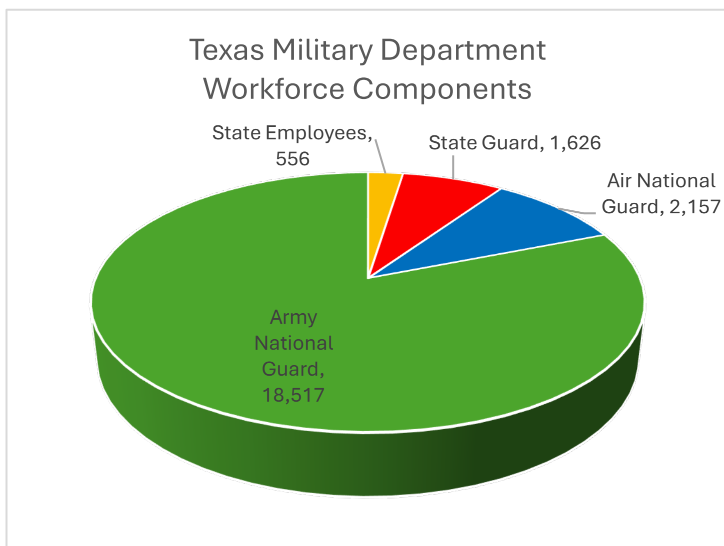
Schedule F: Agency Workforce Plan

OVERVIEW

The Texas Military Department (TMD) is one of the state's most distinctive agencies—a powerful team where civilian experts and military professionals unite in service to both the Governor and the President. Together, they stand ready to deliver mission-ready forces for operations at home and around the world.

Led by the Adjutant General of Texas (TAG), TMD brings together multiple directorates and components that keep the agency moving with purpose. Under the TMD banner, agency personnel and members of the Texas Military Forces (TXMF) answer the Governor's call to support Texans during emergencies, disasters, and critical statewide needs. At the same time, National Guard Soldiers and Airmen maintain peak readiness to support federal missions whenever the President calls.

The TXMF comprises more than 24,500 members across 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 nation. This size alone underscores the extraordinary complexity of the organization.



As shown in the chart to the right, the TMD total workforce blends multiple categories of personnel—TXMF service members, state employees, and federal military technicians—each governed by distinct authorities, missions, and requirements. Delivering on TMD's diverse mission set requires seamless coordination across these groups. Under the leadership of the TAG, state employees, Army and Air National Guard members, and State Guard volunteers operate side by side to support domestic response efforts while simultaneously maintaining the readiness needed for federal missions. The result is a multifaceted, constantly moving organization with interconnected responsibilities at local, state, and national levels.

TMD's organizational structure is exceptionally complex. The agency executes a year-round mission set supported by more than 8,500 full-time and temporary employees. This workforce includes service members, State Active-Duty members, state employees, and federal civilian personnel whose daily efforts keep operations functioning across Texas.

Sustaining TMD’s wide range of responsibilities requires navigating substantial funding streams from both federal and state governments, each governed by distinct requirements, timelines, and oversight mechanisms. The Office of State Administration (OSA), led by the Director of State Administration, forms the backbone of the agency’s state-level support, including coordination for State Active-Duty missions. Despite being authorized only 80 Full-Time Equivalents (FTEs), OSA manages an extensive portfolio of high-volume, high-complexity functions such as:

- budget and financial management
- purchasing and contracting
- property and fleet management
- human resources and payroll
- training and workforce development
- information technology and security
- administration of state and federal reimbursements
- oversight and compliance for 24 cooperative agreement programs
- internal audit coordination
- CAPPS (Centralized Accounting and Payroll/Personnel System) administration

This broad and demanding scope reflects the operational intensity at TMD. Every mission—whether disaster response, homeland support, or federal readiness—relies on the precision, compliance, and continuous workload maintained by these teams daily.

TMD resources play a critical role in supporting Texas’ most demanding statewide missions. These include Texas border security operations—such as long-term camera surveillance missions and Operation Lone Star (OLS)—as well as disaster response, emergency relief efforts, cyber-related missions, and other requests for assistance from the National Guard or Texas State Guard.

The scale of this operational support is reflected in the volume of State Active-Duty missions processed each year. In FY24, TMD paid 9,117 State Active-Duty missions. In FY25, that number increased to 10,291 missions, demonstrating both the growing demand for TMD personnel and the agency’s capacity to sustain high-tempo statewide operations.

The centralized team of 80 authorized state employees in OSA provides essential administrative support to the TMD state workforce, the military and federal supervisors of state employees, and the service members performing State Active Duty (SAD). The agency’s FTE and mission requirements are extensive, reflecting the complexity and breadth of the military operations TMD supports.

OSA’s workload shifts constantly in response to the dynamic nature of military missions and evolving state and national events. Many SAD missions activate rapidly, run for short durations, and conclude just as quickly, requiring OSA to mobilize immediate administrative, payroll, and compliance support. In contrast, OLS, though a SAD mission, is long-term in nature and has significantly expanded OSA’s operational demands. While OLS has matured into a steadier state of operations compared to its rapid launch in 2021, the ongoing support requirements remain substantial.

Since the inception of OLS and the surge in State Active-Duty missions, TMD has processed payments for **39,039 service members** performing state missions between FY2022 and the present—illustrating the scale of administrative effort required of the centralized team to support Texas' military response capabilities.

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. Approximately 5.9 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.

Additionally, TMD administers a State Tuition Assistance Program to assist Texas service members with tuition costs and mandatory fees associated with postsecondary education. Post-secondary 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.

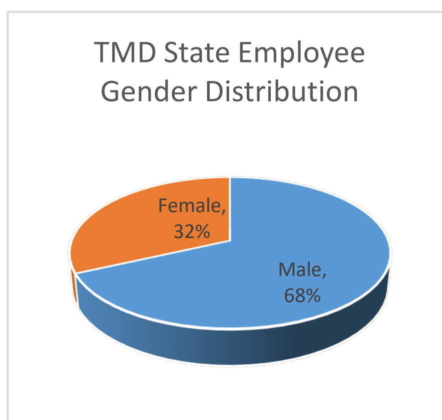
FUTURE CONSIDERATIONS

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 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.

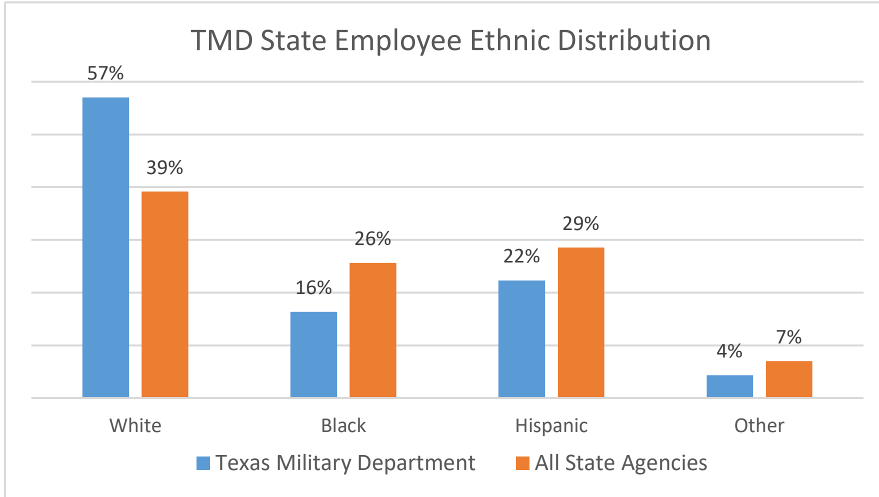
CURRENT STATE EMPLOYEE WORKFORCE PROFILE

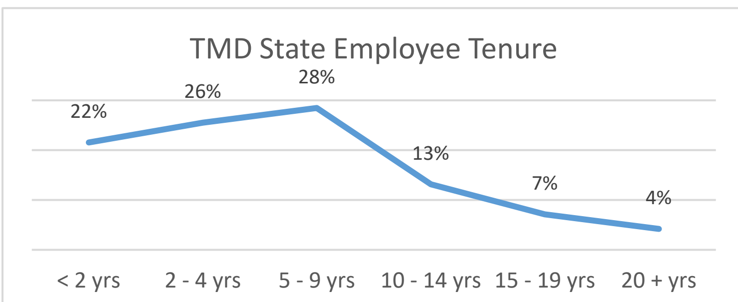
State Employee Demographics

TMD has 670.5 authorized state employee positions for FYs 2025 and 2026. 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, 2026, (excluding unfilled vacancies), was comprised of 556 state employees. The chart at right displays the gender distribution of these FTEs. Females make up about one-third of TMD's state employee workforce.



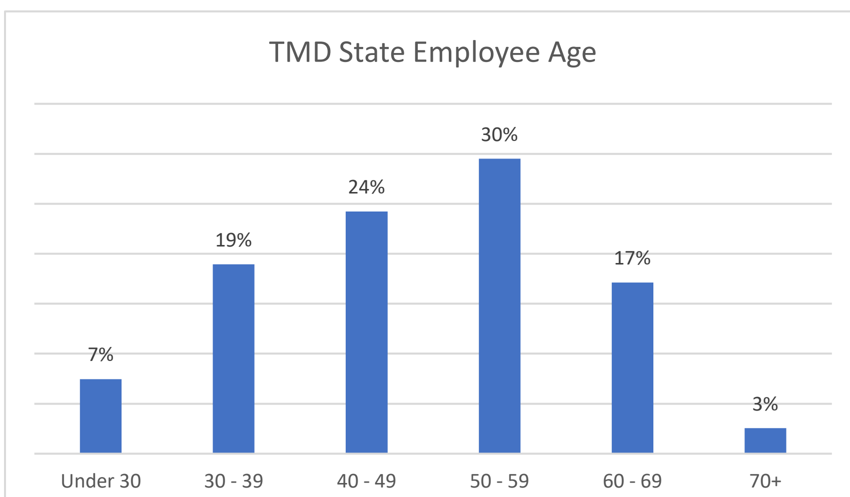
Ethnic minorities constitute approximately 62 percent of the total state workforce, as shown on the chart to the right. By comparison, TMD's ethnic minority population constitutes 42 percent of the agency's state employee workforce, slightly lower than the combined state agency population. Recruiting efforts to attract minorities and females will continue to be a priority. 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.



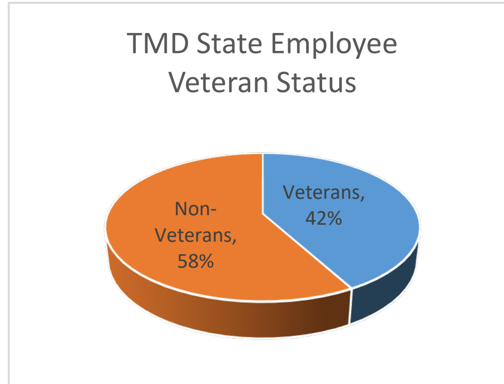


The chart to the left represents state employee tenure with TMD. A majority of state employees' length of service with the agency is relatively short; 48 percent have been employed by TMD for less than five years.

The chart on the right shows that individuals aged 40 and over make up 74 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), 42 percent of TMD's state employee workforce consists of Veterans.

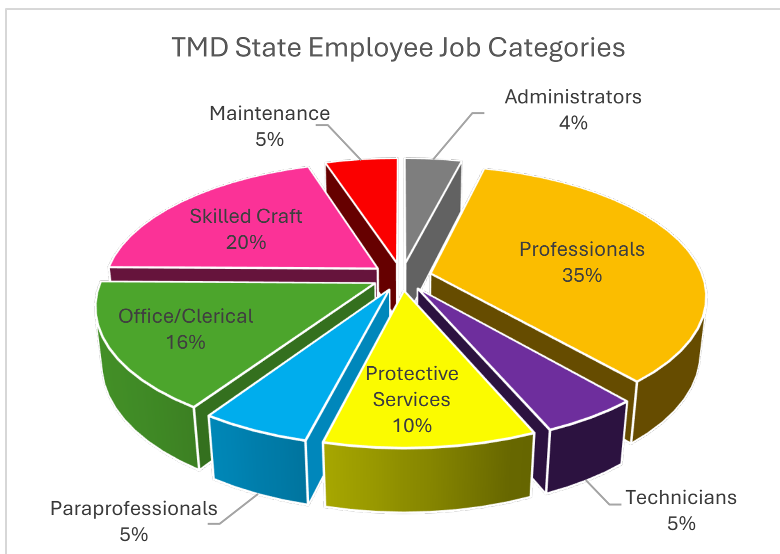


Retirement Eligibility Forecast	
Currently Eligible	61
2026	66
2027	17
2028	20
2029	15
2030	11

The Employees Retirement System estimates that between FY 2026 and 2030, about 23 percent of TMD's state employees will be eligible to retire. Using employee age and service data only, the chart at left forecasts the number of TMD state employees eligible to retire each year through 2030.

Ultimately, just under 23 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 11 state retirees who subsequently resumed state service.

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



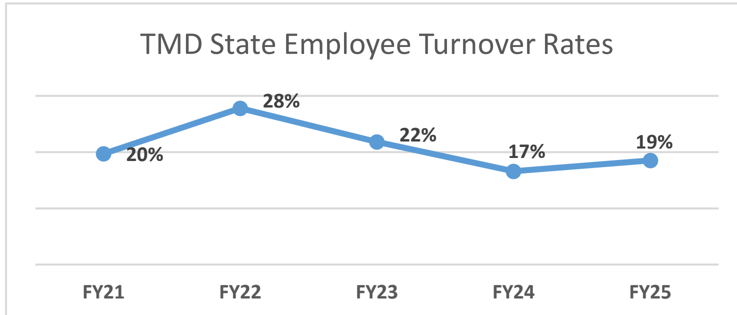
Professionals, paraprofessionals, technical, clerical, and administrative categories collectively make up 65 percent of TMD's total state employee workforce; the remaining 35 percent fall within the protective, skilled craft, and maintenance areas. Among the 73 core state employees administrative support 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, 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 at Ellington Field in Houston.

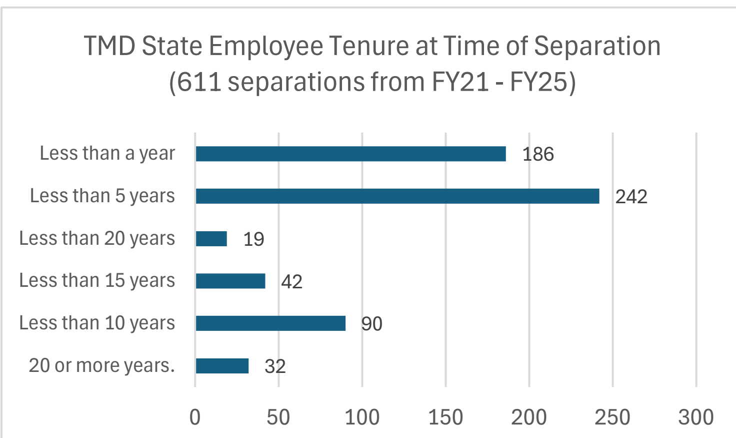
GAP ANALYSIS

State Employee Turnover

The aging workforce and significant number of employees eligible to retire over the next five years, as well as a trend 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 21.2 percent (see chart at right). 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 2026 is trending to be lower than FY25's rate.





The chart at left 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; 43.5 percent of employee separations have been employees with less than five years of service. Another 33.45 percent of employee separations have been employees with less than one year of service. A continued high percentage (76 percent) 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 with 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 should support new hires in adjusting to the organizational culture to ensure their success. TMD's performance evaluation form provides supervisors with the opportunity to identify training and development opportunities and activities for employees to help improve critical 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 remain top priorities. 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, 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 into TMD's culture within their first year of employment. Because turnover is disproportionally high for new state employees with less than five years of service, an effective onboarding process is a priority.

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 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 personnel serving on or in support of the long-term border mission, Operation Lone Star. This surge significantly increased reporting obligations, procurement and contracting activities, and other administrative support functions such as payroll, benefits, workers' compensation, unemployment, and asset and fleet management—all of which are provided by the centralized OSA staff.

Although TMD is staffed to support an agency with 670.5 authorized state FTEs, the OSA core administrative staff has, in practice, supported a workforce that has exceeded 9,000 regular and temporary employees. This disparity highlights the significant strain placed on OSA resources during large-scale missions and surge periods.

At peak times such as this—and during other major events including the COVID-19 pandemic and civil disturbance responses—the number of temporary state employees serving on State Active Duty can rise into the tens of thousands. These surges create considerable increases in workload, and the high demands are difficult to meet with the core OSA administrative staff of only 80 FTEs, which is manned to support an agency with 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) 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 grow 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.