



WORKFORCE PLAN
Fiscal Years 2025 to 2029

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WORKFORCE PLANNING

Overview

The State Office of Risk Management serves as a full-service risk manager and insurance manager for the state and administers the workers' compensation insurance program for covered state employees. The Office balances considerations for the rights and needs of its clients and the state worker with the protection of the legitimate interests of the citizens of the State of Texas.

The Office is administratively attached to the Office of the Attorney General. The Supply and Demand Analysis in this report does not reflect the contribution in administrative support (payroll and benefits administration, budgeting IT services, etc.) made by the OAG.

Strategic Goals and Objectives

Detailed information on the Office's strategic goals and objectives is contained in its Strategic Plan for FY25 – FY29.

Core Business Functions

The Executive Director of the Office serves as the state risk manager and is responsible for supervising the development and administration of a system of risk management for the state. The Office's enterprise risk management program provides risk management services to state agencies, institutions of higher education, and other entities identified by statute (state entities). The guidelines adopted by the Board of Directors for a comprehensive risk management program, and the assistance of the Office in implementing such programs, has a direct impact on losses.

The Office assists state entities and institutions of higher education in establishing and maintaining comprehensive risk management programs designed to control, reduce, and finance risk. The Office implements statewide guidelines and assist state entities in identifying and managing enterprise risks at all levels of operations.

The Office serves as a full-service insurance manager for state entities and institutions of higher education. The Office's insurance program, in conjunction with the Office's maintenance and review of records of property, casualty, and liability insurance coverages purchased by and for state entities, helps reduce costs and ensure proper financial protection against loss.

The state self-insures for the purpose of workers' compensation coverage for approximately 180,000 state employees within 138 state entities and 123 community supervision and corrections departments. The costs of the state employees' workers' compensation program are funded through an allocation program.

The Office administers the statewide Continuity of Operations Planning program, in cooperation with the other state and federal agencies. The Office is responsible for standards to ensure expansive continuity planning, testing, training, and exercising across the state enterprise.

Anticipated Changes

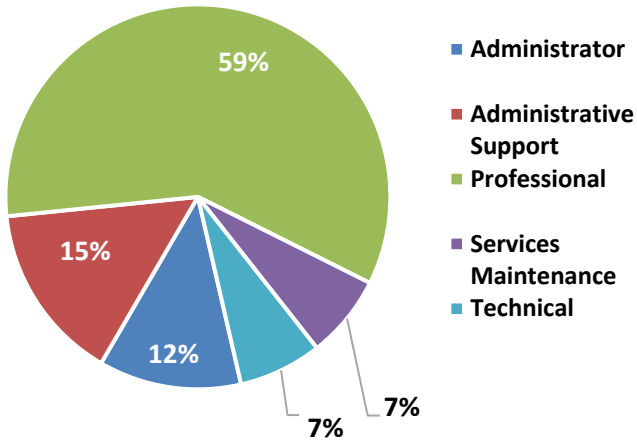
The Office anticipates Legislative action that will establish a statewide risk retention program. The extent of increased staffing needs and physical resources will vary depending upon the selected structure of the program.

Workforce Profile

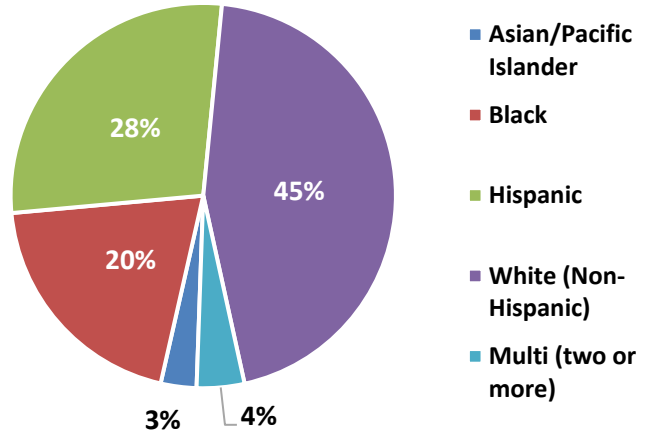
The Office is authorized 131.6 full-time equivalent (FTE) positions.

Workforce Demographics ¹

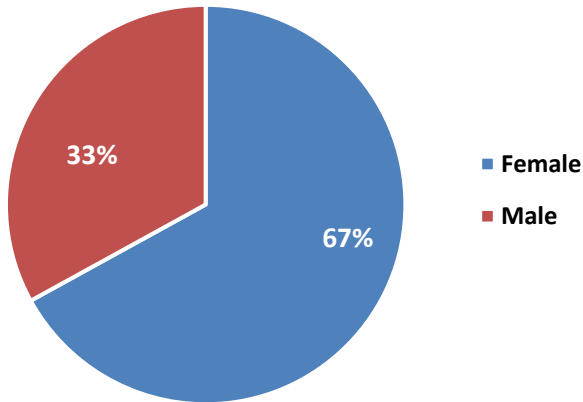
EEOC Classification



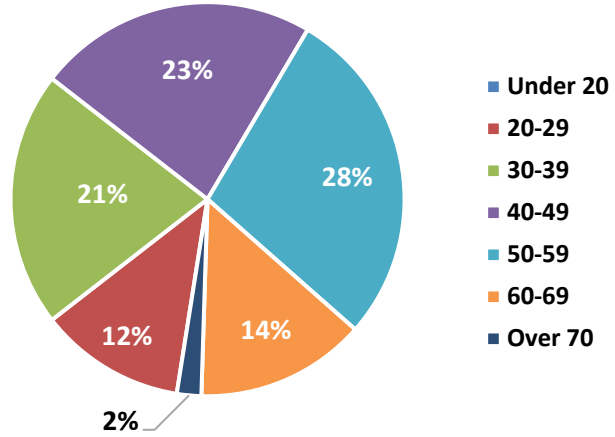
Ethnicity



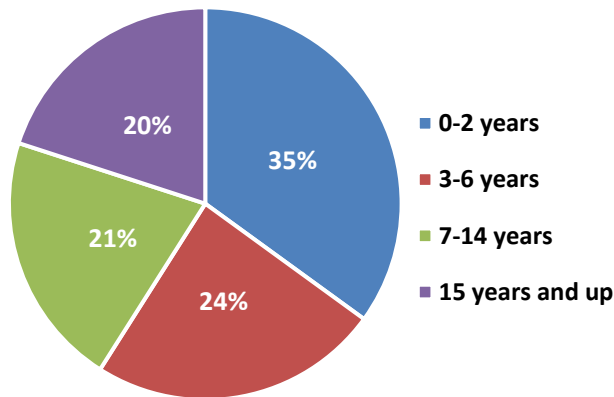
Gender



Age



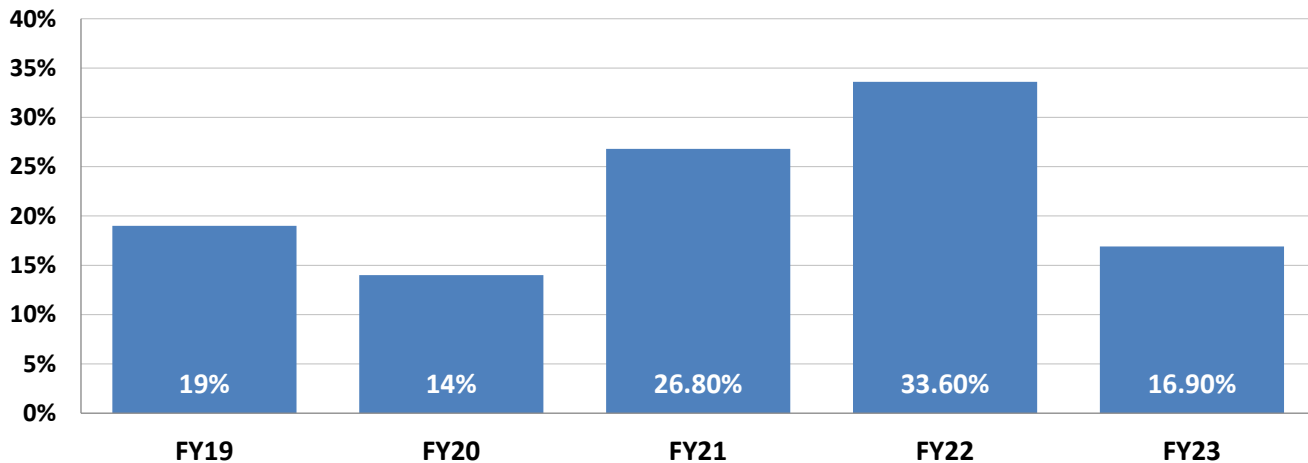
Tenure



¹ as of May 1, 2024.

Annual Turnover Rates

Turnover numbers are trending down; however, the Office anticipates turnover will continue because of economic factors beyond its immediate control. Employee salaries remain non-competitive with the private market and employees overwhelmingly see pay and benefits as the biggest obstacle to continued employment with the Office.



The Office implemented across the board equity adjustments to reduce turnover. In addition, the 88th Legislature passed a 5% salary increase each year for FY24 and FY25; however, adequate funds are needed to maintain salary parity with other positions performing similar work especially as demands grow in the Capital Area. According to the living wage calculator 50/30/20 rule, the salary needed to live comfortably in Austin-Round Rock, Texas is \$55,972.00.

In addition, the U.S. Department of Labor has revised its overtime rules. Effective July 1, 2024, for an employee to be exempt from overtime rules, an employee’s salary must equal \$43,888. The minimum salary threshold will increase to \$58,656 on January 1, 2025. Beginning July 1, 2027, and every three years thereafter, the salary level may change.

Retirement Eligibility

Approximately fifty percent of the Office’s leadership are projected to reach retirement eligibility during FY25 through FY29. In addition, during this same period, nearly sixty-two percent of key employees are projected to reach retirement eligibility.

Fiscal Year	Eligible Employees	Percent of Total Agency FTE Cap
FY29	4	3.8
FY28	3	2.8
FY27	2	1.8
FY26	7	6.6
FY25	4	3.8

Veterans and Return-to-Work Retirees

	Number	Percent of Total Agency FTE Cap
Veterans	12	11.3
Return-to-Work Retirees	3	2.8

Workforce Skills

The professional workforce skills that are critical to the missions and goals of the Office include the ability to successfully:

- Review and provide assistance with risk management programs
- Identify risk exposures and make mitigation recommendations
- Consult with and train state entities on how to address issues related to property, liability, or workers’ compensation exposures or losses
- Administer workers’ compensation claims and related medical, disability, and indemnity benefits
- Review and audit billing associated with workers' compensation medical benefits
- Maintain and review records of property, casualty, or liability insurance coverage purchased by or for a state entity
- Administer the program for the purchase of surety bonds for state officers and employees
- Manage property, casualty, and liability insurance contracts, losses, and claims
- Develop and maintain the Office’s Continuity of Operations Plan
- Review other state entities’ continuity plans and provide guidelines, models, and assistance

Agency staff must also have knowledge and skill in the following areas:

- Communication
- Customer service
- Problem solving
- Time management
- Research and analysis
- Application of relevant laws and regulations
- Negotiation and dispute resolution
- Proficiency in using current technologies

SORM Workforce Compared to Statewide Civilian Workforce

The following table compares the percentage of African American, Hispanic, and female employees of the Office (as of January 2024) to the statewide civilian workforce as reported by the Texas Workforce Commission’s Civil Rights Division.

Job Category	African American SORM	African American State	Hispanic American SORM	Hispanic American State	Female SORM	Female State
Officials, Administration	15.38%	8.6%	15.38%	25.2%	53.85%	40.2%
Administrative Support	28.57%	15.2%	35.71%	38.3%	92.86%	74.10%
Service and Maintenance	14.29%	13%	28.57%	55%	52%	47.8%
Professional	22.81%	10.6%	29.82%	23%	63.16%	53%
Technical	11.11%	11.7%	0%	38.5%	33.33%	63.5%

Categories with under-representation are female technical, Hispanic officials/administration, and Hispanic technical. The under-representation of Hispanic administrative support is minimal.

Future Workforce Profile

Workforce Skills – Projected

Insurance Program

The Office's Strategic Plan provides detailed information on the operational goal to transition the State from voluntary insurance purchasing to a statewide risk retention program. If the Office is successful in meeting this strategic goal, maintaining a statewide risk retention program will require staff with expertise and experience in:

- Establishing and overseeing a self-insured program, such as a risk pool, risk retention group, or insurance captive;
- Writing terms and conditions for insurance coverage, which may require an additional attorney;
- Reviewing and establishing underwriting criteria, such as evaluating risk exposure, effectiveness of risk mitigation strategies, an appropriate premium (price), and the applicable exclusions or limitations for specified risks. These services are often performed by experienced personnel (subject matter experts) or by third party vendors specializing in this area;
- An attorney dedicated to handle disputes and litigation;
- Marketing and expansion of insurance programs;
- Financial solvency auditing and/or monitoring;

A statewide risk retention program will also require approximate five (5) licensed multi-line adjusters with experience in adjudicating commercial liability and potentially large property loss claims. The program would also benefit from a licensed adjuster who has expertise in commercial content damage or loss assessment and claims settlement.

Gap Analysis

Surplus

The Office implemented a new risk management information system (RMIS) on May 2, 2022. As business functions are transferred to the new system, changes are being made to processes and procedures. Evolving technology will continue to automate processes, requiring fewer employees with filing, data entry, and general clerical skills.

Shortage

The new RMIS provides an opportunity to mine cross-functional data and analyze data to track trends to improve the effectiveness of the Office's risk programs. As additional phases are implemented, the need for staff with the skills to understand and interpret highly detailed data sets will increase.

Strategy Development

Work/Organization Change

The Office will continue to seek ways to improve processes and maximize resources; however, the inability to attract and retain qualified staff is an enormous impediment to performing the core operational functions of the Office. The time the Office must spend on posting jobs, selecting candidates, conducting interviews, and training new staff is time the Office cannot spend on its essential business functions.

Succession Planning

The Office relies on its staff to carry out its missions and provide services necessary to achieve organizational goals. Knowing the difficulty with recruitment, the Office must prepare for eventual vacancies through an inward focus. The Office carefully evaluates individual job performance to identify high performers with leadership potential who can move into progressively higher roles.

The continuity program expanded the listed Orders of Succession. Previously, the Orders focused only on the Executive Director's succession line. In 2024, the Statewide Continuity Coordinator worked with agency leadership to identify lines

of succession for each managerial position and the signed Orders of Succession were updated in the Office's Continuity Plan in March 2024.

The next few years will focus on providing training to all leadership and those identified in the lines of succession to ensure they can take on additional roles and responsibilities as needed during an emergency or event.

Recruiting

The competition to hire and retain employees with training and experience in enterprise risk management, continuity of operations planning, advanced commercial insurance, and workers' compensation claim administration is an on-going challenge. The Office utilizes a variety of initiatives to attract candidates.

The Office's internet site lets candidates learn about the organization, its mission, and its programs. Showcasing actual employees in videos emphasizes the importance of the Office's employees. When employment opportunities are posted, the Office highlights intangible benefits such as the diversity, culture, and values of the organization. The Office also provides insight into the characteristics of the ideal candidate because it recognizes the importance of hiring people with the right traits and identifying cultural fits.

To broaden the potential pool of applicants, the Office advertises in trade journals, general online job sites, and industry specific online job sites. The Office also participates in virtual and in-person job fairs.

Retention

To increase retention, the Office provides employees the following:

- Hybrid Remote Work Schedule
- Education and Training
- Performance Leave
- Wellness Program