Part 2 | Supplemental Schedules

Schedule F | Agency Workforce Plan

As part of the Strategic Plan, Texas state agencies must prepare a workforce plan with agency demographics following guidelines established by the Texas State Auditor's Office Workforce Planning Guide. In addition, state agencies may include results from their most recent Survey of Employee Engagement.

Introduction

Workforce planning is key to TDI's ability to meet critical workforce needs and make sure we have the right number of employees with the right skills in the right positions to fulfill our mission. We also must have plans and actions in place to keep high-performing employees that represent our core **TEXAS** values:

- **T**ransparency
- **E**fficiency
- e**X**cellence
- **A**ccountability
- **S**ervice

TDI's Administrative Operations Division leads workforce planning efforts. Workforce planning is an ongoing process that includes:

- Understanding the agency's strategic direction and factors that affect workforce needs.
- Reviewing and analyzing workforce data.
- Communicating workforce plan findings and recommendations.
- Reviewing and analyzing succession planning activities.
- Implementing initiatives to address workforce challenges and tracking progress.
- Evaluating the success of initiatives and deciding what changes are needed.

This workforce plan includes analysis of workforce data, salary data, and employee engagement survey results. The agency will use the workforce analysis to develop strategies to help management address workforce needs.

Workforce analysis

Current workforce profile

TDI is committed to providing excellent customer service. We rely on our highly educated and skilled workforce to protect Texans through the regulatory missions of our agency.

Data for this section is from the Texas State Auditor's Office (SAO) E-Class System for classified, regular full-time employees in all job classifications at the end of fiscal year 2025. Per the SAO, "E-Class counts all employees who worked at any time during a given quarter at a state agency within headcount." Data for "all state agencies" includes all Texas state agencies except higher education institutions.

TDI has 1,262.75 employees at Austin headquarters, field offices, and various statewide locations. Field employees include financial and title examiners, fraud prosecution staff, fire inspectors and investigators, and windstorm inspectors. DWC field office employees include benefit review officers, claims specialists, hearing officers, customer service staff, and occupational health and safety consultants.

Employee demographics

TDI's workforce is 59% female and 41% male. Over 70% of the agency's workforce is over 40 and the average employee age is 48.

TDI workforce by age

Age	%
16-29	7.3%
30-39	20.2%
40-49	25.2%
50-59	28.7%
60-69	16.2%
70+	2.4%

TDI workforce by ethnicity

Ethnicity	%
Asian	5.5%
Black	13.1%
Hispanic	32.5%
White	44.9%
Two or more races	3.2%
Other	0.9%

Service time

The average TDI employee has worked for the agency for eight years and has 11 years of total state service, compared with the statewide average of just under 10 years. More than half (56%) have been with TDI for at least five years, and 67% have at least five years of state service.

These workforce measures stress a continued need for sharing and documenting institutional knowledge through succession planning. Human Resources continues to enhance the agency's succession planning and knowledge-sharing efforts with resources, tools, and training. TDI also regularly reviews and updates operating procedures to ensure a smooth transition during staff changes.

TDI workforce by agency service

Agency service time	%
0-2 years	22.3%
2-5 years	21.4%
5-10 years	25.5%
10-15 years	11.4%
15-20 years	12.7%
20+ years	6.8%

TDI workforce by state service

State service time	%
0-2 years	15.9%
2-5 years	17.2%
5-10 years	23.5%
10-15 years	14.1%
15-20 years	9.7%
20+ years	19.5%

Retirement-eligible employees

A third of TDI employees are eligible to retire or will be eligible by August 2031, including:

- 31% of TDI's total workforce.
- 39% of managers.
- 50% of executives.

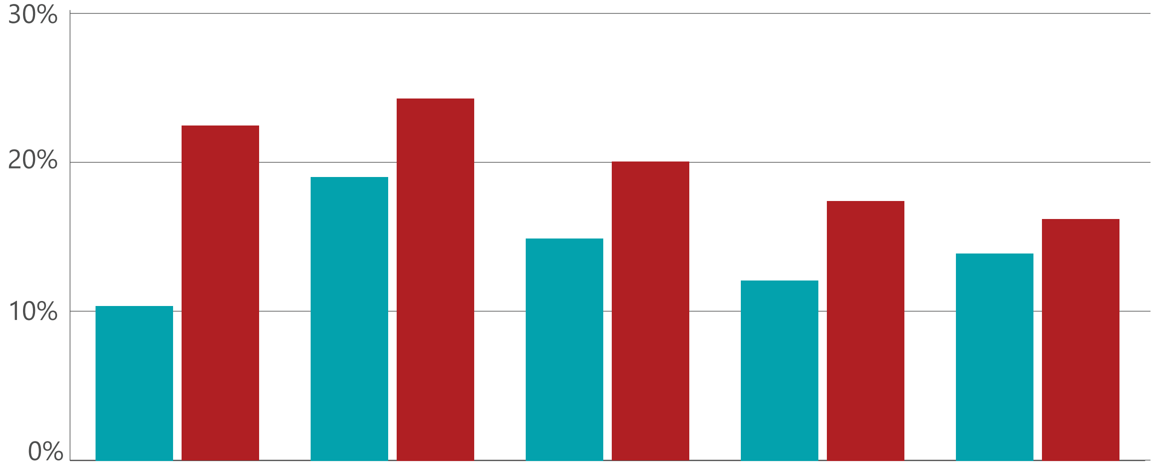
Veteran workforce

TDI employees are proud to work alongside many of our nation's military veterans. U.S. Air Force, Army, Coast Guard, Marine Corps, Navy, and National Guard veterans make up about 9% of TDI's workforce.

Turnover rate

TDI's turnover rate continues to be lower than the 16% statewide average turnover rate at Texas state agencies. In fiscal year 2025, 174 employees left TDI, including 98 people with at least five years of state service.

Regular full-time employee turnover rate including interagency transfers



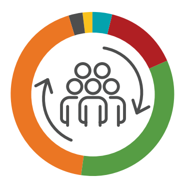
Year	2021	2022	2023	2024	2025
TDI	10.3%	18.9%	14.8%	12.0%	13.8%
TX state agencies	22.3%	24.1%	19.9%	17.3%	16.1%

Demographically, turnover was consistent with gender (60% female and 40% male) and ethnicity staffing ratios. Service time appeared to be the biggest predictor of turnover, with 35% of employees leaving within their first two years at TDI.

TDI employee turnover by age

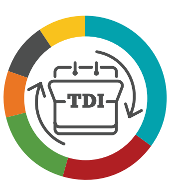
Age	%
16-29	11.5%
30-39	23.6%
40-49	21.8%
50-59	18.4%
60-69	19.5%
70+	5.2%

TDI employee turnover by ethnicity



Ethnicity	%
Asian	4.0%
Black	14.4%
Hispanic	33.9%
White	43.1%
Two or more races	2.9%
Other	1.7%

TDI employee turnover by agency service

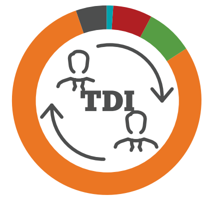


Agency service time	%
0-2 years	35.1%
2-5 years	19.5%
5-10 years	16.7%
10-15 years	9.2%
15-20 years	10.3%
20+ years	9.2%

TDI employee turnover by state service

State service time	%
0-2 years	23.6%
2-5 years	20.1%
5-10 years	16.7%
10-15 years	13.%
15-20 years	6.3%
20+ years	20.1%

TDI employee turnover by EEO category



EEO category	TDI employees	State employees
Administrative support	0.2%	7.8%
Officials & administrators	12.2%	3.0%
Paraprofessionals	7.2%	14.5%
Professionals	72.8%	25.5%
Technicians	7.2%	9.5%
Other	0.3%	39.7%

Critical agency workforce skills

The work required to fulfill TDI's mission is complex and requires high-level technical skills, critical thinking, analysis, and communication. Employees hold advanced degrees, technical and specialized credentials, and other certifications including:

- Fellow of the Casualty Actuarial Society.
- Fellow of the Society of Actuaries.
- Financial Examiner.
- Fraud Examiner.
- Information Systems Auditor.
- Information Systems Security Professional.
- Internal Auditor.
- Licensed Attorney.
- Peace Officer.
- Physician.
- Project Management Professional.
- Registered Nurse.
- Safety Professional.
- Safety and Health Official Construction Industry.

SFMO is similarly staffed with highly trained professionals supporting fire prevention, investigation, and life safety enforcement statewide.

This includes Texas Commission on Law Enforcement (TCOLE) licensed peace officers and Texas Commission of Fire Protection (TCFP) certified fire inspectors, fire and arson investigators, and fire marshals, along with fire protection engineers.

Employees also hold specialized credentials in instruction, firearms, field training, fire and life safety education, and fraud examination, and the program includes certified accelerant detection K-9 teams. Together, these capabilities provide the technical expertise and field experience necessary to carry out the agency's public safety mission.

Job classifications

TDI employee critical skill requirements are reflected in the EEO categories, with 85% in the professionals or officials and administrators categories. By contrast, 38% of the statewide workforce is in the professionals or officials and administrators categories.

TDI employees by EEO category

EEO category	TDI employees	State employees
Administrative support	0.2%	9.4%
Officials & administrators	12.2%	4.7%
Paraprofessionals	7.2%	10.4%
Professionals	72.8%	33.5%
Technicians	7.2%	11.2%
Other	0.3%	30.8%

Factors influencing current workforce and supply factors

According to the U.S. Chamber of Commerce, the current workforce and its supply are primarily influenced by aging demographics, rapid technological advancements, expanded use of artificial intelligence (AI), shifting work-life balance preferences, childcare shortages, and early retirements. These factors create high vacancies and a significant skills mismatch in the labor market.

In Austin, the workforce supply is driven by rapid population growth and corporate relocations, countered by affordability challenges and high housing costs. One of the most pressing factors affecting TDI's workforce is the exponential rise in housing costs. While the area continues to attract highly skilled professionals from out of state, the median home prices and rental rates have led many workers to move to surrounding suburbs. This, in turn, creates lengthy commutes.

Employee salaries

TDI's average annual salary of $76,825 is above the Texas state employee average salary of $65,006. TDI's Human Resources and Financial Services staff continue to work with management to review resources and address salary challenges.

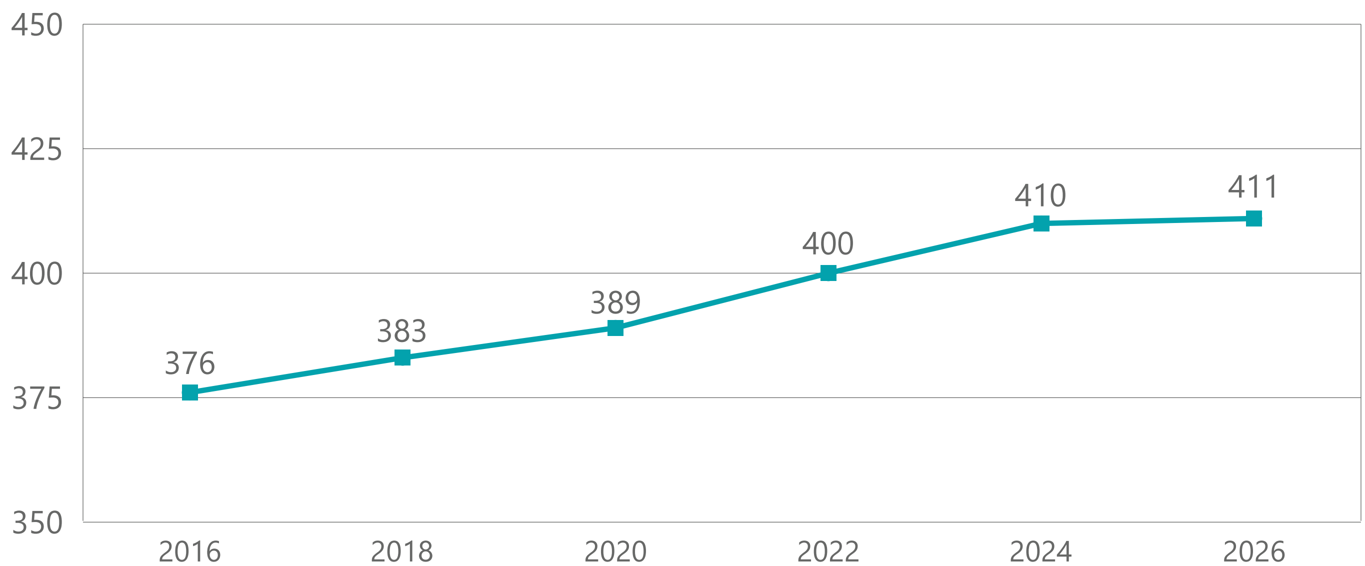
Employee engagement survey results

Since 1996, TDI employees have taken the agency's Survey of Employee Engagement (SEE) survey. Employee participation has increased each year. In 2026, 97% of employees participated. In 2024, the last reporting period with available data, the average response rate for state agencies was 76%.

High response rates show employees are invested in the agency and will contribute towards making improvements. TDI's Human Resources office discusses the SEE results with managers and encourages them to develop strategies to build on strengths and address areas with lower scores.

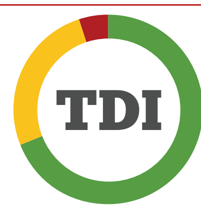
In 2012, the Institute for Organizational Excellence began including an overall score for agency survey results. TDI's score increased 35 points in the last 10 years.

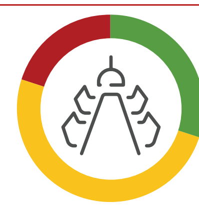
SEE overall score 10-year history



TDI employee engagement results showed that 69% were highly engaged or engaged, compared to 30% for most organizations.

SEE employee engagement levels



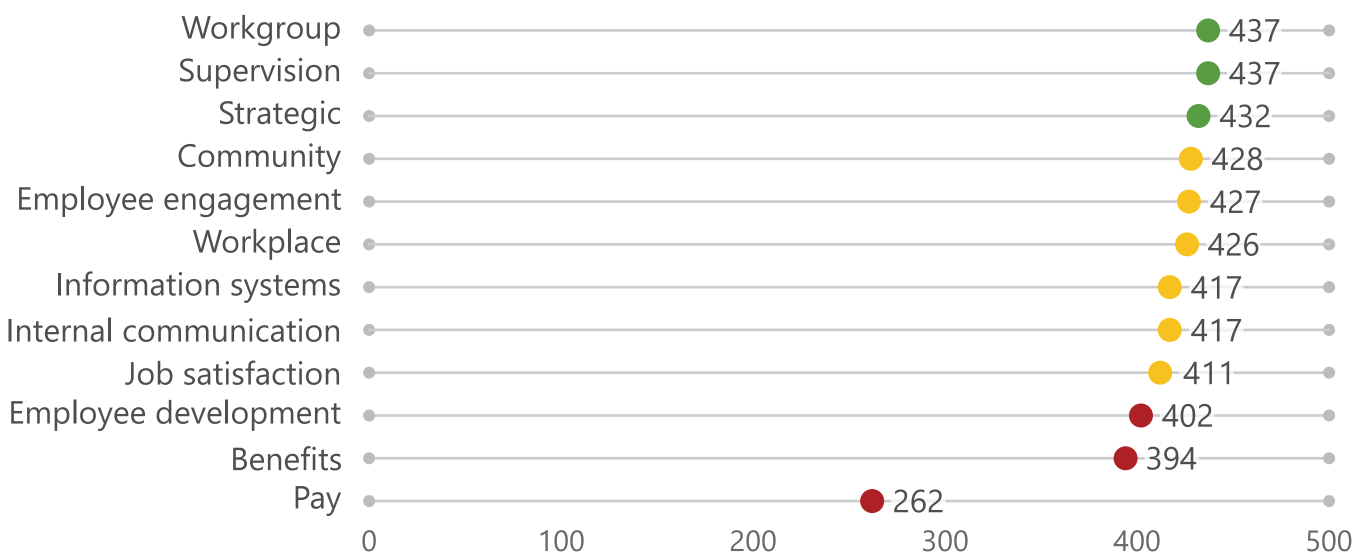


Rating	TDI	Most organizations*
Highly engaged or engaged	69%	30%
Moderately engaged	26%	50%
Disengaged	5%	20%

* Data for most organizations is from 2024 because not all agencies completed their surveys by May 31, 2026.

This year's survey named workgroup, supervision, and strategic as three areas of strength. The three lowest scoring constructs were pay, benefits, and employee development. Pay is typically the lowest scoring construct on the agency's SEE survey results.

2026 SEE survey results and construct measure details



Category	Details	2024 score	2026 score
Workgroup	Workgroup effectiveness, cohesiveness, and openness to members' opinions.	439	437
Supervision	Supervisors are fair and helpful, critical to workflow, and understand their role.	435	437
Strategic	Understand role and thinks TDI's reputation is positive.	427	432
Community	Respectful, caring, and trustworthy colleagues.	426	428
Employee engagement	Individual ideas count and work impacts TDI. Agency values well-being and development.	425	427
Workplace	Workplace is safe with tools and resources available.	433	426
Information systems	Availability and utility of information.	417	417
Internal communication	Communication with peers, supervisors, and other parts of TDI.	416	417
Job satisfaction	Working conditions and their workload.	412	411
Employee development	Growth opportunities in organizational responsibilities and personal career needs.	403	402
Benefits	Competitive health insurance and retirement benefits.	389	394
Pay	Pay value relative to the type of work, demands, and comparable positions.	256	262

Future workforce needs

Expected workforce developments

TDI continues to see an increase in regulatory responsibilities resulting from population growth and legislative actions. The agency's future workforce must also continue to grow and adapt.

Future workforce skills needed

Our workforce must have skills that improve project outcomes, develop streamlined processes, use data analytics, improve technology, embrace innovation and modernization, manage risks, and provide effective communication.

These skills include:

- Interpreting and enforcing insurance, workers' compensation, fraud, arson, and fire safety requirements.
- Examining and analyzing insurance company financial conditions.
- Conducting medical quality, service, and provider research, analysis, and review.
- Educating businesses, employees, fire industry professionals, insurance companies, consumers, and the public.
- Resolving workers' compensation disputes.
- Performing quality assurance reviews and audits.
- Investigating and prosecuting insurance and workers' compensation fraud reports.
- Conducting fire investigation and safety research and analysis.
- Performing research and policy analysis.
- Strengthening learning and rolling out new and improved technologies.
- Evaluating business processes for opportunities to leverage technology for efficiency.
- Expanding knowledge of various programming languages.
- Reviewing rate and form filings.
- Evaluating design, engineering, and building construction, particularly in high wind areas.
- Resolving consumer complaints.
- Processing licensing applications and renewals.
- Providing excellent customer service.

Labor market competitiveness factors

TDI recognizes the competitive workforce landscape and must be agile to keep and recruit highly qualified staff. The agency offers a hybrid work environment and supports access to reliable, mobile technology and flexible work hours and locations.

Anticipated staffing changes

TDI does not expect a change in its mission. However, we anticipate asking for additional FTEs in our legislative appropriations request to meet the demands of a growing Texas population and an ever-increasing insurance market. Like many businesses, TDI's workforce now includes five generations, from the Silent Generation to Gen Z. We are mindful that this multi-generational workforce requires navigating varied communication styles and encompasses different motivations.

Critical functions required to achieve goals

To achieve established goals, the agency must continue to keep and attract employees with high-level technical, critical thinking, analysis, and communication skills.

Gap analysis

Resource and skill gaps

Staffing levels

Agency leadership recognizes the need to respond to external factors that may affect the insurance regulatory environment, the workers' compensation system, and the Fire Marshal's Office. A continuing challenge is keeping and recruiting qualified staff in a competitive labor and compensation market. Management regularly evaluates whether the agency can continue to meet the agency's missions and goals with the current staffing and salary levels. TDI anticipates including staffing and funding requests in its legislative appropriations request.

Employee knowledge and skills

TDI identified the need to develop or enhance skills in these areas:

- AI and other efficiency-driving technologies.
- Business process analysis and improvement.
- Data management and analysis.
- Customer experience and engagement.
- Communication, including plain language and technical writing.
- Information technology, including current best practices and available tools.

Tools and technology

TDI recognizes the agency needs tools and technology to support a modern workforce. Several legacy systems that hindered efficiency and required using temporary or manual processes were retired and more modernization projects are in progress.

The agency is using automation to streamline processes and improve task productivity, as well as evaluating opportunities to incorporate AI to further modernize internal administrative duties. TDI continues to focus on training and equipping employees to work efficiently and remotely when appropriate.

Workforce shortage risks

TDI regulates, among other things, the second largest insurance market in the U.S. and the fifth largest in the world. Workforce shortages could jeopardize our ability to diligently fulfill our missions and protect Texans. Key risks include:

- Delayed response times for complaints.
- Slower workers' compensation dispute resolution.
- Fewer insurance and workplace safety-related educational opportunities for stakeholders and the public.
- Backlogs in processing insurance filings, various license applications, and key data.
- Less restitution collected and fines imposed through enforcement actions.
- Delayed response to insurance companies that are operating in a hazardous financial condition.

The likelihood that TDI would experience a significant workforce shortage is generally low. However, the risk for certain functions is moderate due to the specialized training and certifications required for the roles. If a severe staffing shortage should occur, TDI will prioritize activities with the greatest impact on the lives and livelihood of Texans, including the solvency regulation of high priority insurers, injured employee workers' compensation benefits, and other consumer protection activities.

SFMO

SFMO's ability to deliver fire prevention, inspection, investigation, and regulatory services statewide depends on a skilled and geographically distributed workforce. Workforce shortages could affect:

- Fire and life safety inspections, including state-owned and state-leased buildings and required inspections for state-licensed facilities (e.g., foster homes, nursing homes, and care facilities) in areas where SFMO is the authority having jurisdiction.
- Response to fire investigations and requests from local jurisdictions.
- Community risk reduction, outreach, and training efforts.
- Fire protection system and related industry license processing.

The likelihood of a significant shortage is moderate due to the specialized training and required certifications for these roles. In a staffing shortage, SFMO will prioritize activities with the greatest impact on life safety, including investigations, high-risk and required inspections, and support to local jurisdictions.

Workforce strategies

Agency strategies to address workforce changes and reduce gaps

TDI continues to develop strategies to keep and recruit qualified staff, develop knowledge and skills, and address resource gaps. These efforts include:

- Upgrading technology and reducing paper processes.
- Modernizing processes to include best practices.
- Continuing hybrid work options, including letting employees report to TDI offices outside of Austin.
- Increasing employee engagement activities like all-hands meetings, evaluating our rewards and recognition programs, and conducting one-on-one stay interviews between employees and the commissioner.
- Reducing time to fill positions through careful monitoring and increased communication with management.
- Using social media, outreach programs, career fairs, and email subscriber lists to promote job openings.
- Promoting an internship program for law school students to attract new attorneys.
- Conducting salary analyses and raising salaries and classifications when appropriate.
- Supporting staff training for professional development and designations.
- Enhancing succession planning and knowledge-sharing efforts.
- Using limited contract labor for needs that staff cannot meet.
- Conducting leadership assessments, such as 360- and 180-degree reviews, to collect staff feedback about their manager.
- Offering robust new employee onboarding programs.

Leadership development

With a third of the agency eligible to retire within the next five years, TDI must have a successful succession planning strategy. Human Resources provides management training and refresher courses throughout the year to prepare the next generation of TDI leaders. About 94% of managers have completed the training.

TDI also recognizes the need for continuous management training to support and develop strong agency leaders. During the last two fiscal years, Human Resources and General Counsel partnered in providing quarterly management training to address emerging or repetitive workforce issues. TDI also used relationships with other state agencies to provide leadership training on different generations in the workforce.

Recruitment

The agency continues to expand recruitment strategies to reach target audiences, including a younger workforce to offset future retirements. Successful strategies include building relationships with colleges and universities, strengthening and expanding internship opportunities, and an increased social media presence for job postings. In 2026, Human Resources created a new position dedicated to recruitment and agency internship programs.

Salary analysis

The agency repeated a salary analysis project to find classifications paid below the state average. Additionally, TDI closely reviewed its budget allocations and identified opportunities to use agency lapsed funds for expenses such as professional development, conferences, and travel. This change allowed the agency to reallocate budgets to increase some salaries and execute on its plan to bring positions closer to the state average. Moving forward, TDI will be challenged to maintain statewide average salaries without more funding.

Biennium strategies

TDI plans to work on these strategies over the next biennium:

- Increase military veteran recruitment by attending more military and veteran job fairs.
- Maximize technology in a hybrid work environment.
- Leverage AI for administrative process improvements.
- Conduct training to fill skill gaps and monitor results.
- Enhance succession planning, including a skills-gap analysis and knowledge-sharing efforts.
- Develop hands-on mentorship programs in key program areas to develop talent.
- Continue reviewing staffing needs to redirect resources toward salary increases.
- Continue staff and salary analyses.
- Benchmark with the private sector and other state agencies to find tools and technology that enhance workforce development.
- Present service awards to recognize commitment to the agency and state workforce.
- Expand employee engagement programs to increase workplace satisfaction and recognize great work in support of TDI's mission and values.

Conclusion

TDI uses the biennial workforce plan to help set workforce development priorities. Workforce planning balances making sure you have the right people with the right skills while keeping budget constraints and external factors in mind.

The Human Resources office works with management to meet changing workforce needs. In addition, the agency will keep working to meet the challenges that come with a wide range of skills needed to perform diverse functions under the authority of two commissioners.