

Schedule F: Agency Workforce Plan

Introduction

TxDOT's workforce plan provides a strategic framework to ensure the agency has the talent, skills, and capacity to meet current and future operational goals. The plan includes two key components: a supply analysis and a demand analysis. The supply analysis provides quantitative data on historical turnover, employee tenure, retirement eligibility, and staff demographics, as well as an overview of TxDOT's position classifications. The demand analysis is qualitative, examining critical functions, competency needs, and an environmental scan of the workforce on a national and state-level, and it identifies strategies to address workforce gaps.

Considering evolving workforce trends, increasing competition for skilled professionals, and ongoing technological advancements, the plan outlines the importance of employee-focused strategies designed to attract, retain, and support a skilled and engaged workforce, aligning workforce initiatives with TxDOT's long-term strategies objectives.

Agency Workforce Plan

Supply Analysis

Turnover Rate

Figure 8 illustrates that Texas' turnover rate for classified regular full- and part-time employees was 15.8% and TxDOT's turnover rate was 10.8% in fiscal year 2025.

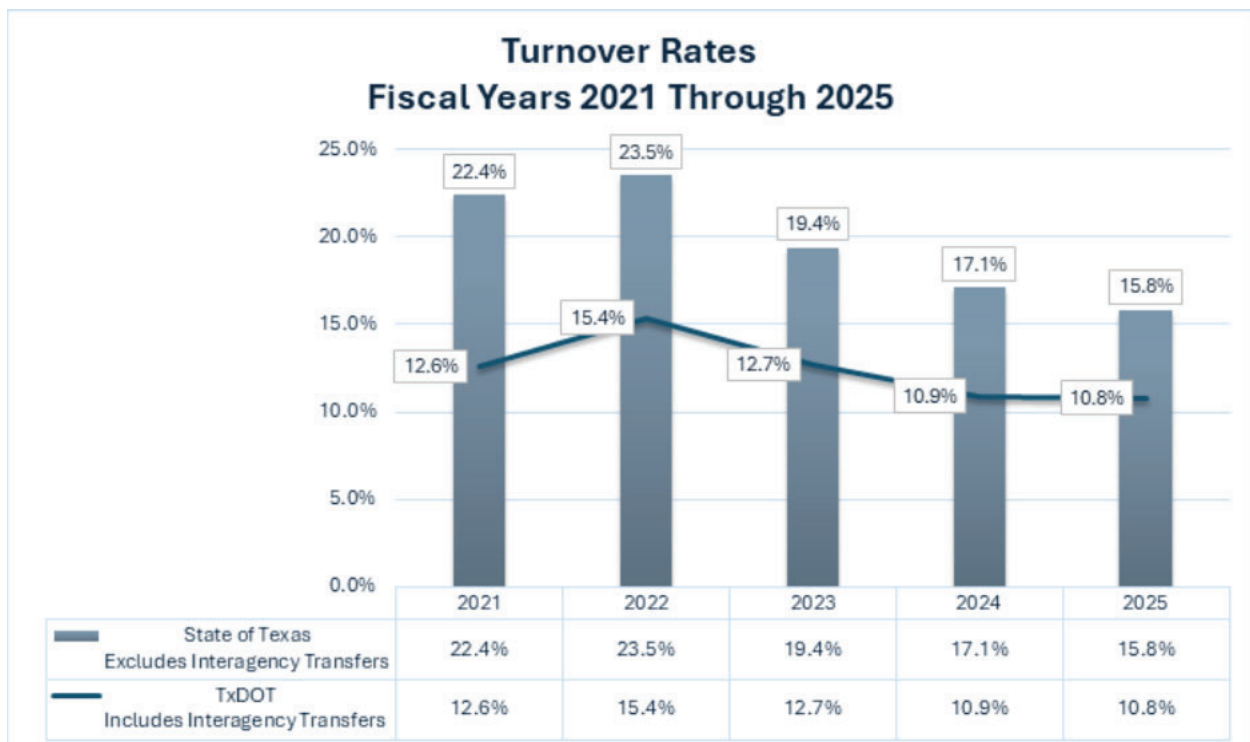


Figure 8: Turnover Rates Fiscal Years 2021-2025

Source: State Auditor's Office's published Turnover Reports and State Classification Team's Electronic Classification Analysis (E-CLASS) online system – classified regular full-and part-time employees.

Agency Length of Service

In fiscal year 2025, TxDOT employees had an average of 8.4 years of agency length of service. Approximately 37.3% of TxDOT employees have fewer than 5 years of TxDOT service. Figure 9 compares employee agency length of service between TxDOT and other state agencies.

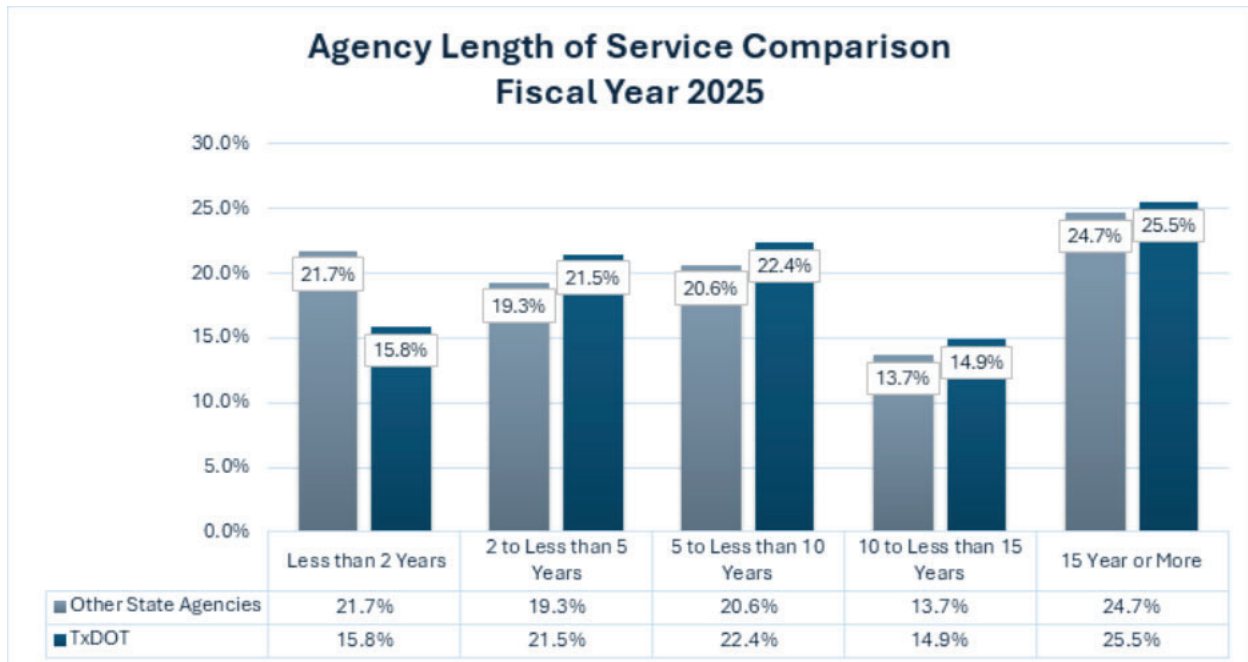


Figure 9: Agency Length of Service Comparison Fiscal Year 2025

Source: State Auditor's Office's published Turnover Reports and State Classification Team's Electronic Classification Analysis (E-CLASS) online system – classified regular full-and part-time employees.

Retirement Eligibility

Based on December 2025 data, TxDOT estimates that 22.6% of the TxDOT workforce will be eligible to retire by fiscal year 2030, 8.6% of which was eligible to retire in or before fiscal year 2025.

Age

Figure 10 shows that on average, in fiscal year 2025, TxDOT employees were 46.2 years old compared to other state agency employees who were on average 44.8 years of age. Of TxDOT's employees, 68.0% were 40 years of age or older, compared to 62.1% of other state agency employees.

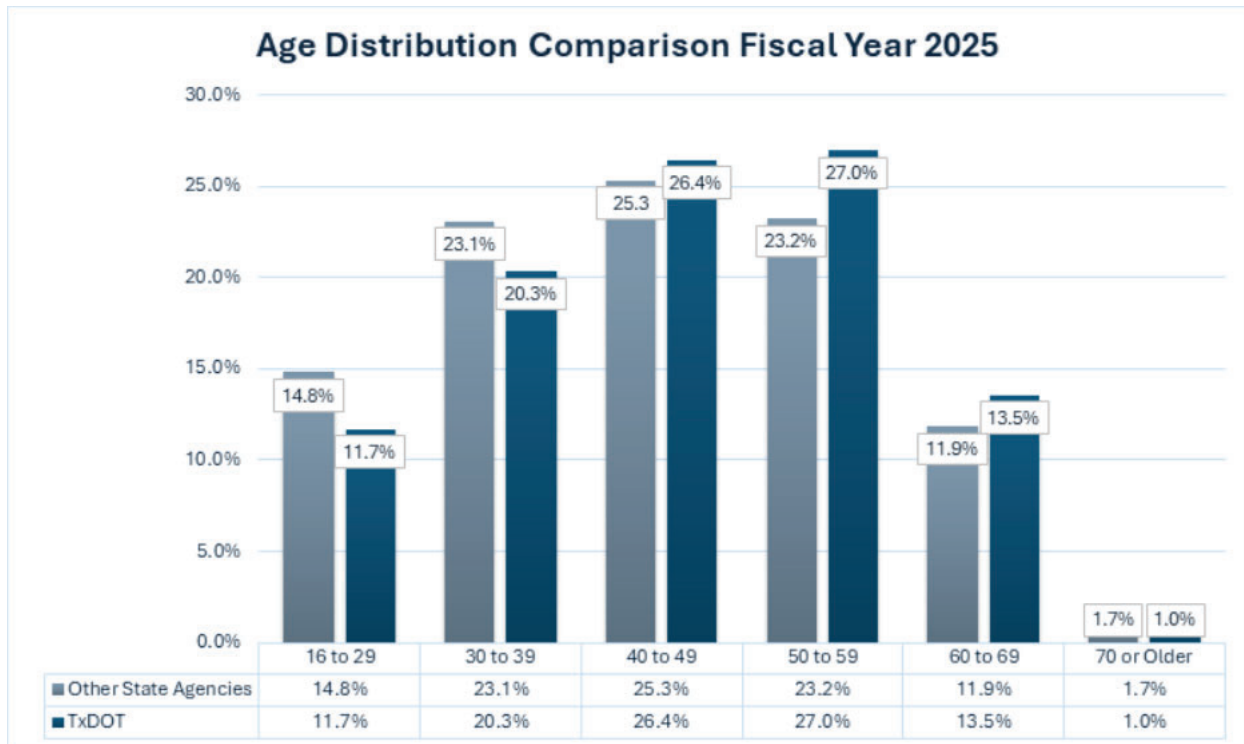


Figure 10: Age Distribution Comparison Fiscal Year 2025

Source: State Auditor's Office's State Classification Team's Electronic Classification Analysis System (E-Class) online system - classified regular full-time and part-time employees.

Gender

Figure 11 shows TxDOT's workforce is predominately made up of men at 75.4%, with 24.6% women in fiscal year 2025. Other state agencies show the opposite composition, with the majority of their workforce being women.

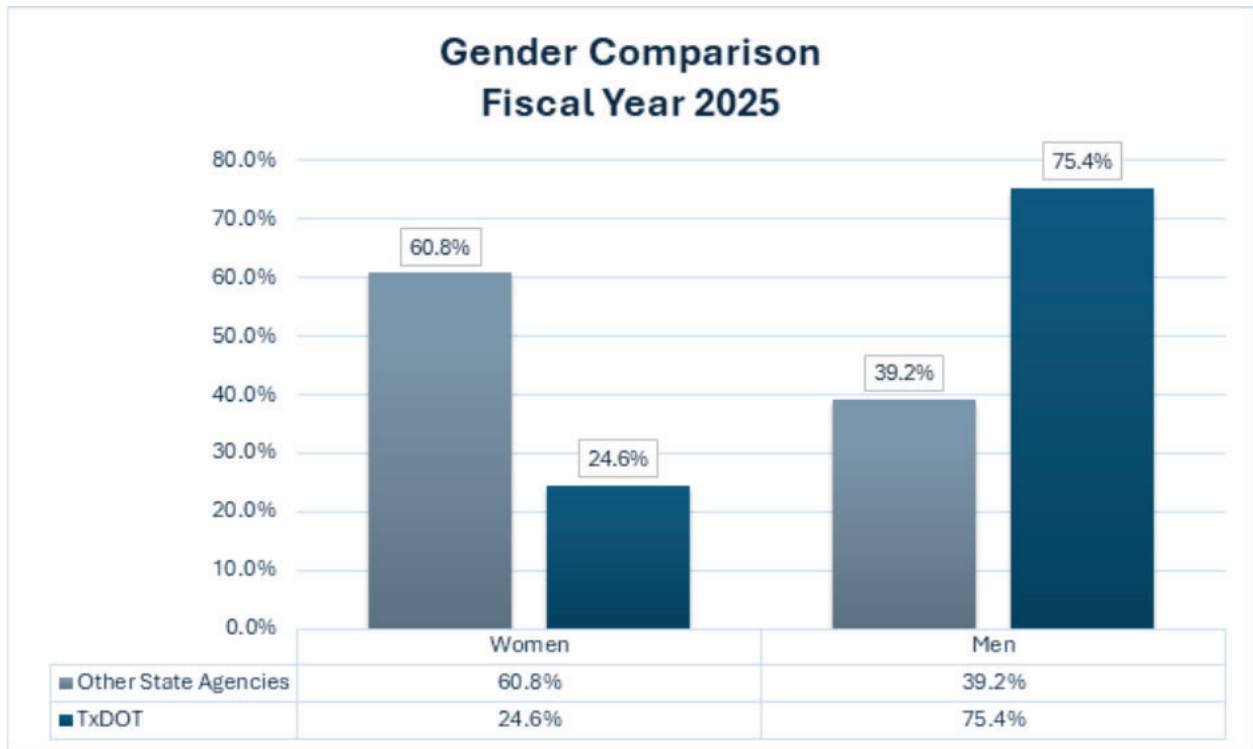


Figure 11: Gender Comparison Fiscal Year 2025

Source: State Auditor's Office's State Classification Team's Electronic Classification Analysis System (E-Class) online system - classified regular full-time and part-time employees.

Ethnicity

As shown in Figure 12, TxDOT's workforce is 55.7% White, 30.5% Hispanic, 8.2% Black, 4.0% Asian, 0.6% American Indian or Alaskan Native, 0.1% Native Hawaiian or Other Pacific Islander, and 0.9% identifying as two or more races.

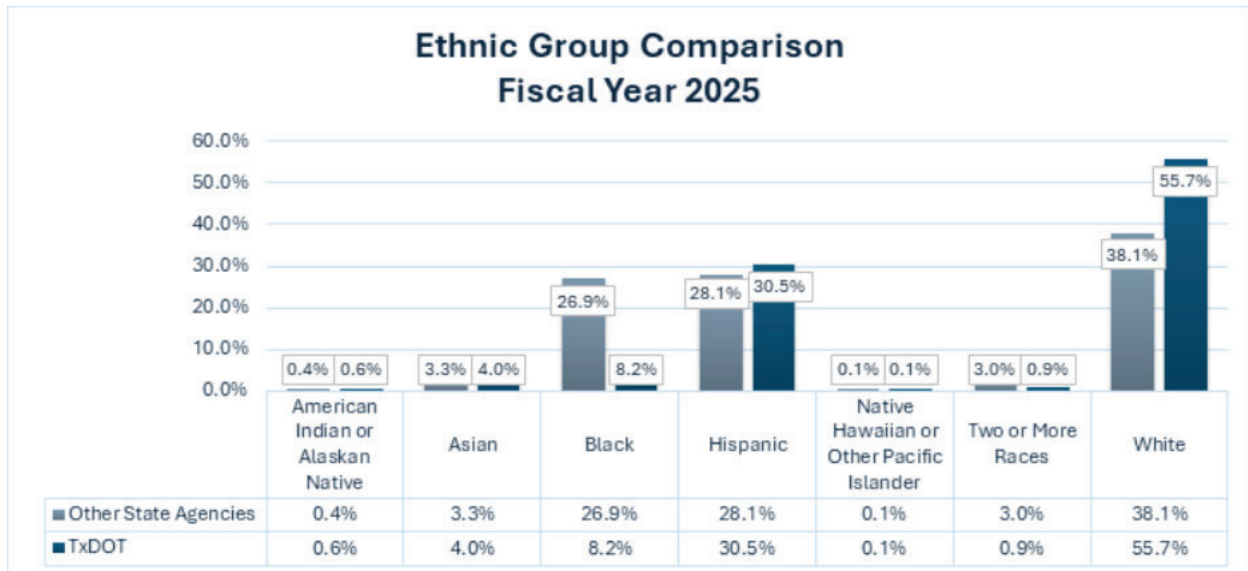


Figure 12: Ethnic Group Comparison Fiscal Year 2025

Source: State Auditor's Office's State Classification Team's Electronic Classification Analysis System (E-Class) online system - classified regular full-time and part-time employees.

Veterans

As reported in the State Auditor's Office's Legislative Workforce Analysis Summary for fiscal year 2024, veterans made up 9.9% of TxDOT's employees, which was higher than the statewide average of 5.7%.

State Occupational Category and Job Classification

In fiscal year 2025, the majority of TxDOT's employees were aligned with job classifications under Engineering and Design and Maintenance, as depicted in Table 1. Top occupations, include the following:

- Transportation Maintenance Specialist – 28.1%
- Engineering Specialist – 19.3%
- Engineer - 5.8%
- Equipment Operator - 3.1%
- Engineering Technician - 2.4%
- Motor Vehicle Technician - 1.8%

Table 5 illustrates the percentage breakdown by category for all occupations used by TxDOT.

Table 5: TxDOT State Classification Plan by Occupational Category Fiscal Year 2025

State Classification Plan- Occupational Category	Percentage of TxDOT Workforce
Accounting, Auditing, and Finance	2.3%
Administrative Support	4.9%
Compliance, Inspection, and Investigation	0.5%
Education	0.1%
Engineering and Design	28.0%
Human Resources and Training and Development	1.1%
Information and Communication	2.0%
Information Technology (IT)	1.8%
Land Surveying, Appraising, and Utilities	1.8%

State Classification Plan-Occupational Category	Percentage of TxDOT Workforce
Legal	0.3%
Library and Records	0.1%
Maintenance	35.4%
Natural Resources	1.3%
Planning, Research, and Statistics	1.2%
Program Management	13.3%
Property Management and Procurement	5.3%
Public Safety	0.0%
Safety	0.7%

Source: State Auditor's Office's State Classification Team's Electronic Classification Analysis System CE-Class) online system - classified regular full-time and part-time employees.

Demand Analysis

The workforce planning process identifies, analyzes and forecasts the number of employees and skillsets required to meet agency goals and strategic objectives, and involves the analysis of work demands that look at multiple areas such as:

- Staffing patterns.
- Demand for labor to address aging infrastructure needs.
- Anticipated program and workload changes.
- Workforce skills to meet projected needs.

According to the State Auditor's Office's State Classification Team's Electronic Classification Analysis System CE-Class) online system, in fiscal year 2025, 1,454 employees left TxDOT. Of those separations, 84.9% were

voluntary (voluntary separations include retirements and transfers to another state agency or institution of higher education), and 29.8% were retirements.

Environmental Scan

State of Texas Economy

Texas enters 2026 with steady job growth and historically low unemployment, reflecting an economy that remains strong relative to national levels. However, the state's labor force participation rate (talent pool) has not yet returned to historical levels. This constraint is creating competition across both public and private sectors, particularly for positions requiring specialized skills or technical credentials.

Population growth has been largely driven by domestic and international migration, which together accounted for three quarters of net population growth over the past five years. Migration inflows comprised more than 22 percent of the Texas workforce in 2023, playing a key role in industries such as construction, manufacturing, and transportation. These industries are critical to TxDOT's hiring pipeline, including technicians, skilled craft, and service/maintenance positions. Recent Bureau of Labor Statistics data suggests that both migration and employment growth are slowing, and statewide job growth flattened in 2025, signaling an increasingly tight labor market.

The state's population growth has also accelerated the shift from rural to urban areas. Although 181 of Texas' 254 counties are classified as rural, these areas represent about 8 percent of the state's population, and almost half of them have seen their population decrease in recent years. Many rural communities face multiple challenges, including aging populations, limited affordable housing, closure of essential services such as schools and grocery stores, and reduced access to health care. These conditions create uneven labor availability and make recruitment and retention difficult in geographically dispersed or hard-to-staff locations. Addressing these issues will require ongoing, data-driven monitoring of demographic trends to guide targeted workforce strategies.

Implications for TxDOT Workforce and Project Delivery

Within this economic context, the construction, transportation, engineering, and information technology labor markets that TxDOT depend on face persistent worker shortages and rising skill requirements. Filling craft and technical roles remain challenging due to retirements, private sector competition, and a limited pipeline of qualified candidates. Similarly, demand for engineers and IT professionals exceeds the available supply, creating staffing challenges that can impact project delivery.

Technology is also reshaping workforce needs. The growing use of Artificial Intelligence (AI) and advanced digital tools is changing job expectations across both professional and field positions. As a result, workforce needs are not only defined by staffing levels but also by employee technical skills and adaptability to apply evolving technologies.

Texas' transportation projects are increasing in scale, but the number of licensed civil engineers available to do the work is not increasing at the same pace. This is especially true for engineers who work in construction and project delivery. To keep projects moving, TxDOT relies on private engineering firms to supplement internal staff. While contracting is a normal part of project delivery, it requires strong oversight and careful cost management. Changes in project funding also increase the importance of efficiency and close monitoring of external contracts. Maintaining a sufficient number of experienced engineers, both internally and through managed contracts, will be important to sustaining project delivery as infrastructure demand grows.

These workforce challenges are compounded by changing employee expectations. TxDOT continues to use Flexible Workplace Strategies when practical and TxDOT salaries are generally competitive with other state agencies.

To address these evolving workforce challenges, TxDOT must continue maximizing productivity per hire while also prioritizing the well-being and engagement of its workforce. Strategies include strengthening education and licensure pipelines, attracting and retaining mid-career professionals, creating an engaging and healthy workplace culture, and leveraging technology to automate routine tasks while enhancing employee capabilities. Strategic investment in our employees will also continue to be critical to sustaining TxDOT's ability to deliver on its mission and meet the growing transportation needs of Texas.

Critical Functions

Table 2 provides a list of functions identified as being critical not only to the mission of TxDOT, but also to ensure Texas achieves and complies with federal and state regulations, metrics and performance measures required as stewards of public trust.

Critical Functions at TxDOT:

- Communications
- Engineering
- Financial Management, Audit, and Compliance
- Maintenance
- Planning
- Procurement and Contract Management
- Program Management
- Project Management
- Safety Operations

Competency Needs

TxDOT recognizes that changing workforce expectations, a tightening supply of skilled labor, and accelerating technology, are reshaping the environment in which public agencies operate. As a result, the competencies required of

our workforce will continue to evolve. To remain effective, TxDOT must intentionally develop the capabilities needed to support safety-first decision-making, operational reliability, and innovation while maintaining a resilient and future-ready workforce. The agency will prioritize competencies that strengthen operational excellence and align with TxDOT's mission, vision, values, and long-range strategic objectives. These priorities direct workforce planning actions, including attracting and retaining talent, expanding career development opportunities, strengthening employee engagement, and supporting the effective implementation of technology.

As a statewide transportation leader and nationally recognized standards-setting organization, TxDOT relies on a workforce capable of safely and effectively delivering complex transportation projects. Employees enter the agency with varying levels of education and experience. While a high school diploma or equivalent provides a foundation, today's transportation environment requires additional applied skills in English, mathematics, social studies, and science. These foundational capabilities support critical functions across TxDOT, including engineering, maintenance, planning, and project delivery.

Strengthening these foundational workplace skills and creating accessible pathways for continued development will be a central challenge through 2030. The competencies outlined in the Texas Higher Education Coordinating Board's Core Curriculum (Texas Education Code, Chapter 61, Subchapter S) includes critical thinking, communication, empirical and quantitative skills, teamwork, social responsibility, and personal responsibility; all of which closely align with the applied skills needed across many agency functions. This post-secondary approach also supports statewide workforce development goals, which aim to have at least 60% of Texans holding a degree, certificate, or other credential of value by 2030.

TxDOT recognizes its role as an employer in helping employees build these competencies through targeted training, education, and professional development programs, ensuring the organization has the capabilities needed to meet current and future operational goals. Building on the foundation laid in the previous Workforce Plan, TxDOT will continue to advance seven core competency needs for both current employees and prospective hires. These competencies will guide how we prepare our workforce and strengthen the agency's readiness for the evolving demands of the transportation system.

TxDOT's Seven Core Competency Needs

- 1. Self-Management:** Displays resilience and flexibility in the face of obstacles; demonstrates self-reflection; pursues personal and professional development.
- 2. Communication:** Communicates clearly and precisely through written and verbal means; provides accurate information effectively; delivers responsive, professional customer service to internal and external customers.
- 3. Problem Solving:** Frames and analyzes complex problems; develops practical solutions; acts decisively, based on sound judgment; demonstrates proficiency in current and emerging technologies.
- 4. Teamwork:** Involves and consults others; builds partnerships; connects across entities; displays empathy toward others and fosters a safe work environment.
- 5. Change Management:** Uses continuous improvement; communicates reason for change; influences others; demonstrates use of innovative solutions.
- 6. People Leadership:** Builds high-performing, multi-disciplinary teams based on merit and capability; coaches and motivates;

delegates effectively; gives and receives feedback; supports employee experience and well-being.

- 7. Technology:** Adapts to technological changes; responsibly uses digital tools and AI to enhance accuracy, efficiency, and service delivery; protects data integrity and security; identifies opportunities to improve processes through technology driven solutions.

Strategies to Address Identified Workforce Gaps

TxDOT recognizes four overarching themes in this Workforce Plan, reflecting the changing needs of the workforce and insights from the labor supply and demand analyses.

TxDOT will strive to:

- Be a **workplace of choice** by enhancing benefits and fostering a collaborative, performance-driven professional environment.
- Prioritize **career enrichment** through a comprehensive development approach.
- Sustain an **engaged workforce** by strengthening employee involvement and well-being.
- Leverage **innovation and technology** to automate routine tasks and improve productivity.

Strategy #1: Be a Workplace of Choice

TxDOT will strive to be a Workplace of Choice in Texas through an ongoing, multifaceted effort to strengthen its employer brand and overall employee experience. The agency will expand outreach initiatives that engage employees at all ages and education levels, support veterans transitioning to civilian careers, and build relationships through professional associations and partner organizations.

Compensation and financial well-being are key components of employee experience. Sustained inflation (20% since 2021) and cost-of-living differences across Texas continue to influence employee expectations and shape TxDOT's ability to attract and retain talent in both urban and rural labor markets. To remain a strong statewide employer, TxDOT will incorporate geographic pay as part of a comprehensive compensation strategy. At the same time, the agency recognizes that financial pressures extend beyond base pay. In response, the agency will expand financial education and other resources to help employees manage financial health.

Recognizing that a career is more than a job and a workplace is more than a physical location, TxDOT will maintain a centralized Wellness Program that supports both organizational readiness and employee well-being. The agency will continue to provide comprehensive health and well-being resources and partner with the Employees Retirement System of Texas (ERS) to offer competitive benefits addressing condition management, behavioral health, as well as life-stage and caregiving support services and resources. Access to flexible workplace strategies, supportive leave, and consistent accommodation practices will further distinguish TxDOT as an employer of choice.

With limited full-time employee (FTE) availability and increasing operational demands on every business unit, the agency will place greater emphasis on hiring skilled professionals who can contribute quickly and effectively to

high-responsibility roles. Having fewer roles to fill means each position carries higher expectations for performance, autonomy, and professional judgment for TxDOT. This shift requires managers to be more deliberate and strategic in hiring decisions, ensuring each hire aligns with long-term workforce needs and a recognition that emerging technologies will continue to reshape job functions. As a workplace offering unique benefits, meaningful public service, and varied career pathways, TxDOT will be better positioned to attract and retain experienced professionals.

TxDOT's core values of people, accountability, trust, and honesty will remain the cornerstone of our culture. Leaders at all levels will be responsible for communicating the agency's values to ensure employees understand the benefits, opportunities, and purpose associated with a career in public service. These efforts will reinforce TxDOT's position as an employer of choice across the state.

Strategy #2: Prioritize Career Enrichment

TxDOT will continue to use its career development program as the primary strategy to address workforce gaps identified in the environmental scan and supply analysis. Current laws require positions above salary group B17 be posted externally, meaning the agency cannot rely on traditional succession planning models to fill vacancies but instead must prepare its workforce to successfully compete for future roles as positions become available. The agency will execute and expand existing programs to prepare employees to compete for open positions. These efforts not only increase TxDOT's ability to maintain organizational effectiveness but also demonstrate that TxDOT values employee growth and professional development.

Supervisors are central to TxDOT's career enrichment efforts. Throughout the year, supervisors and employees are expected to engage in routine career conversations focused on professional development needs, cross-training, and potential career pathways that include both leadership

pathways and lateral movement across the agency. These career conversations also provide an opportunity to discuss overall employee well-being, including identifying ways to foster a more supportive environment around work-life balance, workload, job satisfaction, and personal growth. By addressing both development and well-being, these conversations prepare employees for competitive positions while boosting engagement and retention.

TxDOT will strengthen its leadership pipeline by developing both “ready-now” and emerging leaders. Leadership development remains a priority as turnover and retirements frequently require employees to move into supervisory roles with limited notice. Investing in the development of agile, people-centered leaders will help new leaders effectively manage teams while maintaining productivity and safety in day-to-day operations.

At the same time, TxDOT recognizes that career success does not depend solely on upward mobility into management or supervisory positions. The agency will continue to support technical career progression for employees who develop specialized expertise and choose not to pursue supervisory roles. Supporting technical pathways helps TxDOT retain experienced employees, preserve institutional knowledge, and maintain operations across both field and administrative functions, reinforcing the Agency’s values. Similarly, as technology continues to evolve, ongoing upskilling will be necessary to ensure employees remain confident, competitive, and ready for future roles.

By investing in employee development, TxDOT also supports its strategy of having an engaged workforce. Employees who understand career options, feel supported in their growth, and see opportunities for advancement are more likely to remain with the agency. Strengthening internal capability improves retention, reduces knowledge loss from turnover and retirement,

and helps ensure TxDOT can continue delivering safe and reliable transportation to Texas.

Strategy #3: Sustain an Engaged Workforce

TxDOT will sustain an engaged workforce as a key strategy to address workforce risks and support long-term organizational performance. The agency will strengthen connections to the workplace by expanding pathways into transportation careers, engaging communities affected by domestic and international migration, and building education and workforce pipelines. TxDOT will also support employees from the time of hire through onboarding, development, and engagement resources throughout their careers.

TxDOT recognizes the changing demographics of the labor pool and the limited availability of workers statewide. Broad-based geographic and institutional outreach provides opportunities to secure highly qualified talent across all regions of Texas. The widening gap between workforce demand and talent availability requires recruitment, training, and retention strategies that draw from multiple education and experience levels. Efforts begin with career awareness and educational programs at the K-12 level and continue through job placement for graduating seniors, justice-involved individuals reentering the workforce, entry-level candidates with certifications, veterans, and experienced members of the highway construction workforce.

Early talent development remains a longstanding priority for civil engineering and other critical department functions. TxDOT's Conditional Grant and Year-round internship programs provide structured entry points into public service and strengthen the pipeline for early career professionals. Year-round internships across Districts and Divisions introduce participants to the agency's mission and values while helping identify future employees. Interns who transition to full-time employment, through competitive selection, often demonstrate stronger retention due to familiarity with TxDOT's core

principles of safety, innovation, stewardship, and delivery. The Onboarding Program further supports retention by guiding employees from pre-hire through their second year of service by providing resources, support, and engagement through training, communication, feedback, and recognition.

Complementing these efforts, the Employee Engagement Team of the Human Resources Division evaluates workplace perceptions through the biannual Survey of Employee Engagement (SEE). Starting in 2026, onboarding assessment questions have been incorporated into the SEE to better measure early employment experiences. Integrating survey data with onboarding and engagement initiatives supports informed decision-making and strengthens workforce productivity and sustainability.

TxDOT's Human Resources Division will continue advising executive leaders on staffing demands and facilitate recommendations regarding position allocations as part of the regular legislative process. TxDOT will also continue to inform the State Auditor's Office (SAO) of the agency's needs to ensure alignment with state job titles and identify gaps specific to TxDOT. These efforts are supported by annual analyses of staff compensation, realignment of pay scales when supported by analytic results, and evaluation of individual requests from employees and leaders. By regularly evaluating pay, providing feedback to the SAO, and addressing gaps when needed, TxDOT is better positioned to retain talent, strengthen morale, and build a workforce that is both engaged and committed.

Strategy #4: Leverage Innovation and Technology

Rapid advancements in Artificial Intelligence (AI) and automation are transforming the way work is performed across all sectors, including transportation. Many current skills are expected to evolve over the next five years, requiring the workforce to adapt to new tools, processes, systems, and technologies. These technological advances will shift routine, rules-based tasks to automation, allowing employees to focus on higher-value work that requires critical thinking, creativity, adaptability, and emotional intelligence.

To remain effective, TxDOT will foster a culture of continuous learning and a growth mindset that supports agility and future readiness. Targeted trainings, certifications, and development programs will help employees adapt to these evolving changes and remain competitive for future opportunities.

Key actions will include upskilling and redeployment programs. Positions most vulnerable to automation will require proactive planning to help employees transition into evolving or emerging roles and preserve institutional knowledge. Internal mobility and career development initiatives will support career progression and employee engagement. Learning pathways will incorporate AI capabilities such as data literacy, automation tools, and governance principles ensuring compliance with TxDOT's AI Strategic Plan and governance framework. By integrating advanced technologies and accelerating process automation, TxDOT will improve efficiency, reduce costs, and enhance service delivery. These efforts will position the agency to thrive in a rapidly changing environment and ensure a resilient, innovative, and future-ready workforce.

Workforce Strategies Summary

TxDOT's workforce strategies focus on addressing current and future workforce gaps by creating a supportive, engaging, and future-ready organization. The agency aims to be a workplace of choice by enhancing benefits, fostering a positive culture, and providing resources that support employee well-being across all life stages. Career development is emphasized through continuous skill building, leadership development, and technical career pathways that prepare employees for evolving roles and future opportunities. Engagement is strengthened through proactive onboarding, outreach, education pipelines, and responsive compensation strategies that reflect statewide labor market conditions. Finally, TxDOT embraces innovation and technology, leveraging automation and AI to streamline routine work, upskill employees, and ensure the workforce remains adaptable, resilient, and capable of delivering safe and efficient transportation services for Texas.