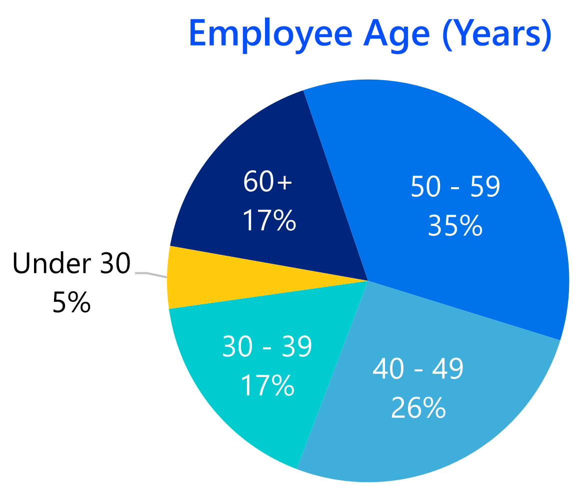
Appendix F: Agency Workforce Plan

This workforce plan provides a strategic assessment of DIR's current workforce and defines actions to address future critical staffing needs, evolving IT demands, and the retention of essential IT talent. All content is consistent with the guidelines set forth by the Texas State Auditors' Office.

Current Workforce Profile

Gender and Age

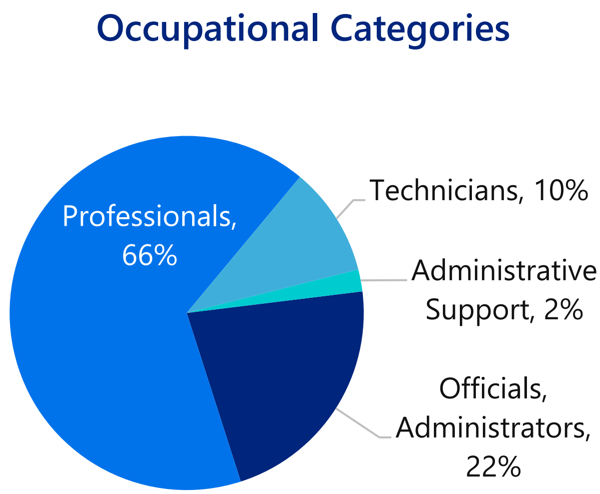
DIR's legislative appropriations cap for full-time equivalent (FTE) positions is 325 for Fiscal Year 2027, and 279 for Fiscal Year 2028. As of May 1, 2026, DIR's total headcount is 250 employees, with a workforce composition of 56 percent female and 44 percent male. Approximately 78 percent of the agency's employees are age 40 and over, while 5 percent are under 30 years of age. The average age of agency employees is 49, with only 22 percent of DIR's workforce under the age of 40. These data outcomes reflect the agency's evolving talent strategy, which includes innovative recruitment initiatives such as workforce development programs, succession planning, and retention efforts. The implementation of early career programs, including recruiting high school volunteers, internships, and apprenticeships, has strengthened DIR's talent pipeline, resulting in successful conversions to full-time roles and influencing workforce trends.



*Percentages may not add up to 100 percent due to rounding.

Occupational Categories

DIR has a highly educated workforce with many professional and technical employees holding advanced degrees and credentials.



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Workforce Composition

DIR is committed to providing equal employment opportunities. Employment decisions are not based on race, color, religion, sex, national origin, disability, genetic information, or any prohibited factor. DIR makes every effort to recruit, select, and retain a qualified workforce that is representative of the state's civilian labor force and will continue to work diligently to meet the hiring goals of the State of Texas under Texas Labor Code Section 21.553.

The following table provides a comparison of DIR's workforce with the State of Texas' workforce based on the occupational job categories.

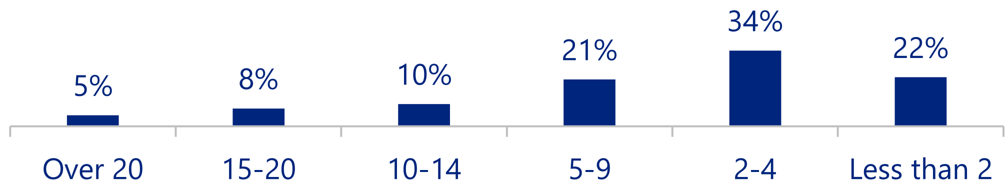
Occupational Job Category	African Americans		Hispanic Americans		Female	
As of May 1, 2026	State*	DIR	State*	DIR	State*	DIR
Official/Administrator	13%	9%	17%	13%	59%	57%
Professional	12%	21%	18%	27%	59%	60%
Technicians	18%	21%	28%	4%	59%	17%
Administrative Support	18%	20%	34%	60%	81%	100%

*Equal Employment Opportunity Report under Texas Labor Code Section 21.553

Tenure

DIR employees average six years of service with the agency. Approximately 44 percent of DIR's employees have five or more years of service at the agency. DIR employees have an average of 12 years of service with the State of Texas, and 74 percent of DIR employees have five or more years of service with the State of Texas.

Agency State Service (Years)



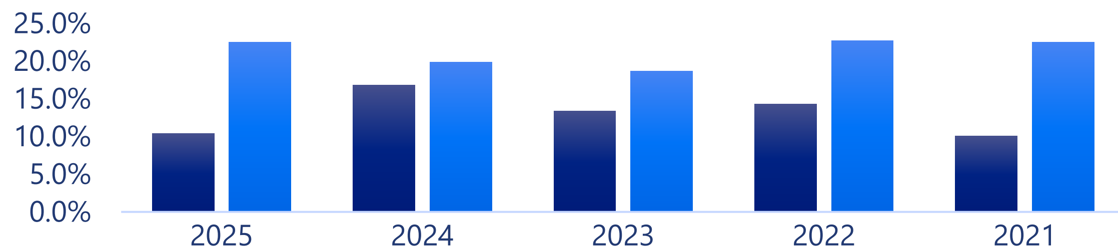
*Percentages may not add up to 100 percent due to rounding.

Employee Turnover

Employee turnover represents a direct cost to any organization. The loss of institutional knowledge and experience impacts the agency's ability to fully perform its mission. High staff turnover adversely impacts operational programs and strains the remaining workforce.

From Fiscal Year 2021 through 2025, DIR's employee turnover rate was below that of Texas government generally. In Fiscal Year 2025, DIR's turnover rate was 10.4 percent compared to the state's overall rate of 22.5 percent.

Fiscal Year Turnover
Including Interagency Transfers



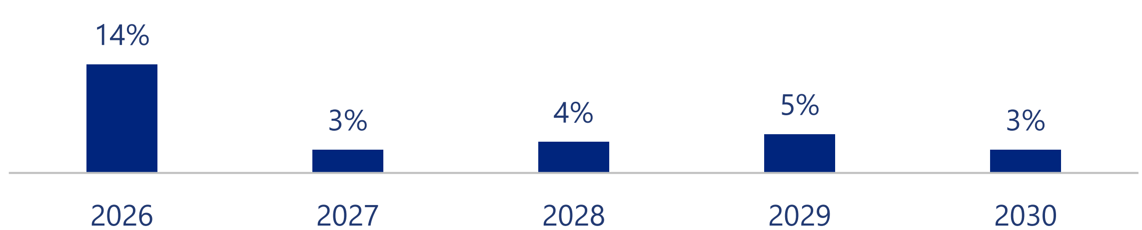
	2025	2024	2023	2022	2021
DIR	10.4%	16.8%	13.4%	14.3%	10.1%
Statewide	22.5%	19.9%	18.7%	22.7%	22.5%

*Percentages may not add up to 100 percent due to rounding.

Retirement Eligibility

Employees over the age of 40 make up 78 percent of DIR's Fiscal Year 2026 workforce. Approximately 29 percent of the agency's current workforce will be eligible to retire between Fiscal Years 2026 and 2030 (based on the present headcount of 250 employees).

Retirement Eligibility



Current and Future Workforce Challenges

Labor Market and Trends

The United States labor market continues to show steady but moderate growth. In March 2026, total non-farm payroll employment rose by 178,000 jobs while the unemployment rate held at 4.3 percent, with approximately 7.2 million individuals unemployed, according to the Bureau of Labor Statistics. In the long term, employment is projected to grow by 5.2 million jobs from 2024 to 2034, reaching 175.2 million total jobs.

In Texas, the labor market has demonstrated strong relative performance, with 146,300 jobs added in 2025, a one percent increase that outplaced national growth by 0.4 percent. Looking ahead, the Texas job market is projected to grow by 1.9 percent in 2026, positioning Texas to outperform the national labor market in growth.

Demographic Shift

The state of Texas saw an increase of its population by 391,243 individuals in 2025, bringing the state's total populace to 31.7 million. Long-term forecasts reflect strong growth with projected increases of 42.6 million in the Texas population by 2060. This anticipated growth in Texas' population creates a recruiting advantage for Texas employers to offset projected retirements and support ongoing talent acquisition opportunities to backfill critical roles.

Artificial Intelligence

AI effects are projected to become more significant in the long-term. By 2030, global employment is expected to see AI-specific employment and turnover impacts, with millions of jobs created and displaced, ultimately resulting in a net increase in total jobs. The roles being created will require different and expanded skill sets from those being eliminated, indicating a shift in workforce demands and an ongoing need to reskill employees and adopt organization-wide AI use.

The impact of AI on the workforce may alter talent acquisition strategies due to undefined career pathing for emerging AI roles, requiring expanded candidate pools and hiring with potential in mind. Additionally, job descriptions may evolve to reflect human-AI work and competition from applicants may intensify for experienced job roles. To increase retention generally, employers may experience increased pressure to enhance professional development programs as employees transition to AI-augmented positions. Employers will also need to offer more flexible and transparent career pathing to support succession planning and retention strategies.

Texas Workforce System Strategic Plan

Employee Recruitment and Retention

DIR will further implement innovative practices to attract a highly skilled IT workforce. DIR's Executive Leadership Team will regularly examine workforce studies, trends, and best practices to identify current workforce impacts and improve recruitment strategies for a dynamic technical workforce. To attract top talent, DIR shares employee experiences via social media and recruitment platforms to showcase what makes state service—and in particular state service at DIR—special through the lens of existing employees. Additionally, DIR will help applicants understand how job opportunities align with the agency's mission by connecting job postings with a greater purpose than compensation. DIR will also continue to engage with potential talent through early career programs at the high school and college levels.

DIR plans to develop a comprehensive leadership and career development program to cultivate high-potential talent through mentorships, skills building, and dedicated one-to-one career planning for critical roles. By investing in future leaders, DIR will enhance its recruitment by offering growth opportunities and improve retention through strategies that empower employees with the knowledge and tools to advance their careers. These programs, in collaboration with DIR's training programs, will demonstrate a clear commitment to employee development, making DIR more attractive to high-potential applicants and foster long-term loyalty with its current workforce.

Succession Planning

DIR previously engaged in structured succession planning efforts focused on identifying critical skills and reducing skills gaps through targeted training and development programs. This approach aligned the agency's workforce growth with its strategic plan, ensuring employees have clear career pathways and opportunities to prepare for future career opportunities, including leadership roles.

To refine retention strategies, DIR will continue to gather feedback from its workforce through focus groups, engagement surveys, and employee interviews. By integrating employee insights and learning needs into decision-making, the agency aims to build a resilient and adaptable workforce prepared to meet future trends, while carrying out the agency's mission of transforming how Texas government serves Texans.

Workforce Programs

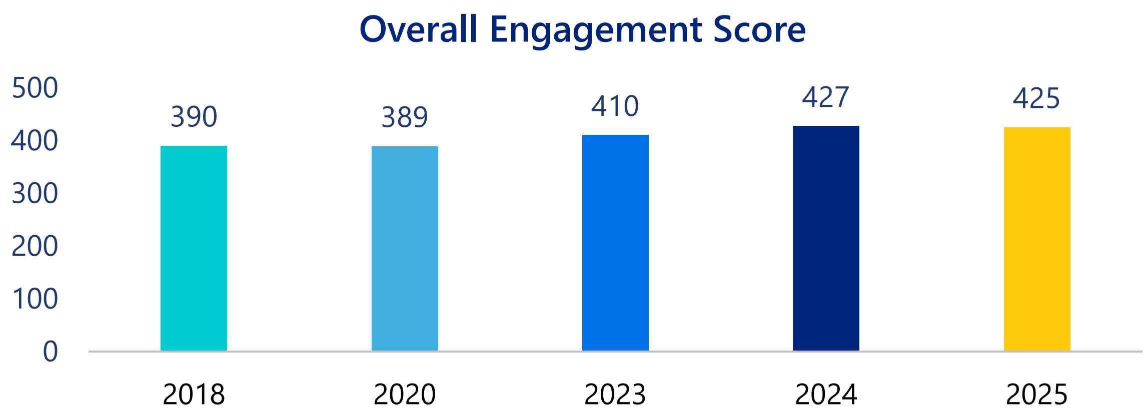
DIR will engage with learning and professional development organizations to identify and implement workforce programs that prepare the agency's employees for the future workplace. These programs will assist the agency with their continued effort of delivering technology solutions to state and local government entities.

Additionally, DIR will partner with local institutions of higher education to recruit college graduates for agency opportunities. DIR will host experiential learning projects and campus workshops and participate in recruiting events to highlight the value of state service. DIR will engage with local institutions of higher education for opportunities in support roles, IT, operations, and other areas.

Survey of Employee Engagement Results

In November 2025, 91.7 percent of DIR employees responded to the Survey of Employee Engagement, which measures employee engagement and workplace satisfaction. A high response rate indicates that employees are invested in the organization, want to see the organization improve, and generally have a sense of responsibility to the organization.

DIR's overall Fiscal Year 2025 Survey of Employee Engagement survey score was 425. Scores above 350 are desirable and show the product of an engaged workforce. Nationwide polling data shows 30 percent of employees are Highly Engaged or Engaged, whereas 78 percent of DIR employees fell into this category. DIR scored the highest in the following three areas: workgroup (449), strategic (442), and supervision (441). The following areas were identified as opportunities for improvement: job satisfaction (416), benefits (409), and pay (333).



In addition to DIR's positive response rate and engagement score, zero percent of the agency's workforce felt there were issues with ethics in the workplace, reinforcing DIR's dedication to building a compliant agency culture.

Overall, DIR's recent engagement results reflect a thriving culture and energized workforce. Employees continue to express strong confidence in the agency's leadership and a growing sense of connection to its mission and core values. These outcomes reinforce the ongoing, positive momentum that DIR is collectively building and highlights the value of prioritizing workplace culture.