



# Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

## Workforce Plan Fiscal Years 2023-2027

## Executive Summary

Since the onset of COVID-19, the Texas Department of Motor Vehicles' (TxDMV) workforce statistics have closely paralleled that of Texas and the nation. Since April 2020, the unemployment rate has consistently declined and returned closer to pre-pandemic levels; as of August 2021, the Texas unemployment rate was almost identical to the U.S. rate at 5.3% and 5.2%, respectively.

Highlights of the FY 2021 TxDMV Workforce Statistics:

- In FY 2021 the average headcount of TxDMV Classified Employees increased very slightly compared to FY 2020 (761 compared to 756).
- Total TxDMV employee turnover is significantly lower than the state-wide average, 15.8% compared to 21.5%.
- TxDMV average annual salary for FY 2021 was \$54,807, compared to the state-wide average annual salary of \$50,266.
- Effective September 1, 2021, the department funded \$1.4 million for a Market Salary Adjustment Project. The project took into consideration tenure, performance and the employee's salary compared to the employee's salary range mid-point. The focus of this project was to address the employees paid significantly below their respective midpoint.
- TxDMV demographics indicate that its workforce is significantly older, with more employees over 50 at 48.7% compared to other state agencies at 36%.

As the department looks forward to the future, recruitment and retention of highly skilled, qualified employees is a top priority.

To achieve this goal, TxDMV has implemented several strategies including:

- Recruit employees from across the state for those positions that are able to work remotely 100% of the time.
- Continue recruiting a diverse and well-qualified applicant pool by announcing job postings on state-wide platforms and using all available media applications.
- Expand formal and informal recruiting of employees in underutilized race or gender categories.
- Continue providing paid leave to reward outstanding performance.
- Maintain and expand training and development, including tuition assistance.
- Continue and expand rewarding employees with one-time and/or recurring merit pay increases whose performance exceeds that which is normally expected or required.

TxDMV is acutely aware that it competes in a highly competitive job market. TxDMV is focusing on new and innovative approaches to recruit and retain the best and the brightest candidates to meet its future workforce needs, especially in the areas of technology and customer service.

The department recognizes that recruiting, developing, and retaining a qualified workforce is imperative to achieving its goals, now and in the years to come. While employee compensation will always be one of the most important factors in recruiting and retaining a qualified workforce, TxDMV recognizes that in today's workplace, factors such as telecommuting, increases in the cost of living and transportation, and work-life balance play significant roles.

## TxDMV Overview

The workforce of the Texas Department of Motor Vehicles (TxDMV) engages in the following program activities and support functions:

- Registers and titles motor vehicles, issues license plates and disabled placards;
- Licenses and regulates the motor vehicle industry;
- Conducts administrative hearings and adjudicates Lemon Law and warranty repair complaints;
- Licenses and regulates the motor carrier industry;
- Manages customer relations and the Customer Contact Center;
- Supports technology infrastructure and services for use by external stakeholders and departmental staff;
- Enforces the laws regulating motor vehicle industry and motor carrier industries,
- Administers grant programs designed to prevent motor vehicle crime; and
- Provides department support functions

## Workforce Overview

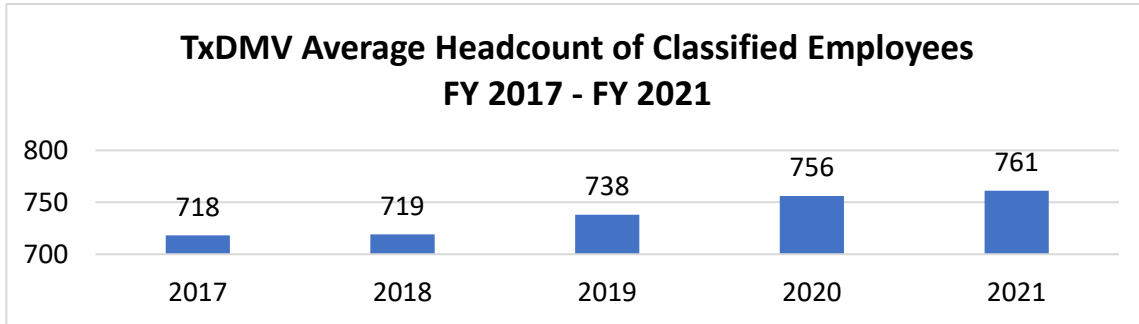
For the 2022 – 2023 biennium, the department was authorized 808 full-time equivalent (FTEs) positions in the General Appropriations Act (GAA). TxDMV is organized into 15 divisions and offices as follows in Table 1:

**Table 1**

Division	FTE Allocation
Consumer Relations Division	62
Employee Ombudsman	1
Enforcement Division	103
Executive Office	7
Finance and Administrative Services Division	76
Government and Strategic Communications Division	12
Human Resources Division	10
Information Technology Services Division	112
Internal Audit Division	5
Motor Carrier Division	114
Motor Vehicle Crime Prevention Authority	5
Motor Vehicle Division	34
Office of Administrative Hearings	5
Office of General Counsel	15
Vehicle Titles and Registration Division	247
<b>TxDMV Total FTEs</b>	<b>808</b>

TxDMV’s average employee head count increased from 756 in Fiscal Year 2020 to 761 in Fiscal Year (FY) 2021 as shown in Figure 1.<sup>1</sup> The lower employee headcount (average headcount is lower than the authorized number of FTEs due to turnover and vacancies) in 2017 and 2018 was largely due to the statewide hiring freeze that was in effect from January 2017 through August 31, 2017.

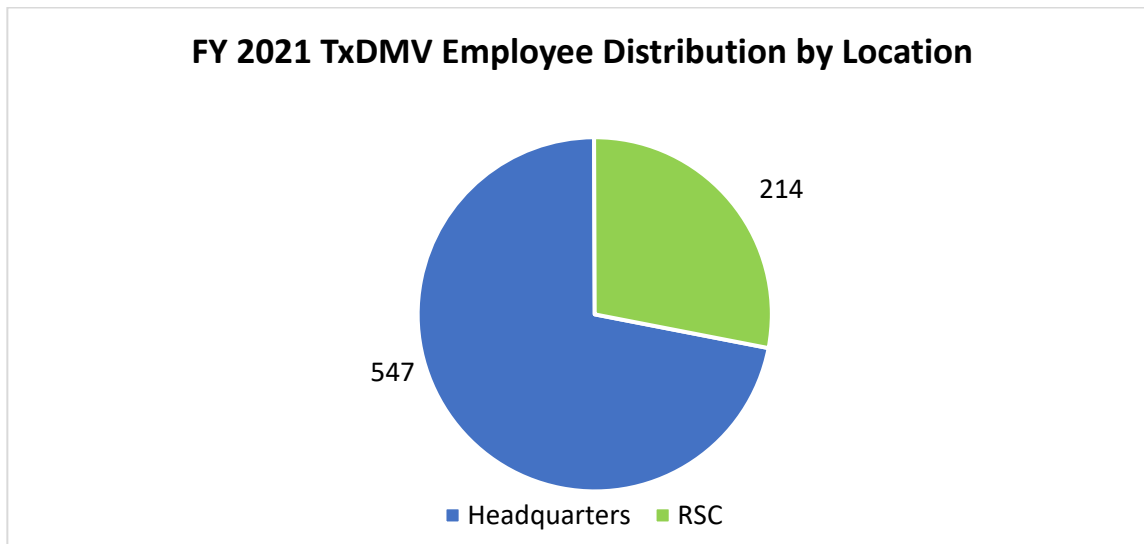
**Figure 1**



### Workforce Distribution by Location

The department’s headquarters are located in Austin, Texas. Additionally, TxDMV operates 16 Regional Service Centers (RSCs) and employs staff throughout the state to meet the needs of its customers. 72% of TxDMV staff (547 employees) work in the Austin headquarters and 28% (214 employees) work in various locations across the state, as shown in Figure 2.<sup>2</sup>

**Figure 2**



<sup>1</sup> Source: State Auditor’s Office (SAO) E-Class System, Classified Regular Full Time & Part Time, Fiscal Year 2021

<sup>2</sup> Source: State Auditor’s Office (SAO) E-Class System, Classified Regular Full Time & Part Time, Fiscal Year 2021

## Workforce Distribution by Job Classification

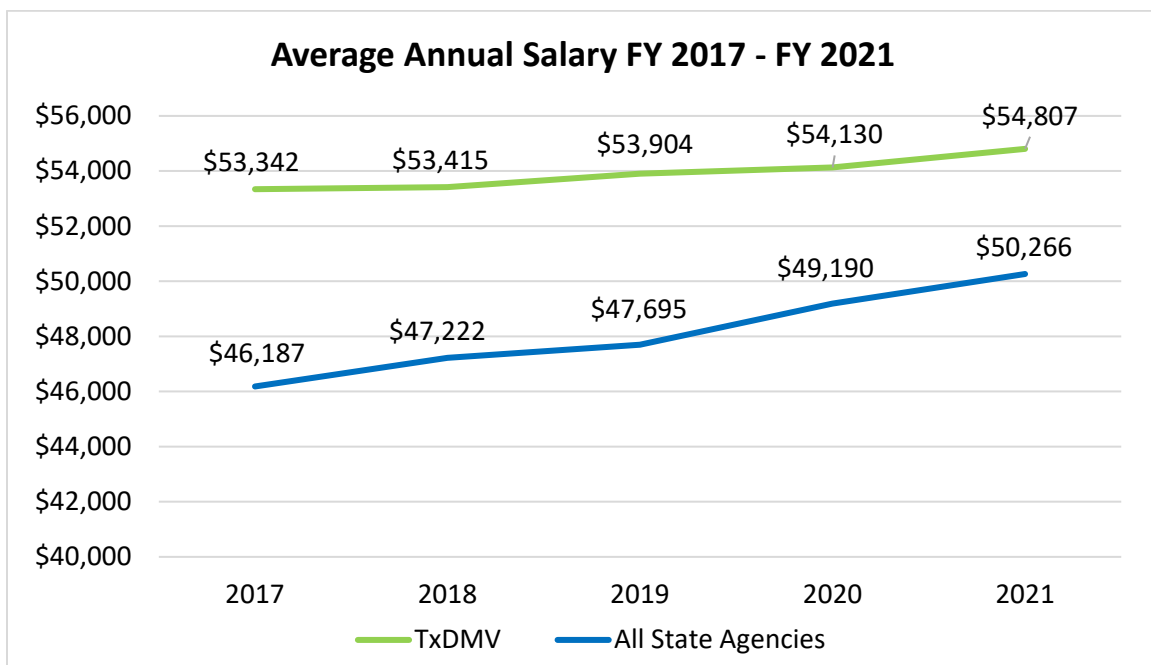
In FY 2021, TxDMV used 56 different position descriptions taken from the classification series in the State of Texas Position Classification Plan.<sup>3</sup> The classification series with the largest number of employees was Customer Service Representatives with 28%. Three classification series account for the next largest number of employees compared to total employees; they were Program Specialists, License and Permit Specialists and Investigators with 11%, 10% and 7%, respectively. The remaining 44% of employees were dispersed throughout the other 52 job classification series in use.

## Workforce Salary

The average annual salary of TxDMV employees in FY 2021 was \$54,807; this was 9% higher than the statewide average salary of Texas state employees of \$50,266.<sup>4</sup> The *median* annual salary for TxDMV employees was \$48,798 compared to the *median* of \$44,642 for all Texas State government employees.

Over the last five years, the size gap between the average annual salary of TxDMV employees and the Statewide average continues to decrease, as shown in Figure 3.

Figure 3



The majority (68%) of TxDMV employees are paid below the midpoint of their salary range, as shown in Figure 4. Employee pay compared to midpoint is significant because midpoints represent market rates of pay. The State Auditor’s Office (SAO) establishes midpoints of each pay range corresponding to each

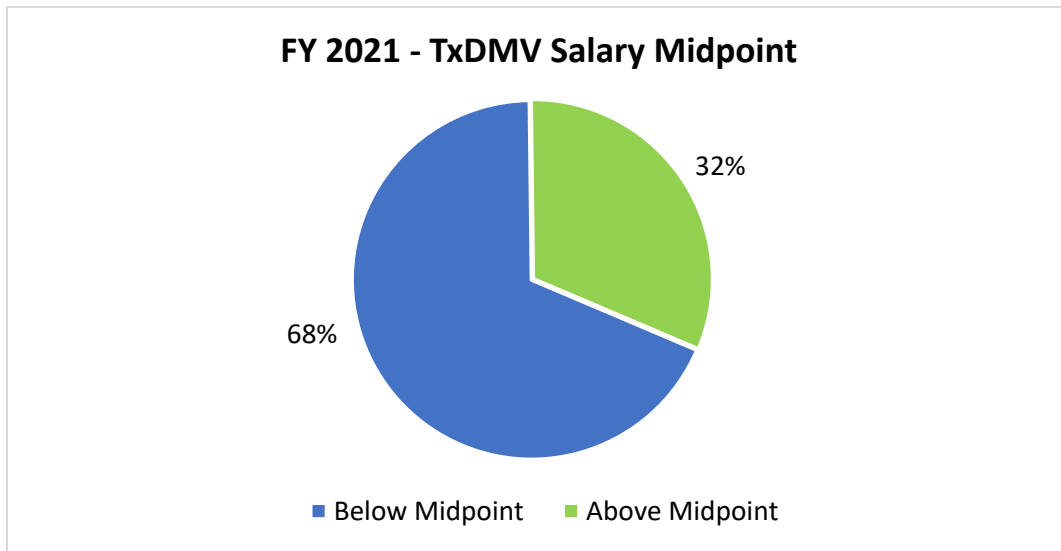
<sup>3</sup> Source: State Auditor’s Office (SAO) E-Class System, Classified Regular Full Time & Part Time, Fiscal Year 2021

<sup>4</sup> Source: State Auditor’s Office (SAO) E-Class System, Classified Regular Full Time & Part Time, Fiscal Year 2021

job classification. These market rates of pay include comparable positions for each job title in both the public and private sector.

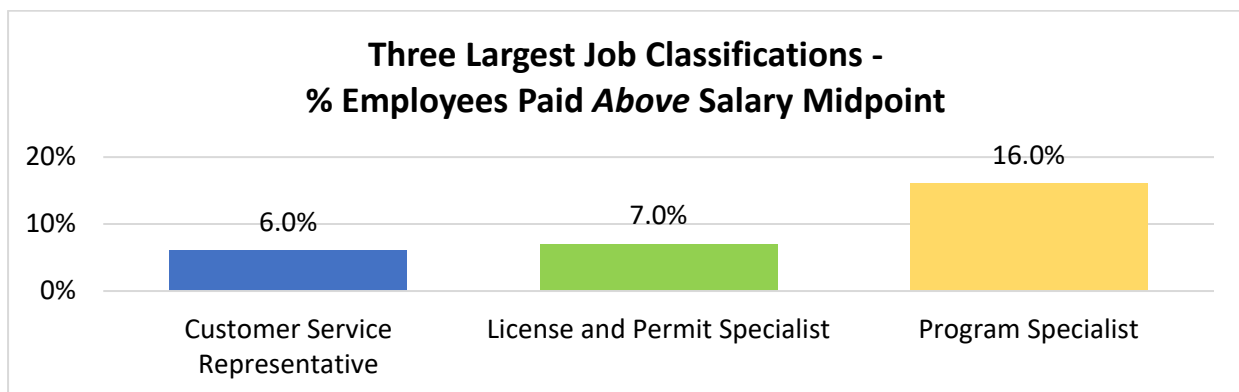
When employees are paid significantly below the pay range midpoints, their pay is significantly below competitive rates of pay compared to other organizations. This market disparity can significantly increase employee turnover.

**Figure 4**



Employees in job classifications with the greatest number of TxDMV employees are generally paid below the midpoint of their pay range. Fewer than 10% of employees are paid above the midpoint among the 208 customer service representatives and the 72 license and permit specialists; only 16% of the 86 program specialists are paid above the midpoint, as shown in Figure 5.<sup>5</sup>

**Figure 5**



<sup>5</sup> Source: State Auditor's Office (SAO) E-Class System, Classified Regular Full Time & Part Time, Fiscal Year 2021

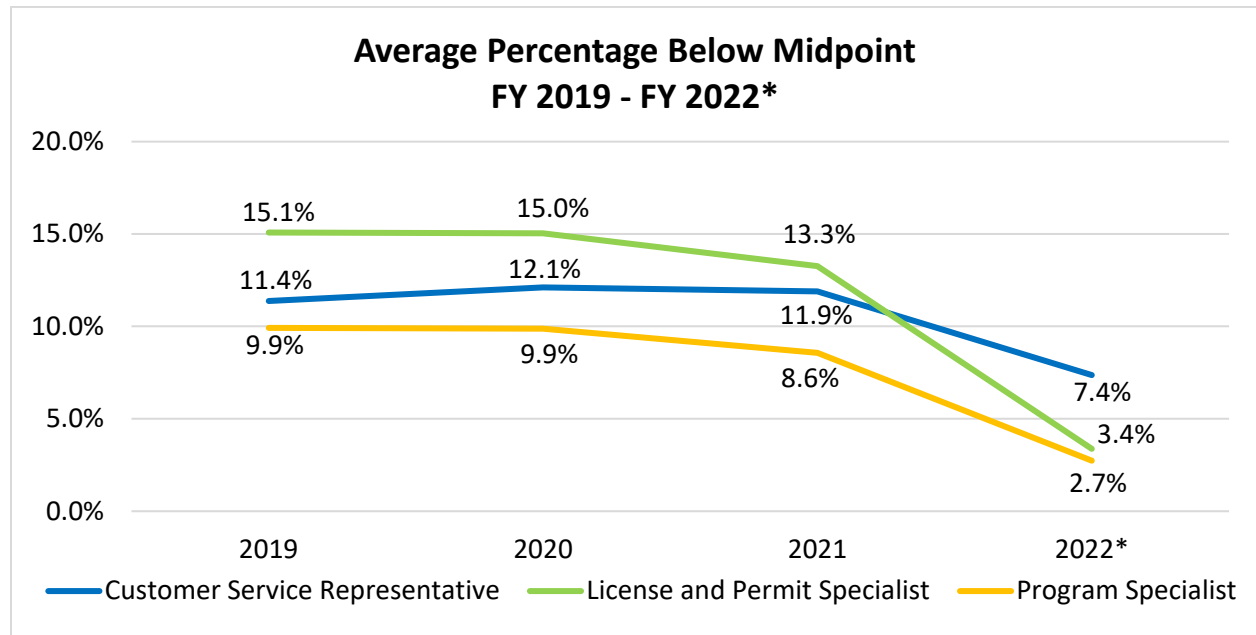
Not only are a majority of employees paid below the midpoint of their pay range, the pay for many of these employees has been *significantly below* the midpoint in the past. To ameliorate the situation of many employees paid significantly below midpoint, especially staff with significant tenure and excellent work performance, the department funded \$1.4 million for a Market Salary Adjustment Project that took effect September 1, 2021. The project took into consideration tenure in current position, most recent performance evaluation score, and employee’s salary compared to the employee’s salary range midpoint. There were three categories of tenure within current position and each of these three tenure categories had three different levels of salary increase based on performance evaluation score. The combination of tenure and performance determined how close to midpoint an employee should be paid, as shown in figure 6. The total number of employees who received an increase in salary was 365 or almost 50% of TxDMV staff. The project criteria are shown in Figure 6:

**Figure 6**

Position-Tenure	5 or more Years			2 - 4.99 Years			Less than 2 Years		
Midpoint Category	2% Above Midpoint	Midpoint	Within 2% of Midpoint	Within 4% of Midpoint	Within 6% of Midpoint	Within 8% of Midpoint	Within 10% of Midpoint	Within 12% of Midpoint	Within 14% of Midpoint
Evaluation Score	Outstanding	Exceeds	Meets	Outstanding	Exceeds	Meets	Outstanding	Exceeds	Meets

As a result of the Market Salary Adjust Project, the average percentage below midpoint for our three largest classification groups was significantly decreased beginning in FY 2022, as shown in Figure 7:

**Figure 7**



\* Data for 2022 as of 11/30/21.

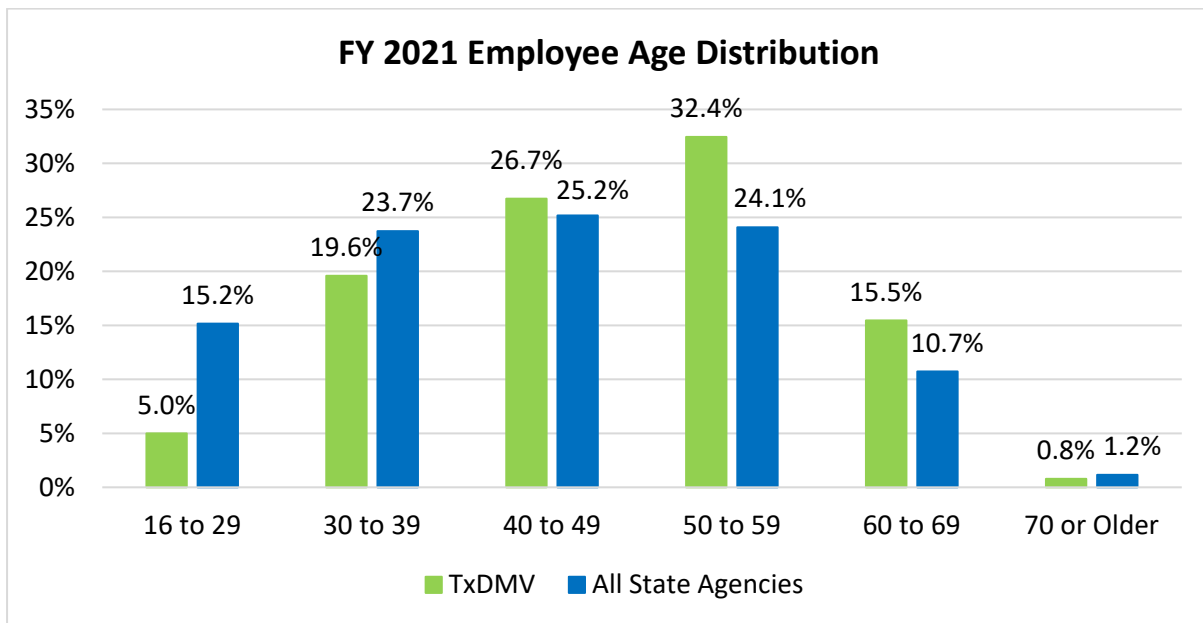


## Demographics of Current Workforce

### Age

TxDMV employs staff of all ages, ranging from 23 to 78 years old. TxDMV has a significantly older workforce when compared to the rest of Texas state government. In FY 2021, only 5% of TxDMV employees were under the age of 30; the percentage of employees under 30 was significantly less than other Texas state agencies at 15.2%. At the other end of the age range, TxDMV's workforce has significantly more employees over 50 compared to other state agencies. TxDMV had 48.7% of employees that were 50 or older compared to other state agencies with only 36%<sup>6</sup>.

Figure 8

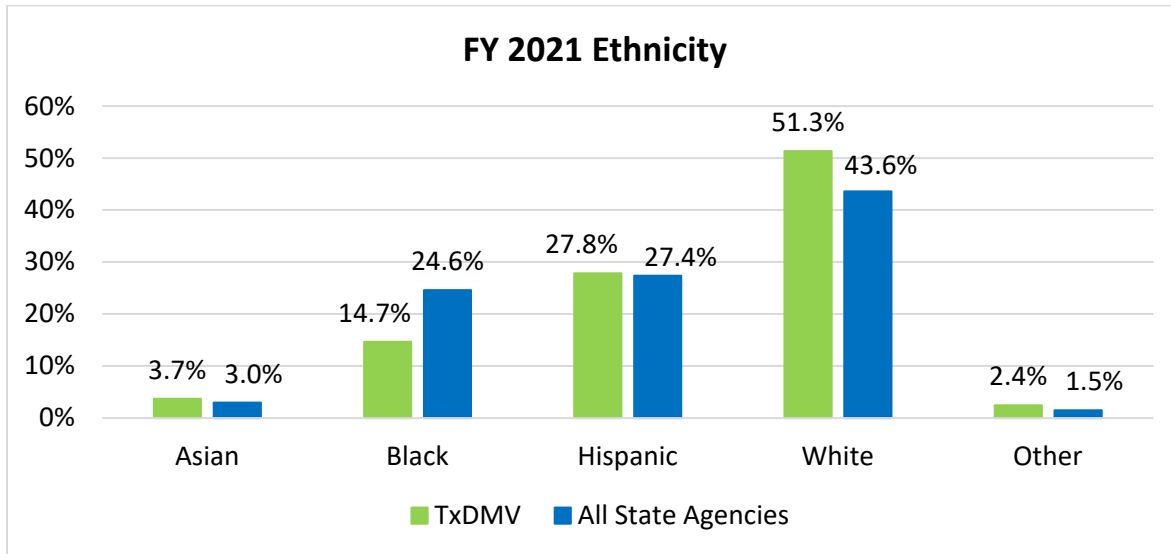


<sup>6</sup> Source: State Auditor's Office (SAO) E-Class System, Classified Regular Full Time & Part Time, Fiscal Year 2021

## Ethnicity

In FY 2021, TxDMV had a lower percentage of African American employees when compared to the rest of the State government employment.<sup>7</sup> TxDMV is actively working to increase its diversity recruitment efforts in the next year and beyond.

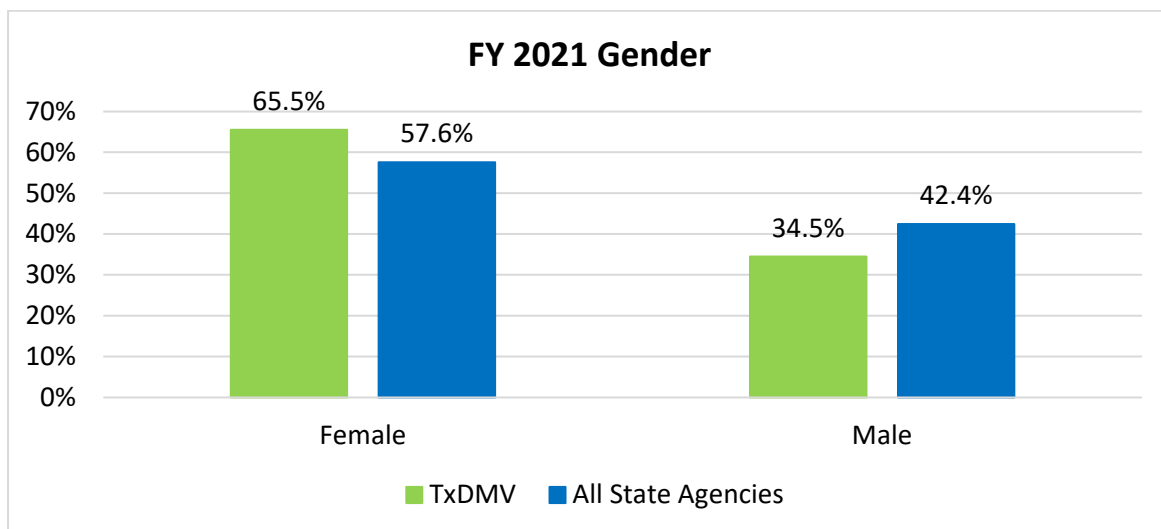
Figure 9



## Gender

Consistent with overall Texas state government, females make up the majority of the workforce.<sup>8</sup>

Figure 10



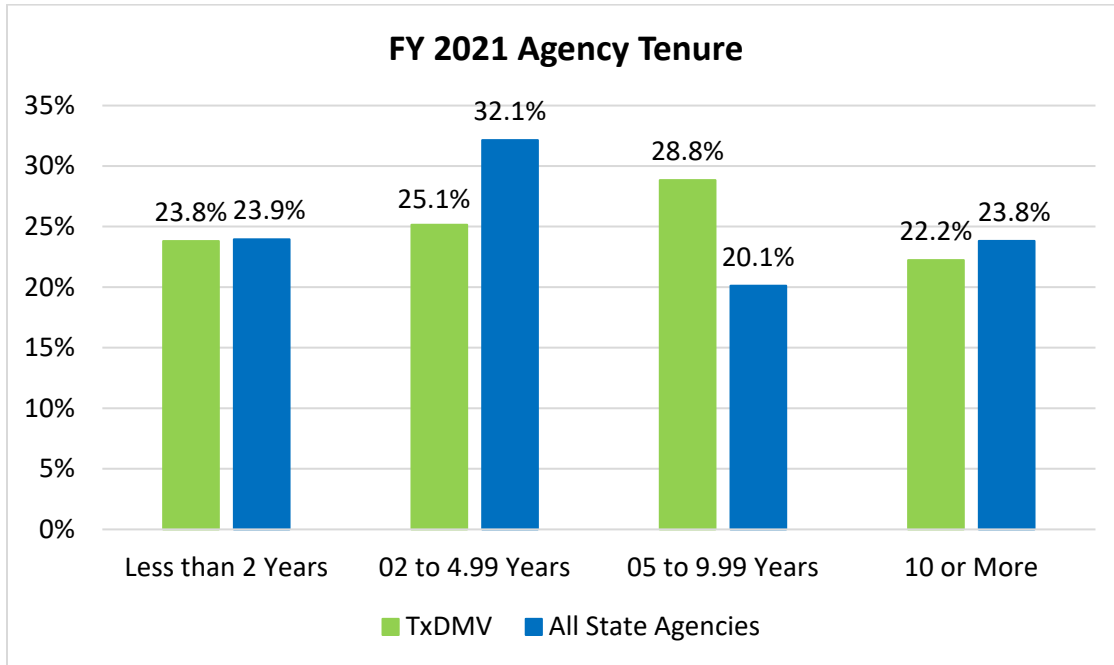
<sup>7</sup> Source: State Auditor's Office (SAO) E-Class System, Classified Regular Full Time & Part Time, Fiscal Year 2021

<sup>8</sup> Source: State Auditor's Office (SAO) E-Class System, Classified Regular Full Time & Part Time, Fiscal Year 2021

## TxDMV Service Tenure

Slightly over half of TxDMV employees have been at the department for at least five years; this is 7.1% higher than all other State agencies, as shown in Figure 11.<sup>9</sup>

Figure 11



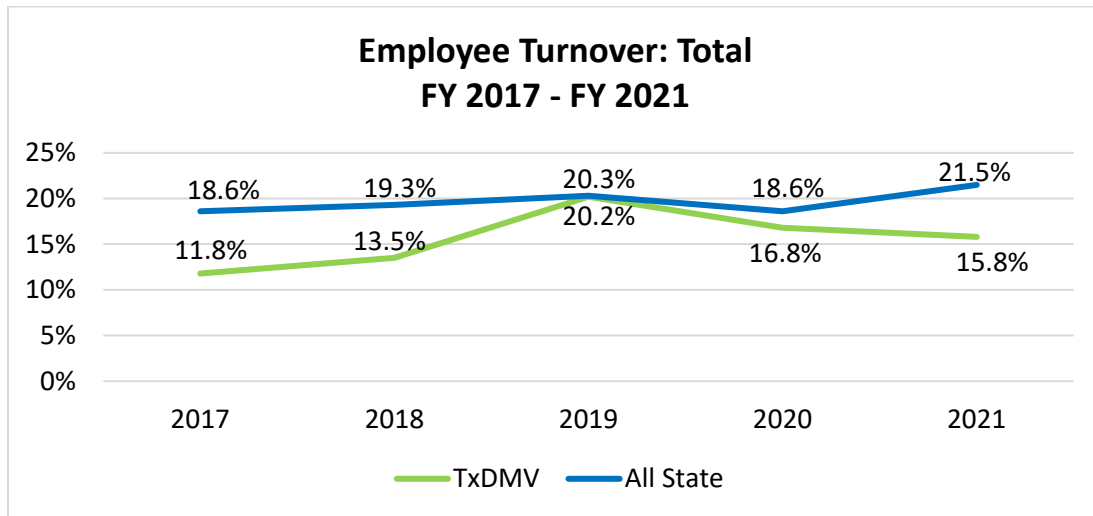
<sup>9</sup> Source: State Auditor's Office (SAO) E-Class System, Classified Regular Full Time & Part Time, Fiscal Year 2021

## Employee Turnover

The overall turnover rate for all of Texas State Government was 21.5% compared to TxDMV's turnover rate of 15.8% in FY 2021, as shown in Figure 12.<sup>10</sup>

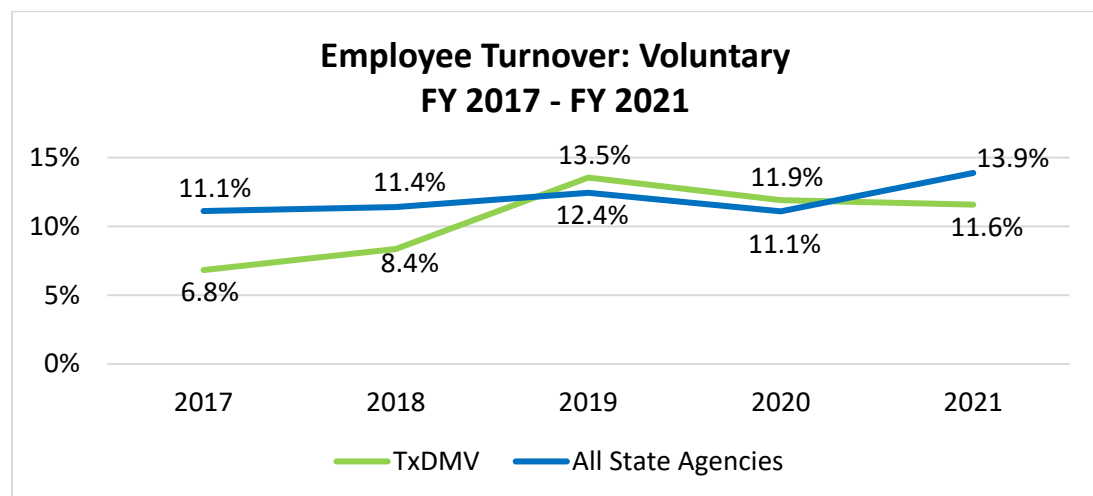
Historically, TxDMV's total turnover rate has been significantly below the statewide average until FY 2019 when TxDMV's turnover rate was nearly identical to the statewide average. However, since FY 2019, TxDMV's turnover rate has steadily dropped back below the statewide average.

Figure 12



The statewide *voluntary turnover* rate was 13.9% compared to TxDMV's voluntary turnover rate of 11.6% in FY 2021, excluding involuntary separations and retirements, as shown in Figure 13.

Figure 13



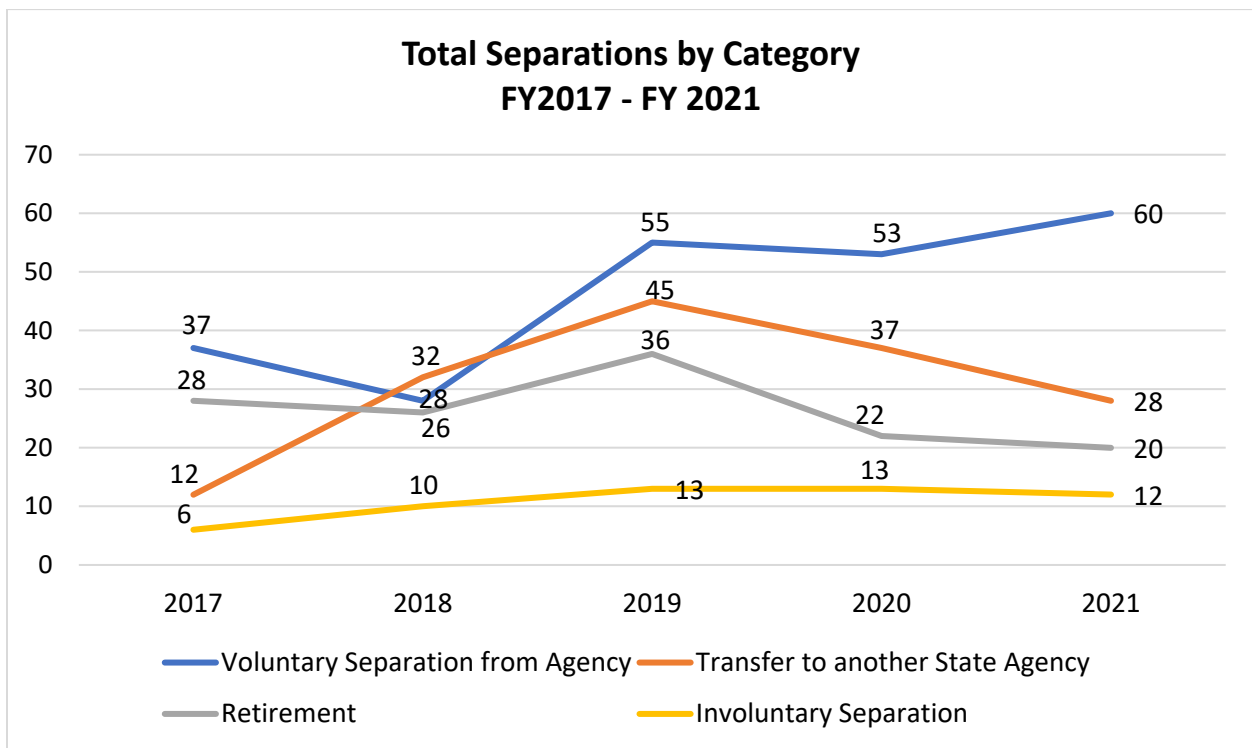
<sup>10</sup> Source: State Auditor's Office (SAO) E-Class System, Classified Regular Full Time & Part Time, Fiscal Year 2021

TxDMV had 120 total employee separations in FY 2021. Following are the separation categories and the number and percentage of employees who separated in each category.<sup>11</sup>

Voluntary separation from Agency	60 employees	(7.9%)
Transfer to another State Agency	28 employees	(3.7%)
Retirement	20 employees	(2.6%)
Involuntary separation	12 employees	(1.6%)
<b>TOTAL</b>	<b>120 employees</b>	<b>(15.8%)</b>

The number of separations has decreased in every separation category except for Voluntary, as shown in Figure 14.

Figure 14



All employees who separate voluntarily are provided the opportunity to complete an anonymous exit survey collected and compiled by the SAO. According to self-reported data from employees who chose to complete the survey, the top two reasons for employees leaving the department were Better Pay/Benefits (30.3%) and Retirement (19.7%).

According to the SAO survey, the two issues that separating employees would most like to change about TxDMV are compensation and benefits (64.3% of separating employees) and employee rewards and recognition (33.9% of separating employees).

<sup>11</sup> Source: State Auditor’s Office (SAO) E-Class System, Classified Regular Full Time & Part Time, Fiscal Year 2021

More than two-thirds (72.3%) of TxDMV separating employees indicated they would work for the department again in the future. The percentage of separating employees who stated they would work for TxDMV has remained fairly constant over the past five years.

### **Retirees and Retirement Eligibility**

In FY 2021, the percentage of employees who retired from agencies across Texas state government was 2.9% compared to TxDMV's employee retirement rate of 2.6%.<sup>12</sup>

As of March 2022, 100 TxDMV employees (14%) are eligible to retire or are return-to-work retirees. This includes 81 eligible for retirement and 19 employees who are currently return-to-work retirees. A return-to-work employee is someone who has retired from state government and then returned to working for state government as a current TxDMV employee.

Using TxDMV's current workforce composition the department projects that in FY 2027 30% of TxDMV employees will be eligible to retire or will be a return-to-work retiree.<sup>13</sup>

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<sup>12</sup> Source: State Auditor's Office (SAO) E-Class System, Classified Regular Full Time & Part Time, Fiscal Year 2021

<sup>13</sup> Source: Centralized Accounting and Payroll/Personnel System (CAPPS)

## Equal Employment Opportunity (EEO) Commitment

TxDMV is an equal opportunity employer. The department does not allow or condone discrimination based on race, color, religion, sex (including pregnancy), national origin, age, disability, or genetic information. TxDMV's workplace is comprised of a diverse team of people and professionals. The department, through its policies and training, maintains a workplace environment for all applicants and employees that is productive, efficient, free from discrimination, intimidation, harassment, and retaliation.

Department policy prohibits degrading or abusive conduct toward anyone in the workplace environment and such conduct is not tolerated. Any behavior degrading another's race, color, religion, national origin, sex (including pregnancy), disability, age, genetic information, sexual orientation, or veteran status is a serious violation of the department's EEO Policy that may result in disciplinary action up to and including termination.

### EEO Categories

Equal Employment Opportunity Commission (EEOC) reporting requires TxDMV to report the composition of the workforce by race/ethnicity and gender categories. Below are descriptions of the department's EEOC job categories and percentage of TxDMV employees in each category as shown in Table 2.

**Administrative Support (including Clerical):** Occupations which require employees to engage in internal and external communication, recording and retrieval of data and/or information and other paperwork required in an office.

**Officials and Administrators:** Occupations which require employees to set broad policies, exercise overall responsibility for execution of these policies, or direct individual departments or special phases of the department's operations, or provide specialized consultation on a regional, district or area basis.

**Professionals:** Occupations which require employees with specialized and theoretical knowledge which is usually acquired through college training or through work experience and other training which provides comparable knowledge.

**Service Maintenance Workers:** Workers in both protective and non-protective service occupations.

**Skilled Craft Workers:** Manual workers of relatively high skill level having a thorough and comprehensive knowledge of the processes involved in their work. Exercise considerable independent judgment and usually receive an extensive period of training.

**Technicians:** Occupations which require employees with a combination of basic scientific or technical knowledge and manual skills which can be obtained through specialized post-secondary school education or through equivalent on-the-job training.<sup>14</sup>

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<sup>14</sup> Source: State Auditor's Office (SAO) E-Class System, Classified Regular Full Time & Part Time, Fiscal Year 2021

**Table 2**

FY 2021 EEO Distribution by Race/Ethnicity						
EEO Category	White	Hispanic	African American	Asian	Other	Total Headcount
Administrative Support	44.4%	34.3%	17.4%	1.5%	2.5%	428.25
Officials & Administrators	56.0%	24.1%	8.7%	7.8%	3.4%	89.25
Professionals	66.4%	15.0%	10.0%	5.9%	2.8%	145
Service Maintenance & Skilled Craft	100.0%	0.0%	0.0%	0.0%	0.0%	3.75
Technicians	53.3%	23.1%	15.6%	6.9%	1.1%	94.25

**Table 3**

FY 2021 EEO Distribution by Gender			
EEO Category	Male	Female	Total Headcount
Administrative Support	18%	82%	428.25
Officials & Administrators	47%	53%	89.25
Professionals	49%	51%	145
Service, Maintenance & Skilled Craft	80%	20%	3.75
Technicians	75%	25%	94.25

## Workforce Supply

According to the U.S. Census Bureau, the number of people in Texas grew by 382,436 from April 2020 to July 2021, bringing the state's total population to slightly over 29.5 million.<sup>15</sup> While the Texas population continues to grow, in past years the unemployment rate had continually decreased prior to the COVID-19 pandemic. However, at the beginning of the pandemic in 2020, the US unemployment rate spiked from 3.5% in February to as high as 14.7% in April. During the pandemic employers saw a dramatic increase in turnover which some have referred to as the “great resignation”. However, since April 2020 the unemployment rate has consistently declined close to pre-pandemic levels. As of August 2021, the US unemployment rate was 5.2% which was almost the exact same as the Texas unemployment rate of 5.3%.<sup>16</sup>

One fundamental workforce change resulting from COVID-19 is the number of TxDMV employees telecommuting. Prior to the pandemic, roughly 21% of TxDMV employees telecommuted at least one day a week. After the pandemic began, that number increased significantly to 84% of staff telecommuting as of April 1, 2020. In Fiscal Year 2021, the percentage of TxDMV employees

<sup>15</sup> Source: <https://www.census.gov/quickfacts/fact/table/TX/PST045221#PST045221>

<sup>16</sup> Source: <https://www.twc.texas.gov/news/texas-unemployment-rate-falls-59-percent-august>



telecommuting at least one day a week decreased to about two thirds of the department's staff. The percentage of telecommuting staff has remained fairly consistent through March of 2022.

The employee desire and expectation of telecommuting have also changed. A recent TxDMV survey question to all employees stated, "The opportunity to work remotely improves my job satisfaction" and asked employees whether they agree or disagree. On a five-point scale, five was "strongly agree" and four was "agree." The overall average employee response was 4.5, demonstrating that telecommuting is an important benefit for those employees whose job functions allow them to work remotely. A mandatory return to on-site work five days a week would likely result in very high turnover given the increase and availability in telecommuting jobs throughout the economy.

Even with the majority of TxDMV staff shifting to remote work, the department is still able to meet our department performance measures and provide excellent customer service to Texans.

## Projection

TxDMMV currently possesses the human resources necessary to provide premier customer service to the motoring public. Areas of concern during the next five years include reducing overall department turnover, expanding diversity recruitment, addressing cost of living impacts on staff salary, and managing the workforce with a large number of employees who are eligible for retirement.

## Demand Analysis and Future Workforce Skills Needed

The future workforce skills needed will continually evolve. With technological advances, the information needs, and expectations of the public continue to expand. TxDMV must continue to recruit skilled staff and develop the skills of current employees necessary to meet these needs. In addition, the department will continue to use technology to revise and streamline work processes and provide additional web-based services. Any legislative changes could expand or modify the workforce needs and FTE requirements of TxDMV.

## Anticipated Increase/Decrease in FTEs

TxDMMV is currently in the process of assessing its workforce needs for the next biennium. Any requests for increasing/decreasing the department's FTE allocation will be reflected in the department's FY 24-25 Legislative Appropriation Request, anticipated to be finalized in August 2022.

## Recruitment and Retention

TxDMMV focuses on recruiting and retaining a diverse and qualified workforce as described below.

### **Recruitment**

- Recruit employees from across the state for those positions that are able to work remotely 100% of the time.
- Continue encouraging managers to recruit veterans to apply to meet the department's goal of employing a workforce comprised of 20% veterans

- Continue recruiting a diverse and well-qualified applicant pool by announcing job postings on the department’s website, Facebook page, Twitter account, the Centralized Accounting and Payroll/Personnel System (CAPPS) job posting page, and the WorkinTexas website
- Expand formal and informal recruiting of employees in underutilized race or gender categories
- Increase formal recruitment efforts through attendance at job fairs and more targeted job postings on industry-specific and occupation-specific job posting sites
- Target college students and recent college graduates by providing paid internships

### **Retention**

- Continue providing paid leave to reward outstanding performance
- Develop career paths to allow for internal employee promotions and professional advancement
- Continue and expand the employee wellness committee’s activities and programs
- Maintain and expand training and development by
  - Continuing to offer tuition assistance to support employees’ educational activities aligned with department needs
  - Continuing to provide department-wide training and development activities both online and instructor-led
  - Continuing the Professional Leadership Academy for all supervisors and managers
- Increase the use of alternative work schedules and telecommuting opportunities to address the needs of department employees
- Continue to provide and actively promote an Employee Assistance Program for both employees and immediate family members at no cost to employees
- Continue to recognize employees’ state service through the State Service Award program
- Continue and expand rewarding employees with one-time and/or recurring merit pay increases whose performance exceeds that which is normally expected or required

### **Conclusion**

TxDMV is acutely aware that it operates in a highly competitive job market. TxDMV is focusing on new and innovative approaches to recruit and retain the best and the brightest candidates to meet its future workforce needs, especially in the areas of technology and customer service.

The department recognizes that recruiting, developing, and retaining a qualified workforce is imperative to achieving its goal of being Customer Centric. TxDMV continues to recruit a diverse workforce, support the development of its employees through various activities and initiatives, and provide a wide array of benefits to retain its employees.