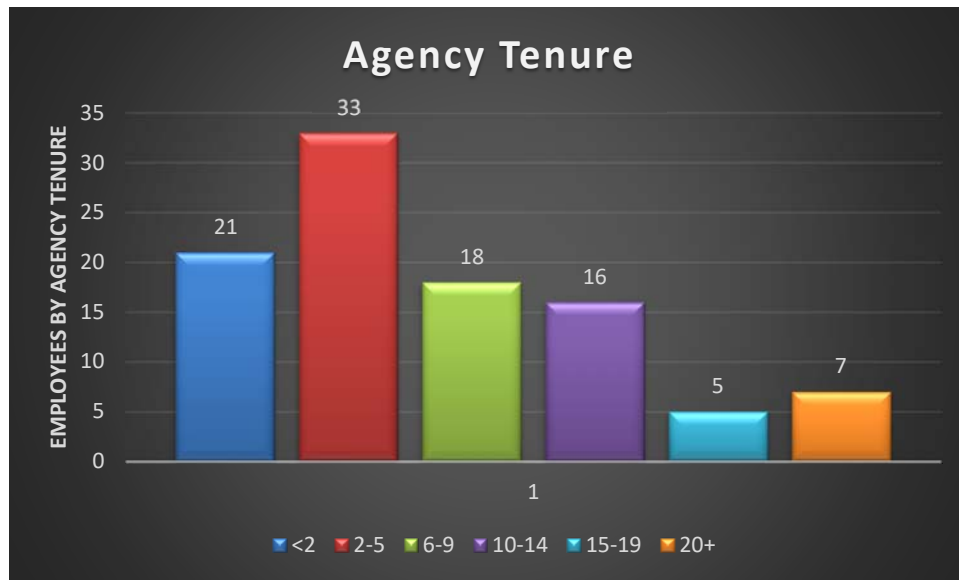
II. Current Workforce Profile (Supply Analysis)

A. Workforce Demographics

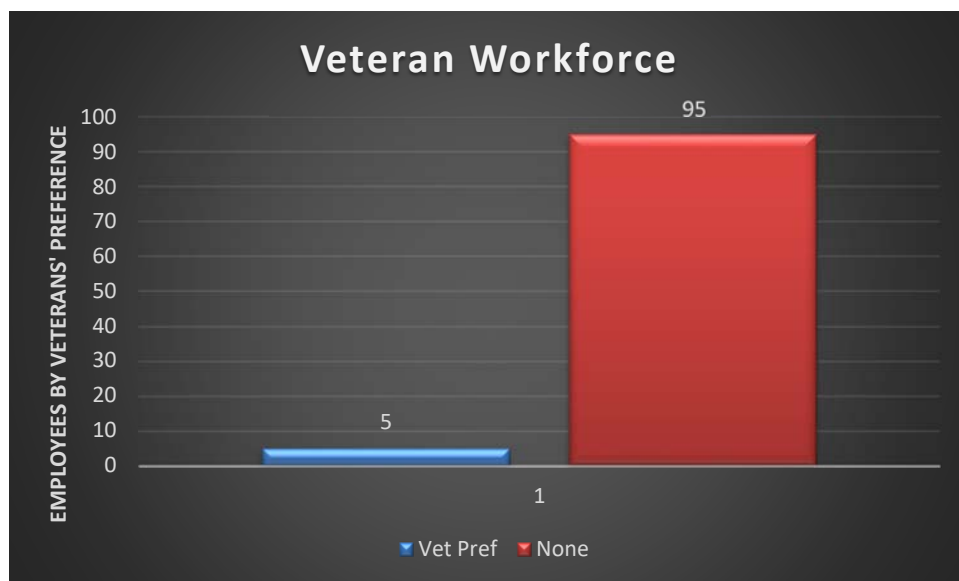
The following chart profiles the Agency's workforce as of March 22, 2018, based on data from the Uniform Statewide Payroll/Personnel System¹ and includes both full-time and part-time employees. The Agency's workforce is comprised of 72 (72%) females and 28 (28%) males. The Agency has a mature workforce with employees over age 40 account for 72% of the staff. The experience of our workforce tends to be a balance with the average tenure of Agency employees being 7.53 years and 46% having six or more years of Agency service. The Agency's veteran population accounts for 5% of the workforce.



¹ This analysis does not include board members, commissioners, or temporary employees, such as contract workers. As of March 22, 2018, there were 100 employees on the payroll.



The chart below compares the Texas Workforce Commission's Statewide Civilian Workforce Composition (Table 1 of the TWC's January 2016 Equal Employment Opportunity and Minority Hiring Practices Report) to the Agency's statistics as of November 30, 2017. (The TWC report only contains data regarding the state's Caucasian, African American, Hispanic, and female workforce.)



While the Agency does not require any specific position to be bi-lingual, two persons employed in the RCS call center are bi-lingual to help answer questions for from Spanish-speaking customers. Areas in red indicate where the Agency's Hispanic, African American, or female percentages are lower than eighty percent of the statewide percentages. Areas in grey reflect job categories not utilized by the Agency.

Job Category	Caucasian American		African American		Hispanic American		Females	
	Agency %	State %	Agency %	State %	Agency %	State %	Agency %	State %
Officials/Administrators (A)	77.78%	64.00%	11.11%	7.40%	11.11%	22.10%	55.56%	37.40%
Administrative Support (C)	45.83%	45.30%	33.33%	14.80%	18.75%	34.80%	89.58%	72.10%
Service Maintenance (M)	0.00%	28.00%	0.00%	13.00%	0.00%	54.10%	0.00%	51.00%
Professional (P)	70.27%	59.20%	2.70%	10.40%	21.62%	19.30%	56.76%	55.30%
Protective Services (R)	0.00%	45.50%	0.00%	19.80%	0.00%	31.30%	0.00%	25.60%
Skilled Craft (S)	0.00%	34.60%	0.00%	10.60%	0.00%	50.70%	0.00%	11.60%
Technical (T)	60.00%	49.20%	20.00%	14.40%	20.00%	27.20%	20.00%	55.30%

Overall, the Agency percentages are slightly above the state workforce percentages for African-Americans and females, but are consistently percent below the state averages for Hispanics. Job categories where the Agency's percentages are less than 80 percent of the state percentage are shown in red (for those job categories found at the Agency. Job categories where the sample size was inconclusive because of the sample size, but indicate a possible underutilization are shown in blue. Agency recruitment will continue to seek out various ways to reach those segments of the state workforce that are under-represented at the Agency in an effort to obtain an applicant pool that reflects the diversity of the state, and thereby help reduce the differentials noted above.

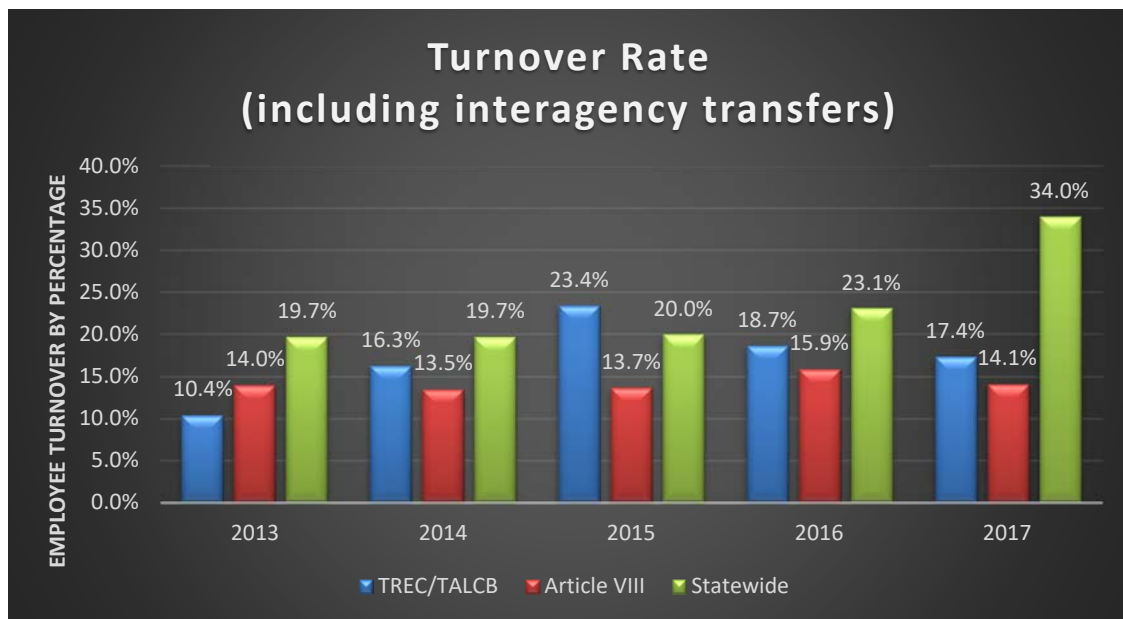
B. Retirement Eligibility

As of February 28, 2018, 6% of the workforce was comprised of return-to-work retirees and 15% were currently eligible. An additional 16% will be eligible to retire during this planning period. With the retirement of these employees, the Agency will lose institutional knowledge and expertise. The chart below shows the Agency's risk based on retirement eligibility.

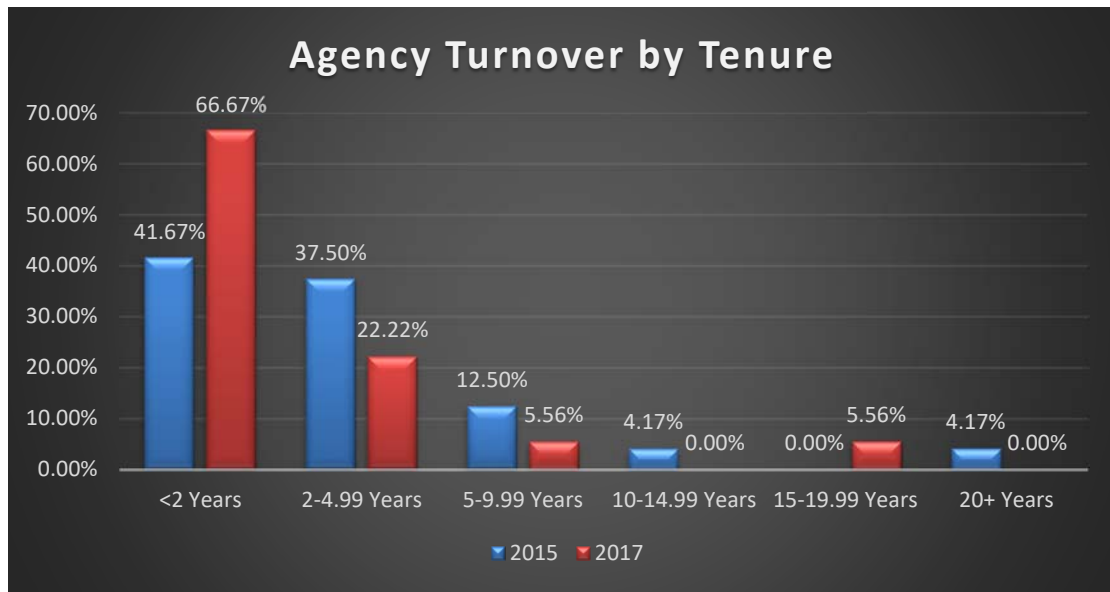


C. Employee Turnover

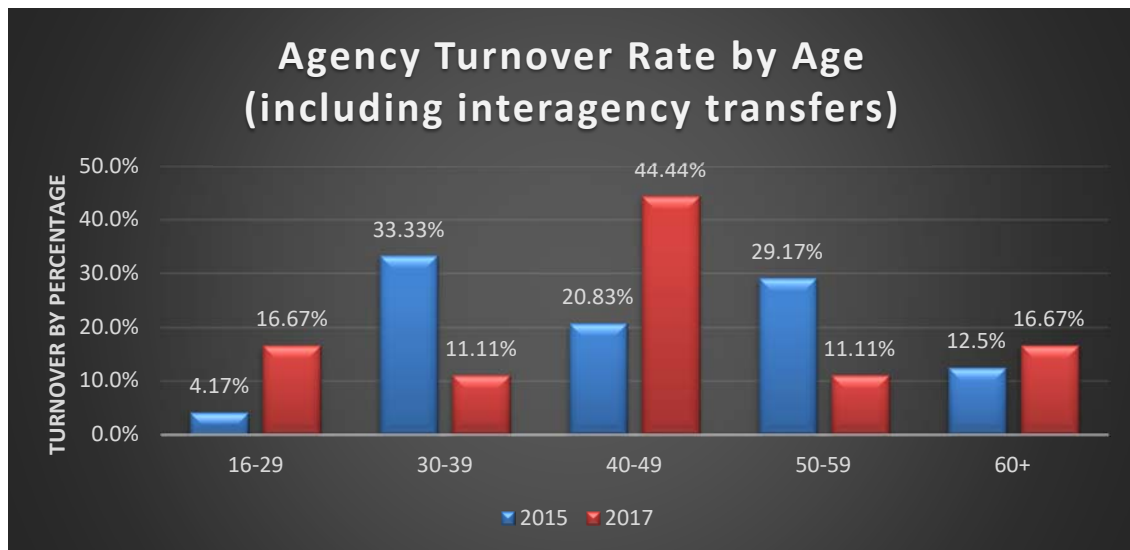
Turnover is an important issue in any organization, and this agency is no exception. The biggest workforce challenge facing the Agency is the retention of qualified and experienced staff. The Agency offers any employee that voluntarily leaves the Agency's employment the opportunity to take both the SAO Exit Survey and an Agency survey. This provides the Agency with information used to better assess areas of workplace improvement. The major cause of staff turnover has been employees leaving the Agency for more lucrative positions. Some have stated that the workload is greater than initially anticipated. The Agency's turnover has been greatest in the administrative support positions. Specifically, Legal Assistants represent 22% of the overall turnover (eight of the 106 positions are Legal Assistants, or 7.55% of the Agency), Customer Service Representatives claim another 22%, and nearly 17% of the total turnover is in the License & Permit Specialist series. The turnover in the Reception & Communication Services and Education & Licensing Services Divisions have impacted the Agency the most and have adversely affected the level of service we provide our license holders. The following graph compares the average of Agency turnover (including interagency transfers) to other Article VIII agencies, and the state as a whole.



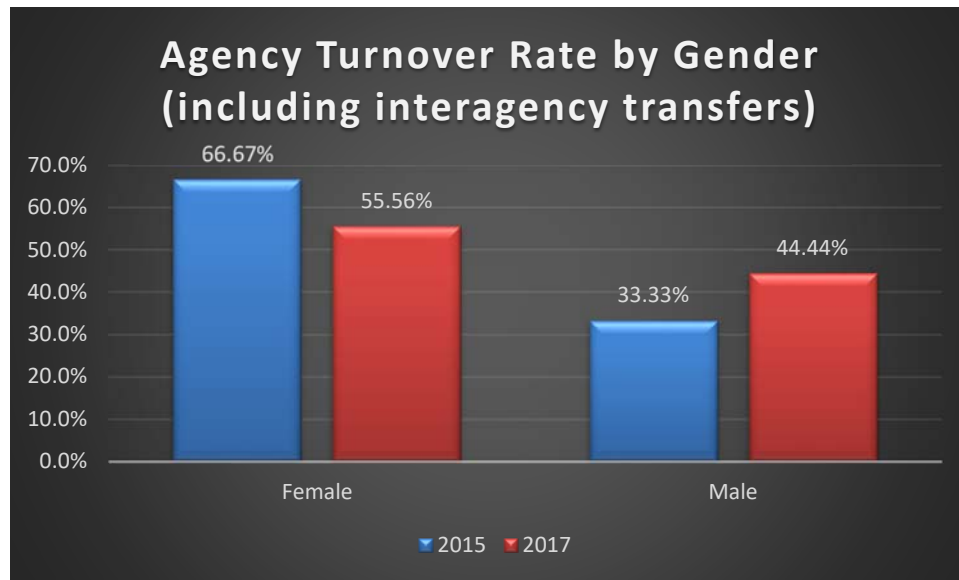
During the last five years, the Agency has seen a variance in turnover. While the Agency generally remains below the statewide average, it tends to be higher than other Article VIII agencies. Fiscal Year 2017 saw a decline in the turnover rate from Fiscal Year 2015 in all areas except the group with 15-19.99 years of service. The Agency attributes this decline to the collection of in house data in addition to the State Auditor's Offices' Exit Survey to determine turnover reasons and how to prevent it from becoming a trend and the increases to salaries. Based on the turnover rate from the last five years, procedural and policy changes made to decrease turnover, and the anticipated retirements, the projected employee turnover rate for the next five years will be between 15% - 17%.



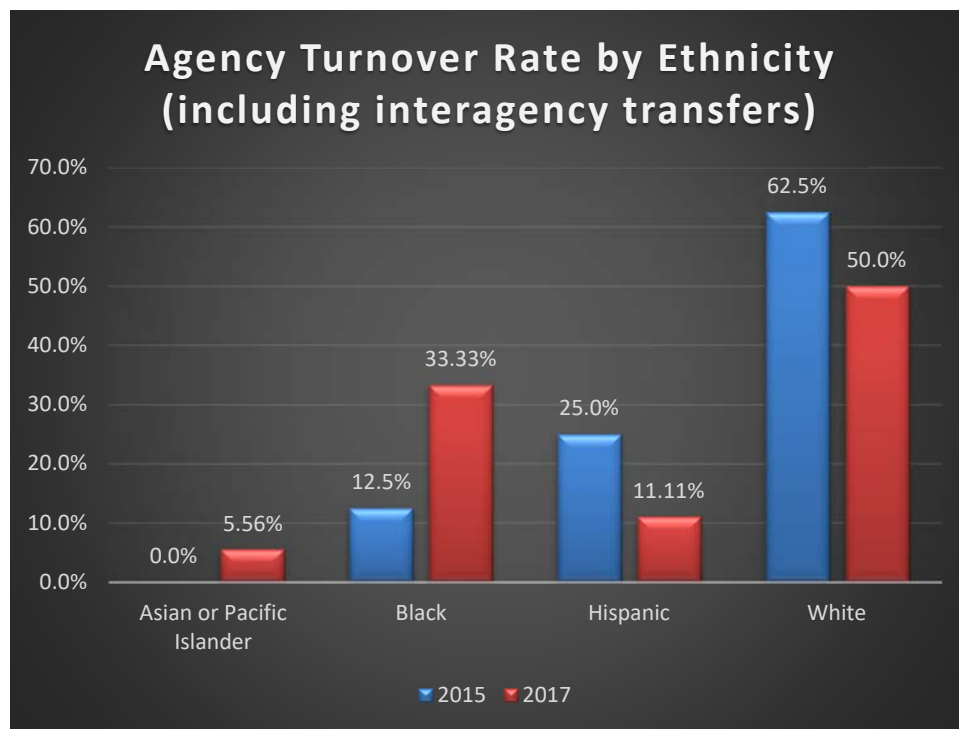
The greatest area of turnover among the 17.4% who departed continues to be with employees with less than two years of experience. Employees in this category account for 66.67% of the Agency's turnover. In Fiscal Year 2017, employees with less than five years of Agency tenure accounted for nearly 90% of the Agency's total turnover. This continues to be an area of concern when it can take up to a year to fully train an employee.



In Fiscal Year 2017, the average age for a new hire was 46. As illustrated in the previous chart (Agency Turnover by Tenure), the greatest area of turnover is employees with less than two years of experience. In Fiscal Year 2017, the average age of the employees in that group was 41 years old. Nearly 45% of the Agency's turnover was in the 40-49 age group. This age group currently represents 28% of the Agency's employees.



In Fiscal Year 2017, females represented 67.67% of the Agency's turnover. This is not unexpected since historically, females represent 72-75% of the Agency's workforce.



In Fiscal Year 2017, 50% of the Agency's turnover was Caucasian. This is not unexpected since historically, this demographic represents roughly 55% the Agency's workforce.

D. Critical Workforce Skills

Skills are needed in the following substantive areas in order for the Agency to accomplish its basic business functions:

- Regulatory and enforcement
- Financial investment and management

- Investigation
- Real estate appraising
- Business acumen

To succeed in these substantive functions, Agency employees also needs skills in:

- Critical thinking, analysis, and problem solving skills
- Effective written and verbal communication
- Efficient computer systems and peripheral device literacy
- Organizational effectiveness and strategic planning
- Leadership principles and management skills
- Mentoring and coaching techniques and skills
- Practical knowledge of Agency rules, regulations, and practices
- Practical knowledge of regulatory processes
- Customer service and interpersonal relationship skills
- Ability to interpret and accurately apply legal statutes and rules
- Ability to conduct comprehensive and detailed investigations
- Knowledge of administrative law processes
- Litigation and alternative dispute resolution experience
- Negotiation, facilitation, and collaboration skills
- Information systems development, programming, and maintenance
- Internet systems development, and maintenance
- Network and data center operations support
- Data and information management principles and tools
- Government and corporate accounting and financial management
- Government purchasing and contract processes
- Human resources planning, recruitment, retention, staff development, and performance management
- Educational curricula development and critical evaluation
- Effective public presentations to diverse groups
- Public relations management principles and tools
- Inter-governmental relations management skills

If a defined set of skills is required for a particular position, the applicant will take a skills test as part of the interviewing process. The skills test is designed as a modified version of an actual work product of the position.

III. Future Workforce Profile (Demand Analysis)

Technology innovation is driving business practice changes in the professions licensed by the Agency. More effective communication methods provide better monitoring and oversight of day-to-day activities, allowing remote worksites to be established away from the main headquarters. Additionally, the Agency must find better ways to meet the needs of our customers. The Agency continues to move towards electronic self-service for our license holders. Opportunities for electronic transactions have expanded to include more of our license types. It is a legitimate expectation of the licensee communities and of the consuming public using the services that the Agency overseeing and regulating these service providers will not only understand the implications of these changes, but will also have the skills sets to support the services and enact rules and protections that reflect them.

The future will be characterized by customer maintained data, rapid and reliable electronic communications, and service delivery. These changing demands for licensing, enforcement, and communicating with license holders and with the public regarding the license holders within the real estate industry subject to the Agency's jurisdiction call for the following changes in the Agency's future workforce:

A. Expected Workforce Changes

Given the Agency's strategic plan priorities, it is anticipated that the workforce will require:

- Increasing emphasis on the use of technology to serve customers and to revise and streamline work processes to make them more efficient and paperless;
- An aging, experienced workforce, which may result in retirement of significant historical knowledge, expertise, and experience;
- Periodic difficulty in attracting and retaining qualified employees due to fluctuations and cycles in the labor market;
- Increased diversity in employee and customer demographics, backgrounds, experience, and other characteristics; and
- Critical analysis of positions, workflow, and external equity, which may result in reclassifications and salary adjustments.

B. Future Workforce Skills Needed

TREC/TALCB employees will continue to need the critical workforce skills previously listed. In addition, the Agency may face a continued, and possibly growing, need for the following skills:

- A strong ability and willingness to learn and use new and more advanced computer systems and applications on an on-going basis, to include web-oriented skills and interactive voice response telephone services.
- To be ready for the projected high number of future retirements and an aging workforce, the Agency will need employees with strong skills in:
 - Retention of valued employees
 - Succession planning
 - Knowledge transfer (cross training, process documentation, and mentoring)
 - Recruitment of skilled employees
 - Working effectively with a wider variety of generations
 - Management capable of leading and motivating staff, resolving conflict, and building and maintaining morale, productivity, and loyalty
 - Change management

C. Anticipated increase/decrease in number of employees needed to do the work

The Agency has increased the number of FTEs in its customer services and licensing areas in the past year and does not anticipate needing additional FTEs. Increased and changing demands will be addressed by optimum utilization of technology, continuous review and development of efficient work processes, and the reallocation of FTEs within the Agency.

D. Critical Functions

The Agency's critical functions are:

- Ensuring TREC/TALCB standards
- Enforcing TREC/TALCB regulations
- Providing effective communications to license holders and the public
- Ensuring education curriculum standards development and evaluation

To successfully complete these critical functions, the Agency relies on a strong set of support areas with expertise in areas such as:

- Customer relations
- Legal services
- Real estate appraisal

- Information technology
- Financial reporting and management
- Budget
- Communications
- Investigations
- Procurement/travel
- Human resources
- Employee relations
- Governmental relations
- Mail and file management

E. Outsourcing

The subject of outsourcing is always appropriate as a tool for exploring efficiencies or as a means to quickly access needed skills until an effective internal capacity is developed. TALCB utilizes volunteers to serve on the Peer Investigative Committee to assist in performing appraisal reviews as part of a complaint investigation or ensuring the quality of appraisal trainee work product. The Agency has partnered with the Texas Workforce Commission, Goodwill, and other organizations to outsource certain services and to assist unemployed/underemployed individuals to gain the experience needed to rejoin the workforce. The Agency will continue to explore options that are in the best interests of the Agency and its constituents.

IV. Gap Analysis

A. Anticipated Surplus or Shortage of Workers or Skills

Given the Agency's current priorities and goals, the Agency has been successful in recruiting and hiring qualified employees in professional and administrative positions. However, there have been difficulties in quickly obtaining a large qualified applicant pool. As long as the unemployment rate in the Austin area remains low, this will continue to be a challenge. There remains an ongoing concern regarding turnover and retention. Similarly, an analysis reflects a gap in professional skills necessary to take the Agency from a data processing workforce to one with strong critical thinking and information technology skills. The Agency has been upgrading positions from lower-level administrative positions to a higher-level information and technology skilled workforce, but still struggles with retaining quality employees beyond five years.

B. Potential Skill Shortage/Surplus

Due to the workforce data and anticipated changes noted above, the Agency may experience periodic shortages of employees with the following skills:

- Employees with the technology skills needed to develop, maintain, and fully utilize the Agency's continually advancing computer systems;
- Employees with the skills needed to lead and motivate staff, communicate effectively, resolve conflict, and coordinate with other program areas in the Agency, especially during times of change and challenges, in order to meet Agency goals;
- Employees with the skills needed to work in and manage others in an environment that is increasingly diverse in terms of age, ethnicity, and other factors;
- Employees with the knowledge, skills, abilities, and experience needed to replace future retirees and managers prepared to find replacements for these vacated positions; and
- Employees with the skills needed to hire qualified staff for vacancies that are hard to fill due to fluctuations and cycles in the labor market and/or because of overall labor shortages.

V. Strategy Development

In order to address the deficits between the current workforce and future demands, the Agency has developed several goals for the current workforce plan. These are based on a range of factors identified by analyzing the Agency and its workforce. Future workforce requirements can be grouped into two key areas, both limited by available funding.

Gap	Continued difficulty in recruitment and retention of new and existing staff
Goal	Retain quality and experienced staff to ensure excellent customer service
Rationale	Despite significant positive adjustments in the last biennium, the Agency continues to lose quality employees due to offering starting salaries that are not competitive in the state or private marketplace.
Action Steps	<ul style="list-style-type: none"> • Implementation of the Agency's new compensation philosophy • Continued external and internal benchmarking • Provide equity adjustments as needed • Provide performance-based increases
Gap	Employees with the technology skills needed to develop, maintain, and fully utilize the Agency's continually advancing computer systems
Goal	Employ staff with the technology skills needed to develop, maintain, and fully utilize the existing and future Agency computer systems.
Rationale	As the Agency continues to use technology to improve the efficiency and productivity of its work and customer service, the Agency will need adequate staffing of qualified information technology staff and employees who are willing and able to learn to use new and more advanced computer systems and applications on an on-going basis.
Action Steps	<ul style="list-style-type: none"> • Recruit employees with highly technical skills to further develop and refine the information management systems • Develop a robust training program that includes internal and external opportunities
Gap	Employees with the skills needed to lead and motivate staff, communicate effectively, resolve conflict, and coordinate with other program areas in the Agency, especially during times of change and challenges, in order to meet Agency goals.
Goal	Employ managers who are able to effectively lead, develop, and manage their staff during times of change
Rationale	The Agency may periodically make changes. These changes can lead to reduced productivity, morale, loyalty, and increased conflict and turnover. The Agency needs employees who are adept at working effectively and productively during times of change and who can motivate others to do the same.

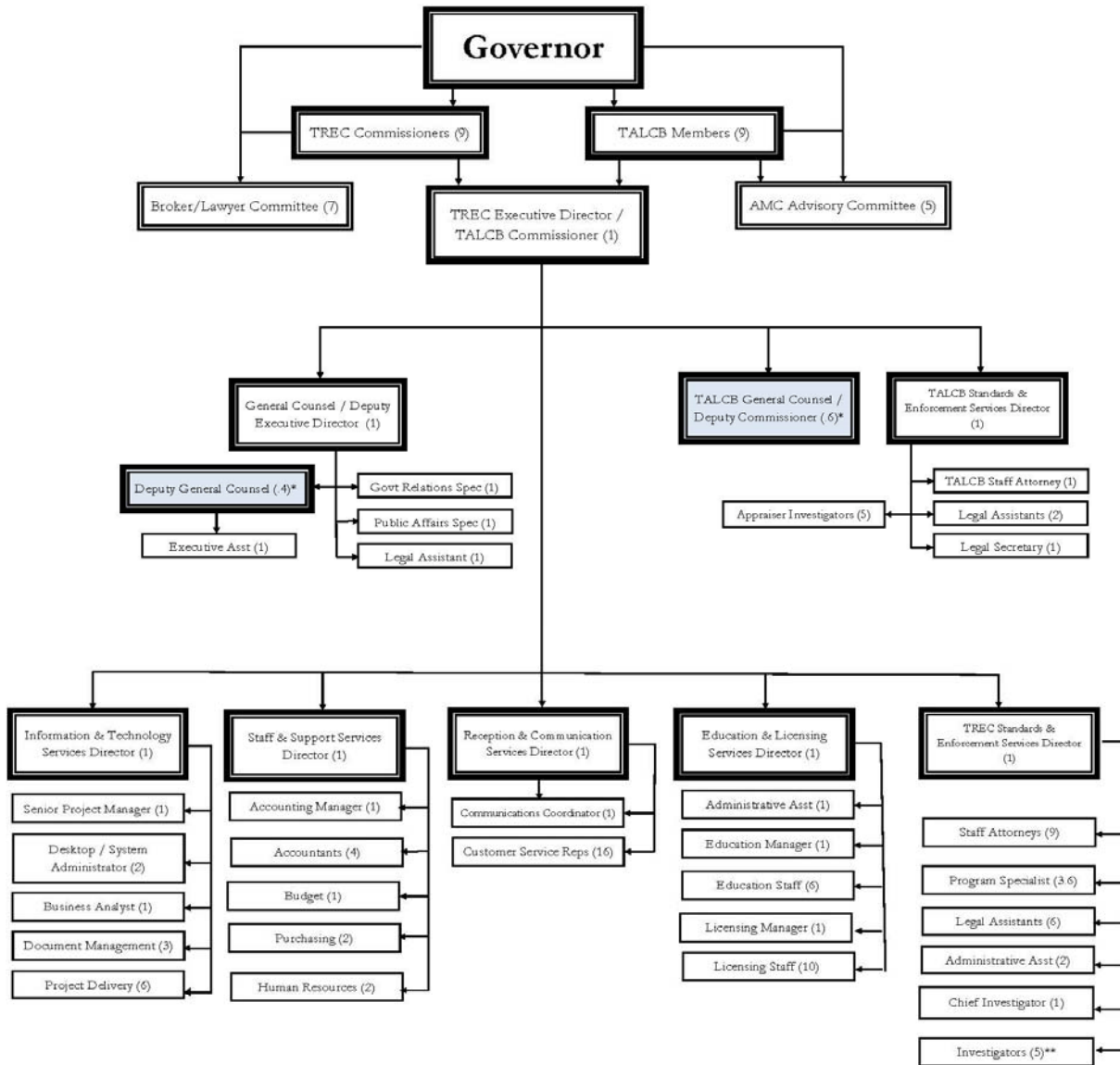
Action Steps	<ul style="list-style-type: none"> • Provide team leads and managers with leadership management training. Include other high-potential employees to prepare them for future leadership roles • Educate Agency managers/team leads on leadership skills needed during times of change to help them increase morale, loyalty, optimism, and productivity • Implement Problem-Solving Teams to empower staff to provide input to operational and procedural policy issues that need attention. • Encourage managers to implement appropriate retention strategies • Maintain the Agency's Employee Assistance Program and continue to remind employees of its many services that they can use (or they can refer staff to use) to help employees handle change and stress
Gap	Employees with the skills needed to work with and manage others in an increasingly diverse work environment
Goal	Employee staff who can effectively work and manage in a diverse environment
Rationale	As Texas and the Agency continue to become more diverse in terms of age, ethnicity, language, and other characteristics, Agency employees must be able to work with, assist, and manage people with a myriad of differences in order to do the Agency's work and to be the kind of workplace that can attract and retain qualified employees
Action Steps	<ul style="list-style-type: none"> • Provide access to diversity-related training classes • Utilize recruitment strategies in an effort to achieve a qualified, diverse applicant pool that more closely mirrors the civilian workforce • Regularly review Agency demographics, looking for trends that suggest areas of further emphasis in development, recruitment, and/or training
Gap	Employees with valuable institutional knowledge, expertise, and experience; employees needed to fill vacancies; and employees with the skills needed to recruit and hire during a tight labor market
Goal	Maintain a competent and knowledgeable workforce by effectively recruiting, developing, and retaining quality employees
Rationale	Over 37% of the workforce will be eligible to retire by the end of this strategic planning period. This is in addition to non-retirement turnover. The Agency must be ready to either fill these vacancies with existing staff, or aggressively recruit from outside the Agency
Action Steps	<ul style="list-style-type: none"> • Provide Succession Planning training to managers • Make Human Resources' staff available for one-on-one assistance with succession plans as needed • Encourage programs to ensure institutional knowledge and important program information is retained with written procedures, cross-training to ensure continuity of business functions and processes (with regular opportunity for practice), and/or mentoring • Provide professional development training to employees • Encourage managers to create programs that allow employees who are seeking new challenges to work on special projects, rotations, and/or developmental assignments (to help them increase their knowledge and experience)

	<ul style="list-style-type: none">• Encourage managers to be proactive in planning employee training to make sure that it provides for their development (perhaps as part of the performance appraisal process)• Offer and maintain competitive salaries to the extent possible• Broadly market Agency positions in an effort to achieve a qualified applicant pool
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TREC/TALCB Organization Chart

APPENDIX B

TREC/TALCB Organization Chart



* TREC Deputy General Counsel/TALCB General Counsel & Deputy Commissioner positions are held by same person.
 ** Investigators are assigned to work with one or more of the four geographic and subject matter teams.

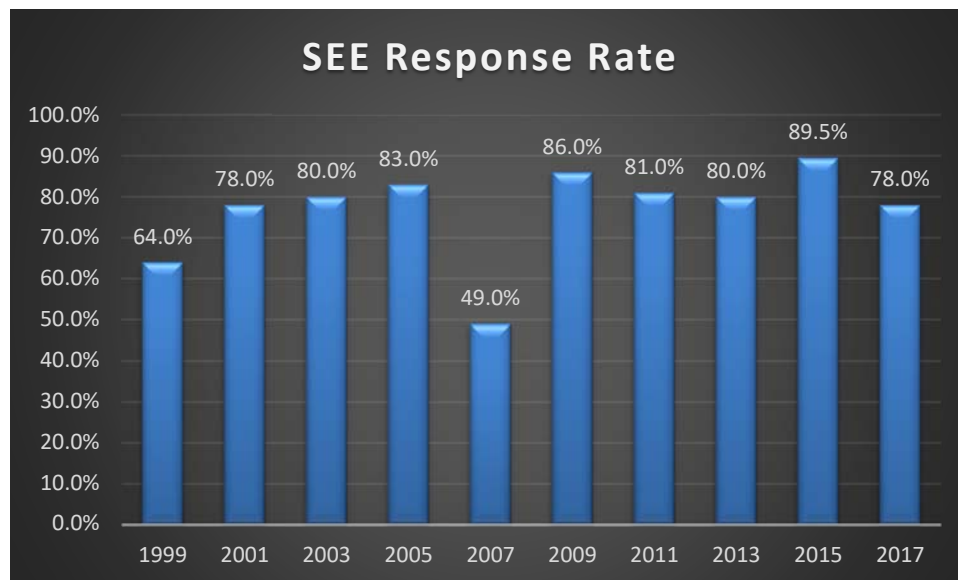
VI. Survey of Employee Engagement

TREC/TALCB has participated in the Survey of Employee Engagement (SEE) since the 1999 survey. The survey is used as a means of assessing the employee attitudes towards the Agency, identifying employee perceptions of the strengths and weaknesses of the Agency, and identifying areas that could be improved.

Survey Results and Analysis

Response Rate

The Agency's response to the SEE is considered high. As a general rule, rates higher than 50% suggest soundness. High rates mean that employees have an investment in the organization and are willing to contribute towards making improvements within the workplace. With this level of engagement, employees have high expectations from leadership to act upon the survey results.



Overall Survey Score

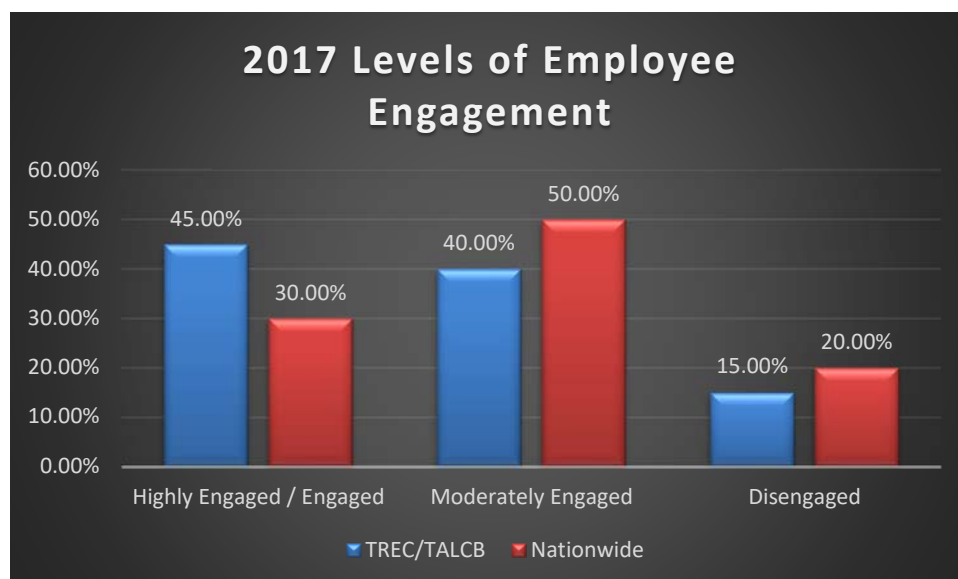
In 2011, the Institute for Organizational Excellence began providing participants with an overall score instead of only scores by constructs. The overall score is a broad indicator for comparison purposes with other entities. While scores above 350 are desirable and ones above 400 are the product of a highly engaged workforce, scores typically range from 325 to 375. The Agency's overall score is above average at 376. While scores have consistently increased from 2011 to 2015, there was a slight decline in 2017. There are several possible reasons for this waning. The primary reason given by employees deals with the increased workload due to vacancies. The Agency has taken steps to address this to include increasing FTEs in frontline positions, adjusting salaries, and improving the culture by offering employees opportunities to participate in decision-making teams. In late 2016, the Agency began working towards a more transparent culture. This began with leadership training to build a strong senior team, more collaborative cross-functional teams, and remove artificial barriers between divisions. The Agency has also changed the way it communicates information to employees during the quarterly agency-wide meetings. This cultural shift has presented many challenging opportunities and the results are expected to be seen in the 2019 Survey of Employee Engagement.



Levels of Employee Engagement

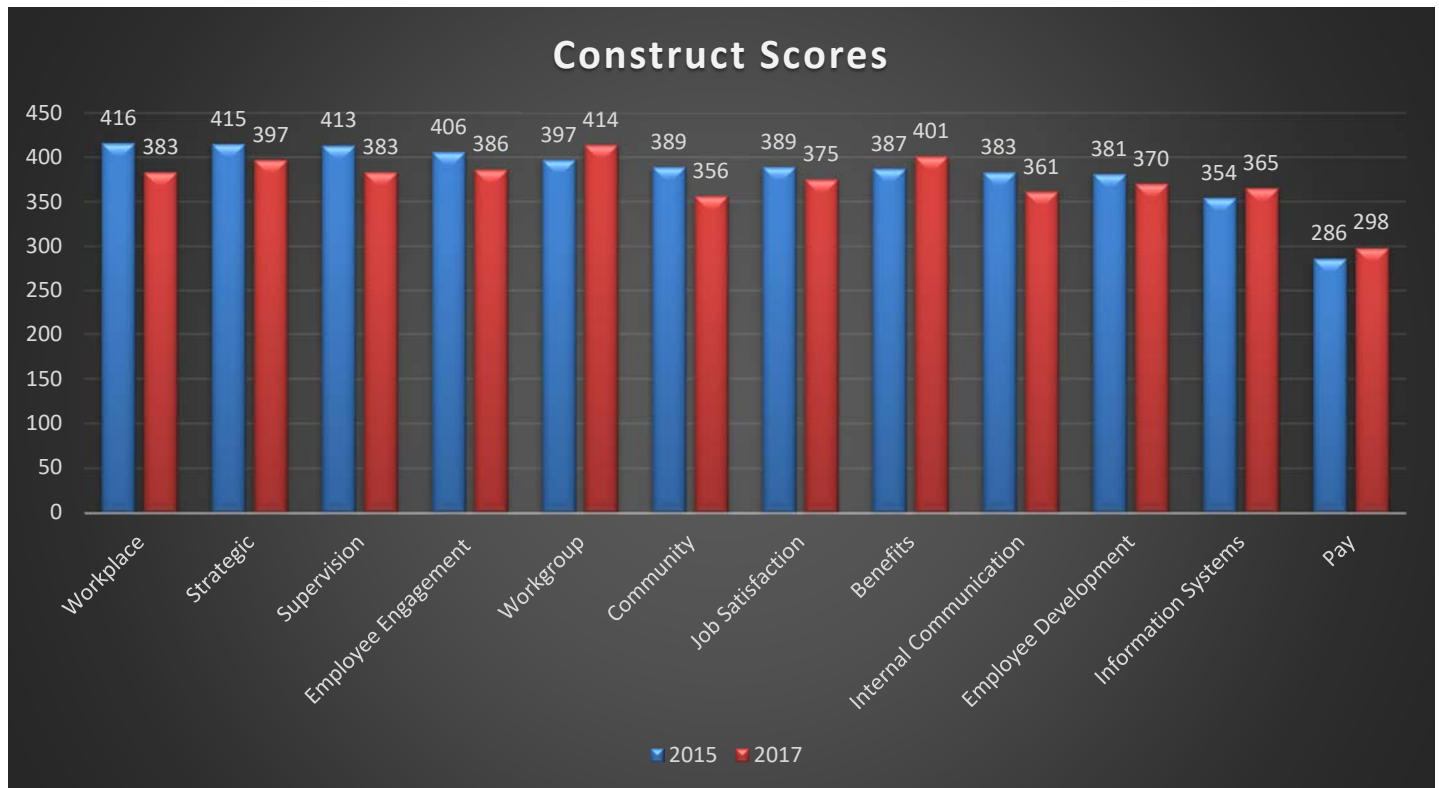
Twelve items crossing several survey constructs assess the level of engagement above individual employees. The percentage of highly engaged, engaged, and moderately engaged employees has decreased. In 2015, 29% of employees were highly engaged, 27% were engaged, 38% were moderately engaged, and 6% were disengaged. The 2017 SEE results reflect 24% of employees are highly engaged, 21% are engaged, 40% are moderately engaged, and 15% are disengaged. Even with this slight decrease, the Agency continues to have a more engaged workforce than the national average.

Highly engaged employees are willing to go above and beyond in their employment. Engaged employees are more present in the workplace and show an effort to help out. Moderately engaged employees are physically present, but put minimal effort towards accomplishing the job. Disengaged employees are disinterested in their jobs and may be actively working against their coworkers. The chart below shows how the Agency compares to nationwide polling data.



Constructs

Constructs capture the concepts most utilized by leadership and drive organizational performance and engagement. Each construct is displayed below with its corresponding score in comparison to 2015. Scores typically range from 300 to 450, and 350 is a tipping point between positive and negative perceptions. The Agency has 9 scores above 350 and 2 over 400, indicating an overall positive perception from employees. In both 2015 and 2017, the Agency had 11 scores in excess of 350.



The Agency's areas of strength include:

- **Workplace** – The workplace construct captures employee's perceptions of the total work atmosphere, the degree to which they consider it safe, and the overall feel. Higher scores suggest that employees see the setting as satisfactory, safe, and that adequate tools and resources are available.
- **Benefits** – The benefits construct captures employees' perceptions about how the benefits package compares to packages at similar organizations and how flexible it is. Higher scores suggest that employees think health insurance and retirement benefits are competitive with similar jobs in the community.
- **Strategic** – The strategic construct captures the employees' perceptions of their role in the organization and the organization's mission, vision, and strategic plan. Higher scores suggest that employees understand their role in the organization and consider the organization's reputation to be positive.

The Agency's areas of concern include:

- **Pay** – The pay construct captures employees' perceptions about how well the compensation package offered by the organization holds up when compared to similar jobs in other organizations. Lower scores suggest that pay is a central concern or reason for discontent and is not comparable to similar organizations. While this

topic is often among the lowest for many organizations, a steady upward trend in this specific metric over the last ten years indicates that Agency management is taking action to address this important area.

- Community – The community construct captures employees' perceptions of the relationships between employees in the workplace, including trust, respect, care, and diversity among colleagues. Lower scores suggest that employees feel a lack of trust and reciprocity from their colleagues.
- Internal Communication – The internal communication construct captures employees' perceptions of whether communication in the organization is reasonable, candid, and helpful. Lower scores suggest that employees feel information does not arrive in a timely fashion and is difficult to find.

Climate

The climate in which employees work does, to a large extent, determine the efficiency and effectiveness of an organization. The appropriate climate is a combination of a safe, non-harassing environment with ethical abiding employees who treat each other with fairness and respect. Moreover, it is an organization with proactive management that communicates and has the capability to make thoughtful decisions. Below are the percentages of employees who marked disagree or strongly disagree for each of the climate items.

- 19.2% of employees participating in the survey feel that upper management should communicate better.
- 19.2% of employees participating in the survey believe the information from this survey will go unused.
- 10.4% of employees participating in the survey feel there are not enough opportunities to give supervisor feedback.
- 7.8% of employees participating in the survey feel there are issues with ethics in the workplace.
- 7.7% of employees participating in the survey feel they are not treated fairly in the workplace.
- 5.1% of employees participating in the survey feel that workplace harassment is not adequately addressed.

Plans for Continued Improvement

In addition to the SEE, the Agency participates annually in the Best Places to Work survey. Results from both surveys were provided to all employees via email and at agency-wide staff meetings. Senior management continues to discuss how to improve results and periodically surveys all staff members to gain their feedback prior to implementing changes resulting from the survey. The Agency is committed to researching and/or improving all areas that employees perceive as areas of concern.

TREC/TALCB considers the Agency's participation in the SEE as a valuable tool for improving Agency operations. The Agency will participate in future surveys with a goal to increase participation and improve key indicators related to employee engagement. Comparison of future results with these goals, as well as with the benchmarks, will enable the Agency to further define methods for addressing the needs of the Agency and its employees.