Schedule F: Agency Workforce Plan

Part 1: Agency Overview

The Railroad Commission of Texas serves as the primary regulator of the state's energy industries. The Commission aims to protect public health and the environment through an effective regulatory program and to support the development of the state's energy resources. Three statewide officials, elected to six-year staggered terms, head the Commission. Serving at the discretion of the Commissioners is an Executive Director who implements new policies, government code regulations, and manages the Commission's daily operations.

A: Agency Mission

We serve Texas by our stewardship of natural resources and the environment, our concern for personal and community safety, and our support of enhanced development and economic vitality for the benefit of Texans.

B: Strategic Goals and Objectives

Goal 1: Energy Resources

To oversee the development of the state's energy resources while protecting public health and the environment through an effective regulatory program.

Objective 1.1. Provide for the orderly and efficient development of oil and gas resources while preventing waste, protecting correlative rights of mineral interest owners, and conserving the state's lignite, oil and natural gas resources.

Strategy 1.1.1. Protect correlative rights and prevent waste while maximizing opportunities for the development of lignite, oil and gas resources through well site permitting, production allowables, production rule reviews, and exception processing.

Goal 2: Safety Programs

Advance safety in the delivery and use of Texas petroleum products including LPG/LNG/CNG, and in the operation of the Texas pipeline system through training, monitoring, and enforcement, and promote, educate, and enforce regulations for underground damage prevention.

Objective 2.1. Improve public safety through regulatory oversight of the pipeline industry by inspections, compliance, and educational activities.

Strategy 2.1.1. Ensure the safe operation of pipelines through permitting, field inspections, accident investigations and emergency response.

Strategy 2.1.2. Support education and public awareness efforts to inform the public about damage prevention laws, compliance, and penalties.

Objective 2.2. Ensure safety through regulation of the LPG/CNG/LNG alternative fuels industries.

Strategy 2.2.1. Protect the health, safety, and welfare of the general public by ensuring the safe storage and transportation of Liquefied Petroleum Gas, Compressed Natural Gas, and Liquefied

Natural Gas as alternative fuel sources through safety education, accident investigation, inspection and enforcement of safety regulations.

Goal 3: Environmental and Consumer Protection

To protect the environment and consumers by ensuring that energy production, storage and delivery minimize harmful effects on the state's natural resources and that just and reasonable natural gas rates promote a safe and efficient supply of natural gas.

Objective 3.1. Reduce the occurrence of environmental violations associated with fossil fuel extraction and energy production in Texas.

Strategy 3.1.1. Assure that oil and gas permitted activities comply with applicable state regulations through field inspections, witnessing tests, monitoring reports, processing applications, and enforcement actions.

Strategy 3.1.2. Assure that surface mining permitted activities comply with applicable state and federal regulations through field inspections, witnessing tests, monitoring reports, processing applications, and enforcement actions.

Objective 3.2. Identify and abate environmental and public health threats through voluntary operator actions or with use of state or federal funds.

Strategy 3.2.1. Protect public health and the environment by identifying, assessing, and prioritizing sites that require the use of state funds for well plugging and remediation.

Strategy 3.2.2. Protect public health and the environment by identifying, assessing, and prioritizing mine lands that require the use of federal funds for reclamation and provide oversight for operator-initiated remediation.

Objective 3.3. Maintain competitive prices and adequate natural gas supplies for Texas energy consumers.

Strategy 3.3.1. Oversee natural gas utility rate structures that promote safe, efficient, and reliable supply at a reasonable cost and audit regulated gas utilities to ensure compliance with rate structures and submission of gas utility taxes.

Objective 3.4. Establish critical infrastructure compliance standards, regulate natural gas supply chain entities for power generation requirements, and mitigate system outage risks during extreme weather events.

Strategy 3.4.1. Ensure that designated facilities incorporate weatherization and reliability standards and practices through communication, inspections, processing applications, and monitoring reports.

Goal 4: Public Access to Information and Services

Strive to maximize electronic government and to minimize paper transactions by developing technological enhancements that promote efficient regulatory programs and preserve and increase public access to information.

Objective 4.1. Increase efficiency in providing public access to information and provide more efficient interaction with regulated industries.

Strategy 4.1.1. Collect, maintain, and preserve oil and gas data submitted to the Commission; provide efficient public access to this information; offer regulated industries a way to conduct their business electronically.

C: Anticipated Changes in Mission, Strategies, and Goals

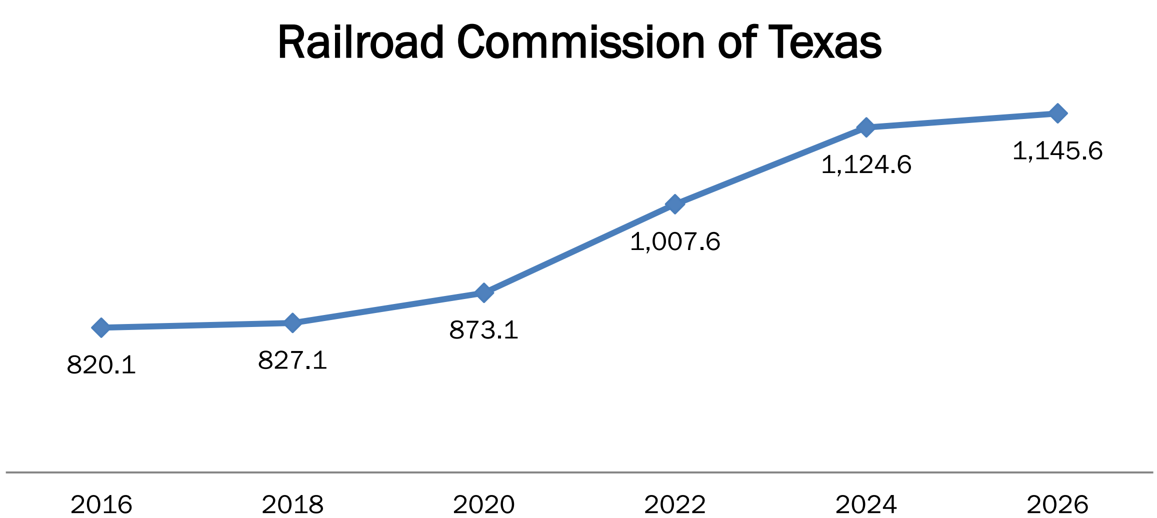
The Railroad Commission does not expect significant changes in its mission, goals, or strategies over the next five years, absent a statutory change to its programs or activities.

Part 2: Current Workforce Profile

A: Workforce Demographics (As of March 2026)

The authorized number of full-time equivalent (FTE) employees increased by 325.5 over ten years from FY 2016 to FY 2026, as shown in Figure 1

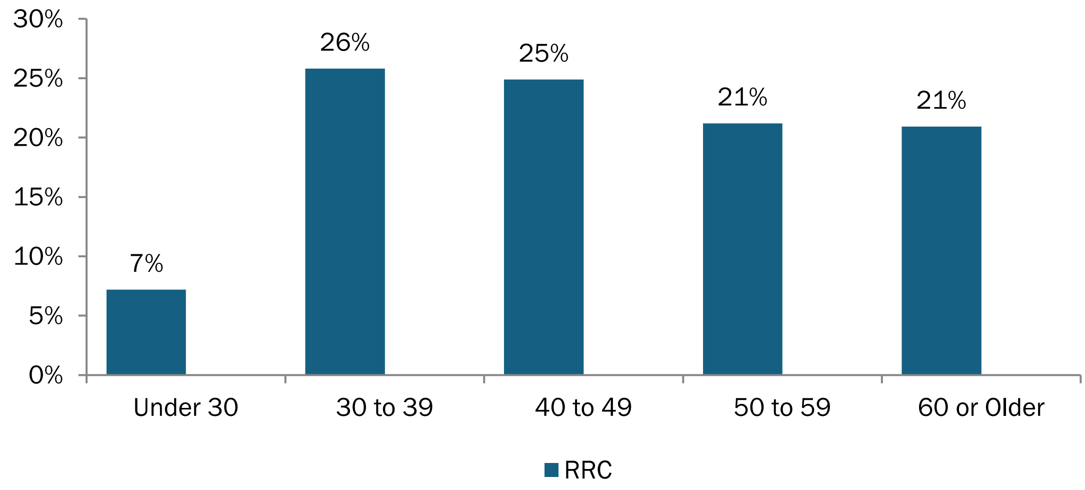
Figure 1: FTE by Fiscal Years 2016–2026



Age

The Commission has a mature workforce with strong mid- and late-career representation. As shown in Figure 2, 42 percent of Commission employees are aged 50 and above and another 25 percent are aged 40 to 49. This may be attributed to the number of mid-career, late-career, or retired oil and gas professionals that turn to public employment after leaving the private sector. With a total of 67 percent of the workforce being mid- to late-career and only 7 percent being early career, the Commission has a potential succession risk.

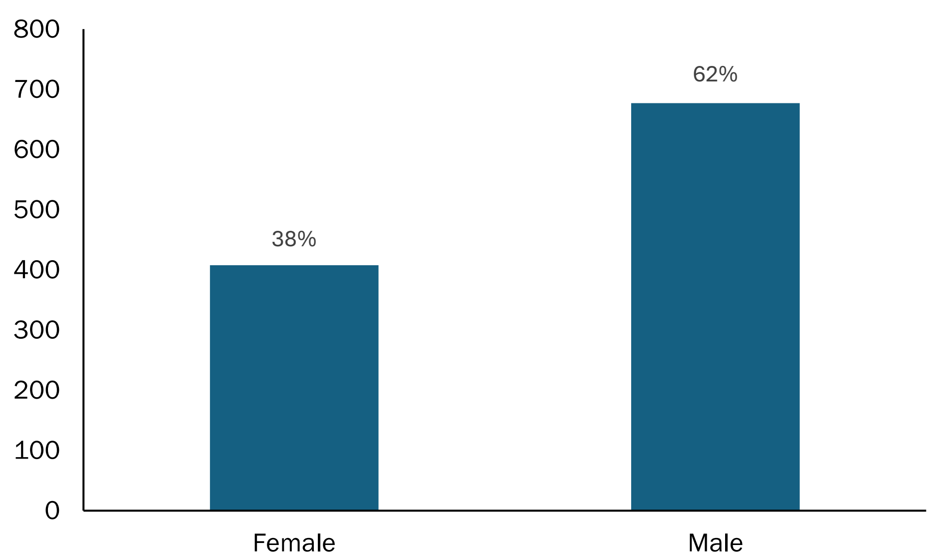
Figure 2: Age Distribution as of March 3, 2026



Gender

As of March 2026, the Commission has 677 male employees (62 percent) and 408 female employees (38 percent), as illustrated in Figure 3. The total employee headcount of 1,085 includes both full-time and part-time employees, and three elected officials.

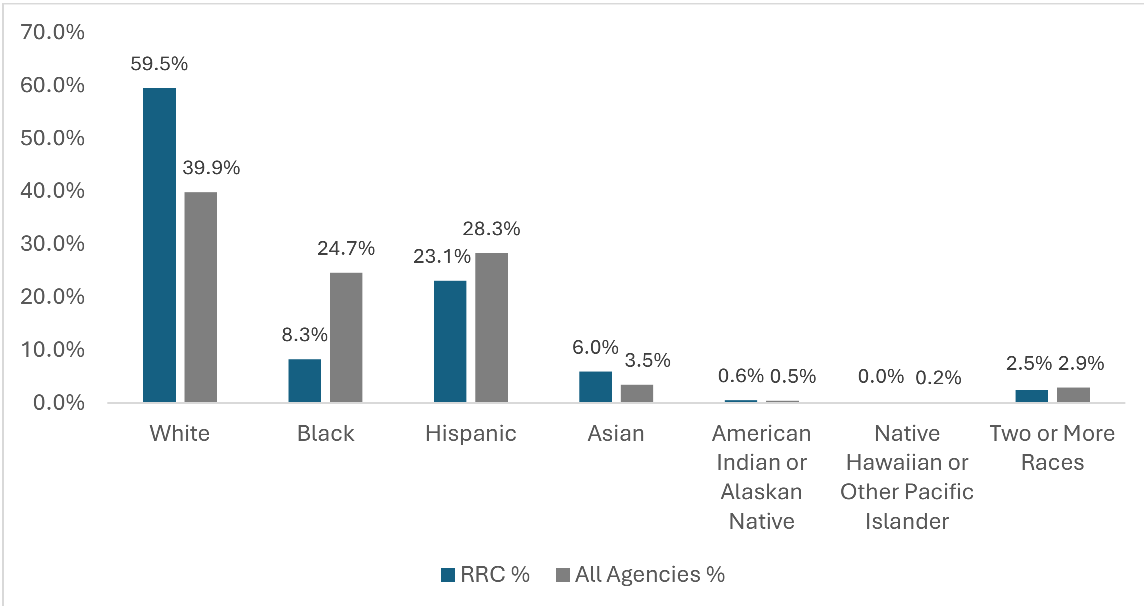
Figure 3: Gender Distribution as of March 3, 2026



Ethnicity

The agency's workforce ethnicity composition was compared to data across all state agencies to identify similarities and variances. Overall, the agency reflects many of the broader patterns observed across state agencies, as detailed in Figure 4. Differences may be influenced by factors such as occupational mix, geographic location, and labor market availability. Continued monitoring of these trends helps inform workforce planning and supports alignment with statewide employment patterns.

Figure 4: Ethnicity Distribution as of March 3, 2026



Length of Service

Of the Commission's 1,085 employees, 552 (51 percent) have five or fewer years of service with the Commission and 187 of those (17 percent) have less than two years of service with the Commission. Additionally, 289 employees (27 percent) have between five to nine years of service, and 244 employees (22 percent) have 10 or more years of tenure with the Commission. In the past two years, the group representing 10 or more years of service decreased by nearly 10 percent. This could also be indicative of potential succession risk.

Veterans

The Commission is committed to hiring and retaining veterans. As of March 3, 2026, the Commission's veteran workforce is 13.92 percent. The average veteran workforce percentage for state agencies is 7.43 percent. The Railroad Commission continues to strive for a veteran workforce staffing level of 20 percent. The Human Resources Division has a Veterans Liaison and actively recruits at veteran career fairs.

B: Percent of Workforce Eligible to Retire

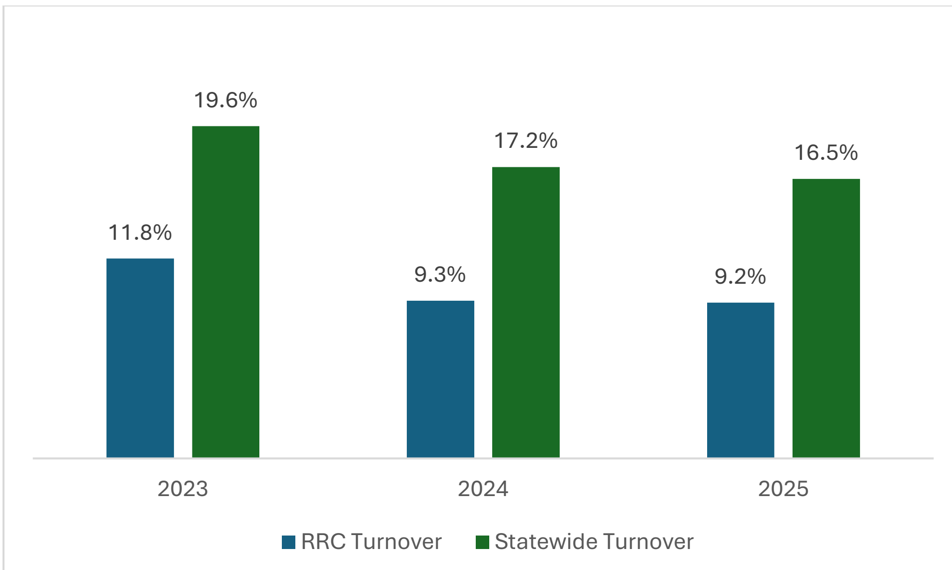
The Commission has 111 employees (10 percent) who are currently eligible to retire and an additional 25 employees (2 percent) projected to become eligible to retire before the end of fiscal year 2027. By the conclusion of FY 2027, 12 percent of Commission employees will be eligible to retire. This represents a four percent reduction from 2024.

To maintain the skills required for the Commission's continued success, greater emphasis on internal organizational development and cross-training will be needed as the Commission's workforce plan evolves.

C: Employee Turnover and Projected Attrition

The Commission's turnover rate decreased by 2.5 percentage points from FY 2023 to FY 2024. The Commission's turnover rate was consistently lower by at least 7 percentage points compared to the State's turnover rate. The Commission is outperforming the benchmark for retaining staff, as highlighted in Figure 5.

Figure 5: Commission Employee Turnover (Excluding Interagency Transfers) vs. Statewide Employee Turnover



D: Workforce Skills Critical to the Mission and Goals of the Agency

The Commission employs qualified individuals in numerous program disciplines. Strong employee knowledge, skills, and competencies are critical to meeting ongoing business objectives and goals. Critical knowledge includes:

- Engineering: Chemical, Civil, Mechanical, Mining, Natural Gas, and Petroleum
- Information Technology
- Sciences: Geology, Hydrology, Soil Science, and Toxicology
- Legal
- Finance

Critical skills and qualifications include:

- Technology and automation skills and competencies,
- Data literacy, analytics, and system expertise,
- Well-plugging offshore,
- Ability to apply scientific principles (i.e., engineering, geology),
- Leadership and management skills

The Commission has a highly educated workforce with many employees holding advanced degrees or professional licenses and credentials.

Part 3: Future Workforce Profile

A: Future Workforce Skills Needed

The Commission's employees develop their workforce skills from prior employment experience, on-the-job training, education, and through various training programs provided by the appropriate professional disciplines. Such training is used to maintain and improve employee skills and enhance performance by incorporating contemporary trends in each discipline.

The General Appropriations Act (SB 1, 89th Legislative Session, 2025) added 11 FTEs to the Commission's workforce, including 5.0 FTEs to investigate hydrogeologic phenomena resulting from oil and gas activity, 2.0 FTEs to assist operators with complex oil and gas site environmental cleanup projects, and 4.0 FTEs to develop and implement new IT systems for tracking oil and gas drilling produced water data, injection well data, and authorized oil and gas drilling pit data. The bill also incorporated 10 FTEs authorized by the Supplemental Appropriations Bill (SB 30, 88th Legislative Session, 2023) from last session into the agency bill pattern. These FTEs were needed to comply with new federal requirements to regulate and inspect natural gas gathering lines and perform safety inspections of underground gas storage facilities.

Additionally, Senate Bill 1150 (89th Legislative Session, 2025) added requirements for oil and gas operators to report and plug inactive oil and gas wells that have been inactive for more than 15 years. The bill requires RRC to adopt rules during the 2026-27 biennium that take effect September 1, 2027 (Fiscal Year 2028). RRC anticipates additional FTEs will be necessary in the next biennium to monitor and enforce oil and gas operator compliance with the new inactive well requirements.

The development and implementation of technological advancements will require new skills if the future workforce is to fully utilize such improvements. Functions to accomplish the Commission goals will focus on:

- Shifting from hiring administrative staff to more technical and science-based positions, improving workflows, systems, and internal coordination,
- Developing cross-functional skills to reduce silos,
- Transitioning from legacy systems to modern software, and
- Expanding talent management and career development programs as part of a human resources partnership with Commission leadership and divisions.

B: Anticipated Increase or Decrease in Number of Employees Needed

The Commission regulates dynamic, cyclical, and evolving industries that require a visible field presence of Commission staff to ensure its regulatory role. Specifically, pipeline safety and oil and gas inspectors ensure public safety and environmental protection through field enforcement and compliance strategies. The critical infrastructure inspectors focus on the weatherization of oil and gas facilities. It is critical for the Commission to maintain staffing levels that allow for a responsive organization that is able to maintain regulatory certainty for the industries it regulates. Any additional staffing needs will be included as exceptional items during the Legislative Appropriations Request process.

C: Critical Functions to Achieve Strategic Plan

The Commission's recruitment plan addresses critical deficiencies in its labor force and narrows gaps. A variety of recruitment methods will be used, including:

- Placing job postings on the Commission's website,
- Placing job postings on the Texas Workforce Commission's *Work In Texas* website,
- Direct recruiting with the college and university career services office,
- Attending and recruiting at veteran career fairs,
- Building relationships with industry-specific professional organizations,
- Engaging academic professionals and recruiting top-performing students studying in the critically needed fields,
- Expanding the Commission's internship program,
- Encouraging direct referrals from existing staff, and
- Using all other available resources.

The Commission will continue to attend job fairs and work to expand its internship program.

There are several critical barriers to recruitment, including the nationwide labor shortage, the rising cost of housing, competition with other state agencies, and competition with private sector oil and gas positions.

D: Employee Engagement

The Commission implemented an onboarding program to engage all staff and help them understand where they fit within the organization. This all-day event is held quarterly for all newly hired staff. Each Division within the Commission presents an overview of their role within the Commission.

The Survey of Employee Engagement is sent to all staff every two years. The survey assesses the work environment and provides guidance on where the Commission is successful and where opportunities may lie. The last survey was conducted in May 2024, with a response rate of 67.4 percent , which was well above the average and indicated that employees wanted to be part of making improvements at the Commission.

The survey questions are grouped by topic, and their scores are averaged to produce 12 construct measures. These constructs capture concepts used by leadership and help drive changes needed to improve organizational performance and engagement. While the overall results were positive, two of the lowest constructs were Benefits and Internal Communication.

Focus groups were created to better understand how the Commission could improve in these areas. Members of the focus groups were employees from across the agency, in a variety of positions, who met bi-weekly.

Groups had the following ideas for improving internal communication:

- Implement improvements to the agency's intranet site to make information easily accessible and searchable.
- Reinstate annual "town hall" meetings with agency leaders to recognize successes and convey strategic direction and goals.
- Resume agency-wide One Agency/One Team (OA/OT) meetings to foster information-sharing across divisions.
- Create more opportunities for employee engagement and community-building across the agency.

While the Commission does not control many of the benefits available to employees, the focus groups had feedback and ideas, including:

- Offer ongoing benefits education, such as seminars or workshops, to help employees stay informed about benefits, retirement planning, and financial wellness throughout the year.
- Increase awareness of the agency's full total-rewards package, including lesser-known programs like service credit purchase, tuition reimbursement, loan forgiveness, employee discounts, and parking benefits.
- Provide clearer, more accessible resources for veterans on benefits specific to their service, such as special leave options and military service credit.
- Improve access to frequently used ERS information by offering direct links and simplifying navigation.
- Broaden wellness offerings to include a wider range of topics, such as mental health, nutrition, and diverse fitness options.
- Share timely benefits reminders at key service milestones and at the end of waiting periods.

The Commission implemented nine projects based on this feedback to help strengthen the employee experience. The next Survey of Employee Engagement will be conducted in Fiscal Year 2026.

Part 4: Gap Analysis

A: Anticipated Surplus or Shortage of Workers or Skills

The Federal Reserve District, Beige Book for April 2026 indicates the following summary for the Labor Markets in the Dallas region, which includes all of Texas:

> *Employment overall edged up during the reporting period; it rose slightly in services but was flat in manufacturing and energy. A few staffing firms noted that heightened uncertainty was making companies hesitant to hire and candidates reluctant to switch jobs. Energy firms anticipate some job losses from ongoing M&A activity but noted that staffing needs may be reevaluated if energy prices stay high. Wage growth remained modest in the service sector but was solid in manufacturing. Firms expect wage growth to ease to 3.1 percent over the next 12 months, down slightly from their expectations at the end of 2025.*

The Federal Reserve Bank of Dallas described the summary of economic activity to include:

> *Economic activity in the Eleventh District rose slightly over the reporting period. Growth in manufacturing output moderated to a below-average pace, while activity in the service sector was nearly flat. Bank lending increased, buoyed by commercial real estate activity, but home sales were slow. Retail sales were flat to up. Energy sector activity ticked up, while drought conditions worsened. Employment expanded slightly, and wage and price growth ranged from modest to robust. Outlooks worsened amid heightened uncertainty surrounding the conflict in the Middle East and the impact of sharply higher fuel prices on inflation, consumer sentiment, and demand.*

Specific to the Energy sector, the Federal Reserve Bank of Dallas described:

> *Eleventh District oil production was nearly flat over the past six weeks, although fracturing activity and well completions edged up. Some independent producers reported an intent to drill more wells later this year in response to higher prices, and oilfield services contacts noted some increase in price quoting. However, producers broadly expect WTI prices to decline meaningfully from recent highs by year-end 2026 and fall further in 2027, viewing the Middle East conflict as likely too transient to warrant any significant production increases. Conversely, they worry that if the disruption is prolonged enough it could trigger a significant economic slowdown that undermines demand. If firms do gain confidence that prices will be elevated longer term, capital discipline as well as constraints on labor, equipment, and natural gas takeaway capacity could be limiting factors through 2027.*[1]

The Commission cannot effectively fulfill its mission and objectives without a skilled and experienced workforce. However, the marketplace for technical and professional staff with oil and gas expertise is highly competitive. Recruiting and retaining qualified employees has been an ongoing challenge for many years, particularly with information technology professionals and legal professionals, as the Commission competes with private industry and other state agencies. Offering competitive compensation is essential to attract and retain key personnel, along with professional development programs that support the growth of emerging leaders. Looking ahead, the Commission expects that replacing employees who are nearing retirement, along with anticipated management turnover will require sustained succession planning and a stronger focus on professional development to preserve critical institutional knowledge. With the right investments in training and development, the current workforce needs to increase and expand its knowledge to meet future staffing needs.

Part 5: Strategy Development

Methods to address the Commission's projected workforce gap include:

- Career development programs—Mentoring, the use of internships for professional areas, and an increase in professional training and development for staff.
- Cross-training, documentation of business process, efficiency reviews, and new guidelines

[1] Federal Reserve Bank of Dallas District, *The Beige Book: Summary of Commentary on Current Economic Conditions, April 2026*, p. 44, Federalreserve.gov, online as a PDF, Accessed April 16, 2026.

- Recruitment plans—Recruitment efforts to focus on positions that are difficult to attract and retain such as engineers, attorneys, and the recruitment of candidates from varying backgrounds.
- Leadership development—Efforts to identify, retain, and develop existing employees with management and leadership capabilities.
- Organizational training and development—Funding for in-house training such as IT training, managerial training, and skill development can be used to address individual employee training needs for the Commission's routine operations.
- Succession planning—Managers and supervisors will identify the skill sets critical to meeting their objectives to work with agency leadership on a plan for employee attrition. Succession planning can also address staffing or skill imbalances due to turnover and retirements.
- Retention programs—Some programs are already in place to help retain the employees with skills critical to the Commission's success. Focus on employee engagement and recognition programs are in development phases. The Commission's retention process involves analysis of salary markets, a career track program, and generous merit-based pay increases.

A: Implementation of Workforce Plan

The Workforce Plan will be implemented in connection with the Commission's Strategic Plan. Any changes to the Strategic Plan or legislative changes will result in adjustments to the Workforce Plan.

To begin the implementation of the Workforce Plan, the following actions will be key:

- Implementation of the workforce plan will consider the sustainability of the workforce amidst the cyclical and changing nature of the industries regulated by the Commission.
- Development of a continuous business partnership between Human Resources and each of the Commission's divisions. By doing so, areas such as training needs, strategic planning of the workforce to meet division objectives, and long-range planning of workforce needs can be addressed on an ongoing basis.
- Division Directors, along with the Commission, will review the progress of the workforce planning process biennially. Adjustments to the Plan, if any, will be documented.
- Initiatives to automate regulatory functions in the Oil and Gas Division will require the Commission to critically assess the following areas: competency gaps in technological skills, job functions, and skill shortages or surpluses within the division.
- The Commission's information technology modernization program will improve efficiency and accuracy in business processes throughout the agency.

B: Workforce Plan Evaluation and Revision

The final phase involves monitoring, evaluating, and revising to ensure a successful Workforce Plan. The following critical employment tools will be available to measure and evaluate changing trends in the workforce:

- Survey of Employee Engagement
- Customer Service questionnaires and feedback

- Retirements, projected retirements, and Commission turnover data
- College and diversity recruitment programs
- The Statewide Exit Survey and internal exit interviews
- Hiring trends including the lead time to hire
- Develop a strong veteran workforce that possesses the necessary skills for RRC operations

The Commission will review its efforts to revise and implement its Workforce Plan each even-numbered fiscal year in preparation for the upcoming biennium. As with this workforce planning effort, Commissioners, agency management and Division Directors will participate to ensure that the plan evolves into a document reflecting the Commission's current workforce and its projected workforce for the succeeding five years. The Commission will emphasize professional training and development to address the turnover in management due to the projected increase in retirements. Internal professional training and development will be key to a successful transition, both from a budgetary perspective as well as a business process perspective. The Commission may suffer productivity losses in the near term, but the long-term benefits should outweigh any such losses.