

TEXAS FACILITIES COMMISSION WORKFORCE PLAN - FISCAL YEARS 2015 - 2019

AGENCY OVERVIEW

The Texas Facilities Commission (the “Commission”) supports state government through strategic planning, asset management, design, construction, maintenance, and leasing of state facilities and the reallocation and/or disposal of state and federal surplus. The Commission currently manages a design and construction portfolio of 83 projects worth \$439 million. The agency also maintains a portfolio of approximately 1,000 leases comprising 10.7 million square feet on behalf of state agencies across Texas. The Commission’s state-owned property inventory consists of approximately 14.3 million square feet of office space, warehouse and service facilities, and parking garages and surface lots located throughout the state. In addition, the Commission provides property management, repair, renovation, routine and deferred maintenance services, and utility services for this inventory. Finally, the Commission operates the state surplus and federal surplus property programs and coordinates the state’s recycling and waste management programs.

AGENCY GOALS, OBJECTIVES, STRATEGIES AND RELATED MEASURES

| GOAL 1 – FACILITIES CONSTRUCTION AND LEASING | |
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| The Commission will provide office space for state agencies through construction and leasing services and manage public buildings, grounds, property, and construction services. (Texas Government Code Chapters 2165, 2166, and 2167.) | |
| OBJECTIVE 1.1. | To obtain and maintain a space on the basis of obtaining the best value basis for the state in both owned and leased space, and to increase the ratio of owned space compared to leased space by 2015 when practicable. |
| Outcome Measure | Dollar savings achieved through the efficient use of state-owned space. |
| Strategy 1.1.1. Leasing | |
| Provide quality-leased space for state agencies at the best value for the state. | |
| Output Measure | Total number of leases awarded, negotiated, or renewed. |
| Efficiency Measures | <ul style="list-style-type: none"> Average lease processing time (days). Percent reduction of leased square footage of office and warehouse space. |
| Explanatory Measures | <ul style="list-style-type: none"> Total square footage of office and warehouse space leased. Cost per square foot leased. |
| Strategy 1.1.2. Facilities Planning | |
| Ensure that the state optimizes the use of leased, purchased, and constructed office space by providing planning and space management services to state agencies. | |
| Explanatory Measure | <ul style="list-style-type: none"> Total square footage owned. Income from parking lots and garages. |
| OBJECTIVE 1.2. | To complete 95% of the construction, renovation, or repair of state office buildings in accordance with required specifications and within established budgets and schedules. |
| Outcome Measure | Percent of completed construction projects on schedule and within budget. |
| Strategy 1.2.1. Building Design and Construction | |
| Provide a comprehensive program to ensure that state facilities are designed and built timely, cost-effectively, and are of the highest quality. | |
| Output Measure | Number of construction projects managed. |
| Efficiency Measures | <ul style="list-style-type: none"> Percent of change in project construction costs due to change in scope. Percent of change in project construction costs due to errors and omission in design. Percent of change in project construction costs due to unforeseen conditions |
| Explanatory Measure | Percent of construction projects on schedule. |

GOAL 2 – PROPERTY AND FACILITIES MANAGEMENT AND OPERATIONS

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| The Commission will protect and cost effectively manage, operate, and maintain state facilities. (Texas Government Code Chapter 2165.) | |
| OBJECTIVE 2.1. | To provide and maintain a clean and healthy environment in state facilities. |
| Strategy 2.1.1. Custodial | |
| Provide cost-effective and efficient custodial services for state facilities. | |
| Efficiency Measures | Average cost per square foot of privatized custodial services. |
| OBJECTIVE 2.2. | To complete 100% of the funded deferred maintenance projects by the end of fiscal year 2015. |
| Strategy 2.2.1. Facilities Operation | |
| Provide a comprehensive program to protect the state's investment in facilities by eliminating deferred maintenance needs, providing grounds maintenance and minor construction services, improving the reliability of mechanical systems, and promoting efficient energy consumption and recycling. | |
| Output Measure | Total quantity of paper recycled (in tons). |
| Efficiency Measures | <ul style="list-style-type: none"> • Average cost per acre of grounds care provided. • Average cost per square foot of all building maintenance. • Cost per square foot for outsourced property management. • Cost per square foot for state managed properties. • Utility cost per square foot. • Percent of deferred maintenance projects completed. |
| Strategy 2.2.2. Lease Payments | |
| Make lease payments on facilities financed through the Texas Public Finance Authority. | |
| Output Measure | Square footage of building space financed through Texas Public Finance Authority (lease payments). |
| Strategy 2.2.3. State Cemetery | |
| Operate and maintain State Cemetery and grounds. | |
| Efficiency Measure | Cost per acre of grounds care. |

GOAL 3 – SUPPORT SERVICES

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| The Commission will provide support to state agencies for surplus property needs. (Texas Government Code Chapter 2175.) | |
| OBJECTIVE 3.1. | To effectively screen, receive, and convey state and federal surplus property each year for the benefit of eligible Texas donees for federal surplus property and other state agencies and members of the public for state surplus property. |
| Outcome Measure | Fair market value of federal surplus property distributed. |
| Strategy 3.1.1. Surplus Property Management | |
| To provide timely, appropriate, and cost effective opportunities for disposal of state and federal surplus property to maximize the value received by the state. | |
| Output Measure | Total net dollar sales of state surplus and salvage property sold. |
| Explanatory Measures | <ul style="list-style-type: none"> • Number of donees who received federal surplus property. • Number of agencies participating in the state surplus property program. |

GOAL 4 – HISTORICALLY UNDERUTILIZED BUSINESSES (“HUBS”)

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|---|---|
| The Commission will establish and implement policies governing purchasing and public works contracting that promotes the inclusion of historically underutilized businesses (“HUBs”). (Texas Government Code Chapter 2161.) | |
| OBJECTIVE 4.1. | To include HUBs in at least 26% of the total value of contracts and subcontracts awarded annually by the Commission in purchasing and public works contracts. |
| Outcome Measure | Percent of the total dollar value of purchasing and public works contracts and subcontracts awarded to HUBs. |
| Strategy 4.1.1. HUB Plan | |
| Develop and implement a plan for increasing the use of historically underutilized businesses through purchasing and public works contracts and subcontracts. | |
| Output Measure | <ul style="list-style-type: none"> • Number of HUB contractors and subcontractors contacted for bid proposals. • Number of HUB contracts and subcontracts awarded. • Dollar value of HUB contracts and subcontracts awarded. |

GENDER AND AGE

The Commission currently has a legislative appropriations cap of 417.6 full-time equivalent (“FTE”) positions for Fiscal Year 2014 and Fiscal Year 2015. As of March 31, 2014, the Commission employed 282 agency staff FTEs and 101 contract FTEs. The Commission’s current workforce is approximately 74% male and 26% female. Approximately 78% of the agency’s employees are age 40 and over, while only 7% are under age 30. The average age of Commission employees is 47.9 years and the median age is 49 years. With only about 22% of the Commission’s workforce under the age of 40, the agency must aggressively plan to ensure continuity of the institutional knowledge and experience represented by its employees who are eligible to retire before the end of Fiscal Year 2019.

EQUAL EMPLOYMENT OPPORTUNITY JOB CATEGORIES

The Commission has a highly educated workforce with many professional employees holding advanced degrees or credentials. Additionally, many technical employees hold various licenses and certifications. Of the Equal Employment Opportunity (“EEO”) job categories, the combined categories of Technical, Skilled Craft, and Service Maintenance together represent the greatest number of agency employees and this category represents 49% of the Commission’s workforce. The Professional category represents the second largest number of Commission employees, for a total of 42% of the agency’s workforce.

WORKFORCE DIVERSITY

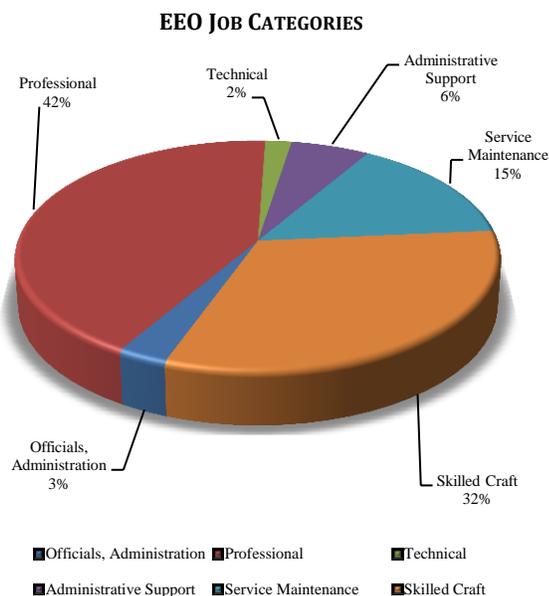


Figure 2. Equal Employment Job Categories

The Commission is committed to providing equal opportunities for employment. Employment decisions are not influenced by race, color, religion, sex, national origin, age, or disability. The agency makes every effort to recruit, select, and retain a qualified workforce that is representative of the state’s civilian labor force and the Commission will continue to work diligently to meet the equal employment goals of the State of Texas.

As of March 31, 2014, African Americans and Hispanics comprised 41% of the Commission’s workforce. The following table provides a comparison of the agency’s labor force with the state’s labor force.

| EEO JOB CATEGORY | AFRICAN AMERICAN | | HISPANIC AMERICAN | | FEMALE | |
|---------------------------------|------------------|-----|-------------------|-----|--------|-----|
| | State* | TFC | State* | TFC | State* | TFC |
| FY 2013 | | | | | | |
| Officials/Administrators | 11% | 13% | 15% | 13% | 52% | 25% |
| Professionals | 11% | 11% | 16% | 16% | 56% | 37% |
| Technicians | 17% | 0% | 25% | 14% | 58% | 14% |
| Administrative Support | 19% | 5% | 31% | 50% | 87% | 80% |
| Skilled Craft | 8% | 14% | 26% | 26% | 5% | 0% |
| Service Maintenance | 24% | 37% | 36% | 40% | 44% | 19% |

**data taken from Commission on Human Rights Annual Report FY 2013 (Texas Workforce Commission)*

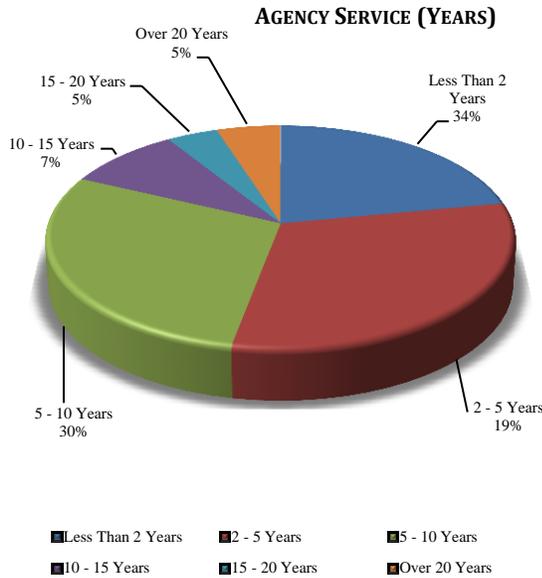


Figure 3. Employee Agency Service as of March 31, 2014

TENURE

The Commission is hiring more employees from the private sector with little or no prior state service. Approximately 53% of Commission employees have less than five years of agency service, with 34% having been with the agency for less than 2 years. Only 10% of Commission employees have 15 or more years of service with the agency. The average state service time is 5.96 years and the median state service time is 7.96 years.

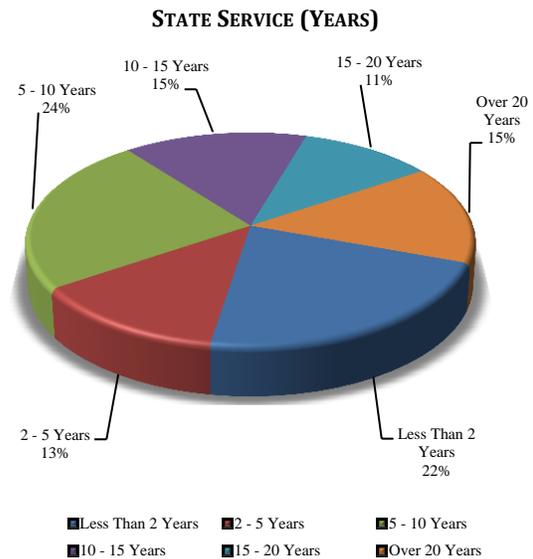


Figure 4. Employee State Service as of March 31, 2014

EMPLOYEE TURNOVER

Employee turnover is an area of concern for any organization, including the Commission. The loss of institutional knowledge and experience impacts the agency's ability to function at maximum efficiency. High staff turnover not only has an adverse effect on the operational program in which it occurs, it also puts added strain on human resources and payroll staff.

From Fiscal Year 2009 through Fiscal Year 2013, the Commission's employee turnover rate was below that of state government overall. In Fiscal Year 2013, the agency's employee turnover rate slightly exceeded that of the state.

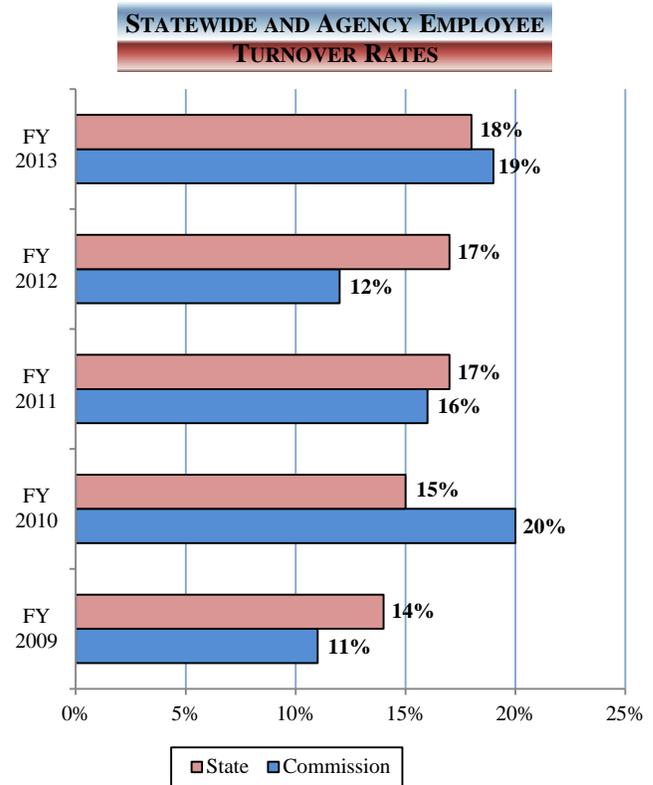


Figure 5. Statewide and Agency Employee Turnover Rates

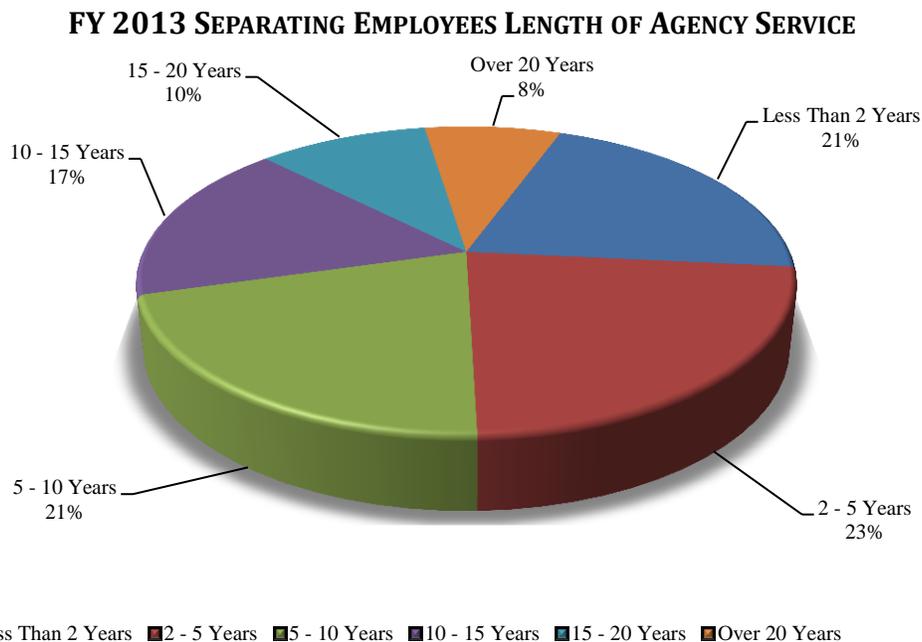


Figure 6. FY 2013 Separating Employees Length of Agency Service

ELIGIBLE RETIREES

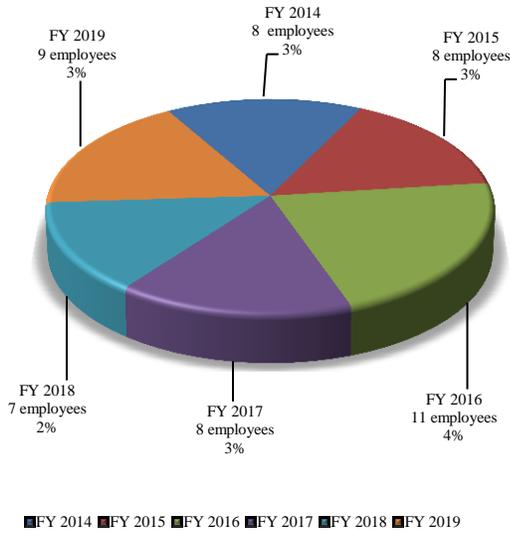


Figure 7. Eligible retirees

As shown in the chart in Figure 8, the largest percentages of Commission employees who will become eligible to retire in the next six years are in the Professional, Service Maintenance, and Skilled Craft categories.

CURRENT AND FUTURE WORKFORCE CHALLENGES

LABOR MARKET AND TRENDS

The Texas Workforce Commission reports that the Texas labor market continues to grow, adding 314,200 jobs from February 2013 to February 2014. This figure represents an annual growth rate of 2.8% for Texas compared with 1.6% for the nation during the same period. All Texas industries had more jobs in February 2014 than in February 2013 including the state's government sector with an increase of 6,600 jobs during this period representing an annual increase rate of 2.0%. According to the U.S. Department of Labor, Bureau of Labor Statistics ("BLS"), the seasonally adjusted unemployment rate for Texas was 5.7%, marking the fifth consecutive month of decline in the state's unemployment rate, which has remained below the national unemployment rate for 85 months. The BLS unemployment rate for Austin/Travis County was 4.7% in January 2014.

RETIREMENT ELIGIBILITY

Employees over the age of 40 comprise 78% of the Commission's Fiscal Year 2014 workforce and approximately 18% of the agency's current workforce will be eligible to retire between Fiscal Year 2014 and Fiscal Year 2019. When considered by EEO job categories, 47% of the Commission's employees in the Professional category and 45% of the agency's employees in the Technical, Service Maintenance, and Skilled Craft categories will be eligible to retire within this timeframe.

ELIGIBLE RETIREES BY EEO JOB CATEGORY

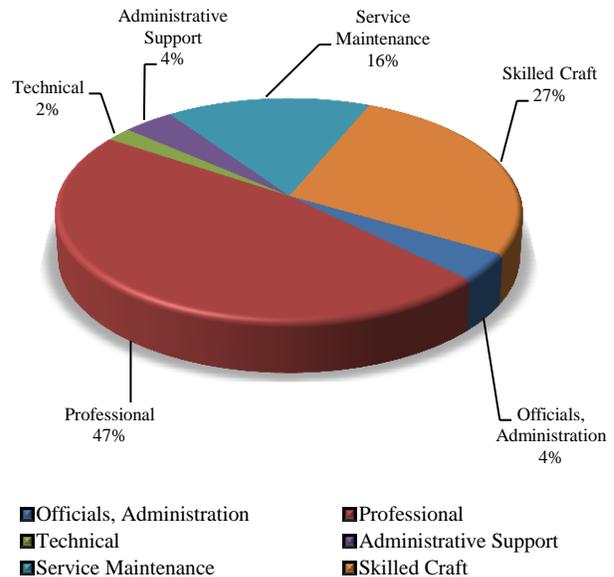


Figure 8. Eligible retirees through FY 2019 by EEO Job Category

According to information from BLS, projected changes in employment between 2012 and 2022 include regaining some jobs that were lost during the economic downturn of the 2007-2009 recessions. Construction trades workers, such as electricians, plumbers, and carpenters, are projected to account for most of the new jobs in construction. These projections, combined with the relatively low unemployment rate in Travis County, means the Commission is competing directly with the private sector for available construction trades workers to fill critical vacancies in program areas that perform core functions of the agency.

Data from BLS show that growth in the labor force has been affected significantly by the aging of the baby-boom generation—persons born between 1946 and 1964 and now ranging in age from 50 to 68 years. From 2004 to 2014, this age group showed an annual growth rate of nearly 4 times the rate of growth of the overall labor force. The effect of these numbers can be seen in the projected percentages of agency employees eligible for retirement.

RETIREMENTS AND TURNOVER

As stated previously, employee turnover is an area of concern for any organization, including the Commission. The loss of institutional knowledge and experience impacts the agency's ability to function at maximum efficiency. While the Commission has generally experienced lower turnover rates than state government overall, staff turnover not only has an adverse effect on the operational program in which it occurs, it also puts added strain on human resources and payroll staff.

With approximately 18% of the Commission workforce being eligible to retire through calendar year 2019, the agency foresees the potential for a significant loss of key personnel and institutional knowledge. The largest percentages of Commission employees who will become eligible to retire in the next six years are in the professional, service maintenance, and skilled craft categories. When these factors are considered in conjunction with the facts that 78% of Commission employees are over the age of 40 and 53% of agency employees have five years or less of agency service, this loss of experienced managers and technical specialists becomes even more critical. It is imperative for the agency to ensure that this organizational knowledge and expertise is not lost but is transferred at a steady pace. This is being addressed through increased emphasis on cross training and professional development at all levels of the organization as well as on the documentation of internal policies and operational procedures.

STRATEGIC INITIATIVES

EMPLOYEE RECRUITMENT AND RETENTION

The Commission will continue to identify and implement participatory and progressive workforce practices to promote and support a well-trained, knowledgeable and highly motivated workforce. Recruiting and selecting the best employees who can contribute to the agency's goals and objectives is crucial to the agency's success. Managers and supervisors will be trained on best practices for the hiring process to provide them with the skills necessary to select the most qualified applicants. The use of clearly-defined career ladders will allow current employees the opportunity to be rewarded for their performance and to advance within their chosen field, as the budget allows. When vacancies exist, hiring at entry or journey-level where possible, and utilizing these established career ladders will encourage a culture of positive reinforcement for exceptional job performance and will assist the agency in employee retention. The Commission will develop and implement a strategy to create a technical career path that will

give employees in highly-skilled, technical positions a means of career advancement comparable to that of managers and supervisors, again as the budget allows.

Retaining these quality employees in today's competitive labor market poses another challenge. Rewarding exceptional performance, providing meaningful staff development opportunities, and promoting and encouraging career growth will aid in the agency's retention efforts. A training needs assessment is planned in order to ensure that all employees receive continuous training and professional development opportunities that are relevant to the Commission's day-to-day operations. However, successful implementation of training and professional development plans is subject to availability of adequate funding. In light of budget constraints, in-house training will be provided to address needs in areas such as IS training and basic and advanced supervisory skills. The agency will ensure available resources and opportunities are distributed fairly and equitably throughout the workforce.

SUCCESSION PLANNING AND FUNCTIONAL CROSS-TRAINING

The Commission strives to maintain a qualified and diverse workforce that is committed to public and customer service and that possesses the skills needed to successfully carry out the mission and core functions of the agency. However, retirements and attrition can result in a significant loss of institutional and technical knowledge. Many of the pending retirements over the next five years are either managers or staff with senior-level technical expertise. In order to address any deficits between the current agency workforce and future demands, the Commission is continuing to systematically document business processes and procedures and to cross-train employees to ensure that organizational knowledge and expertise is transferred at a steady pace. Critical and core competencies are continually reviewed and updated for all posted job descriptions and standards. Employee job descriptions are reviewed and updated to ensure they accurately reflect current duties and requirements.

These measures to address current and future workforce challenges and to enhance work performance by improving employee knowledge and technical skill will allow Commission employees to continue to provide excellent service to the agency's many customers.