



Railroad Commission of Texas

Workforce Plan

May 20, 2020

WAYNE CHRISTIAN, CHAIRMAN

CHRISTI CRADDICK, COMMISSIONER

RYAN SITTON, COMMISSIONER

Table of Contents

Agency Workforce Plan.....	3
Part 1: Agency Overview.....	3
A: Agency Mission.....	3
B: Strategic Goals and Objectives.....	3
C: Anticipated Changes in Mission, Strategies, and Goals.....	5
Part 2: Current Workforce Profile.....	5
A: Workforce Demographics (As of April 15, 2020).....	5
B: Percent of Workforce Eligible to Retire.....	9
C: Employee Turnover and Projected Attrition.....	9
D: Workforce Skills Critical to the Mission and Goals of the Agency.....	9
Part 3: Future Workforce Profile.....	10
A: Future Workforce Skills Needed.....	10
B: Anticipated Increase or Decrease in Number of Employees Needed.....	11
C: Critical Functions to Achieve Strategic Plan.....	11
D: Employee Engagement.....	11
Part 4: Gap Analysis.....	12
A: Anticipated Surplus or Shortage of Workers or Skills.....	12
Part 5: Strategy Development.....	13
A: Implementation of Workforce Plan.....	14
B: Workforce Plan Evaluation and Revision.....	14

Agency Workforce Plan

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 through 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

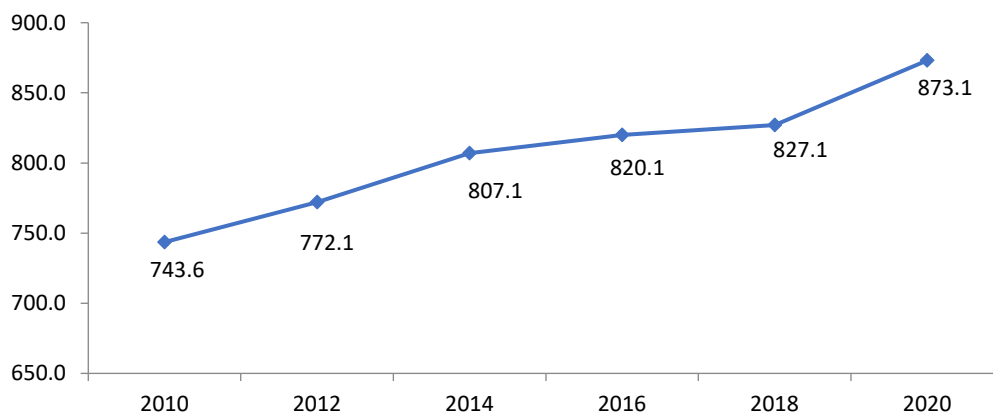
The Railroad Commission does not expect significant changes in its mission, strategies, or goals during the next five years, but it does recognize the need to adapt readily to any changes required by legislation.

Part 2: Current Workforce Profile

A: Workforce Demographics (As of April 15, 2020)

The authorized number of full-time equivalent (FTE) employees increased by nearly 130 over a ten-year period from FY 2010 to FY 2020.

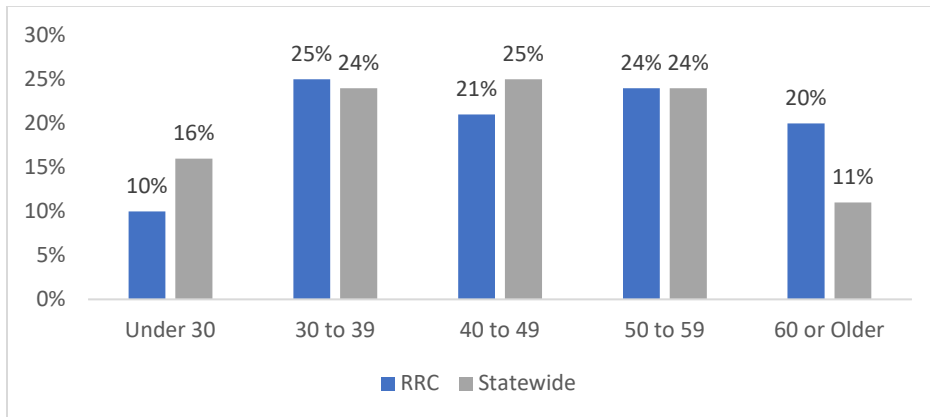
Figure 1: Full Time Equivalents Fiscal Years 2010–2020



Age

Most Commission employees—64.2 percent—are over the age of 40. With only 35.8 percent of the Commission’s workforce under 40 years of age, the Commission must plan to replace the institutional knowledge of its 88 employees who are currently eligible to retire plus 18 more employees who will be eligible before the end of fiscal year 2023.

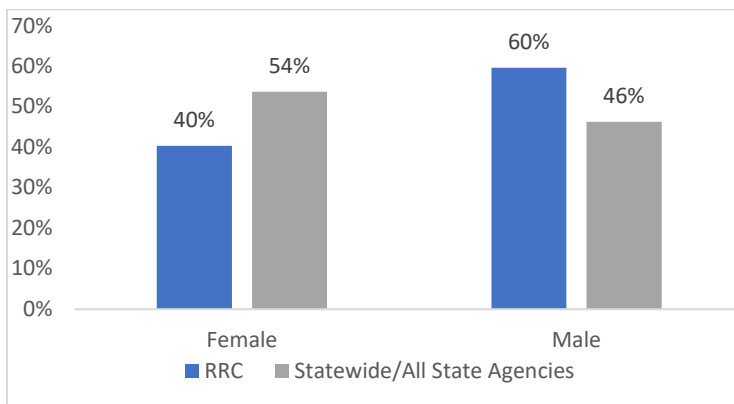
Figure 2: Age Distribution as of April 15, 2020



Gender

As of April 15, 2020, the RRC has 496 male employees (60 percent) and 336 female employees (40 percent). The total employee count of 832 includes both full-time and part-time employees, and three elected officials.

Figure 3: Gender Data as of April 15, 20



Ethnicity

A comparison of ethnicity of Railroad Commission employees to the overall distribution for state employee ethnicity, as reported by the State Auditor’s Office in April 2020, indicates the Commission’s performance in attracting and retaining a diverse workforce. The Commission’s recruitment plan outlines ways to recruit a more diverse workforce. All EEO categories are represented below. Since the last Workforce Plan, the classification of RRC inspectors changed from Professional to Technical.

Figure 4: Ethnicity as of April 15, 2020

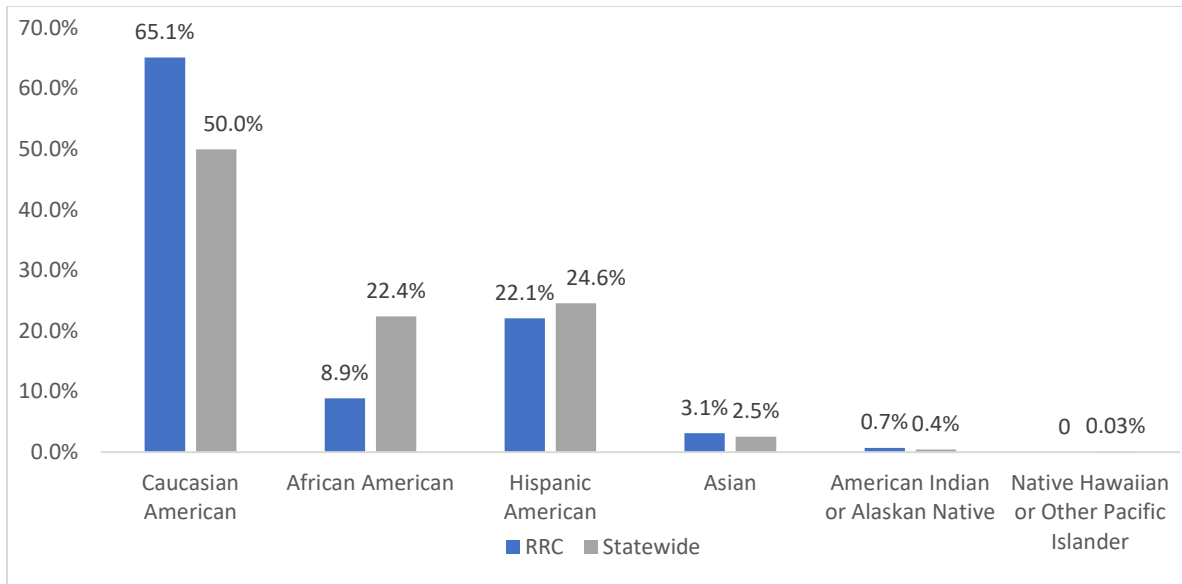


Figure 5: EEO Categories by Ethnicity and Gender as of April 15, 2020

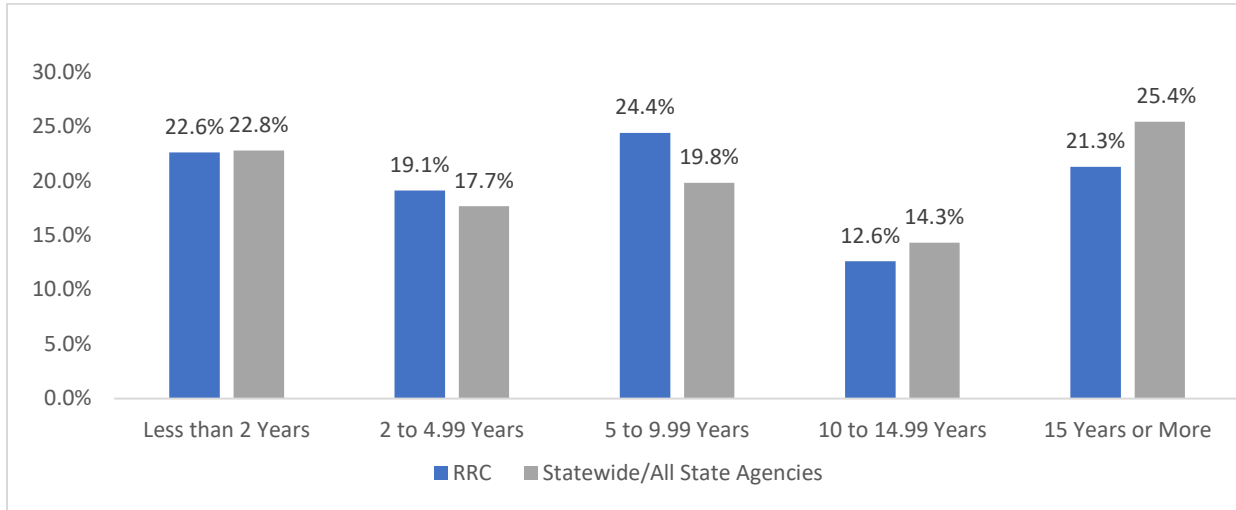
EEO Job Category	Caucasian American	African American	Hispanic American	Asian American	American Indian/Alaskan Native
Officials, Administration	53	3	8	0	1
Professional	168	22	52	12	1
Para-professional	12	1	16	0	0
Administrative Support	107	32	67	6	4
Technicians	187	15	47	7	1
Elected Officials	3	0	0	0	0
Elected Official Staff	7	0	0	0	0
Total	537	73	190	25	7

Length of Service

On April 15, 2020, the Commission had 832 employees. There are 188 employees with less than two years of Commission service and 347 employees with less than five years of service. There were 203

employees (24.4 percent) with five to nine years of service, and 105 employees in the 10 to 15 range (12.6 percent). Twenty one percent of staff, 177 employees, have more than 15 years of service with the Commission.

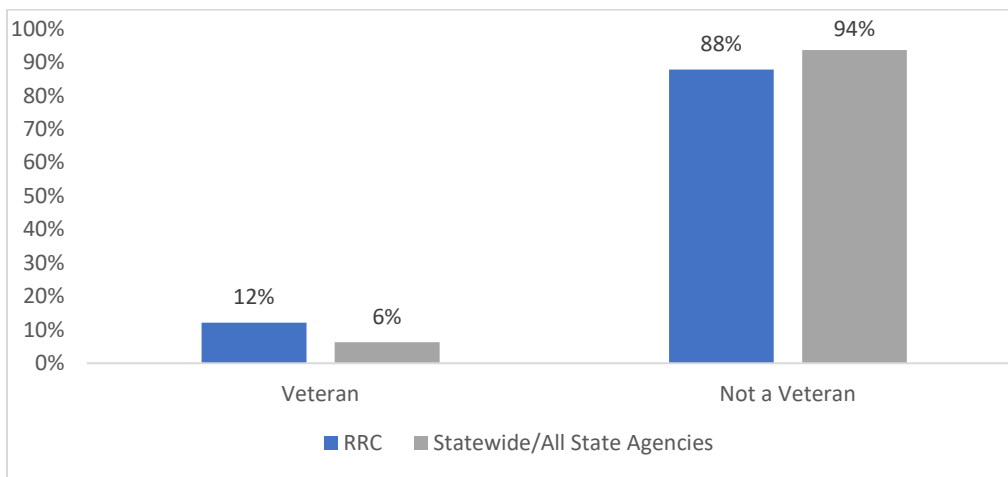
Figure 6: Length of Service as of April 15, 2020



Veterans

The Commission is focused on hiring and retaining veterans. The Commission’s goal is to reach a workforce staffing level with 20 percent represented by veterans. The Human Resources Division continues to recruit at veteran career fairs and maintains a veteran coordinator for the agency. In February 2020, the RRC was included in the “We Hire Vets” campaign by the Texas Workforce Commission and Texas Veteran’s Commission.

Figure 7: Veteran Staffing



B: Percent of Workforce Eligible to Retire

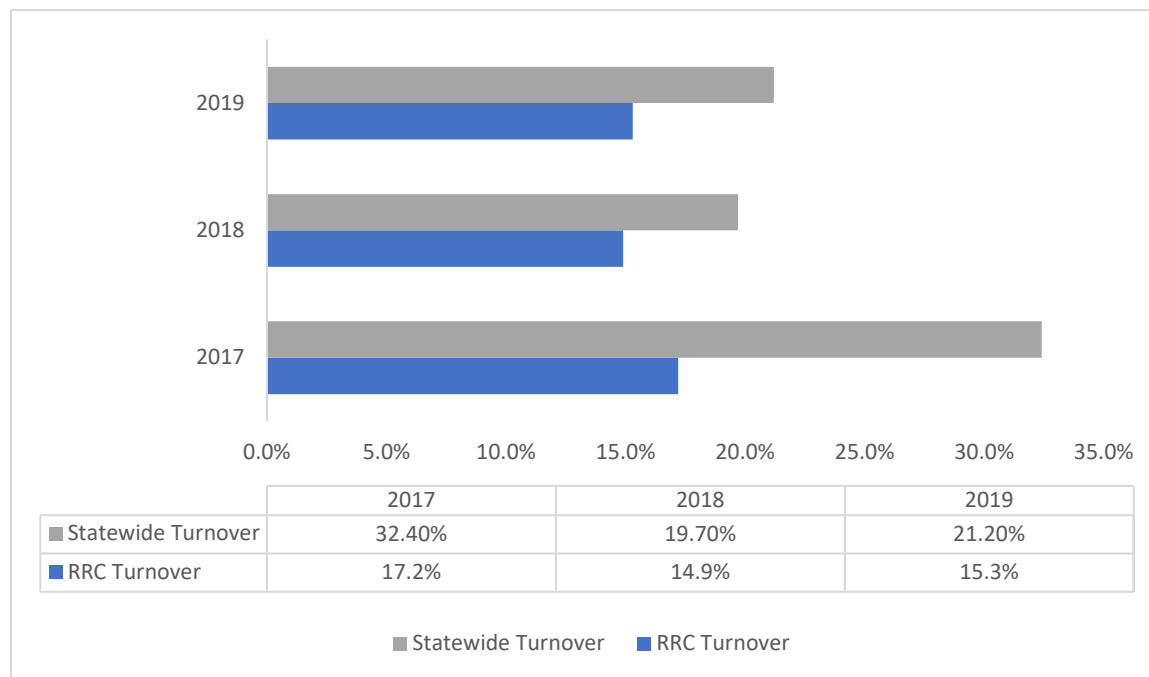
The number of Commission employees eligible to retire between now and the end of FY 2023 is 13 percent. This percentage is a decrease from two years ago by 50 percent. The Commission employs 29 return-to-work retirees.

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

C: Employee Turnover and Projected Attrition

The Commission’s turnover rate decreased from 2017 to 2018 and stayed about the same from 2018 to 2019. The Commission’s turnover rate was significantly lower than the state’s turnover rate. The Commission’s 2019 turnover rate, including interagency transfers, was 15.3 percent while the state’s overall rate was 21.2 percent.

Figure 8: Employee Turnover Including Interagency Transfers



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

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

- Engineering: Chemical, Civil, Mechanical, Mining, Natural Gas, and Petroleum
- Information Technology
- Sciences: Geology, Hydrology, Soil Science, and 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” and “Technical” categories representing 61.5 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: Future Workforce Skills Needed

The Railroad Commission’s workforce skills are developed from prior employment experience, on-the-job training, education, and 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 contemporary trends in each discipline.

While the Commission will continue to function as the regulatory agency for Oil and Gas in the State of Texas, some of its functions may change focus. The Commission’s key activities were recently analyzed to determine factors that may create an increased workload for staff and could affect the number or type of people that the Commission needs to employ in the next five years.

The development and implementation of technological advancements will require new skills if the future workforce is to fully utilize such improvements. Functions to accomplish Railroad Commission goals will focus on:

- Increasing computer skill sets for employees,
- Increasing electronic recordkeeping for greater transparency and reducing paper transactions and processing time for customer requests,
- Shifting from hiring administrative staff to more technical and science-based positions, and

- Encouraging cross-training, talent management, and a career development program as part of a human resources partnership with Commission leadership and divisions.

B: 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.

C: Critical Functions to Achieve Strategic Plan

The Railroad Commission updated its recruitment plan in 2019 to address critical deficiencies in its labor force and to narrow the gaps in diversity. A variety of recruitment methods will 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 will continue to identify resources associated with professional organizations to post jobs with distinct or hard-to-find skill sets. Job Fairs at college campuses, internship program expanded to district offices.

A critical barrier to recruitment is competition with other state agencies, along with private sector engineering jobs.

D: Employee Engagement

In March 2020, the Survey of Employment Engagement was sent current employees. As of April 15, 70 percent of RRC employees invited to take the survey have responded to the survey. Thus far, the response rate is 9 percentage points higher than the previous survey. The overall score for the 2020 survey will be available in May 2020.

Based on the prior survey in 2018, the Commission formed focus groups in three areas where the Commission was rated the lowest: Pay, Information systems, and Internal Communications. These focus groups met weekly for several months to discuss questions and recommendations related to each construct. The questions posed, discussion notes, ideas, and answers are published internally for staff. The published response has been available to staff since early 2019.

Each fiscal year, the Employee Handbook is updated to include suggested revisions from the Texas Workforce Commission, managers and directors, and policy revisions due to any legislative changes. The handbook outlines employee expectations and all employees are required to acknowledge receipt each time there is an update. All managers are offered one-on-one training outlining the significant changes to the handbook.

In June 2019, the Texas Workforce Commission audited the Commission's Employee Handbook and Human Resources policies as they related to Civil Rights. This audit is done routinely every six years. Minor recommendations were made, implemented, and the Commission is considered compliant in all areas related to Civil Rights.

Part 4: Gap Analysis

A: Anticipated Surplus or Shortage of Workers or Skills

The Railroad Commission developed its Workforce Plan amidst a rapidly evolving situation imposed on the agency and its employees around the coronavirus (COVID-19). The Commission continues to evaluate its future needs, while the future condition of the state's workforce is a great unknown. The Federal Reserve District, Beige Book for April 2020 indicates that at the national level "overall economic activity contracted sharply and abruptly across all regions in the United States as a result of the COVID-19 pandemic. The hardest-hit industries—because of social distancing measures and mandated closures—were leisure and hospitality, and retail aside from essential goods." Specifically, related to the industries regulated by the Railroad Commission, the Beige Book assesses the energy sector as it suffers "from low prices, reduced investment and output.... Four [Federal Reserve] Districts also reported further declines in energy prices."¹ A decline in the state's energy industries and the potential of resulting bankruptcies could lead to an increase in the Commission's workload as more abandoned wells and sites fall to the Commission to manage. A decline in activity could also lead to more enforcement actions as basic facility maintenance is generally delayed during periods of decreasing activity, requiring the Commission to perform enhanced oversight of regulated operations to protect the state's natural resources and the environment, while assuring personal and community safety.

While economic activity contracted broadly in the Dallas Federal Reserve District, "declines were the steepest in energy, retail, and non-financial services. Employment fell sharply.... Outlooks deteriorated rapidly."² Oil and gas activity fell sharply in response to a collapse in West Texas Intermediate crude oil

¹ Federal Reserve District, *The Beige Book: Summary of Commentary on Current Economic Conditions, April 2020*, p. 1, [federalreserve.gov](https://www.federalreserve.gov/monetarypolicy/files/BeigeBook_20200415.pdf), [online] available at: https://www.federalreserve.gov/monetarypolicy/files/BeigeBook_20200415.pdf [Accessed April 27, 2020].

² *Ibid.*, p. 2.

prices in April 2020 as producers evaluated which wells would need to be shut-in, particularly as physical storage capacity for oil depletes rapidly. These extraordinary circumstances and their effect on the labor market may impact the Commission's ability to hire or retain qualified staff. While April 2020 had the lowest number of voluntary separations in more than three years, additional staff and other resources may be necessary to meet the regulatory needs of this challenging period.

The Railroad Commission's workforce requires many of its employees to have a science, technology, or engineering background. Recruiting and retaining qualified staff has been an on-going challenge for many years, specifically in the Information Technology division, as the Commission competes with the private sector and other state agencies. In the longer term, broad workforce development may be necessary if industry continues to struggle beyond the immediate coronavirus period. One lasting effect of this period may be its deterrence of future workers to enter the oil and gas industry creating a future labor shortage in what is likely to remain a challenging task—recruiting knowledgeable, experienced field inspectors.

The Commission anticipates that replacing projected retirements and anticipated turnover in management will require continued succession planning and greater emphasis on professional development 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 existing employees, and recruiting expenses related to hiring new 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 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. Focus on employee engagement and recognition programs are in development phases. The Commission’s retention process involves analysis of salary markets, a career track program, and generous merit-based pay increases.

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, areas such 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 Commission created a Professional Development Program manager position to centralize identification of training needs and its implementation.
- 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.