

APPENDIX E

WORKFORCE PLAN

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I. Agency Overview

The Texas Department of Rural Affairs was created in 2001 by the 77th Texas Legislature to facilitate efforts and focus the State's health, economic development and community development programs targeting rural Texas communities. The agency administers programs supporting health care delivery in rural Texas; addresses rural community planning activities, housing, public facility needs such as sewer, water system, road, and drainage improvements; and disaster relief efforts. The Department also coordinates and monitors the state's effort to improve the results and cost-effectiveness of programs affecting rural communities, as well as provide an annual evaluation of the condition of rural Texas communities.

In 2008 the Department was selected as lead agency for the Hurricane IKE recovery initiative for the distribution and oversight of recovery funds received from HUD through the CDBG program. This additional responsibility required the design of a new business model and staffing plan to assure that relief efforts were administered in an effective and timely manner.

A. Agency Mission

To enhance the quality of life for rural Texans.

B. Strategic Goals and Objectives

The four goals with objectives and strategies are as follows:

- Goal 1: Support Community and Economic Development, Housing and Health Projects**
Objective 1: Fund Facility, Economic Development, Housing and Planning Projects
Strategy 1: Provide Grants for Community and Economic Development Projects
- Goal 2: Promote Equitable Access to Medical Care and Eliminate Disparities**
Objective 1: Facilitate Health Care for Low-Income Texans in Rural Areas
Strategy 1: Develop Programs to Increase Access to Health Care in Rural Areas
Objective 2: Provide Grants and Loans to Rural Hospitals for Capital Improvements
Strategy 1: Rural Health Facility Capital Improvements
Objective 3: Enhance Sustainability of Hospitals Through the Medicare Critical Access Hospital Program
Strategy 1: Critical Access Hospital Program
- Goal 3: Provide Outreach and Assistance**
Objective 1: Provide Outreach and Technical Assistance to Rural Communities
Strategy 1: Rural Policy and Research

Strategy 2: Emergency Services Districts Assistance
Strategy 3: Renewable Energy Outreach

Goal 4: Provide Indirect Administration and Support Services

Objective 1: Provide Administrative Services to Support the Functions of the Agency

Strategy 1: Central Administration
Strategy 2: Information Resources

C. Business Functions

TDRA's main function is to assure a continuing focus on rural issues, monitor governmental actions affecting rural Texas, research issues, identify possible solutions, and coordinate rural programs among state agencies. TDRA's goal is to provide sustained and comprehensive focus on rural issues, needs and concerns.

The agency's objectives are to:

Perform Oversight Functions

- Ensure that rural programs are being implemented and that program budgets are being distributed to rural areas;
- Develop rural policy initiatives and monitor other agencies' policies to ensure they are not detrimental to rural areas; and
- Facilitate communication between state agencies on all rural issues.

Maintain Rural Clearinghouse Functions

- Be a resource with information on rural programs, services, grants, etc.;
- Help coordinate delivery of rural resources at the state and local level; and
- Get input from rural areas to address local needs and improve delivery of state and local resources.

Coordinate Activities with the Texas Legislature

- Serve as a resource to the Legislature, the Rural Caucus of the Texas Legislature, and the Committees of the Legislature; and
- Develop new policy recommendations for rural legislation and suggestions for improving current legislation.

Agency Outreach

- Respond to requests for assistance from local officials and organizations,
- Initiate contact with local entities to increase awareness for participation in programs.
- Provide outreach, training and technical assistance to communities through twelve field offices located in Levelland, Nacogdoches, Bedia, Kountze, La Grange, Bishop, Vernon, Carrizo Springs, La Marque, Rusk, Trent, and Weslaco; and expand the number and geographical distribution of field offices.

- Provide continued outreach and technical assistance to support the success of communities and organizations that seek TDRA funding,
- Provide outreach and technical assistance to support self-sufficiency, and
- Direct outreach and technical assistance services for the agency's rural health programs through assignment of dedicated employees for this purpose.
- Provide direct disaster recovery technical assistance and oversight of recovery efforts for Hurricanes IKE, Dolly and Rita.

D. Anticipated Changes to the Mission, Strategies, and Goals Over the Next Five Years

Legislative Changes

The Texas Department of Rural Affairs does not anticipate any legislative changes that would change the agencies mission over the next five years.

E. Key Economic and Environmental Factors Facing the Agency

Identification of Key Economic Variables

Economic variables affecting services delivered by the Texas Department of Rural Affairs are discussed below. Each named variable is followed by a discussion of the extent to which service populations are affected, and how TDRA responds to these changing conditions.

Income, Unemployment, and Poverty

The well-being of rural and small town Texas depends on the availability of good-paying jobs, access to “critical” services, strong economies, and a healthy natural environment. Typically, rural Texans have lower incomes than their urban counterparts. In some rural areas, high unemployment contributes to the growing number of persons living in poverty and also increases the number of individuals without insurance. All of these factors place additional demands on TDRA's programs and services. In addition to the serious consequences for families and individuals, unemployment can severely impact a community. The ability to generate taxes and utility revenues and to incur debt is directly related to the resources that a community's citizens have.

Poverty, unemployment, and income are not only important social indicators, but they are also widely used as a factor in shaping state and federal policies and targeting program benefits. These factors often place additional demands on the agency's programs and services. The Texas Department of Rural Affairs recognizes that the overall health of a community consists not only of the personal health of individuals or populations, but also of its community, economic, and social welfare. TDRA administers State Office of Rural Health programs and the Community Development Block Grant (CDBG) Program,. TDRA's SORH division facilitates and coordinates the use of available resources to help

sustain and increase access to quality healthcare in rural Texas, with little regard to a person's ability to pay for those services. This is achieved through administering grants to small rural hospitals, including the state's Critical Access Hospitals with capital improvements, quality improvement and financial planning. The SORH's recruitment and retention programs also target rural areas with the goal of improving the quality of life for rural residents. Many of the healthcare services administered by rural healthcare providers in the hospitals supported by TDRA are for indigent or low income persons. The goal of the CDBG Program is to build viable communities by providing decent housing and suitable living environments as well as by expanding economic opportunities for Texans with low and moderate income. The CDBG program focuses on projects that meet basic human needs. These include safe and sanitary sewer systems, clean drinking water, housing, draining and flood control, disaster relief and urgent needs projects, and passable streets. Such projects are critical in developing and improving community as well as public health infrastructure.

Limited Educational Opportunities

High poverty rates have been linked to low levels of educational attainment. Low levels of formal education have been linked to employment in low wage earning jobs. Low wages have been linked to subsistence living. Literacy is a major issue related to poverty. Rural communities often suffer from a lack of access to educational opportunities. For many rural communities, a smaller tax base means fewer absolute dollars to invest in the local educational system and little opportunity for local enrichment spending. Schools with a smaller student body are less likely to be able to afford to pay for specialized programs to challenge educationally gifted and/or at risk students. A smaller student body can also lead to higher volatility for Texas Assessment of Knowledge and Skills (TAKS) test results because the poor performance of just a few students can skew the results of a small testing group.

Healthcare and services

Although the fundamental purpose of a healthcare system is to provide healthcare services to the people in need, the health sector also plays other significant roles, especially in rural areas, that are intermittently linked to the overall health of rural communities and their surrounding areas. Hospitals are often one of the largest employers in the county. The presence of a viable healthcare infrastructure within a community often serves as a powerful stimulus for new economic investment opportunities. Each community's ability to attract new businesses, in turn, can increase employment opportunities for local residents, prevent out-migration and erosion of resources and human capital, and leverage state and federal dollars.

Many rural Texans are uninsured, impeding their ability to access quality providers or services. Lack of insurance is a crucial problem for the state's elderly, children, and individuals working for small businesses. Local providers and communities impact the provision of rural healthcare. Healthcare is important to state and regional economies, particularly in rural areas. Furthermore, healthcare is an important component of economic development. Quality healthcare services and facilities help attract new

businesses and healthcare providers to an area and retain existing businesses. Adequate healthcare in a community may be a critical factor for businesses and retirees.

Infrastructure

Infrastructure consists of much more than physical amenities—the bricks and mortar—that support transportation, electric/utilities, telecommunications, and water and sewer systems throughout rural Texas. Infrastructure affects the economic development of rural communities. Aging infrastructure cannot support new housing development without water and wastewater upgrades or new construction.

Telecommunication infrastructure issues, especially in rural areas, include limited Internet Service Providers (ISPs), limited available bandwidth in transmission systems and high inter-LATA (Local Access and Transport Area) telephone rate charges present obstacles. There are many impediments that potentially limit infrastructure projects in rural areas such as: the financing and regulations of the infrastructure systems.

Community Capacity Building

Amidst the obstacles imposed by the changing demographics, limited and mal-distributed healthcare providers and services, inadequate public health infrastructure, and dwindling opportunities for new economic investments, there is an intensifying and immediate need for a more coordinated and sustainable approach to build and strengthen community capacity at the local level. Efforts to build and grow a community must begin at the local level and involve community leaders as well as residents in planning, designing, and directing intervention that address their local needs.

F. Key Issues and Challenges Facing the Agency That Will Affect the Agency's Mission, Strategies, or Goals

Expected Future Economic Conditions and Impact on Agency

Rural development policies and efforts that are intended to fill the gap often focus on a specific sector of the community such as economic development or health. While both can have a great impact on the larger community, neither is sufficient by itself. Future community development policies and efforts, therefore, should account for such aspects as community infrastructure and resources, venture capital availability for business development and entrepreneurship, education and retraining, and rural health policy.

Agency Response to Changing Economic Conditions

TDRA understands how important its mission is to preserve, protect and build sustainable economic opportunities for communities in rural areas by:

- Working with rural Texas communities to develop local leadership to address local issues: To accomplish this goal, TDRA will facilitate the development of

- proactive relationships and partnerships among local, regional, state and national levels to offer support and share innovative solutions to individual issues
- Strengthening TDRA's role as the rural voice and aligning ourselves with other rural advocates to mobilize a continued focus on rural issues, and strengthening partnerships with advocates, providers, and other stakeholders to improve services for rural Texans: It is important that all elected officials and all interested entities recognize the impact of local, state, and federal regulations on rural areas and how they relate to the local community.
 - Working to insure that rural areas have equal access to resources and programs available to all taxpayers without any bias toward population density or geography: Specifically focus on characteristics and conditions of rural practice in order to improve the quality of care delivered to rural residents.
 - Ensuring that employees and constituents understand the diverse needs of our targeted population and the different approaches to serving distinct populations.
 - Increasing the public's awareness that the future of any part of Texas is linked to the success of all: rural, suburban, and urban: And though it may not be evident, all Texans, regardless of where they reside, are dependent upon one another.
 - Collaborating with other state agencies that serve a segment of the rural population, including the Texas Department of Housing and Community Affairs, Texas Department of Agriculture, and Texas Water Development Board, and Health and Human Services agencies to name a few: This is done through TDRA's interagency rural working group, as well as the annual Agency Head meeting.
 - Collaborating with Associations such as TGC, TML, TDRCH,THA, TARC, and the Regional Counsels of Government.
 - Promoting strong, vibrant and sustainable rural communities and promoting community cohesion in rural areas: This is done by meeting the diverse needs of all people in communities, enhancing quality of life and personal well-being, social cohesion and creating equal opportunity for all citizens.

G. Current Customer Demands Compared to Customer Demands Predicted for the Future

Community Development Perspective

As previously stated, the Texas CDBG Program has been administered by the state of Texas since 1983. Eligible applicants include cities with populations under 50,000 and counties (excluding entitlement cities) with fewer than 200,000. It is the largest state CDBG program in the nation. Through the years, the program has maintained its primary focus of providing basic human needs, such as water and wastewater improvements and housing. Because of TDRA's broad mission to serve rural communities in Texas, communities will expect TDRA to provide a broad range of services. Changing environmental regulations, aging infrastructure, limited local revenues, higher construction and fuel costs continue to place demands on communities and thus a high demand for CDBG funds.

Communities will expect TDRA to make the best use of the funds it receives under the CDBG program. TxCDBG has added ARRA and NSP funding to the Annual CDBG allocation to enhance the total amount of funds available to communities. These programs have come with additional implementation and reporting requirements for the agency and communities.

Ongoing funding for CDBG is unpredictable. This impacts the ability of the agency to plan for staffing and for communities to plan for projects that the program funds. On average the program has only been able to fund a third of the grant requests it receives from one year to the next. Rural Texas towns continue to see their aging infrastructure fall apart while local revenues still prove insufficient for costly improvements further exacerbated by, fuel costs, and natural disasters.

Outreach and Technical Assistance Perspective

Many rural communities have a high demand for technical assistance, training, and capacity building. TDRA continues to place emphasis on providing ongoing technical assistance to rural communities to ensure success and limit compliance issues. As part of the agency's commitment to rural communities, the agency currently has twelve field offices located in Levelland, Nacogdoches, Bedia, Kountze, La Grange, Bishop, Vernon, Carrizo Springs, La Marque, Rusk, Trent, and Weslaco. The agency is continuing to evaluate the expansion of the number of field offices in rural Texas to enhance the direct delivery of services to rural Texans.

Future expansion in the number of field offices will continue as jobs are reviewed for suitability in a field office environment.

Disaster Recovery Perspective

TDRA's Disaster Recovery (DR) Division is responsible for the administration of Hurricane Rita recovery funding and the administration of disaster recovery funding for Hurricanes Dolly and Ike. DR contracts directly with Engineers, Administrative Consultants, and Environmental Service Providers rather than having communities contract directly. Also, DR works through a Project Management Firm to expedite expenditures and the completion of projects. Additional field offices have been staffed to provide on-site assistance and monitoring in Nacogdoches, Kountze, La Marque and Weslaco.

TDRA/DR was designated as lead agency by the Governor for administration of Hurricanes Dolly/Ike disaster recovery funds. TDRA/DR administers CDBG non-housing funds and is partnering with TDHCA for administration of the CDBG funding associated with housing activities. As lead agency, TDRA/DR's duties are to serve as the State's primary liaison with HUD, oversee the use of disaster recovery funds to ensure compliance with HUD rules, lead the development of a disaster recovery action plan, report to HUD on disaster recovery issues impacting affected regions, and coordinate with various state and federal disaster recovery advisory groups.

The State of Texas (TDRA/DR) was required to publish an Action Plan for Disaster Recovery (Action Plan) that describes the proposed use of U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funding associated with the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, (Public Law 110-329), enacted on September 30, 2008. This Action Plan, which was approved by HUD, describes the following activities related to disaster relief, long-term recovery, and restoration of infrastructure, housing and economic revitalization in areas affected by hurricanes, floods, and other natural disasters occurring during 2008:

- citizen participation process used to develop the Action Plan;
- eligible affected areas and applicants, and the methodology used to distribute funds to those applicants;
- activities for which funding may be used; and,
- grant procedures that will be applicable to ensure program requirements, including non-duplication of benefits.

In accordance with federal law, this Action Plan is being used by the TDRA/DR and the Texas Department of Housing and Community Affairs (TDHCA) to provide the \$1.3 billion in CDBG disaster recovery funds to be used toward meeting unmet housing, non-housing, and other eligible community and economic revitalization needs associated with major disaster declarations in 2008. As additional funding is allocated by HUD, amendments to this Action Plan are expected to incorporate the additional funding allocated to Texas.

In addition, TDRA/DR is responsible for administering \$30.5 million in non-housing funds for the first round of Rita disaster relief funding and \$42 million in the second round Rita disaster relief funding.

An additional \$1.7 billion was also allocated to Texas but has yet to be released by HUD for Hurricanes Dolly/Ike disaster relief efforts.

Once the Amended Dolly/Ike Action Plan is approved, DR will begin taking actions to allocate, award, and begin contracting activities for the construction of Non-Housing disaster recovery activities. While Dolly/Ike Round One funding was aimed at meeting HUD's "Urgent Need" national objective, HUD is requiring that Round Two funding be targeted towards meeting their "Low- and Moderate-Income" national objective. Some communities have reported that they will have trouble allocating and spending funding to meet this national objective. Consequently, staff will provide additional technical assistance, and monitor recovery projects to ensure compliance with this HUD requirement for Round Two funding.

The DR outsource model will provide us with the resources we will need to complete the DR mission. DR has notified vendors that they will be expected to meet deadlines or have their contracts terminated. This tool should enable the division to keep projects on track. Collaborating with HNTB as a project management company will also allow for efficient project completion in a timely manner and within budget.

Adequate staffing levels must be maintained in order to ensure that all contract activities are performed in accordance with established program policies and procedures. This is vital to ensure compliance with HUD guidelines when various audit teams review the documentation.

Texas Rural Foundation

The Texas Rural Foundation was established by SB 115, 77th Legislature, to raise funds from foundations, governmental entities, and other sources to finance health programs in rural areas. SB 446, 78th Legislature, clarified that the responsibilities of the Foundation could also include raising funds for community and economic development programs. The foundation board has been largely inactive since its organization and initial meeting on September 20, 2005. In early 2009, at the initiation of the TDRA Governing Board, the agency committed staff and funding resources to reform the TRF by recruiting new members for the TRF board and supporting start up of TRF activities. At this time, the TRF board is active and in the process of defining its mission and future activities.

Rural Health Perspective

The Rural Health program and services originated as the Center for Rural Health Initiatives in 1989. The Center was established during the 71st Legislature to serve as the primary state resource in planning, coordinating, and advocating statewide efforts to ensure continued access to rural health care services. The Center became TDRA's Rural Health Unit in October 2001, in accordance with House Bill 7 of the 77th Legislature.

Consistent with the overall mission of the Department to enrich the quality of life for rural Texans, the charge of the Rural Health division is to identify, support, and establish conditions that would enhance the ability of rural communities to improve access to quality health care, focus efforts on training and education in order to increase the number of health care professionals in rural communities, and improve the financial status of health care providers and facilities in rural communities.

Workforce shortages hamper attempts to address other pressing health care problems in rural communities. Currently the Department provides several programs related to recruitment and retention some of which were initiated as early as 1991. The demand for these programs continues to grow each year. The Outstanding Rural Scholar Recognition program, Rural Communities Health Care Investment program, and the Texas Health Services Corps programs provide educational stipends or educational cost reimbursement as incentives for health care professionals to locate in rural areas.

In addition the Department administers programs directly related to the recruitment of healthcare professionals to rural areas. These programs include Medically Underserved Community-State Matching Incentive Program, Recruitment Assistance, and Healthfind. The Medically Underserved Community-State Matching Incentive Program has been successful in permitting physicians to set up practices in medically underserved areas of the state. The program has grown increasingly in the number of applicants and in the

number of awards. With the continued workforce shortages, rural communities' demands for primary care physicians to practice in their communities will far exceed the available applicants. Moving forward, the Department will face the challenge of increasing the number of health care professionals while the supply and available funds continue to decrease.

Current demographic and socioeconomic profiles of rural communities influence the demands placed on the health care system. The Border areas of Texas have unique demands placed on them due to a number of factors. The higher poverty, the large number of uninsured, the issue of colonias, and an ever-growing number of undocumented immigrants place a demand on this region of the state that is not found elsewhere. Currently, the Department does not have programs that address the unique demands of the Border areas. In the future rural communities will look to the Department for programs and services targeted to address the health needs of at-risk populations including border populations, minority groups, and senior citizens and immigrants, directed at addressing the cultural and health needs found in rural Texas communities.

H. Current Structure

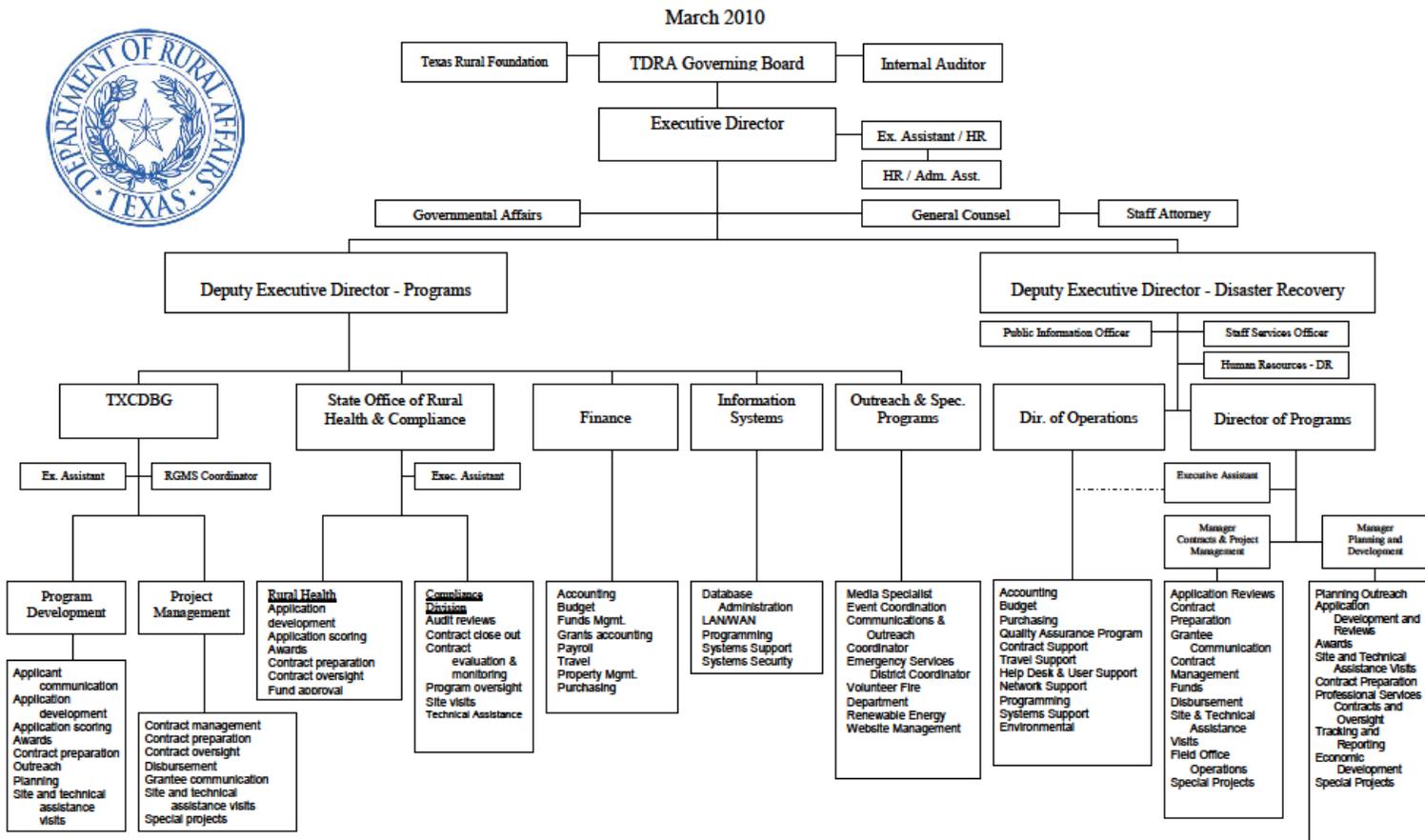
During the 80th legislative session TDRA was under sunset review. HB 2542 was passed that abolished the Executive Committee and established an eleven member Board as the governing body. The Board is composed of four members appointed by the Governor who represent different geographic regions of the state, three public members appointed by the Governor from a list of nominees submitted by the Lieutenant Governor, three public members appointed by the Governor from a list of nominees submitted by the Speaker of the House, and the Commissioner of Agriculture or the Commissioners designee. This Board was constituted and assumed duties on April 3, 2008. The goal of TDRA's Governing Board is to guide the development of the agency and define its policy and philosophy. The Executive Director, selected by the Board, administers the day to day operations of the agency.

In 2008 TDRA was given the additional responsibility to act as lead agency in the administration and oversight of disaster recovery for Hurricanes IKE, Dolly, and Rita. This included the oversight of approximately 3 Billion dollars of recovery funds provided from HUD through the CDBG program. This required the development of a business model and organization of staffing resources dedicated to the specific goals and needs of this program. The Executive Director reorganized the agency in 2008 and 2009 in phases to accommodate this additional responsibility and workload. The following organizational chart reflects the changes that were made and the agencies current structure. This reorganization also required appropriate allocation of federal and state funds for staffing, equipment, and supplies to assure proper allocations to the programs for which they are appropriated to support.

The agency is managed with an "Open Door Policy" in which all relevant information concerning TDRA is accessible through the Internet, intranet, and/or memos and written

policies and procedures. Directors and managers meet monthly in a management team meeting to discuss all issues pertinent to the agency, as well as each division. Monthly agency-wide “all-team meetings” provide a forum for discussions on all issues related to the agency, programs and services, and concerns of employees.

The current organizational structure is presented in the following chart. Staff dedicated to the support of the Disaster Recovery Division has been assigned to the Finance Division, Legal Services, Human Resources, and Information Services Divisions for administrative and professional oversight. Programmatic supervision is provided to these staff by the Disaster Recovery Division This is to assure that support for the Disaster Recovery Division is integrated with agency wide initiatives and professional staff receive appropriate professional oversight.



Overview:

All the divisions in the agency work together to provide support and direction to TDRA to implement legislation, coordinate and streamline services, and initiate and facilitate cross-agency innovation. The agency also administers special projects and initiatives, such as providing opportunities for rural communities to improve health care and living conditions at the local level.

TDRA's Community Development Division—Program Development includes Application Scoring and Awards Guides; Request for Proposal Development; Contracts Preparation; Development of Federal Grant Applications and the CDBG Action Plan; Development of New Funding Sources; Development of New Programs and Projects; Information Management; Development of Memoranda of Understanding and Contracts with State Agencies; Responses to HUD Requests for Proposals and Grant Announcements; and Training on Project Development.

TDRA's Community Development Division—Project Management includes project management such as Administration of Specific Projects Required by Federal Grant Applications and State Law; Approval of Funds Disbursements; Contract Oversight and Compliance Reviews; Grantee Communication; Liaison with Federal Agencies and Communities; Site Visits; Technical Assistance and Visits; and Training on Compliance.

TDRA's Rural Health and Compliance Division works to ensure access to and quality of health care services in rural Texas and is responsible for analyzing performance of the TDRA programs and reviewing audits submitted by sub-recipients.. To achieve these goals for Rural Health, the Division facilitates the growth of rural clinics, establishes emergency medical care networks, and encourages and facilitates healthcare professionals to choose to practice in rural areas by the use of scholarships, training support, rural hospital infrastructure and emergency medical support.

To achieve these goals for Compliance, the Division performs the following duties. The performance analysis section conducts on-site reviews of communities and hospitals receiving CDBG and Rural Health funds. Contracts are considered programmatically closed when all activities have been completed and program issues resolved. The performance audit employees are responsible for reviewing compliance with the requirements of the Single Audit Act and financial audit reports submitted on behalf of communities funded under the CDBG and Rural Health programs.

TDRA's Disaster Recovery Division:

This division is responsible to administer funds and programs for recovery from hurricanes IKE, Dolly, and Rita. The division maintains an Austin office at Airport Commerce Park and field office support to communities in La Marque, Weslaco, Nacogdoches, and Kountze.

TDRA's Finance Division supports agency program operations by providing support services in six different functional areas including Accounting; Budget; Purchasing; Information Systems; Human Resources contract management; and Internal Audit contract management. Division staff develops policy and establishes procedures to

comply with state and federal requirements within the division areas of responsibility. Staff develop the agency's budget; manage its finances; procure its goods and services; process payments to agency vendors; process payroll and travel reimbursements for agency employees; manage the agency's assets; manage the agency's grant funds and federal lines-of-credit; maintain the agency's hardware and software; provide programming and systems development services; provide web administration and systems security services; and, operate a help desk for agency users. Division staff manages the contract with the firm PMB Helin Donovan for Internal Audit services.

TDRA's Information Systems Division provides information resources and support to the agency and is led by the agency Information Resources Manager. The division is responsible to provide hardware and software support as well as communications technology support. Programming support is also provided for the maintenance and enhancements to the agency Oracle-based data management system.

TDRA's Executive Division consists of Governmental Relations, Research, and Policy, legal services and human resources. The Executive Director also provides direct supervision to the Deputy Executive Directors for Programs and Disaster Recovery. The Deputy Executive Director for Programs is also responsible to chair the agency IMPC and for the development of the Strategic Plan, Risk Management Plan, fraud and abuse management, Records Management, Public Information Requests, Business Continuity Plan and Biennial Report to the Legislature.

Governmental Relations, Research and Policy performs an ongoing examination of rural issues, monitors events impacting rural areas of Texas, and creates the annual Status of Rural Texas Report for the Texas Legislature. Governmental Relations, Research and Policy also works to develop a rural policy for the state in consultation with local leaders representing all facets of rural community life, academic and industry experts, and state elected and appointed officials with interests in rural communities. Both of these activities are legislatively mandated, and necessitate gathering input from rural stakeholders. The partnerships and research provide mechanisms to encourage and recommend solutions and innovation approaches to rural issues. Agency customers may also contact Governmental Relations, Research and Policy directly and ask for assistance with research on rural issues.

TDRA's Outreach and Special Programs Division is responsible for:

Emergency Services District Outreach and Renewable Energy Outreach, provide training, support and technical assistance to rural communities for the development of emergency services and development of renewable energy resources. It also includes support for rural communities to provide increased fire protection services.

The Communications Team facilitates outreach by educating the public about TDRA's programs, services, and activities. TDRA's Communications team collects and distributes information to various entities, such as other state agencies, the media, and professional organizations and associations. It also develops all press releases, media advisories, maintains the agency web site, develops all hand out material and provides event

coordination for all programs and agency sponsored training sessions. This Unit establishes and maintains constant communication with public officials, members of the media, and citizens of rural Texas.

I. Future Structure

The Texas Department of Rural Affairs is the sole state agency dedicated to improving the community, economic, and healthcare conditions in rural Texas. The agency will continue to review the effectiveness and efficiency of operations, and make adjustments to provide the highest level of quality service to our customers and constituency. One current activity—the expansion of the agency’s field offices—will result in changed future structure for the agency and is designed to increase constituent access to the agency’s programs and services. The agency is committed to expanding field offices.

II. Current Workforce Profile (Supply Analysis)

A. Workforce Demographics

As of April 6, 2010, TDRA had 62 appropriated full time equivalent positions plus 50 full time equivalent federally funded positions as authorized per Art IX, Sec. 6.10 (G), 81st Legislative Session. Currently 110.6 allocated positions are filed according to the following categories:

Percent of Total Staff

11%	Level Officials/Administrators
84%	Professional/Program Employees
5%	Administrative Support

TDRA’s race workforce profile is approximately 53% White, 31% Hispanic, 14% Black, 1% American Indian and 1% Asian. Females make up 44 percent of the agency’s employees, and males comprise 56 percent.

TDRA is committed to maintaining a workforce that fully reflects the population it serves. Staffing the agency in a manner reflecting the population the agency serves is currently hindered by the lack of a universally accepted definition of “rural.”

Table 1. TDRA Workforce by Ethnicity and Gender

EEO Category*	African American		Hispanic		White		Other	
	Male	Female	Male	Female	Male	Female	Male	Female
Officials and	0	0	2	1	6	3	0	0

Administrators								
Professionals	1	9	10	14	21	11	1	0
Technicians	2	0	2	0	2	2	0	0
Para-Professionals	0	1	1	4	5	7	0	1
Administrative Support Staff	0	2	0	1	0	2	0	0
Total	3	12	15	20	34	25	1	1
Percentage	3%	11%	13%	18%	31%	22%	1%	1%

*Categories used by the US Equal Employment Opportunity Commission

Officials and Administrators - directors, employees establishing broad policy and exercise overall responsibility for execution of those policies

Professional - accountants, system analysts, and other occupations requiring specialized training education.

Technician - computer technicians and other occupations requiring basic scientific or technical knowledge

Para-Professional - perform some of the duties of professional in supportive role

Administrative Support - includes clerical payroll clerks, legal assistants, office machine operators, statistical clerks, bookkeepers

Table 2. TDRA Workforce by Gender

EEO Category	Male	Female
Administrators/Officials	8	4
Professionals	34.8	32
Technical	6	1.8
Para-Professionals	13	6
Administrative Support	0	5
Totals	61.8	48.8
Percentages	56%	44%

Strengths and Weaknesses/Challenges and Opportunities

Strengths

One of TDRA's greatest strengths is an experienced employee. Many of the employees who administer the CDBG grant program and the Rural Health programs have worked in those programs for many years and have developed an in depth understanding of the detailed processes and procedures required. New employees benefit from the extensive program experience of those employees.

The agency Personnel Policies and Procedures Manual has been updated this FY and all staff provided with a copy. This Manual provides comprehensive guidance to employees

on policies and procedures including employment, employee development, salaries and compensation, leave, travel, public complaints, employee grievance procedures, workplace accommodations, standards of conduct and ethics, safety, HIV/AIDS workplace policies, equal employment opportunity, hiring and promotions, information systems, software management, criminal history records, operation of automobiles on agency business, telephone use, safety and health, risk management, drug and alcohol policy, Employee Assistance Program, state property policy, political aid and Legislative influence policy, and standards of conduct for state employees.

Weaknesses

The SAO workforce summary for the agency for FY2008 indicates that 75% of the agency employees are 40 years of age or older and 65% of employees have fewer than 5 years of tenure with the agency. This indicates that the agency should consider succession planning for replacing the existing tenured employees. This should include focused and aggressive staff development. Securing sufficient appropriations in a time of statewide budget shortfalls will provide a barrier to this effort.

Challenges and Opportunities

The primary challenge to strategic staffing initiatives and workforce development is the expected shortfall in upcoming state budgets. It is expected that there may be reductions in funding to core agency programs and that funds will not be available for workforce development and other agency responsibilities that are not direct operations. The expected shortfall may result in fewer agency staff and significant realignment of the duties for remaining staff.

The possible move of some agency operations to rural areas of the state presents both challenges and opportunities. Although some current employees would welcome the move to rural areas, others may want to remain in Austin for various personal reasons. The challenges include the hiring of experienced staff to serve in rural areas to replace those employees who may not want to leave Austin. However, this challenge also becomes an opportunity since new hires will reflect the rural population where the agency operations are located.

B. Workforce Retirement

Within the next five years, 25 employees will be eligible to retire.

C. Agency Turnover

Data from the State Auditor's Office indicate that TDRA's turnover rates not including transfers since FY2002 have fluctuated. The turnover rate in FY2002 was 16.2 percent;

in FY2003, it was 12 percent; in FY2004 9.3 percent; in FY2005 22.2 percent, in FY2006 17.7 percent, and in FY2008 4.3%. The agency turnover rates have exceeded the statewide rates since FY2005 and the Article VII rates since FY 2004. The agency has undertaken efforts to reduce this rate by providing employees the opportunity to provide evaluation and input on agency operations through the Survey of Organizational Excellence; monthly all team meetings, employee recognition program, and open door policy for managers and executive staff. The sharp reduction in turnover in FY2008 indicates that Texas is now being affected by the national economic downturn. The primary concern now is to retain the most experienced and skilled employees as legislatively authorized state employee staffing levels may be reduced or become stagnant. The Disaster Recovery Division was created as a 3-5 year initiative to administer hurricane recovery funds. Turnover statistics for the agency are expected to increase as the work of this division is completed and staff numbers are reduced as their workload shrinks. It is also expected that retention of skilled staff in this division will become more difficult as the work of the division is reduced and staff leave for other positions before their position is eliminated. This will complicate the analysis of turnover statistics in evaluating the remainder of the agencies staffing for the future.

D. Projected Employee Attrition Rate over Next Five Years

Employee attrition is expected to increase due to:

- reduction of staffing in the Disaster Recovery division as that program completes its mission,
- Staff become retirement eligible
- State budgets are reduced in response to worsening economic conditions in the state

The agency will evaluate strategies to mitigate this trend while recruiting and retaining employees with the skills and abilities critical to meeting the agencies mission.

E. Workforce Skills Critical to TDRA's Mission and Goals

TDRA has been able to maintain a staff capable of carrying out its legislatively mandated responsibilities. It was able to accomplish this by ensuring that operational procedures are up-to-date, that capable staff are recruited and hired, and that new staff is trained in a very short time period so that they possessed the necessary skills to perform their jobs.

Additionally, it is important that all TDRA staff possess skills that reflect a rural orientation and awareness. These skills include, but are not limited to, knowledge and expertise in the following:

- Ability to relate with our rural constituency
- Financial systems
- Office software

- Customer relations
- Information resources databases, systems applications, programming design and implementation, and network maintenance
- Ability to interpret legal federal and state statutes
- Strong written and verbal communication skills
- Understanding the needs and environment of rural communities
- Project management, quality oversight, and evaluation
- Outreach and technical assistance skills

F. Projected Skill and Experience Level of Current Workforce in Five Years

Across all agency programs and support divisions, the agency has been able to recruit and retain skilled and experienced employees to fill vacant positions. This includes employees with both professional skills and program specific skills. Many of the management and program specific positions needed to start up the Disaster Recovery Division were filled by available staff within the agency and those vacant positions filled either through internal promotion or recruitment from outside the agency. With the current statewide high unemployment conditions, the agency has had large numbers of skilled and experienced applicants for all job postings. The ability to recruit staff from a pool of experienced and skilled applicants is expected to continue for the next 5 years as state budgets will continue to experience shortfalls and general economic conditions stabilize or experience slow improvement.

G. Affect of Attrition Rate on Ability to Meet Goals

Across all agency programs and support divisions, loss of skilled and experienced employees will impair the agency's ability to achieve its goals. While the agency expects to be able to recruit employees with the required skills and professional training to perform needed duties, the agency must continue with an organized training effort to make them proficient in agency programs. If agency resources are reduced through budget cuts and/or authorized FTE reductions, the agency may not be competitive in employee recruitment even in the current economic environment. Effective employee training may be deferred while new employees "learn on the job" and remaining employees reassigned to the areas of greatest need for the agency.

H. Recruitment and Retention Challenges

Critical Agency Staffing Needs

Across all programs and support divisions, it is critical for the agency to retain sufficient numbers of staff with the skills needed to perform the many complex professional and program duties that support our mission. All positions in TDRA are strategically staffed to provide the specific skills and experience needed to be most effective and provide the

most efficient application of staffing resources. The loss of FTE's or reductions in funding that make the agency uncompetitive in recruitment and retention of current staff levels and abilities will reduce the agency's ability to meet its mission.

Need for Experienced Employees

Retention of experienced employees is needed to pass along program and professional knowledge to new employees and to maintain continuity in the administration and implementation of agency programs. The loss of institutional knowledge through the attrition of experienced employees through retirement or staff reductions will impair the ability of the agency to meet its goals.

III. Future Workforce Profile (Demand Analysis)

A. Expected Workforce Changes

Future workforce demands will be based on the programs assigned to the agency. Any new programs legislatively assigned will be evaluated to determine the staffing skills and levels needed for their effective implementation.

It is expected that the Disaster Recovery Division will reduce staffing levels within 3-5 years as its workload is decreased. At that time an evaluation will be made as to the need to retain core staff that is able to respond quickly to any new disaster recovery events that may arise. Staffing for other program divisions will be based on available funding and programs assigned to them. Staffing in support divisions and the Executive Division will reflect the needs of the program divisions for ongoing support and improvements needed to increase operations efficiencies.

B. Future Workforce Skills Needed

TDRA has put in place hiring guidelines and recruitment processes to ensure that the agency consistently attracts and hires competent professionals with appropriate expertise in the rural arena, as well as with appropriate office practices. These key competencies in current and future staff may include, but may not be limited to:

- Public speaking
- Consensus building
- Project management
- Facilitation skills
- Multi-lingual (Spanish)
- Change management
- Business process change
- Federal and state laws
- Performance management
- Strategic planning

- Flexibility
- Outreach and technical assistance

C. Anticipated Change in Staffing Levels

The changing workload on the Disaster Recovery Division over the next 3-5 years will result in fewer staff in that division over time and in the support divisions that it relies upon.

D. Critical Functions Required to Achieve Strategic Plan

Community Development Perspective

The critical functions required to achieve strategic plan goals include the distribution of funds through responsive programs and customer friendly processes, well-managed field office operations and TDRA services to maintain staffing levels and adequately support the delivery of programs and services by TDRA. These functions may be greatly impacted by the anticipated workforce changes during the next five years.

To assist communities and the agency's customers to succeed, there will be a need to continue to provide adequate staff to provide for direct training, outreach, and technical assistance directed towards empowering rural community representatives and their residents to solve their own problems. The expansion of TDRA into field offices will contribute toward the accomplishment of the agency's strategic plan.

In the future, the functions required to achieve the agency's strategic plan goals include a trained staff with the ability to provide training, grant management, leadership, and technical assistance in multiple program areas that empowers rural community representatives and their residents to manage the federal and state funds awarded them.

Disaster Recovery Perspective

TDRA's Disaster Recovery (DR) Division is responsible for the administration of Hurricane Rita recovery funding and the administration of disaster recovery funding for Hurricanes Dolly and Ike. DR contracts directly with Engineers, Administrative Consultants, and Environmental Service Providers rather than having communities contract directly. Also, DR works through a Project Management Firm to expedite expenditures and the completion of projects. Additional field offices have been staffed to provide on-site assistance and monitoring in Nacogdoches, Kountze, La Marque and Weslaco. Ongoing support for these functions is required to achieve the agency's strategic plan.

Rural Health Perspective

In order to achieve the strategic plan as outlined, the Rural Health Division should continue to provide the services the Rural Health Division makes available to rural Texans. In addition to continuing to provide existing services, the division should support agency efforts in technology and file management.

Critical functions for the Rural Health Division's success are not, however, exclusive to this division. The functions provided by other agency areas such as Financial Operations, Legal, Policy and Public Information are critical to the division's continued success in meeting the goals of the TDRA strategic plan.

Finance Perspective

Managing the agency's budget, procuring goods and services, complying with state and federal financial requirements and supporting program operations are critical functions the Finance Division performs. Such functions enable the agency to provide efficient and effective services to rural Texans.

Legal Perspective

Providing clear, consistent, and decisive legal guidance is the critical function that contributes to the success of the agency.

Compliance Services Perspective

Analysis of contract performance for the highly complex programs TDRA administers is critical to achieve the agency's strategic plan goals. An anticipated workforce change during the next five years has the potential of an impact on this function; however, the changes can also provide TDRA and the unit with a fresh perspective of performance expectations and achievement. The unit is also responsible for program evaluation related to the unit's activities; assisting in the development of goals, objectives, performance measures, and outcomes measures; and monitoring and analyzing performance and outcomes measures. These functions will enable the agency to assess the success of its operations.

Outreach and Special Programs Perspective

The functions of this Division are essential to the agency's effective delivery and implementation of the programs, services and activities under its administration. Ensuring the identification of appropriate, efficient routes of communication and the creation and distribution of informative agency materials and news item, as well as efficient event and presentation preparation is critical to the success of the Strategic Plan as outlined.

Information Systems Perspective

The increasing emphasis on providing web enabled and online services to the public and integrating data into common applications and databases both at the state and agency level, Information Systems operations at state agencies are faced with the difficult task of doing more with the same or less. The Information Systems Division, in order to meet the stakeholder's needs, will implement practices, such as:

- Providing a framework for implementing projects such as the Central Database that call for shared information, integration, public access, and interoperability between internal and external systems.
- Emphasizing standard operating procedures to achieve efficiency and effectiveness in agency operations and maintaining the security and integrity of data stored on agency.
- Making secure public access an IT priority.
- Efficient and effective technical support for agency users.
- Emphasizing and utilizing emerging technologies in an efficient manner.

E. Program Updates

Community Development Perspective

TDRA has made various changes to the program to enhance program delivery and provide funding opportunities to meet the needs of rural communities. The CDBG funds continue to be allocated through the citizen participation process and the vast majority of funding is allocated to regions that establish their funding priorities through 24 regional review committees.

The current trend for federally funded programs such as CDBG is the need for timely expenditure of funds and reporting on performance measures that reflect impact rather than just numerical outputs. TDRA has made numerous enhancements to improve its timely expenditure of CDBG funds and has plans for additional improvements in this area. It has fully implemented the HUD CDBG performance measures into program implementation, which allows Congress, the Administration, state officials, and Texas CDBG management to track our federal performance measures.

TDRA faces the challenge of greater need for providing financing to meet basic human needs in rural areas than available funding. Approximately 62 percent of total funding is allocated to 24 regions based on two allocations formulas. As part of any TDRA Board analysis of the appropriate allocation of funds between regions, TDRA staff must have

the skills to provide extensive modeling of a multitude of distribution scenarios and provide any technical assistance required.

There remains a challenge in addressing delivery of services to remote and less populated areas where the cost per beneficiary is higher as compared to areas that are more urbanized and closer to services. TDRA staff provides technical assistance by providing communities with information on other potential low-cost funding sources for projects in rural areas.

Regulatory mandates, such as the EPA arsenic and radioisotope standards for drinking water, will increasingly impact small communities that do not have the financial capacity or the manpower to address the mandates and still deliver service to their small population.

Overall, there is a significant trend for increased levels of reporting for both the agency and the city and county grant recipients. Agency staff must devise new methods to collect and report this information that is administratively efficient while minimizing the impact on the smaller communities. Staff must have the skills to employ technology to automate reporting to the extent possible. Each increased level of reporting complexity results in the need for staff to provide technical assistance to the smaller rural communities and the consulting businesses that assist them. Staff must develop new assistance techniques that minimize the cost burden to both the communities and the agency.

The Program Year 2011 CDBG Action Plan incorporated changes to enhance program delivery and provide funding opportunities to meet the needs of smaller rural communities. Several new initiatives were approved including a Community Facility Fund, forward commitments, and a colonias to cities initiative.

The Community Facilities Fund will fund a modest-sized project to benefit a community in each of the Councils of Government regions over the next several years. The project must be a community facility project that would have the potential to benefit all citizens with the jurisdiction. The only restriction is that it not be a recreational project. The priority for funding will be the smallest rural cities with a high percentage of residents at the low to moderate-income level.

To meet the needs of small communities that use multiple funding agencies to construct larger infrastructure projects, such as water treatment plants, the CDBG program developed a forward commitment program for its Community Development Fund. The program may designate conditional commitments, contingent upon receiving future CDBG funds from HUD, to make awards to certain eligible applications within a region using future regional Community Development Fund allocations. The purpose of approving a commitment is to allow an applicant to provide a source of funding in conjunction with a larger project where the use of these CDBG funds will not occur until several years into the project. For example, the commitment would provide funding for the water connections associated with a project to build a new water treatment plant. The

city or county could provide this commitment in its application to the other funding agency to demonstrate supplemental funding for this phase of the water project.

Finally, the Texas CDBG program developed a colonias to cities initiative that may be of benefit for certain colonias and cities. This initiative will provide funding for basic infrastructure considered necessary for a colonia area to be annexed by an adjoining city. Priority would be for colonias that have received prior Texas CDBG funding. This use of this program will be driven primarily by a city that wishes to annex an adjoining colonia area.

The increase in flooding and other natural disasters have severely impacted the ability of the program to provide sufficient funding to meet local community recovery needs. The program has devoted an increased amount of funding and staff commitment to supplement the regular Disaster Relief Fund allocation level. The Disaster Relief funds are available to eligible communities with state and federally declared disasters. Since 1992, the program has provided over \$100 million to assist cities and counties recover from natural disasters. In federally declared areas, FEMA requires the applicant to provide the 25 percent match to receive both Public Assistance and Hazard Mitigation Grant Program funds. Rural communities look to TDRA to provide this required FEMA match. For state declarations, TDRA's CDBG funds remain the sole source of funding for repairs and restoration.

TDRA participates nationally in conjunction with the Coalition of State Community Development Agencies (COSDA) to continue current federal funding levels for rural Texas through the CDBG program. The TDRA Executive Director currently serves on the COSDA Board.

Rural Health Perspective

The State Office of Rural Health (SORH) Division has continued to experience downsizing over the last two fiscal years due to budget cuts at the state and federal level. One staff reduction was accomplished through movement to the Executive Division in 2009.

The reduction in staff has affected the assignment of programs to staff. Currently, two of the five program staff, including the field office employee, are assigned to administer the SORH Division's five recruitment and retention programs, and the other two staff are assigned to administer the SORH Division's three hospital-based grants.

Future reduction in program or agency funds could cause additional reductions in staff. Possible reductions will be made through attrition where possible, but substantial cuts, especially at the federal level could result in additional involuntary staff loss. As changes in funding levels affect future staffing, adjustments will continue to be made in work assignments to ensure continuous service to our constituents.

Disaster Recovery Perspective

TDRA's Disaster Recovery (DR) Division is responsible for the administration of Hurricane Rita recovery funding and the administration of disaster recovery funding for Hurricanes Dolly and Ike. DR contracts directly with Engineers, Administrative Consultants, and Environmental Service Providers rather than having communities contract directly. Also, DR works through a Project Management Firm to expedite expenditures and the completion of projects. Additional field offices have been staffed to provide on-site assistance and monitoring in Nacogdoches, Kountze, La Marque and Weslaco.

TDRA/DR was designated as lead agency by the Governor for administration of Hurricanes Dolly/Ike disaster recovery funds. TDRA/DR administers CDBG non-housing funds and is partnering with TDHCA for administration of the CDBG funding associated with housing activities. As lead agency, TDRA/DR's duties are to serve as the State's primary liaison with HUD, oversee the use of disaster recovery funds to ensure compliance with HUD rules, lead the development of a disaster recovery action plan, report to HUD on disaster recovery issues impacting affected regions, and coordinate with various state and federal disaster recovery advisory groups.

The State of Texas (TDRA/DR) was required to publish an Action Plan for Disaster Recovery (Action Plan) that describes the proposed use of U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funding associated with the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, (Public Law 110-329), enacted on September 30, 2008. This Action Plan, which was approved by HUD, describes the following activities related to disaster relief, long-term recovery, and restoration of infrastructure, housing and economic revitalization in areas affected by hurricanes, floods, and other natural disasters occurring during 2008:

- citizen participation process used to develop the Action Plan;
- eligible affected areas and applicants, and the methodology used to distribute funds to those applicants;
- activities for which funding may be used; and,
- grant procedures that will be applicable to ensure program requirements, including non-duplication of benefits.

In accordance with federal law, this Action Plan is being used by the TDRA/DR and the Texas Department of Housing and Community Affairs (TDHCA) to provide the \$1.3 billion in CDBG disaster recovery funds to be used toward meeting unmet housing, non-housing, and other eligible community and economic revitalization needs associated with major disaster declarations in 2008. As additional funding is allocated by HUD, amendments to this Action Plan are expected to incorporate the additional funding allocated to Texas.

In addition, TDRA/DR is responsible for administering \$30.5 million in non-housing funds for the first round of Rita disaster relief funding and \$42 million in the second round Rita disaster relief funding.

An additional \$1.7 billion was also allocated to Texas but has yet to be released by HUD for Hurricanes Dolly/Ike disaster relief efforts.

Once the Amended Dolly/Ike Action Plan is approved, DR will begin taking actions to allocate, award, and begin contracting activities for the construction of Non-Housing disaster recovery activities. While Dolly/Ike Round One funding was aimed at meeting HUD's "Urgent Need" national objective, HUD is requiring that Round Two funding be targeted towards meeting their "Low- and Moderate-Income" national objective. Some communities have reported that they will have trouble allocating and spending funding to meet this national objective. Consequently, staff will provide additional technical assistance, and monitor recovery projects to ensure compliance with this HUD requirement for Round Two funding.

The DR outsource model will provide us with the resources we will need to complete the DR mission. DR has notified vendors that they will be expected to meet deadlines or have their contracts terminated. This tool should enable the division to keep projects on track. Collaborating with HNTB as a project management company will also allow for efficient project completion in a timely manner and within budget.

Adequate staffing levels must be maintained in order to ensure that all contract activities are performed in accordance with established program policies and procedures. This is vital to ensure compliance with HUD guidelines when various audit teams review the documentation.

Finance Perspective

Finance Division staffing, which encompasses Accounting, Budget and Purchasing, has increased to twelve finance positions. Four of these positions are 100% federally funded with Disaster Recovery funds due to the additional allocation of \$1.3 billion dollars to Texas for the Ike/Dolly Disaster Relief effort. The staffing strategy for the seven finance positions has been to hire no-less-than mid-level experienced accountants that can perform multiple tasks and provide back up support to their co-workers when necessary. Their work must be performed in an environment where deadlines are numerous and demands for overtime and compensatory time exist. This experienced staff, which averages over 20 years of work experience in state fiscal operations, have met and/or exceeded state and federal fiscal requirements as evidenced in the numerous state, federal, and internal audit reviews that have been conducted. They have been able to absorb significant increases in financial workload brought about by the \$1.3 billion in CDBG disaster funds that were awarded to Texas in fiscal year 2009 to provide relief to communities affected by the hurricane disasters. These additional funds resulted in an increase from a million dollar budget to a billion dollar budget in the 2009 and 2010

budgets and an increase of 50 additional 100% federally funded full time staff for the CDBG Disaster Recovery program.

During the next biennium, business processes and procedures, and service level expectations from internal and external customers will be evaluated to ensure they are consistent with available staff resources.

Legal Perspective

Program updates will require the General Counsel to seek continuing educational opportunities to expand knowledge of the legal aspects of specific programs as needed to process legal documents, to provide advice, and to produce reports pertaining to new programs or program changes.

Outreach and Special Programs Perspective

TDRA's Public Information/Communications staff has significantly upgraded, through training and equipment, its ability to utilize video and other graphics in communicating the agency's services to rural communities and others. More training is underway and more likely will be needed to fully utilize these capabilities. As the overall agency's programs are changed, expanded or reduced, the Public Information/Communications staff must be prepared to adjust its efforts accordingly.

Compliance Services Perspective

Program policy changes and priorities in ORCA's programs affect the focus of the Compliance Division's close-out monitoring efforts. In addition, ensuring subrecipients' compliance with OMB A-133 increases the need for additional financial examination during the contract performance analysis as part of the close-out phase. The current staffing for the Compliance Division is appropriate for the existing funding levels to accomplish these goals. Any changes in either funding level or contract workload would have an affect on the level of staffing required to continue at the same capacity and would require adjustments to Compliance Division staffing.

Information Systems Perspective

In fiscal year 2009 the agency added an additional Network Specialist and a dedicated Information Resources Manager (IRM) to the Information Systems Division staff which increased full-time staff to seven. Two of the seven staff exclusively support the infrastructure and programming needs of the Disaster Recovery Division. The Information Systems Division modified the agency's existing Oracle-based contract management system to accommodate the new business processes used by our Disaster Recovery programs, , they maintained numerous existing applications, refreshed network and desktop hardware and software, and stood up four new remote office locations while supporting the existing nine remote offices. Audits of Information Resources Systems functions and activities have identified a few areas that must be improved to comply with established state standards, policies and procedures related to Information Resources.

Compliance with established state practices is a top priority for Information Systems staff. Other agency priorities include modifying the existing Oracle-based Community Development Contract Tracking system to address needed changes that will provide an automated data interchange with the United States Department of Housing and Urban Development (HUD); creating a system that will allow automated financial reconciliation between the agency's financial system, HUD's financial system and the state's payment system; and moving the agency's server infrastructure toward a virtualized environment of servers as opposed to a physical environment of servers

During the next biennium, the impact of Hurricane Ike / Dolly funding will require a re-evaluation of Information Systems staffing to ensure staff levels are appropriate to support the business process and procedure needs of the agency and specifically the Disaster Recovery Division.. Business service level expectations from both internal and external customers will also be evaluated to ensure they are consistent with available staff resources.

F. Factors Affecting Workforce

Technological Advances

Community Development Perspective

The community development division continues to streamline procedures and the use of electronic processes. However, program processes must take into account not only the industry trend to become more dependent on electronic processes, but also the lack of adequate electronic infrastructure and skills in certain rural areas. The program is adopting the use of new technology that is consistent with the capabilities of most of its rural constituents and the agency's financial resources. Bringing new technology will require the agency to hire and retain program and support staff with the necessary technological skills and knowledge to make these processes efficient and effective. Another crucial job skill will be program analysis to find the optimal technological technique for meeting particular program requirements. For example, the division continues to offer more opportunities for rural cities and counties to submit reports, requests, or information through email. Further, the division currently offers its applications and many contract management forms in a more automated format that provides for increase ease of use. The division intends to explore the electronic transfer of the forms into its contract management database for increase efficiency and productivity.

The adoption of newer technology has required technical assistance from division staff to local communities. The division must retain and develop sufficient staff capability to update and widen the use of these automation efforts. Additional training and technical assistance to constituents who may not be familiar with technology in general or current technological advances is expected to increase. The division has employed remote teleconferencing (webinar) technology which requires developing technical staff skills not previously necessary. Overall, the program must retain and hire staff that has not

only program delivery skills but an appropriate amount of knowledge to implement new processes that employ technological advances.

Rural Health Perspective

The State Office of Rural Health Division has greatly improved the capacity of staff to track and administer grants using the TDRA database. Substantial programming changes were implemented specific to the needs and requirements of the grant programs the Division administers. In addition, with the existence of a SORH field office, improved technology has been implemented in order to efficiently achieve the goals of the agency to provide direct services in targeted rural areas served.

Disaster Recovery Perspective

Division staff has worked with the agency's Information Services Division to modify the agency's CDBG Contract Tracking Database ("Database") to track Disaster Recovery applications, contracts, vendor contracts and information, and related budget and payment activities. At this time, we believe that the Database will meet our programmatic business needs. Advances to establish cross-divisional policies and procedures that will ensure efficient and prompt payment processing to grantees and vendors are necessary to avoid future inefficiencies.

To address the potential volume of Public Information Requests (PIR) on the Ike/Dolly funding activities the following advances must be established: (1) Determine the best method to extract data from the Database, (2) Invest in new computer hardware and software to assist with the management of data, and (3) Provide technical assistance and training to the public and stakeholders on how to access and interpret the data.

In addition, Division staff will also be required to maintain their computer skills up-to-date and adapt to using new technologies to assist with work efficiencies.

Finance Perspective

The Finance Division will benefit from technological advances and the technological updates to current grant systems.. Required technological updates will be needed in order for financial staff to ensure the efficiency and effectiveness in processing the new Disaster Recovery payments supporting the new engineered business plan for payments to vendors and grantees.

Technological updates will also be needed in implementing the required automotive reconciliations between TDRA's financial system and TDRA's grant system. These advances and updates will significantly improve the efficiency and effectiveness of the services provided by financial staff.

Legal Perspective

TDRA uses legal research services such as Westlaw to support in house legal services.

Compliance Services Perspective

In order to facilitate TDRA's goal of adopting technological advances to accomplish the agency's responsibilities, training will be an important component of the measured success. Movement to an advanced electronic system of reporting for grantees will add challenges to the audit function of the division's performance evaluation, including ensuring the accuracy of reported data, and the ability to verify supporting documentation. Such challenges will serve to enhance the audit skills of staff affected.

Public Information/Communications Team Perspective

TDRA's Public Information/Communications staff continues to obtain the training, skills and equipment to take advantage of the opportunities to more effectively inform the public of the agency's services via electronic means such as the Internet. A new TDRA Website is under development. Video equipment and software have been obtained that will enable TDRA to utilize videos and other graphic arts to better communicate with its constituents. Staff is utilizing the Internet, email and other electronic communication to deliver more quickly its press releases, grant funding notices and other important information. Webinars are being utilized and staff is developing videos, including those for staff training, for each of the agency's divisions. An electronic version of an agency newsletter is also under development and will be delivered via email and available via the new TDRA Web site.

Information Systems Perspective

The constantly changing technology environment has resulted in a continuous reevaluation of computer hardware and software, system applications and staff resources. Staff skills must be current to take advantage of emerging technology and changes in the computer industry.

The Information Systems Division's workload is significantly impacted by changes in agency's programs and services, agency reorganizations to support new missions and the expansion of field office presences. It is also impacted by technological advances in the computer industry and new state and federal requirements.

Industry Changes

Community Development Perspective

TDRA expects to see turnover of local community staff during the next few years. Further, local elected officials, who are the agency's chief constituents, change frequently

as new County Judges, Commissioners, Mayors and Council members are elected. This turnover results in the need for technical assistance and training. Community development processes continue to be refined to adapt to the need for considerable technical assistance and training. The division has adopted the use of webinars to provide program training thereby making it most cost-effective for local officials to receive training and updates. The division has used videotapes of its training workshops to allow constituents to receive training as time permits. The division will need to develop the staff capability to implement new advances in multi-media training and outreach.

Rural Health Perspective

In rural health programs, TDRA expects to see health care providers challenged to keep up with changing regulations, increase in customer demands, increase in uninsured patients, and a higher demand for quality while the costs for operations increase. These health care providers include hospitals, physicians, clinics, emergency medical services, long term care facilities, mental health providers and others.

The demand for the agency services will continue to increase. More stringent regulatory standards will place greater demand on water and wastewater system compliance in rural communities. Technology advances in rural healthcare, housing and water/sewer treatment will be available to small cities. Providing access to this new technology will challenge TDRA's service delivery.

Nationally the cost of health care is increasing. However, the public sector has taken steps to manage costs such as Medicare and workman's comp reducing the rates for physicians. These reductions, combined with an increasingly higher rate of uninsured in rural Texas, results in rural practitioners suffering a loss in reimbursement from public carriers at the same time they have a higher rate of patients unable to pay at all. This makes it more difficult to recruit physicians to rural areas and more difficult to retain them.

Disaster Recovery Perspective

The DR outsource model will provide us with the resources we will need to complete the DR mission. DR has notified vendors that they will be expected to meet deadlines or have their contracts terminated. This tool should enable the division to keep projects on track. Collaborating with HNTB as a project management company will also allow for efficient project completion in a timely manner and within budget.

We anticipate that other governmental entities may begin to consider using an outsource model, such as ours, for future disaster recovery relief efforts.

Compliance Perspective

The Divisions program performance analysis of contracts must retain a certain element of flexibility in order to adjust to any related industry changes. The expertise of the staff is dependent on the division's ability to adapt analysis procedures to encompass these changes. As a result, the ability of the staff to be prepared to adjust to program and industry changes is critical to the division's success.

Outreach and Special Programs Division Perspective

Communications with the public and news media increasingly has become via electronic media such as the Internet, email, Webinars, etc. TDRA Public Information/Communications staff continues to acquire the skills to effectively utilize electronic media to deliver information about the agency's services to the public. While the role of newspapers continues to play a diminishing role in the way people get their news, small rural weekly newspapers continue to be an important avenue of communication in most rural communities.

Information Systems Perspective

Changes in the industries described above will impact the operations of the Information Systems Division. Such changes will require close communication with the other divisions of the agency so that the Information Systems team can plan for future needs. The Information Systems Division will need to stay abreast with technological changes and how to best implement those changes to create a positive workflow process for the agency.

Economic Conditions

Community Development Perspective

CDBG funding is a portion of the federal government discretionary budget and is always subject to reduction. The overall level of CDBG appropriations provided to the state programs has not kept pace with the long term increases in the cost of living. The current economy has reduced the financial resources available to rural cities and counties. This reduction in local resources has placed increased pressure on the CDBG program to provide the financing for necessary investment in infrastructure and other important community facilities. These economic challenges will result in the need for qualified staff to enhance or alter new programs to be responsive to the needs of rural areas. Fewer financial resources decrease the ability of local communities to provide matching funds for state and federal programs. Training from staff will be needed to assist local communities to identify in-kind match and other matching resources to be eligible for state and federally funded projects. Further, tighter local budgets mean that the division must continue to develop alternatives to costly travel such as the increased use of webinars. State budget constraints affect the overall level of salaries for positions that

can be paid and the amount of training available for staff. The division must employ talented staff to develop creative solutions that will continue to deliver high-quality service within these budgetary constraints.

Rural Health Perspective

The current outlook for federal funding of rural health programs is for no major increases or decreases. To date, efforts to reduce and even eliminate federal programs administered by TDRA have not succeeded; however, TDRA must be prepared in the event of future federal legislative cuts. Significant cuts would drastically affect the Division's ability to stay fully staffed and continue to provide the assistance to rural Texas these areas have come to expect. In addition, the constituents served by the health programs of TDRA would experience the ultimate reduction by both a reduction in funding and the possibility of a reduction in service by the RH Division. Finally, as the division's ability to receive adequate funding diminishes, so does the ability to support some of the administrative functions that provide services to RH such as Financial Operations and Policy.

Disaster Recovery Perspective

Since our funding is federal based, and project specific, we understand that division staff are working themselves out of a job. Given the recent reduction in the funding available to our division for the administration of Hurricanes Dolly/Ike Round 2 funding, the division will have to track expenditures and projections for future costs effectively in order to stay within the allocation of funding we are being provided and maintain staff necessary to complete this work.

Given this reduction in funding, and the limited ability to increase staff salaries, management staff may want to consider creating retention tools to ensure that critical staff remains employed through the completion of these recovery efforts.

Adequate staffing levels must be maintained in order to ensure that all contract activities are performed in accordance with established program policies and procedures. This is vital to ensure compliance with HUD guidelines when various audit teams review the documentation.

Outreach and Special Programs Perspective

Economic conditions and the increasing popularity of the Internet and other forms of electronic media have resulted in layoffs at most newspapers and reductions in the amount of space devoted to news coverage. However, rural weekly newspapers remain vital means of communication in their communities. Reduced travel budgets make the advent of Webinars more popular as an alternative to meetings and in-person conferences.

Social Conditions

Community Development Perspective

The need for providing service to rural areas continues despite the increased urbanization of Texas. The division must continue to develop staff with the knowledge of the unique requirements necessary to serve our rural constituents. This staff development includes intensive training from senior staff and includes interactions with many local officials during site visits. As social conditions change, the communities continue to appreciate the high degree of local control over the funding priorities for the program. As society becomes more accustomed to faster transactions and more automation, the division will need to maintain staff that has the skills to develop and implement improvements in program delivery.

The agency continues to hold workshops and meetings to the extent possible in local venues. This gives community representatives the opportunity to provide input and have ongoing and direct contact with TDRA staff. The division continues to use field offices located in smaller rural communities. Locating staff on-site in the communities served elevates the effectiveness of agency communication and public relations with local representatives, citizens, stakeholders and community development practitioners. Field offices will also provide agency headquarters with on the ground community needs and community successes not typically seen except through the project opening and closing site visits.

Disaster Recovery Perspective

Our division has also heard loud and clear that communities expect more involvement in development of programs and local control in setting of priorities. Program staff need to provide be sensitive to balancing our workload demands and the need for technical assistance visits to ensure that we do not short-changed our communities from one-on-one visits. In this regard, Program staff may need to become creative in using technology in providing technical assistance contact and program information.

In addition, our field offices have been placed strategically in order to provide us with a strong presence in the communities where the majority of our funding will target disaster recovery relief efforts. These field offices will also provide disaster recovery headquarters staff and HNTB contract staff with offices to conduct business activities and allow for greater contact with communities and their constituents.

Outreach and Special Programs Perspective

In rural communities, populations are generally aging and in many areas, becoming more racially diverse. The advent of high speed internet and telecommuting also means that rural communities are becoming home to workers who might otherwise have to locate in

urban areas. The TDRA Public Information/Communications staff is sensitive to these changes as it communicates the agency's services to the public it serves.

Rural Health Perspective

In order for rural communities to recruit and retain an adequate healthcare workforce, they must do a better job of "growing their own." This means staff in the Rural Health Division must teach communities to plan farther in advance and emphasize mentoring to establish their future healthcare workforce.

Political Conditions

Community Development Perspective

The political climate at the national and state level remains a concern. Funding priorities resulting in decreased funding for the CDBG program has already negatively impacted the agencies ability to fund the amount of communities requesting CDBG funding. In addition, a high priority must continue to be given to the state's match requirement to ensure the future of the program. The possibility that HUD will impose strict expenditure rates will impact the program. Texas must be involved at the national level as priorities are set and changes to the programs are made. The travel cap on out of state travel limits the ability for TDRA to be involved nationally. However, the program has become proactive by bringing such nationally recognized training as "CDBG Bootcamp" and the annual COSCDA conference to Texas rather than risk being left out while these events take place in Washington D.C. or other states.

Officials and leaders from rural areas of Texas will need to form alliances with urban areas as they seek state funding. Such alliances will increase the influence of such constituencies with state political leaders. One such alliance, the CDBG Coalition is made up of twenty-three nationally recognized and organized political, housing, and community development organizations. The agency is an active member of COSCDA which provides the management up to date perspectives of federal congressional actions related to the program.

Disaster Recovery Perspective

With a new administration and new officials leading HUD, DR must remain flexible to accommodate changing priorities and directions from this federal entity to ensure continued good relationships with HUD during disaster relief funding activities. DR will need to keep updated on federal guidelines and changes in order to ensure compliance with updated HUD regulations. DR needs to maintain constant communication with Grantees and Vendors regarding HUD regulatory changes to ensure that they comply as well.

Also, DR will need to work closely with other TDRA divisions to keep state legislators informed about projects being funded in their communities. These efforts will be important in helping educate legislators of the important mission and role of TDRA.

Rural Health Perspective

Rural Health programs have traditionally been under funded at the federal level. TDRA's Rural Health Division receives a majority of its funding from State General Revenue and earnings from Tobacco Funds. The political climate at the national level is of grave concern nonetheless, as there are smaller amounts of funding available for Critical Access Hospitals and as a result of TDRA's designation as the State Office of Rural Health that are critical to the division's success.

Finance Perspective

In the event state or federal policymakers develop additional programs and services, or existing programs are reassigned to TDRA's administrative umbrella, the Finance Division is poised to provide efficient and effective financial services. Resources would have to be evaluated. Any reductions in funding for administrative and support operations would also require an evaluation of resources dedicated to supporting agency programs and services.

Outreach and Special Programs Perspective

The waning political influences of rural Texas is expected to continue, especially in West Texas where rural populations are decreasing. As a result, the Public Information/Communications Team will continue to work with rural media and leaders to ensure rural communities have information from the agency that maximizes their ability to improve their communities. This would include information about grants and other funding opportunities for rural towns.

Overall Results

Community Development Perspective

Current staff has the ability to adapt to changing conditions; however, it is difficult to estimate the future effect of these conditions since the structure of the workforce may change. The result of technological advances, industry changes, and economic, social, and political conditions will be an increase in workload on the staff, which may have fewer resources with which to deliver services and programs.

The efficiency of operations will be evaluated to ensure that staff continues to operate at optimal levels. Once this can be ascertained, the next step would be to analyze appropriate staffing that corresponds with overall agency priorities.

Overall, the demands for a highly skilled and technological adept workforce will continue to increase. Ongoing training and staff development will be required. The need for succession planning, especially in field offices, will be required to replace staff retiring or leaving the agency. The agency may further ask staff to adapt to new programs quickly while proactively resolving issues the program faces using adaptive strategies and technical assistance.

Disaster Recovery Perspective

This division has hired experienced staff who can hit to ground running in order to establish the work process and IT infrastructure to carry out our mission. In addition, our outsource model will allow us to maintain an adequate contract labor pool to ensure construction activities are completed in a timely manner. One of the strengths of our outsource model is our collaboration with HNTB as a project management company, which will provide strong technical guidance for efficient project completion.

The efficiencies and effectiveness of our operations will need to be closely monitored to keep on budget given our reduced resources.

Also, management staff has to be mindful of turnover, as every vacancy creates inefficiencies and hardship in staff workloads. With the understanding that staff is working themselves out of a job, management needs to consider developing and using retention tools to retain critical staff.

Rural Health Perspective

Because of the threat to continued funding, economic and political conditions will have the greatest impact on the Rural Health Division's future workforce profile. The other factors discussed, however, also play a role in developing and sustaining the current staff. As funding levels threaten to decrease, advances in technology and TDRA's strategy to streamline file management will provide somewhat counteract that affect. The desire of the current staff to succeed and continue to serve the rural constituents of Texas in the health care arena provides an overall positive outlook to the workforce profile of RH.

Rural communities have consistently provided the RH staff with feedback and a willingness to collaborate and cooperate with state and federal mandates, providing TDRA with an avenue to build stronger relationships for the future.

Finance Perspective

With the recruitment of highly skilled staff that has significant work experience in state government fiscal operations, the Finance Division is positioned well to take advantage of technological advances, and adjust to changes in the economic, social, and political conditions. The improved skill sets provide the agency greater flexibility in meeting future financial needs with existing resources.

Legal Perspective

As adjustments to TDRA's administrative scope of program and service delivery are made, the General Counsel will modify practices to accommodate the changes.

Compliance Perspective

The affects of changes in technological advances as well as in industry both rely on staff's ability to adapt to the necessary adjustments in the performance analysis function that will result. Additional training coupled with existing experience will determine the ultimate success of the division's goals.

Outreach and Special Programs Perspective

The Public Information/Communications Team will re-evaluate and adjust its procedures for collecting and distributing information as technological advances and changes in the economic, social, and political conditions occur.

Ongoing training in the use and application of technology and other methodologies useful in successful communications with constituents will continue as budgets tighten and the need for more cost effective and efficient communications strategies increase.

The agency is implementing the use of additional media that may be effective in communicating local, state, and federal opportunities to rural constituents. Such media includes radio and television, as well as online audio and video streaming, and pod casts through the agency's new Website, and email subscription services.

Information Systems Perspective

Advances in technology and the needs of the agency's programmatic and administrative units drive the need for Information Systems workforce resources. The Information Systems Division will require training to maintain and develop new skill sets to stay at the forefront of technological changes. The Information Systems Division will also need to provide customer support services and training for both internal and external users on enhancements to the computers systems and applications that support agency programs.

G. Current Skill Levels

The current skill level of agency staff is high as a result of extensive experience and the ability to recruit skilled staff for vacant and new positions. The agency has numerous staff members who have years of experience and expertise in specific areas such as labor, housing, engineering, monitoring, auditing, law, accounting, rural health, and communications. The mix of skills of the current staff is adequate to perform necessary functions, meet agency's goals and address the agency's mission.

H. Anticipated Need for Change

Community Development Perspective

The agency will need to concentrate on the cross training of staff and providing the adequate number of staff to meet the demands of new initiatives and programs and to maintain the existing programs. The agency's staff needs additional development in broad aspects of the program and training in electronic tracking and reporting processes. Additional field office support staff will need to be retained in order for the program to provide equal or better customer service to its communities. As the TDRA Board places priority on special rural needs and new programs and initiatives are developed, there will be a need to hire staff with specialized skills to meet these priorities and provide staff support to advisory groups appointed by the Board. Additionally, existing staff will need to adapt to changes in program practices and policies.

In order for the agency to meet the needs of rural communities it must continually look for ways to improve efficiency in contract management and technical support. Training and recruiting staff with the skills and experience to meet the agency goals will be critical. Although, the Texas CDBG program requires a specific set of knowledge and skills to operate efficiently and effectively, it is not the only CDBG program operating both in Texas and nationally. The agency may consider recruiting employees from similar programs in both the entitlement and non-entitlement CDBG communities in order to retain staff with CDBG experience and knowledge as it faces the retirement of its own experienced staff.

Rural Health

As outside forces affect and drive the direction of the Rural Health Division over the next several years, the RH staff will continue to need to demonstrate a consistent effort of customer service to our rural constituents. The Division should continue to explore new and innovative ways to provide the necessary services to rural Texas in the area of health care, and do what is necessary to stay at the forefront of developing and impacting health care policy both at the state and federal levels.

Finance Perspective

With the recruitment of highly skilled staff that have significant work experience in state government fiscal operations, the Finance Division anticipates no needed changes. The improved skill sets currently in the Finance Division provides the agency greater flexibility in meeting future financial needs with existing resources.

Legal Perspective

No changes are anticipated.

Compliance Perspective

The division's ability to effectively analyze performance of contracts is dependent on the knowledge and expertise of the staff, the amount of communication between compliance staff and the staff of both the community development and rural health staff, and the quality of the evaluation tools used to analyze performance. Changes with the Single Audit threshold will require more focus of financial analysis at the contract close-out stage. As a result of these identified areas of focus, the staff will begin the process of evaluating and implementing related necessary changes to the current performance evaluation tools to ensure effective procedures. Finally, more resources must be directed to specific training in contract performance areas to further enhance staff's expertise.

The unit will continue to develop processes for program evaluation and outcomes measures related to Compliance operations; and monitoring and analyzing Compliance performance and outcomes measures.

Outreach and Special Programs Perspective

The Outreach and Special Programs Division anticipates ongoing on-the-job training for its entire staff. With changing technology and a growing need to review and evaluate communication needs, e.g., new markets, such as the elderly, and providing documents in Spanish, the members of the Team will need a better understanding of and the ability to work with the tools available to them to efficiently and effectively address the Team's goals and the agency's mission. Acquisition of new media technology and identifying more effective ways for its use will also require ongoing staff training and program staff orientation.

Information Systems Perspective

Services provided by the Information Systems staff will need to be evaluated if the agencies technology support needs change and if current funding levels are reduced.

Disaster Recovery Perspective

Management staff has to be mindful of turnover, as every vacancy creates inefficiencies and hardship in staff workloads. This is of particular importance for Field Office operations where an unexpected vacancy can have a significant impact on daily work activities.

DR needs to ensure that all operational manuals are completed and up-to-date so that in the event of turnover, staff can be trained quickly to perform their duties.

DR also needs address deficiencies in contactor obligations timely. When appropriate, quick action needs to be taken to terminate contracts and hire a replacement firm as quickly as possible so that program activities are not adversely impacted.

Lastly, as work activities migrate towards construction and completion of construction activities, management needs to conduct work load reviews in order to address any imbalances that have occurred.

IV. Gap Analysis

A. Anticipated Surplus or Shortage of Employees

Community Development Perspective

The agency will need to use its current number of FTEs to meet its immediate responsibilities. The slight increase in federal funding for this program should allow this division to meet its obligations. However, the division is understaffed in FTE's allocated. This may result in a reduction in the level of technical assistance, contract administration services and timeliness of application processing and other services to rural communities. The agency anticipates requesting an increase in the FTE cap to meet this understaffing problem.

Disaster Recovery Perspective

As the workload of this division changes and reduces over the next 3-5 years, there may be temporary surplus or shortage of employees relative to the workload. This will be anticipated and actions taken to assure adequate staffing to perform the duties of the division.

Rural Health Perspective

The Rural Health Division is currently operating with a full staff. A shortage in staff is not anticipated at this time.

Finance Perspective

Anticipated legislative budget reductions and possible FTE reductions in the upcoming legislative session could create a gap in support services provided by this division. If reductions are made to Finance staffing, business processes and procedures, and service level expectations will have to be reevaluated. It is anticipated that reductions in staffing will result in a decrease to the accounting, budget and purchasing services provided to internal and external customers.

Legal Perspective

The agency has hired a general counsel position and legal counsel for the Disaster Recovery Division. This is expected to be sufficient to meet the needs of an agency of our size and requirements.

Compliance Perspective

A shortage of employees is not anticipated at this time. In the event that the division receives an increasing number of state and regulatory reporting requirements on behalf of the agency, additional staff may be warranted. Reductions in agency FTE's or funding during the next legislative session would result in fewer staff in this unit. This would require a review of current business processes and possible reductions in oversight activity.

Outreach and Special Programs Perspective

Projected reductions in agency FTE's or funding during the next legislative session may result in fewer staff in this unit and the loss of their skills.

Information Systems Perspective

Projected reductions in agency FTE's or funding during the next legislative session. If reductions are made to Information Resources staffing, business processes and procedures, and service level expectations will have to be reevaluated. It is anticipated that reductions in staffing will result in a decrease to the Information Resources services provided to internal and external customers.

B. Anticipated Surplus or Shortage of Skills

Community Development Perspective

The potential loss of current employees as a result of retirement or other attrition may result in a shortage of experienced program staff and staff with specialized skills. If staffing levels are reduced as a result of reductions in agency FTE's or funding during the next legislative session, retaining an appropriate level of staff skills in those retained will require staff retraining.

An area that TDRA will need to address is the difficulty in hiring experienced and qualified staff to fill field office positions due to high travel associated with the position and need to provide appropriate salaries to meet travel demand. This assessment is dependent upon the location of the field office. Although it may take more time to recruit qualified staff to certain locations, eventually all positions can be filled.

The loss of current staff due to retirement or unanticipated separation from the agency may result in a shortage in staff required to meet program requirements. In addition, rapid technological advances may out-pace available training resulting in workforce shortages.

Disaster Recovery Perspective

This division does not anticipate a surplus or shortage of employee skills.

Rural Health Perspective

Rural Health staff has developed the expertise to effectively administer the programs and grants assigned.

Finance Perspective

The Finance Division anticipates no surplus or shortage of skills. The improved skill sets currently in the Finance Division provides the agency greater flexibility in meeting future financial needs with existing resources.

Legal Perspective

There is no anticipated surplus or shortage of skills.

Compliance Perspective

A shortage of employees is not anticipated at this time. The addition of a new field office program monitor will further distribute the workload. In the event that the division receives an increasing number of state and regulatory reporting requirements on behalf of the agency, additional staff may be warranted.

Outreach and Special Programs Perspective

No surplus or shortage of skills is anticipated.

Information Systems Perspective

IR staff currently has the skills and abilities to provide the services needed. As technology changes, staff will need ongoing training to remain current in their field.

C. New Skills Needed

Community Development Perspective

The agency needs employees who have a broad understanding of the following: other community development funding programs, an understanding of rural economics, the pressures of increasing environmental regulation, the skills to bring communities together to address community development problems, and the ability to communicate these

issues. Further, employees able to multi-task and use today's technologies to make the agency more efficient and effective will also be needed.

Disaster Recovery Perspective

This division currently has employees with the skills needed to perform its duties. The need for additional skills will be based on meeting any additional responsibilities assigned to the division.

Rural Health Perspective

The RH Division should continue to develop the skills of staff by cross-training in all program areas and providing formal training for database and report writing applications.

Finance Perspective

The Finance Division anticipates no needed changes. The skill sets currently in the Finance Division provides the agency flexibility in meeting future financial needs with existing resources.

Legal Perspective

Ongoing maintenance of licensing and continuing education will also be needed as required.

Compliance Perspective

New skills needed by the unit include enhanced financial analysis to compensate for the number of Single Audits to be received and complexity as a result in the increased expenditure threshold; there will be an increased need for financial analysis during the close-out phase of contract completion. Additional financial analysis may also be required for high-risk grantees on an on-going basis. New skills in the development and tracking of performance outcomes will also need to be developed to ensure the unit's success in accomplishing the goals and objectives of TDRA.

Outreach and Special Programs Perspective

The Public Information/Communications Team will need training on new software packages designed for the development of marketing materials, media communications and effective and efficient communications delivery options. The Team may also require training, on-the-job or through other resources, with regard to use of recently acquired media equipment and software. Team staff would also benefit from individual

participation in professional organizations that focus on communications, public relations, marketing, etc.

Information Systems Perspective

As new technologies develop, all Information Systems staff will require training to maintain and improve their skill levels. Training will provide opportunities for the agency to retain its current workforce and to streamline and improve on agency processes.

D. Ability of Current Skills to Meet Future Needs

Community Development Perspective

In the event of reduced staffing or that the turnover rate increases, the skill level may be significantly reduced, impacting the ability of the staff to meet program requirements and agency goals. The current skill level of the staff is adequate to meet current needs. However, as the needs of the agency grow, so too will the need for enhanced skills. The agency must be proactive in its approach by planning for the future.

Disaster Recovery Perspective

The current skill level of the staff is adequate to meet current needs. However, as the needs of the agency grow, so too will the need for enhanced skills. The agency must be proactive in its approach by planning for the future.

Rural Health Perspective

The division is progressive with training efforts both internally and externally and as a result, there is optimism that future needs will be met as current skills become increasingly developed.

Finance Perspective

The improved skill sets currently in the Finance Division provides the agency greater flexibility in meeting future financial needs with existing resources. As state law, rules, policies, procedures and state-wide financial systems change, the agency will need to adapt to new financial standards and business practices. Staff will attend the necessary statewide training to maintain their skills and stay abreast of events.

Legal Perspective

Current skill levels are sufficient to meet future needs.

Compliance Perspective

The division utilizes a system of hiring employees with previous experience evaluating federal and state programs. A primary focus will be with applicants possessing previous financial evaluation experience and skills as well. As a result of the policy of hiring experienced employees, cross-training of current employees to compensate for employees lost through retirement and/or attrition has had a minimal impact on the continued success of the division's goals and objectives. The expectation is for this trend to continue, reflecting the division's ability to meet future needs with current skills.

Outreach and Special Programs Perspective

The current skill level of the Public Information/Communications Team staff is adequate to meet current needs. However, as the needs of the agency and its constituents grow, so too will the need for enhanced skills. Both the Team and the agency would benefit from an increased ability to perform its functions through a review, individual training, and agency-wide implementation of enhanced cost-effective and efficient communications strategies.

Information Systems Perspective

The skill and experience level of the Information Resources staff reflects the specialized skills in their professions. The IS staffs skills and experience must constantly change due to the advances in the computer industry. Changes in programming languages and the need for video conferencing and real time communication with rural communities will drive the needs for specialized training in those skill sets.

E. Functions and Skills Which May be Discontinued

The current functions and skills of the agency's staff will remain intact as minimal requirements; and they will continue to provide a solid foundation upon which new skills and abilities will be built. As previously noted, the agency will need to keep abreast of funding reductions impacting its state and federal programs. Reductions in this method of finance will have a measurable impact in the type of staff TDRA will have in the future. There is a possibility that functions will be discontinued. When and where within the agency will depend on when the budget reductions are made. In addition, many functions will be transferred from the Austin headquarters to field offices as the number of field offices is increased.

V. Strategy Development

A. Goals Addressing Competency Gaps or Surpluses

Changes in Organizational Structure

The Texas Department of Rural Affairs is the sole state agency dedicated to improving the community, economic, and healthcare conditions in rural Texas. The expansion of the agency's field offices and hurricane recovery efforts of the Disaster Recovery Division will result in changed future structure for the agency and is designed to increase constituent access to the agency's programs and services.

Retention Programs

Retention is impacted by agency mission, opportunities, recognition of staff, rewards, and other motivational factors. It is important that talents are assessed, and that staff are provided with opportunities that match their talents. Such opportunities must include functions and activities that contribute to the accomplishment of the agency's mission, goals, and objectives.

A team lead position has been developed in each Division that allows employees to experience managerial responsibilities which will allow access to higher level positions.

The agency management team provides agency wide luncheons for all staff at Thanksgiving and Christmas as a show of appreciation and employees are regularly complemented and publicly praised for a job well done.

Another approach to retention is appropriate recognition and rewards for a job well done. Such recognition is important for job satisfaction and retention. A "Star" employee rewards program is currently in operation which recognizes an outstanding employee each month at the agencies All Team Meeting.

Recruitment Plans

The agency has traditionally recruited staff through the Texas Workforce Commission's Work In Texas website. Recruitment strategies will be expanded in the future to attract skilled employees who are representative of the diverse sectors of society. The pay scale for each type of job will be reviewed to ensure that the agency is competitive with other agencies and sectors of the economy.

Career Development Programs

Community Development Perspective

The goal is to encourage staff development by implementing cross-training and employee development programs that contributes toward a career ladder progression of responsibilities. The division provides opportunities for training by soliciting training schedules and information from external sources as well as by providing in-house training to familiarize staff with various program requirements.

The division encourages participation in employee development programs to accommodate future needs. The division plans to identify or develop training programs

to fulfill these needs. The agency team lead policy allows division staff the opportunity to perform the duties of a team lead for a period of six months to develop supervisory experience and skills. A staff member in this role would perform duties such as drafting evaluations for the manager's review, assigning work to other division staff, and tracking the progress of important work assignments.

Staff is encouraged to pursue professional career development. However the agency must budget and have funds available for specialized training for staff.

Disaster Recovery Perspective

Staff in this division has been hired to accomplish the specific task of hurricane disaster recovery using federal funding. As the program moves through phases of implementation staff will be added and reduced according to workload and skills needed. The division expects to hire staff with the skills needed for the short time that the positions will be active.

Rural Health Perspective

Staff will continue to be cross trained. Since the division is small, there is no career ladder within the division. However, as employees develop expertise, they will be in a position to advance their career goals in the larger marketplace.

Finance Perspective

Participation in state finance professional organizations is encouraged and strongly supported. State agencies such as the State Comptroller's Office provide numerous training classes on state requirements, processes and procedures. Training on statewide systems, agency systems and federal grantor systems are also available and encouraged. Education and professional certifications are desired including meeting continuing professional education requirements.

Legal Perspective

The General Counsel is encouraged to pursue professional career development, and participate in professional activities and training relative to the legal profession. Ongoing maintenance of certifications and continuing education are also encouraged.

Compliance Perspective

The unit utilizes cross-training and participation in employee development programs to accommodate future needs. The unit plans to continue to identify or develop training programs to fulfill these needs.

Outreach and Special Programs Perspective

Staff in this unit has diverse and specialized skills. As different requirements are placed on the unit it will be necessary to provide staff with the training needed to provide the required support. A team lead structure has been implemented in this unit that will provide the opportunity for unit staff to acquire supervisory experience.

Succession Planning

Agency staff is cross-trained and exposed to management issues and strategies. The goal is to develop succession programs in anticipation of future workforce changes and needs.

Management will continue to identify positions that may become vacant in the future, and identify individuals who have the talents, skills, and abilities to succeed departing staff. Cross training is an important aspect of such succession planning. Sufficient time for such cross training must be dedicated so that there is no loss of productivity.

Leadership Development

TDRA's goal is to offer outsourced leadership development programs in anticipation of future workforce changes and needs. The agency will continue to sponsor internal management training as well as external training opportunities. The Governor's Management Development Program may also be used to increase workforce leadership skills. An agency wide policy has been adopted to encourage the appointment of team lead positions to allow employees to acquire supervisory experience.

Organizational Training and Employee Development

Managerial staff's goal is to develop organizational training and employee development strategies in anticipation of future workforce changes and needs. Team meetings for the Division will be increased as a result of Change Team recommendations to keep the level of information sharing high.

Meanwhile, organizational training and employee development activities are provided one-on-one through on-the-job training, attendance at workshops and seminars and supplemented by the Governor's Management Development program. Employees are also encouraged to do self-improvement work on their own. Staff may also be provided support in acquiring certifications and training for skills that are essential to the agency.

B. Strategy for Addressing Surplus or Shortage

Surplus

TDRA does not anticipate any staffing surplus with the exception of the Disaster Recovery Division when the workload of the division begins to be reduced. In that division, staffing will be monitored relative to workload and reduced through attrition and staff reductions based on skills and numbers of staff needed for each phase of the program.

For other agency staff, based on a reduction in state and/or federal funding or a reduction in authorized FTE's, staff reductions will be accomplished through attrition or a Reduction in Force policy that will be adopted to meet the conditions of the RIF.

Any reduction in staffing will result in a need to prioritize the various duties of the agency and in not meeting some goals and duties.

Shortage

Workforce shortages affect the agency's ability to meet the agency's goals, inhibit its ability to address its mission, its mandates, and the expectations of the legislators and rural Texans the agency was designed to serve. The strategy for addressing workforce shortage includes using local, regional, state, and nationwide resources to recruit qualified, interested applicants. The recruitment process begins as soon as or before vacancies occur. Until staffing levels are returned to their maximum, management uses its cross-trained employees to complete tasks associated with their unit's focus. Selective filling of vacant positions will be done as part of the agency strategy for responding to projected staff shortage.

C. Strategy for Addressing Recruitment, Training, and Retention

Recruitment

Recruitment activities are initiated only when a vacancy occurs within the agency. Upon development of a vacancy, the agency's management uses the agencies hiring policy to actively pursue qualified applicants when appropriate.

Contract Worker Attainment

TDRA has contracted administrative services to external organizations for internal auditing and temporary help. TDRA has increased productivity through the use of summer intern(s) on a paid or unpaid basis. The Disaster Recovery Division has contracted directly with Engineers, Administrative Consultants, and Environmental Service Providers rather than having communities contract directly. Also, the Disaster Recovery Division has contracted a Project Management Firm to expedite expenditures and the completion of projects.

Partnerships

The agency continues to expand its partnerships with other state agencies, community colleges, universities, Councils of Government, and local entities in order to extend the mission of the agency. This will involve increased coordination and collaboration.

Staff Training

Senior members of the agency's staff provide on-the-job training for positions as appropriate. Ongoing maintenance of professional certifications and continuing education is also encouraged.

Succession Planning

Adequate funding and opportunities for exposure to national issues and interaction with other states is needed to provide broad perspectives and involvement of staff with potential management skills.

Staff is cross-trained to be familiar with all aspects of operations. The development of guidelines and operating procedures provides formal processes, which are used to educate new staff.

D. Strategy for Addressing Imbalances Over Next Three to Five Years

Changing Programs

In the event an imbalance occurs over the next three-five years in any program or service area under the agency's administrative umbrella, the agency will review and assess the imbalance, and implement necessary adjustments to realign the program or service area with the agency's goals and mission.

Turnover

The agency will actively pursue qualified applicants in the areas of complex federal and state grant management, monitoring and auditing, and overall management, fiscal, and technical skills. The reasons for staff turnover will be assessed to determine if they are internal or external to agency operations; and necessary operational adjustments will be made.

E. Identification of Leaders

Identification of Leaders

The agency's supervisors constantly observe staff to identify personnel who exhibit leadership qualities and characteristics. Various employees have been assigned to team-lead roles and the team lead policy allows interested employees the opportunity to experience managerial responsibilities and enhanced leadership training.

Assessment of Leaders

Leaders are assessed through written performance evaluations. As leadership potential is shown, staff is given the opportunity and encouraged to develop leadership skills. Team Leads are evaluated on leadership qualities similar to regular managers and directors.

Development of Leaders

Staff identified as having exhibited leadership skills and potential are given the opportunity to participate in training classes specifically designed to enhance current skills and to teach new skills necessary for leadership positions. The Governor's Management Development Program may be used to develop leadership among the staff along with the utilization of the agency's own leadership training personnel and programs. Various employees have been assigned to team-lead roles and the team lead policy allows interested employees the opportunity to experience managerial responsibilities and enhanced leadership training.