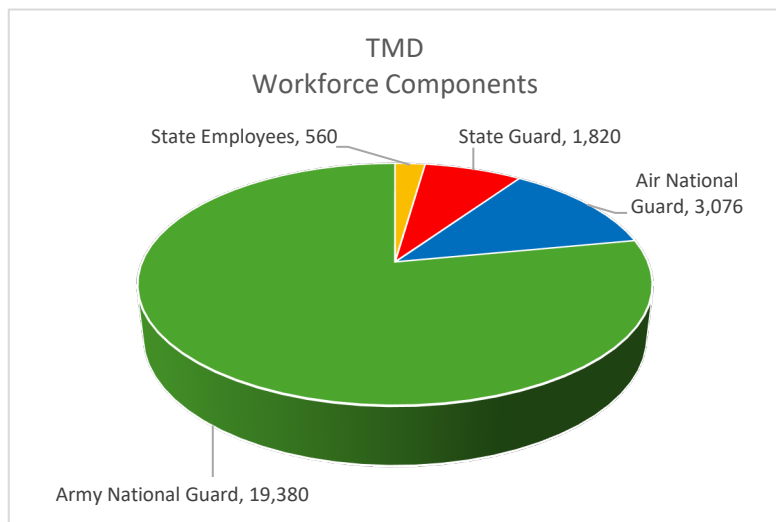


SCHEDULE F: AGENCY WORKFORCE PLAN

OVERVIEW

The Texas Military Department (TMD) is a unique state agency where civilian and military personnel work closely together in service to the governor and president to provide mission-ready forces at home and abroad. TMD features multiple staff directorates and components, all of which the Adjutant General of Texas (TAG) leads. Agency personnel, including service members in the Texas Military Forces (TXMF), work under the TMD banner to respond to the governor’s call for assistance related to emergencies, disasters and other needs in Texas; National Guard Soldiers and Airmen must also maintain readiness to assist federal missions at the call of the president.

There are more than 24,500 members of the TXMF—which is comprised of the Texas Army National Guard (TXARNG), the Texas Air National Guard (TXANG), and the Texas State Guard (TXSG)—making it the largest state military force in the country. As illustrated by the chart to the right, TMD’s total workforce includes TXMF members and state employees. Satisfying the TMD’s various missions involves a combination of state employees, Army National Guard and Air National Guard service members, State Guard members, and federal military technicians under the TAG’s direction.



Collectively, TMD has a full-time workforce of approximately 4,079 employees, including service members and state and federal civilian employees. To sustain operations and activities in Texas, TMD manages dollars that flow from

both the federal and state governments. State administrative support is provided through the Office of State Administration (OSA) under the direction of the Director of State Administration. OSA is authorized 80 FTEs, who provide services related to the following activities: budget, finance, purchasing and contracting, property and fleet management, human resources, payroll, training, information technology and security, state and federal reimbursement administration, cooperative agreement oversight and compliance (which includes 24 separate cooperative agreement programs), internal audit coordination and CAPPs (Centralized Accounting and Payroll/Personnel System) administration.

TMD resources support Texas border security efforts, including long-term camera surveillance missions and Operation Lone Star (OLS), disaster relief or other emergency efforts, cyber-related missions, and other requests for the assistance of the National Guard or Texas State Guard.

The centralized group of 80 authorized state employees in OSA provide direct administrative support to the TMD state employee workforce, the military and federal supervisors of state employees, and the service members who are performing State Active Duty. The requirements for TMD’s FTEs and

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missions are extensive due to the complex nature of the military missions the agency supports. The amount of support required by OSA staff can vary based on the ever-changing nature of military missions and current state and national events. Many State Active Duty missions ramp up very quickly, are of short duration, and wind down rapidly. Though Operation Lone Star is a State Active Duty mission, it is of a long-term nature and has resulted in significantly increased support requirements. Though OLS operations have now become steady state and fluctuate less frequently than when launched in 2021, the support requirements endure.

Besides responding to the governor's call and maintaining readiness for federal missions, the TMD is responsible for the utilities, construction, repair, and maintenance of Texas Guard military facilities. These facilities include Texas Army National Guard and Texas Air National Guard readiness centers (armories), and maintenance and aviation facilities. Nearly six million square feet of facilities support Texas Army and Air National Guard Service members. The TMD uses the facilities primarily to train personnel and maintain and store equipment.

The TMD supports a variety of other programs and activities. For example, the Texas National Guard's Joint Counterdrug Task Force has provided unsurpassed, enduring, and operational counterdrug activities for more than 31 years. The task force's full-time personnel and assets are federally funded and available to state and local law enforcement agencies; its highly skilled Soldiers and Airmen offer the continuity necessary to foster and maintain positive relationships with more than 200 federal, state, and local law enforcement agencies and community-based organizations across Texas. The task force makes significant contributions to counternarcotic operations along the Texas-Mexico border.

TMD resources support two National Guard-sponsored Youth Programs, the ChalleNGe Academy, which is a youth program located in Eagle Lake, and the StarBase Program, located in Austin and Houston. The ChalleNGe Program is open to young men and women ages 16 to 18 who have dropped out of high school or are in danger of doing so. The ChalleNGe Program provides tools to help students become responsible, productive citizens who contribute their talents to the community. Successful students either pass the GED, earn a high school diploma, or accumulate school credits for their return to high school. The StarBase Program provides fifth grade students a first-hand journey into the world of science, technology, engineering, math, aviation, and aerospace. A key goal of this program is raising student interest and knowledge in STEM fields of science, technology, engineering, and math.

Additionally, TMD administers a State Tuition Assistance Program to assist Texas service members with tuition costs and mandatory fees associated with postsecondary education. Postsecondary education accelerates military readiness and personal and professional development. The program is unique to TXMF and remains a valuable tool to recruit, train, and retain membership. State tuition assistance is the only education benefit available to most State Guard members and some Army and Air National Guard members.

FUTURE CONSIDERATIONS

Potential change at the federal level continues to represent an overarching issue that may affect TMD in many areas over the coming years. For example, Texas depends on federal authorities for the use

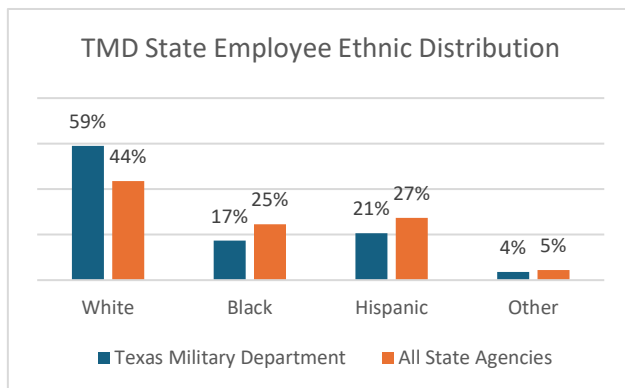
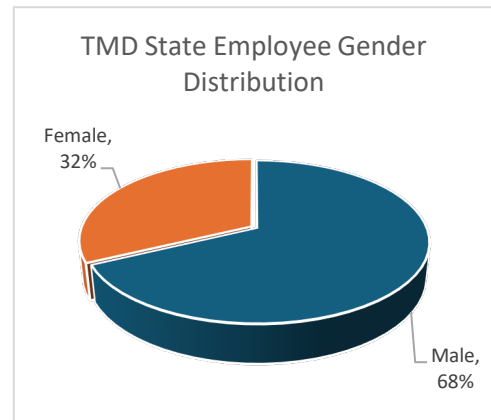
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of certain federal assets in state missions. State use of federal equipment simply is an ancillary benefit to the state. Developments at the federal level can affect Texas’ state mission requirements and the way forward in Texas. Current state-funded border missions are examples of those kinds of developments.

CURRENT STATE EMPLOYEE WORKFORCE PROFILE

State Employee Demographics

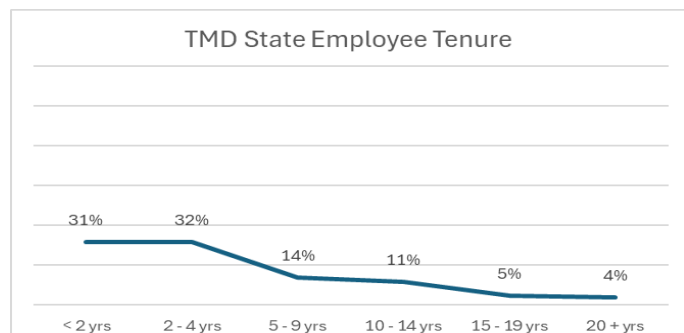
TMD has 670.5 authorized state employee positions for FYs 2024 and 2025. The agency continually strives for diversity within its workforce and fairness in its hiring practices. Due to continuous high turnover in certain areas, TMD’s actual number of hired FTEs tends to fluctuate. For illustrative purposes, however, TMD’s state employee workforce as of March 31, 2024, (excluding unfilled vacancies), was comprised of 560 state employees. The chart to the right displays the gender distribution of these FTEs. Females make up about one-third of TMD’s state employee workforce.



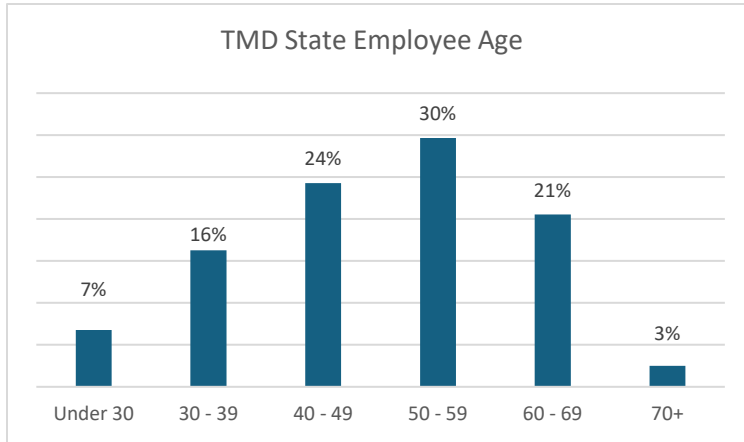
Ethnic minorities constitute approximately 57 percent of the total state workforce, as shown on the chart to the left. By comparison, TMD’s ethnic minority population constitutes 42 percent of the agency’s state employee workforce, slightly lower than the combined state agency population. Recruiting efforts to attract minorities and females will continue to be a priority as the agency seeks to align its workforce to reflect Texas’ diversity. It is noted

that TMD’s analysis of available applicant demographics data over the past two years shows that females made up 40 percent of TMD’s applicant pool and 57 percent identified with a minority ethnicity. The agency will continue to monitor hiring trends to ensure that new hire demographics appropriately represent the applicant pool.

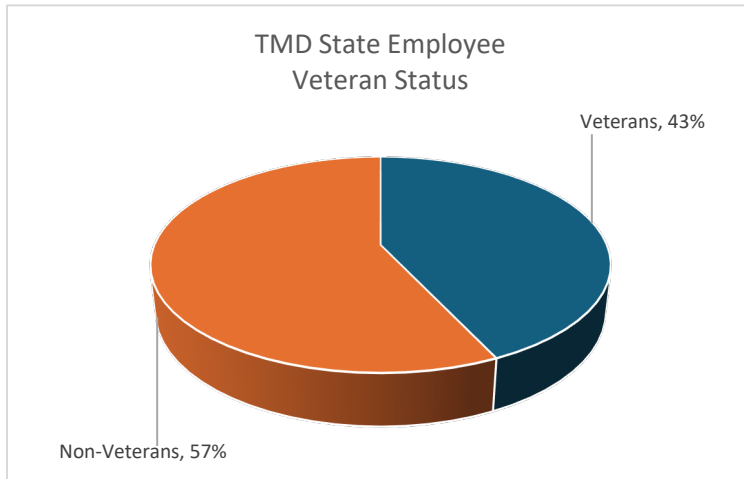
The chart to the right represents state employee tenure with TMD. A majority of state employees’ length of service with the agency is relatively short; 63 percent have been employed by TMD for less than five years.



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The chart at left shows that individuals aged 40 and over make up 78 percent of the state employee workforce. This older-skewing age distribution may partly reflect the close relationship the agency has with military service members. The agency is readily accessible to qualified Veteran employees who enter state employment after completion of military service.



Many Veterans, who bring valuable experience with them, see state employment as an opportunity to continue public service while pursuing second careers. Far exceeding the 20 percent employment goal for state agencies (see Government Code Sec. 657.004), 43 percent of TMD's state employee workforce consists of Veterans.

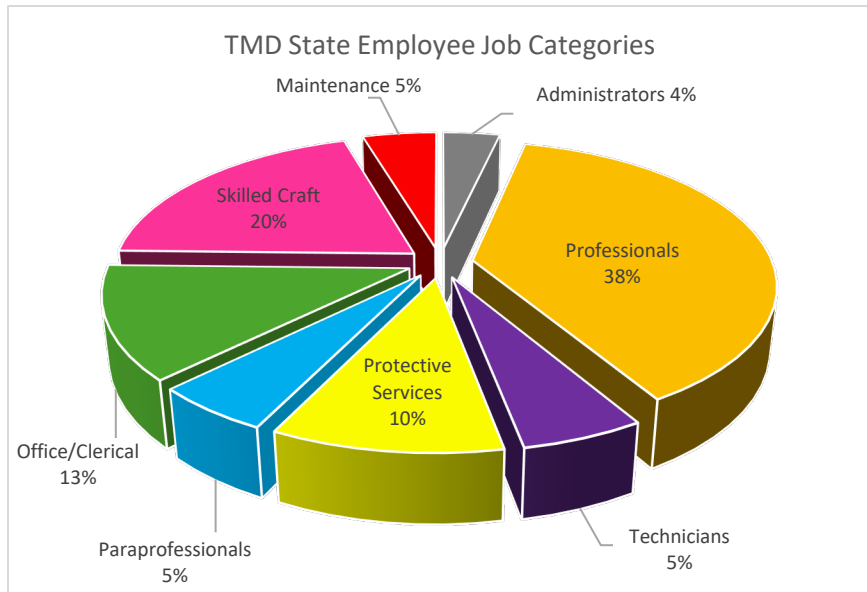
The Employees Retirement System estimates that between FY 2024 and 2028, about 16 percent of TMD's state employees will be eligible to retire. Using employee age and service data only, the chart at right forecasts the number of TMD state employees eligible to retire each year through 2028.

Ultimately, just under 28 percent of TMD's state employee workforce will be eligible to retire in the next five years. Historically, actual retirements have fallen well below eligibility levels; only about 13 percent of those eligible have retired in recent years. Currently, TMD employs 15 state retirees who subsequently resumed state service.

State Employee Retirement Eligibility Forecast	
Currently Eligible	67
2024	14
2025	16
2026	23
2027	20
2028	19

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TMD employs personnel with diverse skill sets to meet the unique mission of the organization and its varied programs. The chart below illustrates the percentages of TMD state employees classified in each job category.



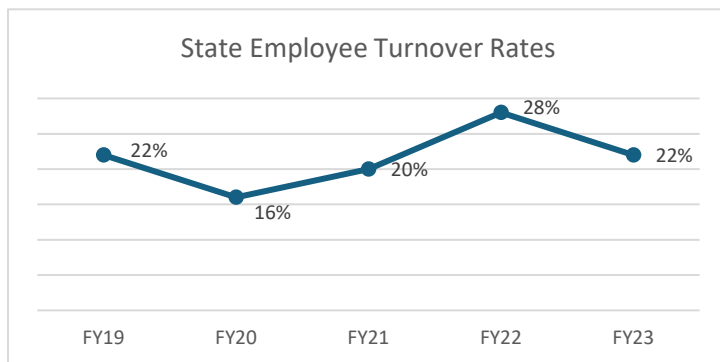
Professionals, paraprofessionals, technical, clerical, and administrative categories collectively make up 65 percent of TMD’s total state employee workforce;

the remaining 35 percent fall within the protective, skilled craft, and maintenance areas. Among the 71 core state employees administrative support staff under the agency’s Director of State Administration, the critical knowledge and skills areas include finance, human resources, accounting, training, purchasing, property and fleet management, information technology and security, legal, administrative, and management. Other state employees perform facilities maintenance, project management, environmental protection, youth education, and behavioral health functions. The protective services category includes security officers located at five army training sites across Texas including Camp Mabry; and security and aircraft rescue specialists (fire-fighters) at Ellington Field in Houston.

GAP ANALYSIS

State Employee Turnover

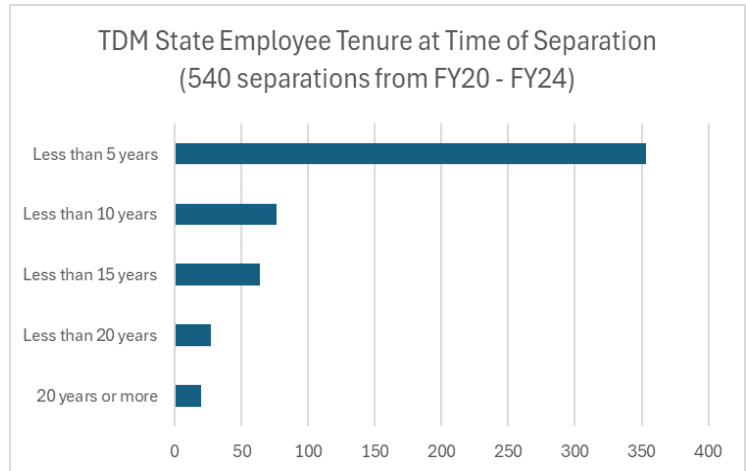
The aging workforce and the significant number of employees eligible to retire over the next five years, as well as a trend (noted below right) for a majority of state employees who have less than five years of service with TMD to leave the agency, reemphasizes the need for strong retention and succession plans and effective knowledge transfer processes.



TMD’s historical state employee turnover rate over the last five and a half fiscal years averages about 22 percent (see chart at left). The spike in FY 2022 to 28 percent reflects the conversion of our Ellington Fire Fighters to federal employees. Of note, TMD’s turnover percentage as of 31 March 2024 is trending to be lower than FY23’s rate.

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The chart to the right displays employee tenure with TMD at the time of separation over the last five and a half years, including the number of employees in each category. The turnover rate of employees with less than five years is higher than the agency-wide turnover rate; 65 percent of employee separations have been employees with less than five years of service. Another 30 percent of employee separations have been employees with less than one year of



service. A continued high percentage (70%) of separations among relatively new employees implies a need to focus on retention efforts through employee engagement surveys and manager training. Retention of employees with five or more years of service is improving. Employee exit surveys and other data should be analyzed to determine the reasons for these trends and to develop an effective retention plan. Among other things, the reasons for these trends may indicate a need for an improved new employee onboarding process to better integrate employees into the TMD work environment. Many new employees have a general lack of understanding of TMD’s complex organizational structure and mission, and that can affect employee engagement and performance. Ambiguity, the extended time it takes to obtain a Common Access [Identification] Card (CAC)—which is required before more than half of TMD’s FTEs can become fully functional in a position—employee engagement, training and development are issues TMD is aggressively working to address.

Overall, there is a steady rate of turnover and an ongoing need to recruit and retain qualified employees in all areas of the organization.

STRATEGY DEVELOPMENT

A. Employee Training and Development

The Director of State Administration established a Training and Development Section in FY 20 to address the training and professional development needs of TMD employees. Three full-time training employees develop and conduct training, find training opportunities available through external resources, identify training needs through surveys and track compliance training for all state employees. In conjunction, TMD also has implemented a web-based learning management system (LMS), the TMD E-Learning Hub, that provides employees easy access to mandatory training and a growing library of courses including a wide variety of topics ranging from job-specific CAPPs courses to personal growth courses and active attacker response training.

The agency must help new hires successfully adapt to the organizational culture if they are to succeed in their jobs. TMD’s performance evaluation form provides supervisors the opportunity to identify training and development opportunities and activities for employees to help improve critical

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technical and interpersonal skills. Employees are encouraged to seek development and training opportunities they see as beneficial to their current and/or desired positions within the agency; attending courses with fees is subject to program funding availability.

TMD will continue to: (1) identify and encourage employee participation in training opportunities available internally and through the Employee Assistance Program, the Comptroller's Office and various professional organizations; and (2) support employees attending continuing education courses required to maintain job-related licenses and certifications.

TMD will continue to leverage technology through use of the TMD E-Learning Hub and provide internal and external training in the classroom and remotely to accommodate our geographically dispersed employees. Leadership will continue to encourage managers to identify opportunities that allow employees who are seeking new challenges to work on special projects, cross train and/or be given developmental assignments. This helps prepare employees for advancement when opportunities become available. Employees will be encouraged to seek mentors to help identify career goals and plan their career development. In addition, technical training and interpersonal skills training programs for supervisors will be a priority.

The agency employs a rising number of state employees with less than five years of service to TMD and, given the employees who are retirement eligible coupled with growing turnover rates, the potential institutional knowledge deficit makes knowledge transfer imperative. Cross-training and documenting procedures and policies continues to be a high priority. Management will continue to emphasize effective succession planning and knowledge transfer processes in key areas throughout the agency.

B. Recruitment and Retention

TMD responds to turnover and attrition by actively recruiting new talent and developing, cross-training and promoting current employees. TMD will continue to advertise jobs online using the agency website, WorkInTexas.com, USAJobs.gov and Indeed.com. Human Resources and management will target recruitment efforts for critical or hard to fill positions through, for example, local job fairs, colleges and universities and minority, veteran, and professional organizations.

New Employee Onboarding

TMD has implemented changes to the onboarding process using the TMD E-Learning Hub, offering virtual new employee onboarding for employees who are not in the Austin area, and updating forms and orientation materials that provide new employees with a more educational and TMD culture-oriented experience. The goal is for a collaborative, standardized effort among the agency's state and federal components focused on socializing and integrating new hires to TMD's culture within their first year of employment. Because turnover is disproportionately high for new state employees with less than five years of service, an effective onboarding process is a priority.

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Telework

In 2023, TMD implemented an extensive telework plan as part of the agency's flexible work schedule policy. The policy allows employees to telework for up to 3-days per week. This policy change was designed to attract new employees, create more dedicated workers, increase employees job satisfaction, lower operational costs and turnover rates, and support a better work-life balance for employees.

Culture

TMD efforts to align the organization's state civilian and military cultures will continue to be a priority. Management at all levels throughout the organization will continue to educate employees on the vision for a cohesive culture between the state and military components. Employee exposure to TMD's mission, values, leadership and structure will help desegregate staff from employee type and promote positive interactions.

Leadership Succession and Employee Retention Planning

TMD is fortunate to have many long-term employees with a great deal of institutional knowledge, much of which will be lost without effective succession planning and improved employee retention efforts.

Management will continue to identify high performers with leadership potential and will adequately train and prepare them to take on key organizational roles. Management will also explore ways to encourage employee retention, particularly for positions that are critical to the agency's: (1) ability to meet statutory and regulatory requirements and operate efficiently; and/or (2) provide essential support for agency missions and operations which require TMD to be ready and respond to the governor's call for assistance relating to emergencies, disasters, or community needs. High turnover can threaten the agency's ability to timely and effectively perform certain essential duties.

C. Workforce Plan Evaluation and Revision

State Human Resources has developed strong business partnerships and collaborative relationships with the federal Human Resource Office and TMD's military partners and will continue to assist with determining training needs, workforce strategies and succession planning.

FUTURE WORKFORCE PROFILE

TMD's mission, goals and strategy are not expected to significantly change over the next five years. As an emergency response organization in support of the military, there will be fluctuations in staffing needs based on state and federal missions, natural disasters, and the number of military facilities and construction projects.

TMD continues to leverage changes in technology to provide opportunities to do more with less. The agency strives to recruit a highly trained, diverse workforce that will strengthen TMD's ability to serve Texas. Effective succession planning requires an investment in current staff, and cooperation and

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collaboration are key to the development of our evolving workforce. Successful knowledge transfer processes must be in place to ensure continuity of operations.

Current functions of state employees throughout TMD will continue to be essential to efficient and effective management of operational activities providing administrative and direct program support for the agency. The majority of TMD state employees work directly under Master Cooperative Agreement (MCA) programs and are federally funded in whole or in part. As such, TMD's workforce profile may change in accordance with changes made by the National Guard Bureau related to the MCA, or the implementation of new MCA programs.

Departments within OSA that experience increased requirements during State Active Duty missions include Finance, HR/Payroll, Procurement/Contracting and, in some instances, Property and Fleet Management. Between 2021 and 2023, the operational tempo reached unprecedented levels for TMD with the addition of approximately 10,000 military and federal TMD employees serving on or in support of the long-term border mission, Operation Lone Star. This has significantly increased reporting requirements, procurement and contracting requirements, and other administrative support activities (e.g., payroll, benefits, workers compensation, unemployment, asset and fleet management and procurement needs) that are provided by the centralized OSA staff. At peak times such as this and during various other missions (COVID-19 Pandemic, Civil Disturbance, etc.), the number of temporary state employees (those serving on State Active Duty) rises to the thousands. These surges create increased workloads and the high demands are difficult to meet with the core OSA administrative staff (80 FTEs) that is manned to support an agency with only 670.5 authorized state employee FTEs.

Currently there are over 5,500 employees in an active status with TMD; this means related personnel services (direct deposit transactions, W-2 & W-4 processing, pay inquiries, warrant distributions, benefits coordination, etc.), have also increased exponentially. Other examples are the extensive close coordination required by the procurement and contracting staff to ensure not only timely acquisitions, but also compliance with state policies, laws and procedures and the increased budgeting, accounting, reconciliation, reporting and compliance requirements placed upon the Finance Department.

More than one half of the of the frontline OSA staff continue to be funded through the Centralized Personnel Plan (CPP) — an agreement that allows these salaries (in-part or in-full) to be eligible for federal reimbursement by the supported programs under the Master Cooperative Agreement. Salary reimbursement is based on a methodology that considers the number of transactions completed and full-time equivalents (FTEs) that are supported within each program. Only the direct costs of certain state personnel who administer the cooperative agreements may be reimbursed (i.e., personnel who work in the OSA finance, purchasing and human resources offices). Reimbursement is: (1) limited to the actual cost of providing centralized personnel support for federal program activities (i.e., support for state functions/activities must be excluded); (2) restricted to the direct cost of salaries and fringe benefits; and (3) based on an equitable distribution of costs for services provided.

What cannot be reimbursed under the CPP are costs for: (1) supervisory personnel; (2) personnel not associated with the cooperative agreements; (3) indirect costs except for fringe benefits; and (4)

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equipment and services supporting cooperative agreements. The restrictions and limitations on what can be federally reimbursed has an impact on the agency's ability to provide effective succession planning through grooming supervisors, managers and other leaders from within. The complexity of TMD's culture, structure and operational demands means new employees face an unusually difficult learning curve regardless of the state employee position they fill within the agency. Therefore, the ability to groom and promote from within, as well as retain experienced staff, are essential elements to the success and efficiency of the core administrative support staff under the Director of State Administration.

With the increased requirements for State Active Duty support, CPP-funded employees within OSA spend more time working on State requirements (and less on federal requirements), which limits the reimbursement of those salaries and results in an increased State-funding burden (i.e., the cost of salaries that cannot be federally reimbursed must be covered by the agency's General Revenue appropriation).

High turnover and unfilled vacancies can have a significant detrimental impact on the readiness of TMD staff to efficiently and effectively support TMD's response to the governor's call in times of emergencies. Further, given the time that it takes a new employee from outside the agency to get up to speed, and the need to ensure that no key functions operate with single points of failure, some level of redundancy is reasonable and appropriate for an agency expected to respond in emergencies or otherwise upon the governor's call. TMD needs to retain adequately trained and experienced staff to allow for necessary redundancies; to fill the gaps that exist due to restrictions on the use of federal funding; and to allow for more effective succession planning and continuity of services.

TMD's efforts are beginning to show some improvement in turnover statistics. The agency will, however, continue to investigate, review and seek support for strategies that help the agency become a more competitive employer.