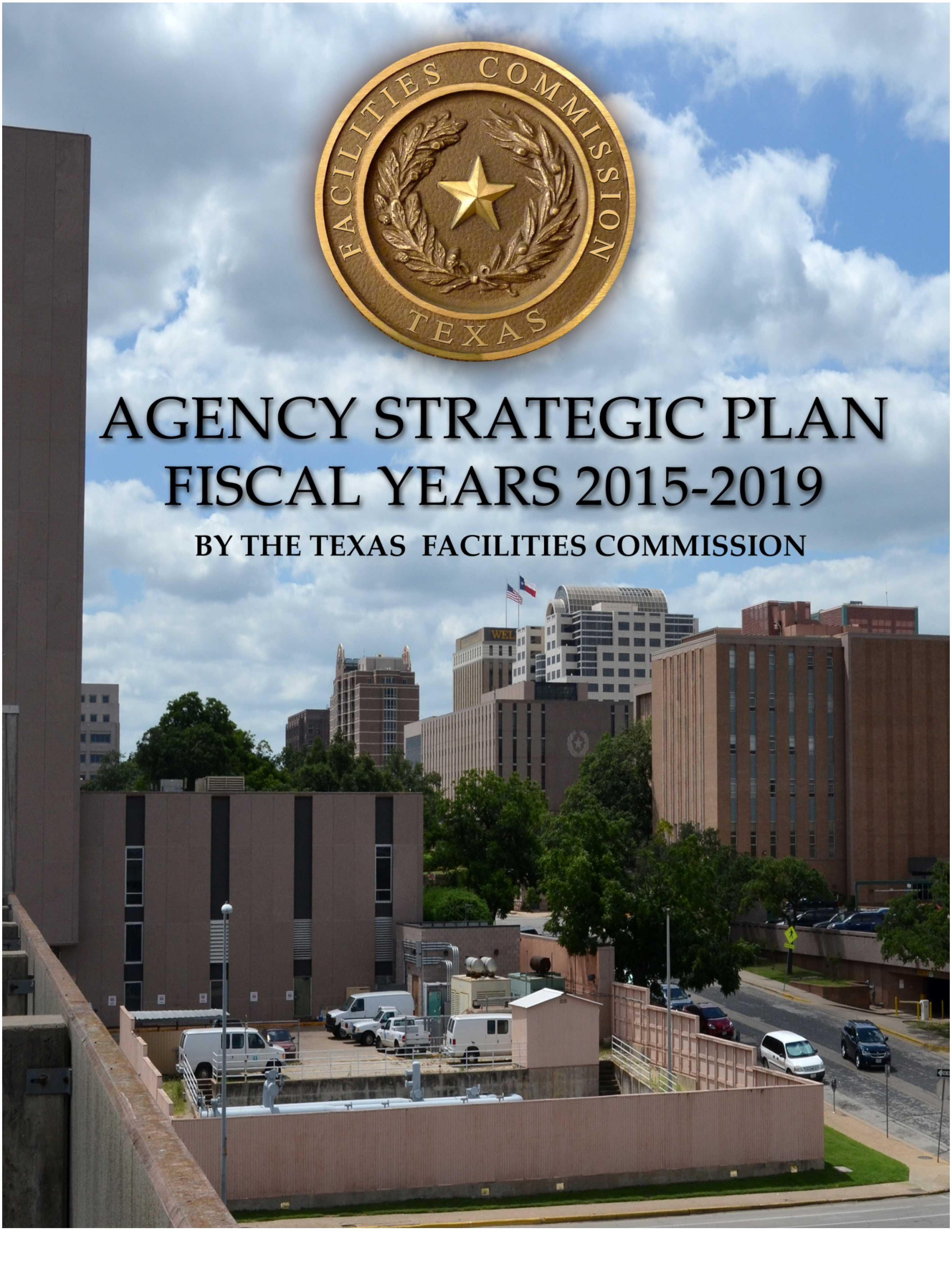

AGENCY STRATEGIC PLAN
FISCAL YEARS 2015-2019

BY THE TEXAS FACILITIES COMMISSION

AGENCY STRATEGIC PLAN

FISCAL YEARS 2015–2019

BY

THE TEXAS FACILITIES COMMISSION

Commissioner	Dates of Term	Hometown
Betty Reinbeck, Chair	02/01/2011–01/31/2017	Sealy
Virginia I. Hermosa, Vice Chair	03/27/2009–01/31/2015	Austin
William D. Darby	03/27/2009–01/31/2015	Austin
Brant C. Ince	03/27/2009–01/31/2015	Dallas
Mike Novak	03/27/2013–01/31/2019	San Antonio
Jack W. Perry	01/10/2014–01/31/2019	Sugar Land
Alvin Shaw	08/01/2011–01/31/2017	Round Rock

SUBMITTED JULY 7, 2014

SIGNED: ______________________

Terry Keel, Executive Director

APPROVED: ______________________

Betty Reinbeck, Chair

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MISSION, PHILOSOPHY AND BENCHMARKS

THE MISSION OF TEXAS STATE GOVERNMENT

Texas state government must be limited, efficient, and completely accountable. It should foster opportunity and economic prosperity, focus on critical priorities, and support the creation of strong family environments for our children. The stewards of the public trust must be men and women who administer state government in a fair, just, and responsible manner. To honor the public trust, state officials must seek new and innovative ways to meet state government priorities in a fiscally responsible manner.

Aim high . . . we are not here to achieve inconsequential things!

THE PHILOSOPHY OF TEXAS STATE GOVERNMENT

The task before all state public servants is to govern in a manner worthy of this great state. We are a great enterprise, and as an enterprise, we will promote the following core principles:

First and foremost, Texas matters most. This is the overarching, guiding principle by which we will make decisions. Our state, and its future, is more important than party, politics, or individual recognition.

Government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes.

Decisions affecting individual Texans, in most instances, are best made by those individuals, their families, and the local government closest to their communities.

Competition is the greatest incentive for achievement and excellence. It inspires ingenuity and requires individuals to set their sights high. Just as competition inspires excellence, a sense of personal responsibility drives individual citizens to do more for their future and the future of those they love.

Public administration must be open and honest, pursuing the high road rather than the expedient course. We must be accountable to taxpayers for our actions.

State government has a responsibility to safeguard taxpayer dollars by eliminating waste and abuse and providing efficient and honest government.

Finally, state government should be humble, recognizing that all its power and authority is granted to it by the people of Texas, and those who make decisions wielding the power of the state should exercise their authority cautiously and fairly.

RELEVANT STATEWIDE GOALS AND BENCHMARKS

The Texas Facilities Commission's responsibilities relate to the following goals that have been established for Texas State Government:

GENERAL GOVERNMENT

To provide citizens with greater access to government services while reducing service delivery costs and protecting the fiscal resources for current and future taxpayers by:

- Supporting effective, efficient, and accountable state government operations;
- Ensuring the state's bonds attain the highest possible bond rating; and
- Conservatively managing the state's debt.

BENCHMARKS

- Total state taxes per capita
- Total state spending per capita
- Percentage change in state spending, adjusted for population and inflation
- State and local taxes per capita
- Ratio of federal dollars received to federal tax dollars paid
- Number of state employees per 10,000 population
- Number of state services accessible by Internet
- Total savings realized in state spending by making reports/documents/processes available on the Internet and accepting information in electronic format
- Funded ratio of statewide pension funds
- Texas general obligation bond ratings
- Issuance cost per $1,000 in general obligation debt
- Affordability of homes as measured by the Texas Housing Affordability Index

THE MISSION OF THE TEXAS FACILITIES COMMISSION

The mission of the Texas Facilities Commission (the "Commission") is to support 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 103 projects worth $234 million. The agency also maintains a portfolio of more than 800 leases comprising 10.3 million square feet on behalf of state agencies across Texas. The Commission's state-owned property inventory consists of approximately 17.8 million square feet of office space, warehouse and service facilities, and parking garages and surface lots located throughout the state. The Commission provides property management, repair, renovation, routine and deferred maintenance services, and utility services for this inventory. In addition, the Commission provides repair, renovation, and deferred maintenance services for the Texas School for the Deaf and the Texas School for the Blind and Visually Impaired. Finally, the Commission operates the state surplus and federal surplus property programs and coordinates the state's recycling and waste management programs. In Fiscal Year 2013, the state surplus program had $5.24 million in sales, while the federal surplus program donations reached an estimated fair market value of $7.6 million during the same period.

THE PHILOSOPHY OF THE TEXAS FACILITIES COMMISSION

The Texas Facilities Commission (the "Commission") manages its state resources with the highest standards of integrity, accountability, and efficiency continually striving to deliver agency services with a commitment to excellence and innovation. With these ideals at the heart of every agency decision, the Commission's actions are intended to:

- *maximize the strategic and efficient use of state-owned facilities and reduce long-term dependence on leased space;*
- *effectively assess the best allocation of state resources for building, buying, or leasing space to house state agencies; provide a secure work environment for state employees, visitors, and contractors through effective risk management and access control services;*
- *reduce energy consumption and achieve increased energy efficiency;*
- *provide a clean, safe, and functional work environment for state agencies through implementation of best-practices in building operations;*
- *implement timely and cost-effective preventative and remedial maintenance programs to safeguard public investment in constructed assets; and*
- *manage the state's surplus assets for maximum return on investment through redistribution and recycling.*

EXTERNAL/INTERNAL ASSESSMENT

PART 1

OVERVIEW OF AGENCY SCOPE AND FUNCTIONS

The Texas Facilities Commission (the "Commission") consists of seven board members. Three members are appointed by the Governor, two additional members appointed by the Governor from a list of nominees submitted by the Speaker of the House of Representatives, and two members appointed by the Lieutenant Governor. The executive director manages the day-to-day business of the agency, employs staff, and fulfills duties and responsibilities assigned by law or delegated by the Commission. The current organizational chart for the Commission may be found in Appendix B. The Commission is responsible for setting policy and for determining the direction of the agency. The Commission is authorized to adopt rules to administer the laws under its jurisdiction.

STATUTORY BASIS

Texas Government Code Chapter 2152 is the Commission's enabling statute providing procedures for the appointment and eligibility of the Commission's members, executive director, and conflict of interest provisions. The Commission's duties and statutory authority include:

- facilities maintenance services for the physical facilities of the Texas School for the Blind and Visually Impaired, including facilities construction, cabling, facility reconfiguration, and any other services as provided by a memorandum of understanding between the Commission and the school, Texas Education Code Section 30.022(h-1);
- facilities maintenance services for the physical facilities of the Texas School for the Deaf, including facilities construction, cabling, facility reconfiguration, and any other services as provided by a memorandum of understanding between the Commission and the school, Texas Education Code Section 30.052(h-1);
- the child care services for state employees under Texas Government Code Chapter 663;
- the charge and control of state buildings, grounds, or property, Texas Government Code Chapter 2165;
- the maintenance or repair of state buildings, grounds, or property, Texas Government Code Chapter 2165;
- the construction of state buildings, Texas Government Code Chapter 2166;
- the purchase or lease of state buildings, grounds, or property by or for the state, Texas Government Code Chapters 2165, 2166, and 2167;

- the state surplus and salvage property program, Texas Government Code Chapter 2175;
- the federal surplus property program, Texas Government Code Chapter 2175, Subchapter G; and
- the mandatory paper recycling program, Texas Government Code Chapter 2175, Subchapter Z.

HISTORICAL PERSPECTIVE

The Texas Facilities Commission (the "Commission") was originally established by the 36th Legislature in 1919 as the State Board of Control, which mandated a centralized approach for the state's purchasing, printing, and property management functions. The State Purchasing and General Services Commission replaced the State Board of Control in September 1979. The agency's name was changed again in 1991 to the General Services Commission. The General Services Commission was abolished in 2001 by the 77th Legislature and was replaced by the Texas Building and Procurement Commission. In 2007, with the removal of the statewide procurement function, the agency was renamed the Texas Facilities Commission. Over the years, specific duties of the agency have evolved, expanded, and been transferred from or to other agencies.

Currently, the Commission is responsible for planning, providing, and managing facilities for more than 100 state agencies in 253 cities throughout Texas. The Commission's current inventory totals 28.1 million square feet of leased and state-owned facilities supporting the needs of over 59,729 state employees. Operations and maintenance expenses for the Commission's inventory of owned and leased facilities approach $218 million a year.

Oversight of the agency is vested in a board composed of three members appointed by the Governor, two members appointed by the Governor from a list of nominees submitted by the Speaker of the House of Representatives, and two members appointed by the Lieutenant Governor. This methodology for selecting members provides checks and balances against vesting too much decision-making authority in any one individual. The agency is managed by an executive director who employs staff and discharges duties and responsibilities assigned by statute or delegated by the board.

AFFECTED POPULATIONS

The Commission interacts with and serves 100 other state agencies, legislative members/staff, and members of the general public that utilize the state facilities that are owned and managed by the Commission as well as the state agencies and their employees for whom construction and renovation projects are managed, such as the Department of Public Safety, the Texas School for the Blind and Visually Impaired, the Department of State Health Services, the Texas Commission on Environmental Quality, and the Health and Human Services Commission.

Through its leasing services, the Commission serves and interacts with state agencies and their employees in 253 Texas cities. The Commission's leasing services directly affect these agencies and the people served by them as well as the property owners and leasing companies or agents who provide or seek to provide lease space to the state.

The Commission's parking, tailgating, and special events services are utilized by a wide variety of individuals and groups including, film, media, and production companies; Austin-area residents and visitors to Austin; city, county, state, and federal employees; elected officials; businesses; musicians and music fans; nonprofit and community organizations; and sports fans.

The Commission's state surplus property services are utilized by 174 state agencies; 254 counties; 1,032 independent school districts and 550 charter schools; 1,216 cities; 1,402 volunteer fire departments; other political subdivisions including junior/community colleges; and 68 active approved assistance organizations in acquiring surplus property for use in their programs. All state surplus property obtained by an assistance organization is intended for use within the State for the benefit of Texas residents. The Commission's federal surplus property services are available for use by political subdivisions such as state agencies, counties, municipalities, public schools and certain nonprofit organizations.

MAIN FUNCTIONS

FACILITIES DESIGN AND CONSTRUCTION PROGRAM

The Facilities Design and Construction ("FDC") Program is responsible for the management of building construction projects authorized and funded to the Commission as well as projects authorized and funded to certain other state agencies.

The program provides project services through all phases, from feasibility and planning through construction and warranty management. These services include project analysis, budgeting, scheduling, procurement of design and construction services, contract development and management, measurement and payment, and quality control and inspection. The FDC Program is a full cost-recovery program and collects project management fees based on a percentage of the total project budget for project services provided to other state agencies.

Quality for the state's capital improvement projects is ensured by the program through the development and maintenance of architectural and engineering design standards, rigorous review of the private design professionals' work product, construction observation/inspection, and constant evaluation of fulfillment of all contractual obligations. The program employs in-house construction inspectors and also manages the construction observation activities of the private design professionals to ensure that construction is performed in accordance with the plans and specifications, is of sufficient quality to meet the standards for state-owned facilities, and meets all regulatory requirements. As required by statute, the specifications of all construction documents used by the Commission incorporate the State of Texas Uniform General Conditions for Construction Contracts to ensure fair and adequate protection of the state during the construction process.

The program is also responsible for ensuring that the requirements for energy and water conservation established by the State Energy Conservation Office are met on all Commission-managed projects. Additionally, during the project planning phase, the program ensures that alternate energy and water conservation measures are evaluated for use on each project.

Deferred Maintenance Program

The Deferred Maintenance Program was established to efficiently and effectively manage and address the backlog of deferred maintenance items at state-owned facilities on the Commission's statewide inventory. Items in this extensive backlog that remain unaddressed result in an exponential escalation in the cost of maintenance and repairs over time.

Through creation and effective management of a facilities condition index (FCI), current conditions and future needs are continually defined, monitored, and addressed by the program, with the highest priorities identified and presented to the legislature for funding. Upon legislative approval of funding, usually in the form of general obligation bonds, the program manages the execution of approved projects. In the process, great care is taken to minimize the amount of ongoing operational maintenance that will be required in the future and also to ensure the greatest amount of energy efficiency is incorporated into the solution. When projects are completed, the Commission updates the facilities condition index information and makes adjustments needed to continuously implement the most effective strategy for reducing the backlog of deferred maintenance projects.

The Deferred Maintenance Program is discussed in greater detail in both the Capital Assets Strengths and Weaknesses and the Self-Evaluation and Opportunities for Improvement sections of this plan.

Operations and Maintenance Program

The Operations and Maintenance Program provides maintenance, repair, and building automation controls services to buildings, building systems, parking garages, and ancillary facilities owned and/or managed by the Commission. This program minimizes equipment and system outages thereby maintaining a comfortable and safe building environment for tenant agencies and their visitors. Additionally, preventative maintenance activities contribute to lower energy costs.

Major areas of maintenance and repair service include heating, ventilation, and air conditioning, elevators, plumbing, mechanical systems, building and energy management automation systems, fire controls and suppression, central plant operations, electrical, security, painting, carpentry, locksmith, and general maintenance. The program is staffed on a 24-hour 7-day work schedule to monitor central plants that provide chilled water and steam to various buildings and is also responsible for 21 stand-alone systems in buildings that do not receive chilled water or steam from the central power plants.

The program also administers preventative maintenance service that is intended to prolong the life cycle of various systems and equipment through regularly scheduled, proactive maintenance measures. Periodic inspections of equipment and various building systems are conducted to uncover conditions leading to equipment breakdown or harmful depreciation and to identify the necessary corrective action to prevent such conditions leading to loss. Preventative maintenance activities performed on a scheduled basis include changing of filters; examination, lubrication and replacement of parts; minor adjustments; and repairs of equipment and systems. Scheduled frequency may be weekly, monthly, or quarterly, based on best management practices.

Minor Construction Program

The Minor Construction Program provides a full range of construction services to state agencies in state-owned and state-managed buildings on the Commission's inventory or, upon request, to other state agencies. The program is intended to address smaller projects that are impractical to outsource through the state's solicitation process and must be performed on tight schedules. The program provides professional quality construction services at competitive costs and all work by this program is performed on a full cost-recovery basis. Construction services include architectural, mechanical, plumbing, electrical, and fire protection services and projects consist primarily of minor renovation, remodeling, and repair. The program works with private contractors when specialized trades are required or when work load demands are too great. It also partners with the FDC Program when architectural and engineering documents are required.

Energy Management Program

The objective of the Energy Management Program is to identify areas within the Commission's building inventory where energy and utility savings can be realized while still maintaining a comfortable working environment. These areas include negotiation of lower cost energy contracts with utility providers; assessment and installation of lower cost energy equipment; modification of existing building mechanical systems with digital building automation and energy management systems; specification of energy efficient equipment in the replacement of antiquated systems; assessment of emerging alternative energy solutions; and utilization of energy rebate programs and grants where feasible.

Energy-reduction initiatives implemented by the program are prioritized based on payback, rate of return, cost, and availability of funding. Additionally, these initiatives have long-term effects on the usefulness and life-cycle of building equipment systems that contribute to a quality working environment in all facilities on the Commission's inventory.

The ultimate goal of all these initiatives is to reduce utility consumption and costs in state-owned facilities on the Commission's statewide inventory. The potential financial impact is significant as the Commission's overall utility budget represents approximately 40% of the agency's total general revenue appropriations.

The Energy Management Program is discussed in greater detail in the Self-Evaluation and Opportunities for Improvement section of this plan.

Planning and Real Estate Management Program

The Planning and Real Estate Management Program is responsible for the planning and real estate management of state-owned and leased facilities on the Commission's statewide inventory. Pursuant to Chapter 2165 of the Texas Government Code, the program continuously evaluates the Commission's real property inventory and performs financial and market analyses; determines whether it is more cost effective to buy, build, or lease facilities; conducts space use/need studies; and performs preliminary project analyses that result in proposals for improved space utilization, facility acquisitions, dispositions, leasing, modifications, or new construction. Any agency that obtains space through the Commission must participate in these planning processes.

A significant portion of the program's activities are reflected in the Commission's biennial "Master Facilities Plan Report" which is required under Chapters 2165 and 2166 of the Texas Government Code. This document is a compilation of statutorily required reports and is the Commission's vehicle to inform state leadership of the status and costs of state-owned and leased real property on the Commission's inventories, current utilization statistics, relevant real estate market information, and projected facility needs as well as to provide strategies to ensure the efficient utilization and operation of state assets.

The program has planning and oversight responsibilities for determining facility requirements as well as allocating and assigning space to state agencies housed in property on the Commission's inventory. This responsibility encompasses approximately 28.1 million square feet of owned, managed, and leased facilities supporting over 100 agencies and housing approximately 59,729 employees in 253 cities throughout Texas. The program evaluates and approves all requests for space allocation, relinquishment, or modifications related to the Commission's inventory of state-owned and leased facilities. The program works closely with tenant agencies to develop and provide detailed space planning guidelines that meet the operational requirements of each tenant agency and also fulfill the Commission's oversight responsibilities.

The program also assists in the acquisition of property for construction projects undertaken by the Commission and works closely with the state agency that will ultimately use and/or hold title to the facility and property on behalf of the state.

State Leasing Services Program

The purpose of the State Leasing Services Program is to fulfill the Commission's requirements under Texas Government Code Chapter 2167 to obtain necessary lease space for state agencies to enable them to perform their statutory obligations; assist state agencies in resolving issues that arise during the term of a lease; make periodic inspections of leased facilities that house state employees; reduce long-term lease costs to the benefit of state agencies; and maintain a centralized system of records of all state-leased space.

The program is currently responsible for oversight, planning, managing, organizing, and directing the state leasing services for 39 state agencies. These agencies occupy 10.3 million square feet of space in over 800 leases at an annual cost of approximately $153.6 million. The overall average market rate for leased office space in Austin, Dallas/Fort Worth, San Antonio, and Houston was $23.41 per square foot in August 2013, while the overall average for state leases in these cities was $16.28 per square foot. As reflected in these comparisons, the program consistently obtains lease space below market rates due to successful negotiating by staff and the fact that the state is a valued tenant.

PROPERTY MANAGEMENT PROGRAM

The Property Management Program provides facility management services for approximately 15 million square feet of state-owned office space, parking garages, and parking lots. These facilities are valued at $1.9 billion and are occupied by approximately 90 state agencies throughout Texas. Most of the facilities are located within Austin, with the exception of five properties located in El Paso, Fort Worth, Houston, San Antonio, and Waco. The Commission contracts with commercial property management firms to staff and manage the facilities in El Paso, Fort Worth, Houston, San Antonio, and Waco. The program also provides facility maintenance services for approximately 900,000 square feet at 2 state-owned schools.

CUSTODIAL OPERATIONS PROGRAM

The Custodial Operations Program is responsible for providing custodial services for state-owned and managed facilities on the Commission's inventory. The program completes a majority of these services through third-party contracts. Currently, outsourced custodial services are provided in approximately 6 million square feet of Commission-managed facilities, while 225,000 square feet of custodial services are provided by in-house staff to the Department of State Health Services at the Dr. Bob Glaze Laboratory Services Section Building and a handful of small properties. The program affects 90 agencies located in state-owned and managed facilities on the Commission's inventory.

The Custodial Operations Program also provides pest control services for the state-owned and managed facilities in the Commission inventory. A certified applicator dispenses pesticides and insecticides, as needed, throughout the facilities with special emphasis on utilizing the least toxic method. Work involves providing effective services with the minimum amount of tenant agency disturbance as possible. Applications are performed outside of normal business hours.

RECYCLING PROGRAM

The Recycling Program is responsible for the collection of all recyclable materials as well as standard and nonhazardous waste from state-owned facilities managed by the Commission. Recyclables are also picked up from certain other state-owned and state-leased facilities as well as Travis County facilities. In the six facilities managed by the Commission outside of Travis County, recycling contracts are in place to have recyclables picked up by outside vendors.

The program is also responsible for management of the Commission's hazardous and standard waste facility. The facility serves as a staging and storage area for disposal of potentially hazardous household materials requiring abatement and proper disposal in accordance with state and federal laws. The Commission contracts with a state and federally licensed vendor for the collection and disposal of the stored material as needed.

GROUNDS MAINTENANCE PROGRAM

The Grounds Maintenance Program is responsible for the horticultural maintenance and care of all outdoor, improved, state-owned property on the Commission's inventory. Agency staff, in conjunction with contract labor, performs routine landscape maintenance services such as mowing, edging, blowing, and weeding for approximately 300 acres of state-owned property in Travis County and also performs nightly cleaning for 16 state-owned parking garages. Staff also performs cleanup for various state properties, lots, and garages after University of Texas football and men's basketball home games.

COMMERCIAL PARKING AND SPECIAL EVENTS PROGRAM

Texas Government Code Section 2165.2035 permits the Commission to contract with a private vendor to manage the commercial use of state-owned parking facilities that the agency determines are appropriate for after-hours use. The Commercial Parking and Special Events Program, in partnership with its parking contractor, manages an inventory of 17,159 parking spaces in 16 garages and 23 lots. These spaces are located in the Capitol Complex, the William P. Hobby Building, and State Parking Garage N in downtown Austin as well as in the North Austin Complex, which houses primarily health and human service agencies.

STATE AND FEDERAL SURPLUS PROPERTY PROGRAMS

The Commission is statutorily charged with the administration of the Texas State and Federal Surplus Property Programs. The State Surplus Property ("SSP") Program facilitates the placement and disposal of state surplus and salvage property for agencies that fall under the requirements of Texas Government Code Chapter 2175. The Federal Surplus Property ("FSP") Program is responsible for administering the donation of federal surplus personal property in the State of Texas.

The SSP Program disposes of salvage and surplus personal property from state agencies such as office furniture, office equipment, heavy equipment, tools, and vehicles. From the proceeds of property sales, the program collects a fee to cover the cost of the sale. All agencies disposing of the property are authorized to expend up to 25% of the receipts from the sale of their surplus property, less the program's fee, for similar property. The remaining proceeds are returned to the credit of the general revenue fund, with the exception of the Texas Department of Transportation which retains 100% of the net proceeds. Property that is deemed salvage and therefore unfit for sale may be disposed of by recycling or other appropriate methods as determined by the program. In 2002, the Commission also entered into an agreement with the federal Transportation Security Administration ("TSA") for the program to accept "voluntarily abandoned" and "lost and found" property from airports across Texas. While the Commission is the preferred outlet for disposition of this property, other entities may also be utilized by TSA.

Through the sale of state surplus property in Fiscal Year 2013, the SSP Program returned $3.82 million to other state agencies, with those agencies depositing 75% or more of this amount to the credit of the general revenue fund. The program also returned $57,000 to counties, and $424,000 directly to the general revenue fund. In addition, during Fiscal Year 2013, the program transferred over 6,500 items, valued at approximately $200,000, to 79 state agencies for an aggregate cost to the purchasing agencies of only $59,000 ($53,000 for vehicles), representing a sizeable cost savings to the acquiring agencies and the state.

The FSP Program certifies organizations that are eligible under federal regulations to receive and use federal surplus property, including state agencies, counties, municipalities, public schools and certain nonprofit organizations. Private citizens may not participate in this program. The property is obtained from the federal government at no cost to the state. The FSP Program receives no general appropriations from the Texas Legislature, but is wholly dependent upon a "handling fee" that is assessed to program participants to sustain program operations on a cost-recovery basis. Handling fees defray the costs of locating, inspecting, marketing, and listing property; administrative processing; trucking; operating regional distribution/staging centers; maintaining required federal records; and performing compliance reviews to verify the appropriate utilization of transferred property. Handling fees vary according to the condition of the item and demand but are significantly lower than the cost of comparable items on the open market.

In Fiscal Year 2013, the FSP Program donated approximately $33 million (original government acquisition cost) of federal surplus property to 399 eligible entities in Texas and received total handling fees of approximately $2 million. The fair market value of federal surplus property donated during Fiscal Year 2013 for use by eligible participants in Texas was approximately $7.6 million.

The surplus property programs operate and maintain facilities in three locations for selling, warehousing, evaluating, and maintaining state and federal surplus property. These locations are in Austin, San Antonio, and Fort Worth. Each location provides for the disposition of federal and state surplus property. However, the San Antonio and Fort Worth facilities primarily handle federal surplus property, while the Bolm Road location in Austin serves as the primary staging area to accept state surplus property.

RISK MANAGEMENT

The objective of the Risk Management and Safety Program is the mitigation of risks associated with activities and functions necessary to carry out the responsibilities of the Commission. The program works in collaboration with DPS to provide employees and tenant agencies of the Commission with an appropriately safe workplace in state-owned and state-managed facilities on the Commission's inventory.

In Fiscal Year 2013, the program implemented new policies and procedures to mitigate risk and protect critical infrastructure. The program has continued to systematically schedule and perform vulnerability assessments for state-owned facilities under the charge and control of the Commission, with the results of completed assessments noted for corrective action. The program has improved procedures to protect personnel and other programs from physical circumstances and events that could cause serious loss or damage. Security hardware has been replaced to improve the security of critical infrastructure and notification systems have improved response time during emergency events. New security software has been upgraded to improve monitoring of state buildings. Finally, the program instituted policies and procedures, in conjunction with DPS, for criminal background checks to safeguard personnel, sensitive information, and critical infrastructure throughout the state-owned and state-managed facilities on the Commission's inventory. Additionally, the program has implemented policies and procedures through E-verify to ensure authorized personnel are able to perform service throughout the state-owned and state-managed facilities on the Commission's inventory.

PUBLIC PERCEPTION

The Commission is responsible for strategic planning, asset management, design, construction, maintenance, and leasing of state facilities that serve the public through the agencies housed within. While the general public typically is not aware of the responsibilities of the Commission, they see the results of the mission when they visit a state building for business. Building design, functionality, accessibility, cleanliness, upkeep, grounds, and parking all contribute to the public's perception of the state and how it maintains these assets in the public trust. The general public is typically not among the clients served by the Commission, although many are served by the Commission's client agencies and by many of the tenant agencies housed in state-owned or state-managed space on the Commission's inventory.

The Commission currently manages a design and construction portfolio of 103 projects worth $234 million. In addition to maintaining the Master Facilities Plan, required under Texas Government Code Section 2166.102, the agency also maintains a portfolio of more than 800 leases totaling 10.3 million square feet on behalf of state agencies across Texas. Through these functions, Commission staff works closely with other state agency staff as well as professionals in the disciplines of construction, architecture and engineering, development, leasing and other related fields. The Commission interacts with the business community through procurement contracting and historically underutilized business outreach, working with local chambers of commerce to extend opportunities to a broad, diverse population.

The Commission is statutorily charged with the administration of the Texas State and Federal Surplus Property Programs. The State Surplus Property Program ("SSP Program") facilitates the placement and disposal of state surplus and salvage property for state agencies that fall under the requirements of Texas Government Code Chapter 2175. The program disposes of state salvage and surplus personal property such as office furniture, office equipment, heavy equipment, tools, and vehicles as well as "voluntarily abandoned" and "lost and found" property from airports across Texas. This property is available for public sale at the Commission's surplus property storefront location in Austin. The storefront is also the main vehicle used to sell the property obtained from airports throughout the state. While many individuals visit the storefront, its popularity was enhanced exponentially by publicity generated when Good Morning America visited this location and a short story about the operation aired on national television August 15, 2011. This story caused local news stations from Austin and San Antonio to visit the storefront as well and the subsequent publicity in these local markets generated a high level of interest in the SSP Program, resulting in a substantial increase in visits from the general public. This positive response has enabled the Commission to take advantage of greater public interaction to enhance a positive image for the Commission and the State of Texas.

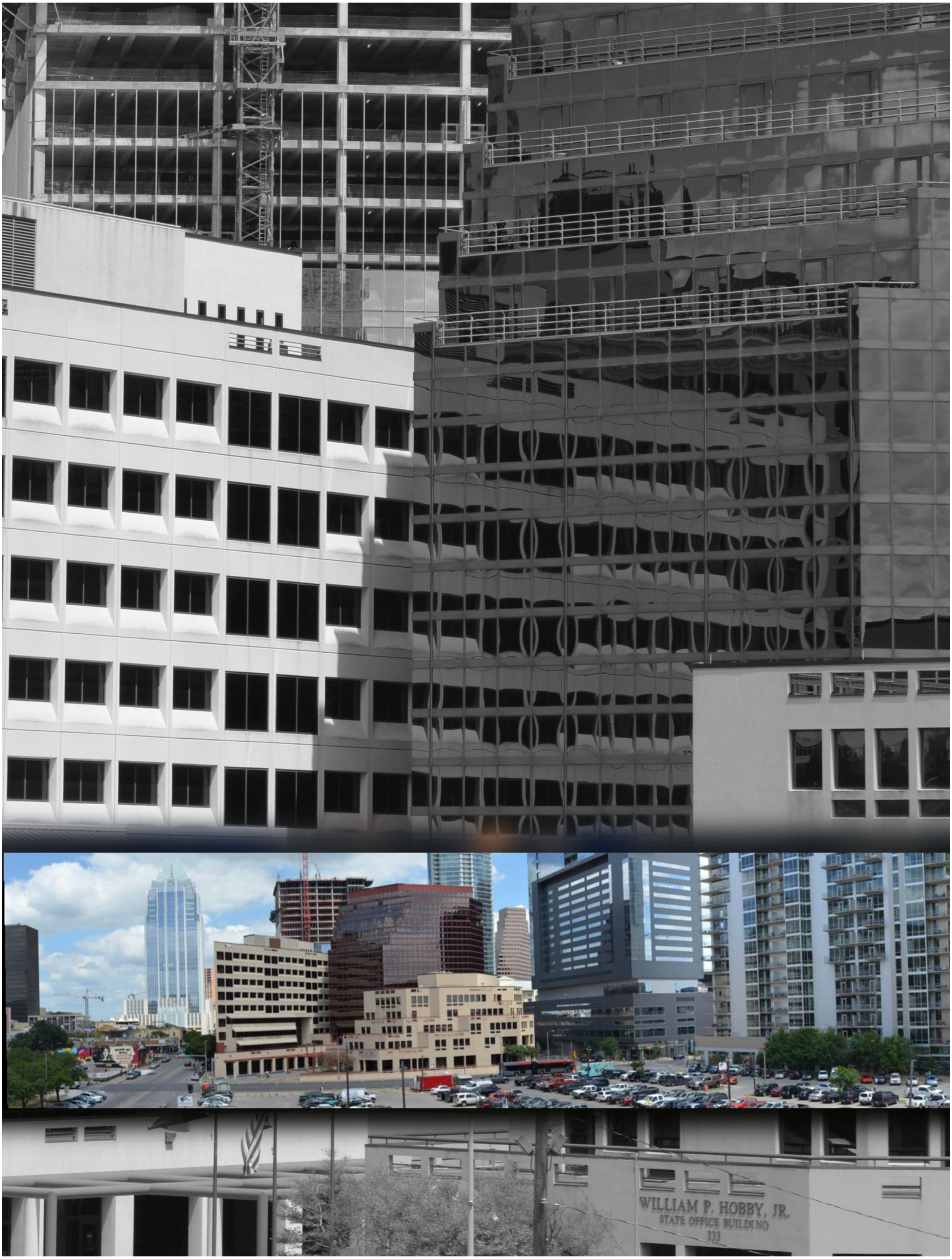
This increased publicity also resulted in more awareness of the Federal Surplus Property Program ("FSP Program"). The Fort Worth Star Telegram conducted interviews with FSP Program staff and ran a positive and complimentary story December 23, 2011 which detailed this operation. Examples of help provided by the FSP Program include such beneficial donations as providing a sixty-five thousand (65,000) gallon water trailer to the Lower Colorado River Authority, enabling them to haul water to a community whose water well had gone dry due to drought of 2011. Additionally, trucks, trailers, and firefighting equipment were donated through the program to numerous communities throughout the state to help fight fires resulting from the same drought.

The SSP Program has the potential of serving the following entities in the complete cycle of the disposal of their surplus property: 174 state agencies (this number does not include universities); 254 counties; 1,032 independent school districts and 550 charter schools; 1,216 cities; 1,402 volunteer fire departments; 68 approved assistance organizations in acquiring surplus property for use in their programs; and other political subdivisions including junior and community colleges. In addition, the FSP Program is responsible for administering the donation of federal surplus personal property in the state of Texas. While private citizens and the general public may not participate in this program, the FSP Program provides a link between the federal agencies that generate the property and eligible organizations in Texas that use donated property for a wide variety of public programs. The FSP Program makes surplus property from federal agencies available for use by political subdivisions such as state agencies, counties, municipalities, public schools and certain nonprofit organizations. Currently, there are approximately 7,914 accounts statewide in the program.

The Commission also manages state-owned parking facilities. Specific statutory authority allows the Commission to develop after-hours use, as well as limited daytime use, of certain state-owned parking spaces and lots that serve the public interest. Perhaps the most well-known is the tailgating program, which opens eleven state parking lots to football fans on game days. In 2009, the Commission developed a Tailgate Reservation System allowing online reservation of tailgating spaces in advance of football season. The system replaced the process of overnight camping to save a tailgating space, improving customer service while at the same time reducing disruption to the daily operations of surrounding state facilities and maintaining an appropriate level of security in the area. The Commission partners with the Texas Department of Public Safety to provide a safe and fun environment. Although fans can be rowdy, the program fosters civility, good sportsmanship, and proper conduct among community.

The public also has the opportunity to interact with the Commission by after-hours parking at state garages throughout Austin. Parking contractors collect paid parking fees for special events at locations such as the Frank Erwin Center, Waterloo Park, the State Capitol, and various athletic facilities of the University of Texas at Austin ("UT") for a variety of events. Visitors come from around the nation to see the Texas Relays as well as UT football, basketball, and volleyball events.

The close proximity to Austin's Warehouse and the West End districts makes the William P. Hobby Building garage and State Parking Garage N, a favorite place for citizens to park for after-hours events. From these parking structures, visitors to downtown can also shop Second Street District boutiques, attend a movie, have dinner at a variety of restaurants, catch a shuttle to special events such as Austin City Limits music festival, or enjoy the Circuit of the America's Formula 1 Fan Fest. The Commission also manages parking for the North Austin Complex. While after-hours parking is not offered for use on a regular basis at the North Complex, event promoters interested in using the state-owned facilities at this complex can contact the Commission with requests. Contact information and downloadable forms pertaining to the program can be found on the Commission's website.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STATE OFFICE BUILDING
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PART II

ORGANIZATIONAL ASPECTS

AGENCY WORKFORCE

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. Despite the passage of Senate Bill 211 by the 83rd Legislature mandating the interagency transfer of maintenance staff from the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf, the Commission's legislative appropriations cap decreased in Fiscal Year 2014 by 14 FTEs. Non-exempt employees comprise 55% of the Commission's workforce, African Americans and Hispanics represent 41% of agency employees, and 26% of the Commission workforce is female. The combined categories of Technicians, Skilled Craft, and Service Maintenance together represent the largest number of Commission employees, for a total of 49% of the agency's workforce. Professional employees comprise the second largest category of agency employees at 42%. Professional and technical/skilled craft/maintenance employees together represent 91% of the Commission's staff and these combined categories reflect the primary qualifications and skill sets required to carry out core functions of the Commission.

The Workforce Plan, found in Appendix E, provides additional demographic information on the Commission's workforce, such as gender, age, diversity, tenure, job category, and employee turnover.

ORGANIZATIONAL STRUCTURE

The Texas Facilities Commission (the "Commission") consists of seven board members. Three members are appointed by the Governor, two additional members appointed by the Governor from a list of nominees submitted by the Speaker of the House of Representatives, and two members appointed by the Lieutenant Governor.

The Commission is responsible for setting policy and for determining the direction of the agency. The Commission is authorized to adopt rules to administer the laws under its jurisdiction. The Commission's duties include:

- facilities maintenance services for the physical facilities of the Texas School for the Blind and Visually Impaired, including facilities construction, cabling, facility reconfiguration, and any other services as provided by a memorandum of understanding between the Commission and the school, Texas Education Code Section 30.022(h-1);

- facilities maintenance services for the physical facilities of the Texas School for the Deaf, including facilities construction, cabling, facility reconfiguration, and any other services as provided by a memorandum of understanding between the Commission and the school, Texas Education Code Section 30.052(h-1);
- the child care services for state employees under Texas Government Code Chapter 663;
- the charge and control of state buildings, grounds, or property, Texas Government Code Chapter 2165;
- the maintenance or repair of state buildings, grounds, or property, Texas Government Code Chapter 2165;
- the construction of state buildings, Texas Government Code Chapter 2166;
- the purchase or lease of state buildings, grounds, or property by or for the state, Texas Government Code Chapters 2165, 2166, and 2167;
- the state surplus and salvage property program, Texas Government Code Chapter 2175;
- the federal surplus property program, Texas Government Code Chapter 2175, Subchapter G; and
- the mandatory paper recycling program, Texas Government Code Chapter 2175, Subchapter Z.

Pursuant to Section 2152.058(a) of the Texas Government Code, the chair of the Commission is appointed by the Governor from among the members of the Commission. Pursuant to Commission policy, the vice chair is nominated by the members of the Commission with approval of the full Commission at the first regular called meeting of each fiscal year. The vice chair serves as the presiding officer at any regular or special called meeting of the Commission in the absence of the chair. The vice chair serves for a term of one year.

The management style of the agency is derived from the statutory administrative provisions found in Chapter 2152 of the Texas Government Code. The agency is structured generally to have policy decisions undertaken by an appointed commission and the execution of those policies administered by an executive director who manages the day-to-day operation of the agency.

The seven-member appointed citizen commission employs the executive director of the agency who in turn manages the agency's affairs under the commission's direction. The executive director employs the staff necessary to administer the agency's functions, manages the business operations of the agency, and discharges duties and responsibilities assigned by statute or delegated by the Commission. Subchapter C of Chapter 2152, Texas Government Code, sets out authority and responsibilities of the executive director and staff.

Additionally, the Commission has formal policies adopted at a public meeting that further set out the respective roles of the Commission and the executive director. Under these policies, the Commission has authorized specific delegations of authority to the executive director involving approval of certain lease agreements; easements, license agreements, and joint-use agreements related to real property owned by the Commission or necessary for Commission-administered construction projects; certain contracts for professional services, consultant services, construction-related services, and interagency or interlocal agreements; and maintenance, grounds, utilities, and other service agreements related to facility management on behalf of the Commission.

GEOGRAPHICAL LOCATION OF AGENCY

The vast majority of the Commission's staff is located in Austin within the Capitol Complex or at the State Surplus Storefront facility on Bolm Road, discussed below. The Commission's central office is located in the Capitol Complex at the Central Services Building, 1711 San Jacinto Boulevard, Austin, Texas. The Commission's operations and maintenance and minor construction personnel are housed in the Central Services Building. The Commission's warehouse and service workshop are located across the street from the central office in State Parking Garage R ("Garage R"). The close proximity of the Commission's central office to its warehouse and service workshop allows for easy access and interaction between the staff in the Central Services Building that process and assign maintenance and construction work orders and the staff in Garage R, as well as easy access to the parts/supplies necessary to fulfill such assignments. The Commission's operations and maintenance and minor construction staff work throughout the buildings under the Commission's control in the Capitol Complex, the North Austin Complex, and the Park 35 Complex. In addition, the Commission has approximately 7 property managers and 17 building technician staff that are located in various buildings under the charge and control of the Commission. The property manager assigned on-site to Commission-managed facilities serves as the liaison between the tenant agencies located in the buildings and all Commission programs. The property managers supervise the building technicians who perform approximately 50% of the maintenance work orders in Commission-managed facilities.

Finally, the Commission's Surplus Property Program operates and maintains three locations for selling, warehousing, evaluating, and maintaining state and federal surplus property. These locations are in Austin, San Antonio, and Fort Worth. Each location facilitates the disposition of federal and state surplus property. However, the San Antonio and Fort Worth facilities primarily handle federal surplus property while the Bolm Road location in Austin serves as the primary staging area to accept state surplus property.

Surplus staff routinely travels between these locations as well as throughout the state. The Surplus Property Program is tasked with making compliance visits to recipients of federal donations as well as making visits to locations where federal property can be screened for condition and suitability. These trips are frequently made from the Austin offices, although some are made from San Antonio and Fort Worth.

Travel is often necessary for Commission staff when securing leases for state agency clients or for out-of-town construction projects.

When securing leased space for client agencies, Commission Leasing staff will often travel to view available space to determine if it is in compliance with the lease terms and meets all tenant agency requirements. In addition, Leasing staff will make periodic visits to inspect leased space to ensure that the space continues to meet these conditions.

Project managers, inspectors, purchasers, and Historically Underutilized Business Program staff travel to locations where client agencies have repair, renovation, and other construction projects. Further, the Commission inventory includes buildings in Corpus Christi, El Paso, Fort Worth, Houston, San Antonio, Tyler, and Waco. Contractors and sub-contractors receive solicitations for goods and services in the areas where services will be performed, making construction project management a statewide service from procurement to completion.

CLIENT AGENCY SERVICE POPULATION

COMMISSION MANAGED, STATE-OWNED FACILITY INVENTORY BREAKOUT			
	No. of Facilities	*Square Footage*	*No. of Cities*
Office	41	5,968,060	8
Warehouse/Storage	7	371,067	4
Miscellaneous	27	583,412	1
Schools	2	886,443	1
Parking Garages	19	4,363,676	2
Parking Lots	34	3,590,484	8
Subtotal	**130**	**15,763,142**	**8**
Land	3	2,929,196	1
Grand Total	*133*	*18,692,338*	*8*

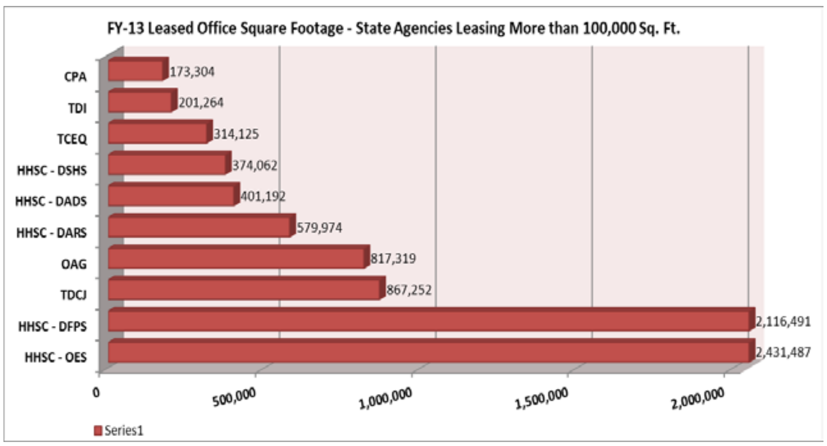
The Commission manages approximately 28.1 million square feet of state-owned and leased facilities for 100 state agencies housing approximately 59,729 employees and 890 students in 253 cities throughout Texas. Commission owned and managed facilities are located in eight cities: Austin, Corpus Christi, El Paso, Fort Worth, Houston, San Antonio, Tyler, and Waco. As the seat of state government, the bulk of the Commission's owned and managed facilities are located in Austin. The Commission also supports other non-inventory facilities in Austin by providing and managing central steam and chilled water plant services to the Capitol, the Capitol Extension, the Capitol Complex Visitor's Center, and the Dewitt C. Greer Building. State leases managed by the Commission are located in 253 Texas cities. The Commission also manages single office leases in the District of Columbia, New York, California, Illinois, and Oklahoma.

A current listing of the Commission's lease portfolio can be viewed on the Internet at *http://www.tfc.state.tx.us/divisions/facilities/prog/leasing/* by clicking on Active Lease Summary Report.

The chart above illustrates the components of the Commission's state-owned and managed facilities inventory. This inventory consists of 41 office buildings housing 18,302 employees and totaling nearly 6 million square feet of office space; 53 warehouse and miscellaneous buildings and parking garages totaling 5.3 million square feet; 2 schools totaling 900,000 square feet; and 34 surface parking lots totaling 3.6 million square feet. This inventory also includes 2.9 million square feet of cemetery facilities and vacant land.

TENANT AGENCY LEGEND
CPA−Comptroller of Public Accounts **OAG**−Office of the Attorney General **TCEQ**−Texas Commission on Environmental Quality **TDCJ**−Texas Department of Criminal Justice **TDI**−Texas Department of Insurance **HHSC-DADS**−HHSC Department of Aging and Disability Services **HHSC-DARS**−HHSC Department of Assistive and Rehabilitative Services **HHSC-DFPS**−HHSC Department of Family and Protective Services **HHSC-DSHS**−HHSC Department of State Health Services **HHSC-OES**−HHSC Office of Eligibility Services

The Commission manages a leased portfolio of over 800 properties totaling 10.3 million square feet of commercial facilities to meet the needs of 41,209 employees throughout 253 Texas cities. Office space accounts for 86%, or 8.9 million square feet of the leased portfolio and warehouse, laboratory, print shop, parking, and other support facilities totaling 1.4 million square feet make up the balance. A total of 39 tenant agencies are housed in the Commission's leased portfolio. However, just 10 of these agencies occupy and pay for more than 90% of the commercially-leased office space. Each of these 10 agencies leases in excess of 100,000 square feet of office space as illustrated in the charts.



HUMAN RESOURCE STRENGTHS AND WEAKNESSES

The Commission's workforce is comprised of experienced, dedicated, and well-educated employees. As is true of most organizations, employees are the agency's greatest asset and the Commission is continually working to improve retention, recruitment, and development of a qualified and motivated workforce. Open and consistent employment practices, access to relevant training and resources, opportunities for advancement, and competitive compensation are essential in order for the agency to attract and retain a workforce of this caliber.

The agency continues to attract competitive applicant pools for most of its posted positions. However, not unlike other public and private sector employers, the Commission has encountered occasional difficulty filling certain positions, due primarily to skilled specialization and fluctuating labor market conditions. In particular, the Facilities Operations program area has faced challenges in attracting and keeping qualified applicants for certain skilled maintenance technician positions, such as air conditioner and boiler operators and certified heating, ventilation, and air conditioning (HVAC) mechanics. As a result, the Commission must develop alternative strategies to attract and retain these highly skilled workers even as budget constraints continue to limit staff salaries, promotions, and merit increases.

Additionally, direct as well as informal feedback from employees and supervisors indicates that Commission personnel want long-term employment with the agency, but compensation that is not competitive with the private sector or other state agencies can be a motivating factor for employees to change jobs and leave the Commission. While some employees leave state government for higher paying jobs in the private sector, others go to other state agencies for similar jobs posted in a higher salary group. As a result, retention and recruitment of talented employees continues to pose a challenge.

Another imminent challenge is the ageing of the Commission workforce generally and the number of key staff who will be eligible to retire within the next five years. Approximately 78% of the agency's employees are age 40 and over, while only 7% are under age 30. While it is unlikely that all employees who become eligible for retirement will leave the agency, a significant number of employees in key agency positions may choose to retire. This includes key positions in accounting, technology, executive, and facilities operations. A potentially high attrition rate will affect productivity and customer service to our client agencies, especially as it involves experienced and knowledgeable staff leaving the agency.

To support its core functions, the agency must be able to recruit at competitive rates of compensation, pay for good performance to retain existing staff, and promote career growth. The Commission strongly supports the funding of a competitive salary base, opportunities for advancement, and encourages staff development through continuing education.

The issues addressed in this section are addressed in greater detail in the Workforce Plan found in Appendix E.

CAPITAL ASSET STRENGTHS AND WEAKNESSES

Commission assets are capitalized at cost or, if not purchased, at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. The Commission's property manager is responsible for accounting for the assignment and location of all agency assets. However, the responsibility for ensuring the security of fixed assets is assigned directly to agency staff. The property manager conducts an annual inventory in order to account for each asset. Each division is required to certify the possession of these assets during the annual inventory. All agency assets are

Object of Expense	Expenditure Amount
7341-Real Property – Construction in Progress – Capitalized	$ 7,633,928
7372 Personal Property – Other Motor Vehicles - Capitalized	$ 155,930
7373-Personal Property – Furnishings and Equipment – Capitalized	$ 11,860
7379 – Personal Property – Computer Equipment - Capitalized	$ 108,971
Total	**$ 7,910,689**

continuously tracked, updated, and reported through the State Property Accounting System. As of August 31, 2013, the Commission had over $839 million in capitalized assets.

Capital Assets	Value
Land and Land Improvements	$ 36,472,524
Construction in Progress	$ 12,803,034
Other Assets	$ 23,995
Buildings & Improvements	$ 788,014,737
Furniture & Equipment	$ 940,371
Vehicles	$ 1,051,927
Computer Software	$ 18,320
Total	**$ 839,324,908**

FACILITIES−BUILDINGS, PARKING LOTS, AND PARKING GARAGES

The Commission holds title to 82 state-owned office buildings, parking garages, warehouses, and miscellaneous buildings. The Commission also holds title to 33 state-owned parking lots and 3 parcels of state-owned land. The combined area of all office buildings is over 5.6 million square feet and this inventory has a current replacement cost of over $1.6 billion.

These facilities demand ongoing repair and replacement of worn or obsolete systems and components. Repair and replacement of these components is often postponed due to funding priorities which results in the repair or replacement project being placed under a deferred maintenance ("DM") category of building projects. In 2006 the agency commissioned a firm, which is world renowned as a leader in engineering and construction, to conduct a comprehensive assessment of its facilities to determine the volume of DM work required. The 2006 findings indicated a budget estimate for capital funding of nearly $400 million to address repair and renovation needs at that time.

The budget estimate was quantified in terms of the Facility Condition Index ("FCI"). FCI is a measure widely used in the building and facilities industry to represent the physical condition of a facility compared to its replacement value; the higher the FCI, the poorer the condition of the facility. Industry standards consider a value between 0% and 5% as good; 6% to 10% as fair; and 11% and above as poor. However, in practice, few inventories of public buildings ever achieve an overall rating of 10% or below. Existing average government building conditions throughout the United States fall within a range of 25% to 35%. The current FCI for the Commission's inventory of office buildings is 39%, with a range of 2% to 142%. The average age of these office buildings is 45 years, with a range from 14 to 104 years old.

In 2007, the Commission proposed a ten-year $400 million DM funding program that would have substantially reduced the existing backlog of projects. However, the funding required to carry out the program was not fully appropriated and, therefore, the backlog has not been substantially reduced. Additionally, items in this extensive backlog that remain unaddressed result in an exponential escalation in the cost of maintenance and repairs over time. Not including any new items, the current backlog of DM projects totals over $640 million. Of this total, over $202 million worth of projects are labeled as critical or tending critical, meaning that they must be addressed immediately or within the next twelve months.

The issue of deferred maintenance is addressed in greater detail in the Self-Evaluation and Opportunities for Improvement section of this plan.

TECHNOLOGY AND TELECOMMUNICATIONS

The technology related capital needs of the agency are essential to the daily operations of the Commission. The Commission's networking systems, computers, including software, and printers are acquired through spot purchases for break/fix incidents. Management recognizes critical weaknesses due to lack of capital assets in the following areas.

In an effort to align with the state's strategic direction for information resources management, the agency continues to explore and utilize commodity technology products and services provided by the Information and Communications Technology Cooperative Contracts program.

DATA CENTER SERVICES

The Commission participates in the Data Center Services Contract ("DCS") with the Department of Information Resources ("DIR"). In addition to providing data center services, DCS includes the consolidation, transformation, and replacement of the Commission's end-of-life administrative server systems with updated virtual machines at the State Data Centers. Most of the Commission's aging server system was transformed to a new virtual machine infrastructure at the Texas Data Center located in Austin, Texas. The remaining outdated server infrastructure from the Commission's data center will be consolidated and transformed to newer equipment. Specific initiatives in planning are:

- replacement of end-of-life server systems and applications to current or current-1 status at the Central Services Building and at the State Data Center;

- transfer of the Microsoft Office 365 services to the DCS contract; and

- transfer of data and mitigation of application (linked spreadsheets, portal applications, etc.) to complete the agency's migration from Novell to Microsoft Active Directory and file services.

INFRASTRUCTURE UPGRADE

Maintaining current end user and network computing infrastructure is essential for the daily operations of the Commission. Funds will be needed to continue to acquire technology and to replace aging equipment, as needed, to support Commission staff in performing regular tasks. The Commission's current budget will not support the acquisition of equipment and infrastructure upgrades, including replacing end-of-life and out-dated equipment and wiring. Specific initiatives in planning are:

- replacement of end-of-life network components, such as network equipment, patch panels and cabling for agency offices with equipment capable of supporting gigabit Ethernet to the desktop;

- replacement of end-of-life telecommunications equipment and wiring with Voice Over Internet Protocol network and equipment; and

- upgrade of internet connectivity to accommodate increased cloud computing, to provide web security, and to improve desktop support for satellite offices.

PERSONAL COMPUTER REFRESH

Maintaining current technology infrastructure for the end user computing ("EUC") environment is essential for daily operations of the Commission. Also, establishing an EUC refresh program enables information technology staff to focus more on business needs rather than equipment maintenance and repair. It also makes computer equipment costs more predictable, evens out information technology expenditures, and reduces budget spikes. The specific initiative in planning is to adopt a refresh plan cycle to replace end of life workstations, laptops, and printers with new equipment.

APPLICATION UPGRADE AND REPLACEMENT OF LEGACY SYSTEMS

Replacement or modernization of legacy applications and programs are essential for daily operations of the Commission. The Commission must also implement sound data management principles to support good business practices, meet regulatory requirements, and electronically share information to improve operational efficiency. Specific initiatives in planning are:

- replacement of PowerBuilder frontend for GUI Fund Accounting System (GFAS) with web-based application; and

- purchase and implementation of an integrated workplace management system to allow staff to manage operational initiatives and reduce energy consumption and maintenance cost through analysis and process improvement.

SECURITY UPGRADE

As part of the state-wide Enterprise Security Program, the Commission engaged Gartner, Inc., ("Gartner") to evaluate its information technology ("IT") security program, requirements, and current capabilities against industry leading practices. Gartner is recognized as having substantial experience and technical expertise in the area of IT security strategies and information protection architectures. This evaluation was conducted as an assessment of security and risk management in the IT area of the Commission, addressing people, policies and process, technologies, and overall approach. The scope for this Gartner IT security assessment was the Commission facility and encompassed the Commission's IT security program and applicable IT environment(s) including infrastructure, governance, and related lifecycle processes. As part of this assessment, Gartner made recommendations on how current constraints and requirements may best be addressed in the context of the Commission's technical environment and business processes. Specific initiatives in planning include the implementation of the strategic roadmap developed by Gartner to address identified gaps and improve the level of security maturity.

AGENCY USE OF HISTORICALLY UNDERUTILIZED BUSINESSES

The Commission is committed to equal opportunity in the solicitation and award process for qualified businesses seeking opportunities with state agencies. The HUB program plays a vital role in carrying out this commitment.

In 2009, the State of Texas performed a disparity study, which resulted in development of statewide HUB goals in six procurement categories. The Commission has adopted these goals as its minimum performance standard, and develops annual agency goals based on past performance and future procurement projections. The table below shows the Commission's performance against HUB goals.

Comparison of Fiscal Year 2013 HUB Expenditures to HUB Goals				
Category	Statewide Goals Percent of Spend	Commission Goals Percent of Spend	HUB Spend as Percent of Total Agency Spend	Over/(Under)
Heavy Construction	11.20%	0.00%	100.00%	100.00%
Building Construction	21.10%	21.10%	23.38%	2.28%
Special Trades	32.70%	32.70%	67.77%	35.07%
Professional Services	23.60%	23.60%	24.74%	1.14%
Other Services	24.60%	24.60%	23.74%	(0.86)%
Commodities	21.00%	16.00%	24.34%	8.34%

In 2013, the Commission exceeded its goals in all procurement categories except "Other Services," where the shortfall was only 0.86%.

A five year history of HUB expenditures is shown in the table below. The Commission has remained relatively consistent in its percentage of HUB expenditures, with the largest percentage spent occurring in 2013.

Fiscal Year 2009 – 2014 Actual Expenditures			
Fiscal Year	Overall Expenditures	HUB Expenditures	% Spent with HUBs
2009	$102,262,857.00	$27,004,536.00	26.40%
2010	$158,626,011.00	$34,474,581.00	21.70%
2011	$101,616,509.00	$23,217,744.00	22.85%
2012	$65,358,280.00	$12,096,363.00	18.51%
2013	$53,630,278.00	$15,613,812.00	29.11%
2014 (6 months)	$34,383,557.00	$8,376,491.00	24.36%

IMPACTS TO PROGRAM IN FISCAL YEAR 2013

The 83rd Legislative Session provided new requirements for HUB programs. Previously defined as Asian Americans, Black Americans, Hispanic Americans, Native Americans, and women-owned businesses, the Legislature included a new category of economically disadvantaged person: veterans as defined by Title 38, United States Code, Section 101(2) who have suffered at least a twenty percent (20%) service-connected disability as defined by Title 38, United States Code, Section 101(16). This change was codified as Texas Government Code Section 2161.001(3)(a)(vi). Implementation guidelines are in development by the Comptroller of Public Accounts (the "Comptroller") and the Commission is adjusting its processes to incorporate the new category of outreach.

The Legislature also included additional reporting requirements in Riders 17 and 18 in the Comptroller's bill pattern in the General Appropriations Act for Appropriation Years 2014–2015. These riders increase HUB data captured and reported by requiring:

- performance of an internal assessment evaluating the agency's or institution's efforts in increasing the participation of HUBs in purchasing and public works contracting; and
- demonstration of future compliance with Texas Government Code Section 2161.123 by submission of a plan addressing statistical disparities, anecdotal disparate treatment, outreach efforts, and proper staffing.

The Legislature also funded for deferred maintenance projects for facilities in the Commission inventory, providing contracting opportunities for both professional and trades services.

HUB BUSINESS PLAN

The State of Texas requires its agencies to develop a HUB business plan as an element of its strategic planning process. The Commission's Strategic Plan for Fiscal Years 2013-2017 included the following HUB plan components:

- assisting vendors in obtaining HUB certification status;
- facilitating meetings with vendors and procurement staff to provide vendors with a better understanding on how to do business with the state;
- ensuring that internally developed solicitation documents include applicable class and item codes for subcontracting opportunities to assist prime contractors in searching for HUBs using the Comptroller's Centralized Master Bidders List;
- requiring non-HUB prime contractors to demonstrate that they have solicited bids from HUB subcontractors as well; and

- sponsoring and participating in state agency HUB economic opportunity forums to provide visibility to Commission solicitation opportunities and purchaser contact information.

The Commission continues to build on those elements by developing solicitation and contracting processes that highlight opportunities and increase accessibility to right-sized projects for these small businesses. The Commission believes development of small business participation increases competition among qualified companies and supports the state's economic development goal of fostering economic opportunity and economic competitiveness.

In 2013, marketing approaches were improved, increasing participation in agency contracting opportunities. Targeted HUB outreach efforts resulted in professional services contract awards to two HUBs as prime vendors and one HUB as a sub-consultant. One HUB subcontractor received an award in the building construction category as a direct result of marketing activities.

The HUB program analyzes data from a variety of sources for continuing program improvement. Areas of review have included:

Statistical and Anecdotal Disparities: The Comptroller is currently engaged in a disparity study, the results of which will be incorporated into the agency HUB program once published. There have been no anecdotal reports of disparate treatment based on minority status. The agency is fortunate in having participants willing to make suggestions for program improvement, many of which have been or will be incorporated into the solicitation and award process.

Outreach Efforts: The Commission has developed a marketing plan consisting of outreach initiatives that facilitate matchmaking, relationship and teaming for success among HUBs, prime firms, and Commission decision makers including project managers. The plan reflects our goal to continue to seek diverse vendors through active involvement with business development organizations, chambers of commerce and participation in statewide procurement outreach events. The plan also serves as the basis for educating internal program areas, vendors, and key stakeholders on our purchasing process, policies, and achievements.

Staffing: The HUB program is staffed with two positions. The senior position serves as the HUB director, and brings expertise in marketing and organizational communication. The junior marketing position supports the director in scheduling, event planning, and outreach activities, and maintains the database of documentation that services the numerous reporting requirements. The pairing has enabled the program to increase its outreach efforts by 15.5 percent from Fiscal Year 2012 to Fiscal Year 2013.

The Commission's HUB program will continue to collaborate with and support the procurement activities of its other program areas that strive to deliver a high-quality work environment for state government that is functional, energy efficient, and cost effective.

KEY ORGANIZATIONAL EVENTS

SUNSET REVIEW

The 83rd Legislature considered 24 entities under Sunset review which included the Texas Facilities Commission. Agency staff met with staff from the Sunset Commission over a period of four (4) months in late 2012 to provide extensive research and analysis so that it could evaluate the need for, performance of, and improvements to the Commission.

While the Sunset Commission determined the state has a continuing need for the Commission, it identified the need to ensure the Commission has the statutory direction and tools in place to operate with greater transparency, collaboration, and accountability. Some of the Sunset Commission's significant recommendations for the Commission included:

- require the Commission to inclusively develop and formally adopt a Capitol Complex Master Plan to guide decision making on the Complex's future development;
- require the Commission to include a complete and clearly documented process for evaluating public/private partnership ("P3") proposals in its P3 Guidelines, and make the evaluation results publicly available;
- require the Commission to develop and regularly update a comprehensive plan for all of its maintenance and capital improvement needs; and
- direct the Commission to better track and report management and performance data about its deferred maintenance program and the condition of its building systems.

The Sunset Commission found that the state continues to need the Texas Facilities Commission to manage the buildings, grounds, and properties, and their associated infrastructure, which support state government operations. In addition, it found that since 2007 when the legislature focused the Commission more squarely on its state facilities planning and management duties, there are no significant advantages that would result from transferring the Commission's statewide support functions to another state agency.

While Sunset staff recommended a shorter than normal eight-year continuation date for the Commission, this recommendation was not due to particular problems, but to align the Commission's next Sunset review with the reviews of the Department of Information Resources and the Comptroller's Procurement Division, the other primary agencies that provide support services to the state. Sunset would then be positioned to more comprehensively evaluate Texas' decentralized approach towards providing support services to state agencies in the future, an approach also recommended in the recent Sunset staff report on these other agencies.

As a result of the review, Senate Bill 211 was filed and passed during the 83rd Legislative Session and the Commission has been working to implement both the recommendations of the Sunset Commission and its new statutory responsibilities.

Capitol Complex Master Plan

Senate Bill 211 requires the Commission to prepare a Capitol Complex Master Plan in consultation with the General Land Office, the State Preservation Board, the Texas Historical Commission, and the Partnership Advisory Commission. The Commission must submit the initial plan to the Governor, Lieutenant Governor, Speaker of the House of Representatives, Comptroller, and Legislative Budget Board not later than April 1, 2016, and updates to the plan not later than July 1 of each even numbered year thereafter.

The Capitol Complex Master Plan must include: (i) an overview and summary of previous plans for the Capitol Complex; (ii) a strategic vision and long-term goals for the Capitol Complex; (iii) an analysis of state property, including buildings in the Capitol Complex and the extent to which this state satisfies its space needs through the use of the property; (iv) detailed, site-specific proposals for the developing state property in the Capitol Complex, including proposals on the use of property and space for public or private sector purposes; (v) an analysis of and recommendations for building design guidelines to ensure appropriate quality in new or remodeled buildings in the Capitol Complex; (vi) an analysis of and recommendations for Capitol Complex infrastructure needs, including transportation, utilities, and parking; (vii) for projects identified in the plan, an analysis of and recommendations for financing options; (viii) time frames for implementing the plan components and any projects identified in the plan; (ix) consideration of alternative options for meeting space needs outside the Capitol Complex; and (x) other information relevant to the Capitol Complex as the Commission determines appropriate.

G.J. Sutton Facility – San Antonio

The Commission was appropriated various funds for the renovation of mechanical, electrical, fire protection, and conveyance systems for the G.J. Sutton Facility in the 80th, 81st, and 82nd legislative sessions. In prosecuting the authorized work, Commission staff became aware of serious structural problems in the buildings comprising the facility. Stress cracking of walls and uneven floors were discovered and observed to be further deteriorating. The Commission engaged the services of geotechnical and structural engineers to determine the cause of the problems and recommend solutions. By early spring of 2013, the engineers submitted a comprehensive report outlining ongoing structural decay of the buildings caused by the differential settlement of soils under the building foundation. As Commission staff was evaluating the reports' findings, further structural movements occurred requiring emergency installation of structural bracing in certain portions of the building. In the subsequent months, additional structural movements occurred and the potential health and safety risk to building occupants and visitors became too great to mitigate. The Commission instructed all tenant agencies to vacate the building by September 1, 2013; all the agencies complied and the building was closed.

The G.J. Sutton Facility is now vacant, and all state agencies have relocated to lease space or other state offices. The Commission is maintaining the facility in a "moth-balled" state as it evaluates available options. Architects and engineers have been hired to study the feasibility and cost to restore the existing buildings; replace them in their entirety; or restoring some historic portions of the building while replacing others. In all situations, the Commission is also evaluating the feasibility of bringing additional state functions to the facility which are currently housed in lease space. The Commission will be presenting a preferred scenario for consideration and possible approval by the 84th Legislature.

MANAGEMENT OF TEXAS SCHOOL FOR THE DEAF AND TEXAS SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED

Passage of Senate Bill 211 transferred the facility management responsibilities for the Texas School for the Blind and Visually Impaired ("TSBVI") and the Texas School for the Deaf ("TSD") to the Commission. These responsibilities include everything from the day-to-day maintenance of the facilities to implementing deferred maintenance programs. As part of the transfer, the Commission received seven full time equivalent ("FTE") positions from TSBVI and twelve FTEs from TSD, as well as the associated personnel and operating revenues from each school.

The Commission took over these responsibilities on September 1, 2013, and continues to gain knowledge of the issues affecting each facility and the most effective means by which to address them. Commission staff is working and coordinating closely with school staff to carry out its responsibilities.

TSBVI recently completed a major capital improvement project that saw most of its antiquated buildings replaced with new, state of the art facilities. The Commission was instrumental in this project and this experience, coupled with the newness of the facility, has allowed for a smooth transition of facility maintenance responsibilities. The TSD facilities are older and exhibiting signs of wear and tear as well as systems reaching the end of their useful life. The Commission is also leveraging deferred maintenance funding to perform full assessments of the facilities and infrastructure at TSD in order to prepare a comprehensive facility management plan for the campus. The facility management plan will be instrumental in guiding priorities and forthcoming appropriation requests.

USE AND ANTICIPATED USE OF CONSULTANTS

The Commission enters into many contractual relationships to carry out its functions including contracts for maintenance of building systems such as HVAC, life safety and elevators; housekeeping, grounds and landscaping; construction services; architecture and engineering services; utilities; and, interagency and interlocal agreements with many state agencies and local governments. Generally, the agency has not found it necessary to contract with many consultants under Section 2254.026 of the Texas Government Code, as the agency has been able to perform necessary services with its own staff or through a contact with another state governmental entity. However, contracted services, including the possibility of using consultants, will continue to be used to leverage their expertise and provide the best value solutions for the Commission and the agencies it serves.

PART III

FISCAL ASPECTS

SIZE OF BUDGET

The Commission's operating budget for Fiscal Year 2014 is $51,532,423. This budget supports the daily operations of the agency which includes the payment of utility bills on behalf of other state agencies. Approximately 50% of the Fiscal Year 2014 appropriated General Revenue and General Revenue-Dedicated Fund 36 in the operating budget is for the payment of utility invoices. An additional 40% of General Revenue is appropriated for property management, maintenance, repair, operations, custodial services, recycling and grounds maintenance.

APPROPRIATION TRENDS

Fiscal Year	Amount Appropriated
FY 2015	$ 52,872,682+
FY 2014	$ 92,047,019*+
FY 2013	$ 70,895,359
FY 2012	$ 112,066,471*

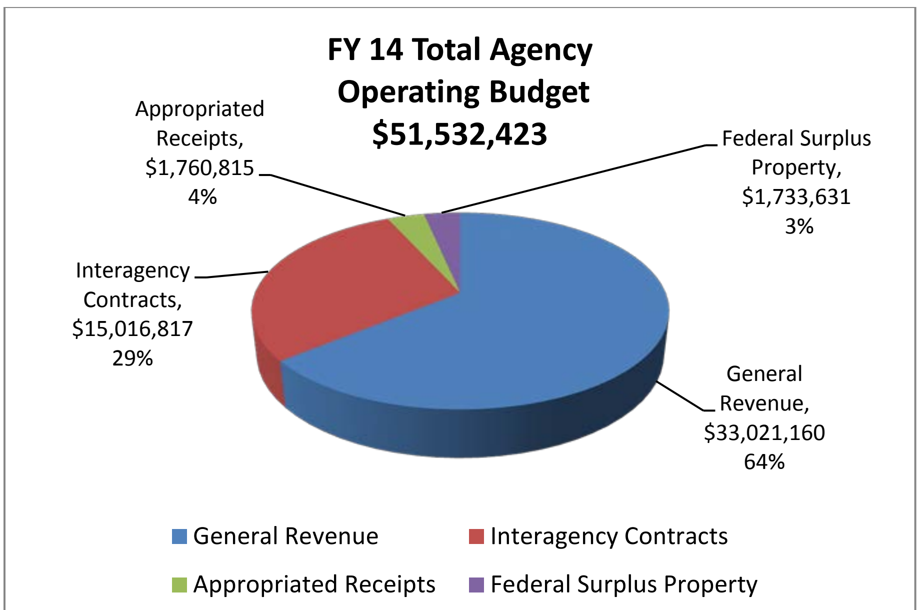
**General obligation bonds for deferred maintenance are appropriated in the first year of the biennium. Does not include Capital Budget Unexpended Balances from prior year.*

+Includes salary increases for general state employees (per GAA FY14-15, Article IX, Section 17.06) and budget increase per MOU with TSBVI.

In addition to the Fiscal Year 2014 operating budget, the Commission has a Fiscal Year 2014 non-operating budget of $80,759,352, which includes unexpended balances from the prior year for capital expenditures related to deferred maintenance projects. For FY2014, the non-operating budget is funded primarily by GO bonds but also includes $24.5 M general revenue for deferred maintenance (including $4.5M for TSD) and $2M in interagency contracts.

METHOD OF FINANCE

The Commission's operating budget is funded from four sources: General Revenue, General Revenue-Dedicated, appropriated receipts, and interagency contracts.

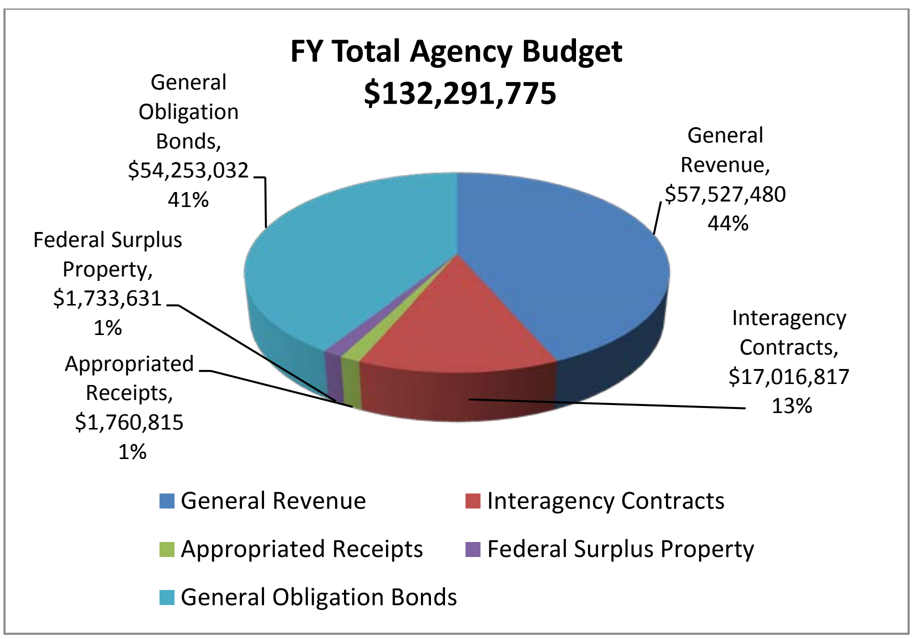


General Revenue and related funds provide for 64% of the Commission's operating budget. Thirty-three percent (33%) of agency operations are funded with collected revenue, consisting of interagency contracts and appropriated receipts. The remaining 3% is generated from the Federal Surplus Property Program receipts. The chart above illustrates the method of finance for the operating budget in dollar amounts.

Appropriated receipts are primarily from private tenant reimbursements, the sale of state surplus property and the sale of recycled materials. The interagency contracts revenues are primarily from providing property management services to certain agencies under Section 2165.007 of the Texas Government Code, cost recovery construction project management fees, and fees from minor construction projects performed on behalf of other state agencies.

The Federal Surplus Property Program is funded by Dedicated General Revenue Fund 0570 from revenue received from eligible donees to cover the program's operating expenses.

The three funding streams for the Commission's construction budget are general revenue, general obligation bonds and interagency contracts. Deferred maintenance projects are funded with general obligation bonds and general revenue appropriated by the Legislature. The interagency contracts funding is obtained from funds received from other state agencies with whom the Commission has contracted for new construction or major renovation projects.



The chart above illustrates the combined operating and construction budget. General Revenue accounts for 44% of the total agency budget and collected revenue accounts for 14%. General obligation bonds account for 41% of the total agency budget with Federal Surplus Property accounting for 1% of the total agency budget.

PER CAPITA

The Commission is an agency which provides services to other state agencies and as such does not have a targeted "per capita" projected spend.

BUDGETARY LIMITATIONS

The Commission currently has two riders in the General Appropriations Act (Fiscal Years 2014−2015), H.B. 1, 83rd Leg., R.S., ("GAA") which restricts and/or caps the agency use of appropriated funds.

Rider 10 of the Commission's bill pattern in the GAA, concerning Capitol Complex utilities, states that notwithstanding Article IX, Section 14.01, Appropriation Transfers, or similar provisions of the GAA, from funds appropriated above in Strategy B.2.1, Facilities Operation ($20,061,403 in Fiscal Year 2014 and $20,061,403 in Fiscal Year 2015), without prior written approval provided by the Legislative Budget Board, no funds may be transferred by the agency to another appropriation item or be used by the agency for a purpose other than payment of utility expenses or for the repayment of loans obtained through the State Energy Conservation Office and/or the Texas Public Finance Authority for implementation of energy efficiency programs and projects.

Rider 15 of the Commission's bill pattern in the GAA, concerning the Public-Private Partnerships, states that notwithstanding other provisions of the GAA, TFC may not expend amounts appropriated in the GAA on any activities related to public-private partnerships, as authorized by Government Code, Chapter 2267, Public and Private Facilities and Infrastructure, within the Capitol Complex as defined by Government Code, §443.0071(b).

The Commission will comply with these restrictions as provided in the appropriation riders set out above.

CURRENT BUDGET

The Commission will effectively operate within its current budget while continuing to accomplish its mission.

CAPITAL AND/OR LEASED NEEDS

Funding for deferred maintenance projects will continue to be a major budget driver. The Commission anticipates that it will need to make an exceptional item request for Fiscal Years 2016−2017 for required repairs and renovations for all state-owned office buildings maintained by the Commission. Additional requests for exceptional items will include new buildings and parking structures.

PART IV

TECHNOLOGICAL DEVELOPMENTS

IMPACT OF TECHNOLOGY ON CURRENT AGENCY OPERATIONS

This technology development plan builds on the foundation established in prior plans. It brings to light critical issues facing information technology, such as security, mobility, and collaborative governance. It also ensures that technology plans and actions are in line with the Commission's strategic plan and the state's Top Ten Technology Priorities for 2014-2018.

COLLABORATION AND RESOURCE SHARING

The Commission is a participant in the Data Center Services ("DCS") project and has an on-going dialogue with the Department of Information Resources ("DIR") and the vendor on how to utilize the shared data center and disaster recovery services toward helping the agency build a more secure, agile, and cost-effective infrastructure for the delivery of agency information technology ("IT") services. The consolidated data center will give the agency equal access to advanced technologies and will maximize agency resources by leveraging economies of scale. Most importantly, by coordinating and sharing resources at the statewide level, the agency can focus more of its technology resources on agency-specific applications that support its unique missions.

Commission management and staff recognize the need to utilize, to the extent possible, collaboration and resource sharing with the private sector and other state agencies to ensure effective use of current technology assets. Collaboration offers the Commission the opportunity to access skills, technologies, and products that would otherwise be out of reach due to cost. The Commission will explore these partnerships in the next biennium; the responsibility to deploy innovative, value-added solutions to meet state agency core missions will require the ability to share resources for the common good of the state.

SECURITY

The implementation and monitoring of enterprise IT security effectively reduces the impact of security threats and helps ensure the availability and reliability of the Commission's resources. As technology becomes more integrated and more distributed, however, the risk of exposure to security threats increases and the investment in security must also increase to effectively protect the Commission's data and technology resources. In addition, more rigorous government regulatory compliance requirements demand increased security resources to protect sensitive electronic information. According to industry predictions, the top five security threats will be: mobile devices, social media, hackers, more sophisticated viruses, and accidental loss of storage devices. These will also require new security measures.

Examples of necessary security infrastructure efforts and approaches include:

- implement intrusion detection system for enterprise services;
- mask sensitive data in enterprise databases and systems;
- implement advanced security (two-factor authentication) for administrator access to systems;
- extend advanced security to program areas administrator access;
- streamline processes for encryption; and
- continue to increase authentication and logging capabilities.

The Commission continues to implement a comprehensive security program to leverage and manage all of its critical information and communications technology assets. TFC routinely conducts periodic assessments of technology security through a penetration test conducted by DIR. As part of this effort, DIR identifies risks in network and application security and the agency responds by remediating the risks.

The Commission actively seeks opportunities to develop a comprehensive security program that protects the agency's information and communications technology assets and infrastructure. The agency developed a set of security policies based on documented risks and in compliance with DIR's administrative rule. The Commission, working with Team for Texas and DIR, has developed, tested, and implement a Disaster Recovery Plan to reflect the agency's transformed environment to the Austin Data Center. As part of the state-wide Enterprise Security Program, the Commission engaged Gartner, Inc., ("Gartner") to evaluate their IT security program, requirements, and current capabilities against industry leading practices. Gartner is recognized as having substantial experience and technical expertise in the area of IT security strategies and information protection architectures. This evaluation was conducted as an assessment of security and risk management in the IT area, addressing people, policies and process, technologies, and overall approach. The scope for this Gartner IT security assessment was the Commission's facility and encompassed IT security programs and applicable IT environment(s) including infrastructure, governance, and related lifecycle processes. As part of this assessment, Gartner made recommendations on how current constraints and requirements may best be addressed in the context of the Commission's technical environment and business processes. The Commission plans to implement the strategic roadmap developed by Gartner to address identified gaps and improve the level of security maturity.

MOBILE STRATEGY

Mobile devices are dramatically changing how technology is used in state government. Services must be developed and implemented with the understanding that many, if not most users will expect to access services, resources, and data via some type of mobile device. The complexity of developing services and systems to work with the multitude of devices is only one aspect of the challenge of developing a workable mobile strategy. Another significant challenge is implementing appropriate controls to secure data while making it highly accessible. Examples of services related to a mobile strategy include:

- access to applications supporting functional areas;
- access to restricted and secure enterprise administrative systems;
- printing from mobile devices; and
- providing mobile versions of web-based applications.

CLOUD SERVICES

Cloud computing is a term used for computing resources that are located remotely and delivered over a network, often the Internet. These resources can include storage, applications, or computer processing power. The services can be provided internally or by a commercial vendor. Cloud computing can provide cost savings because of economies of scale and centralized management, and can provide flexibility because resources can be increased or decreased dynamically. Slow adoption of cloud computing using an outside vendor is related to security concerns, actual security incidents, and an uncertainty related to availability and reliability. Identifying the appropriate use of cloud services for the Commission will require an evaluation of vendors, services, and the development of policies and guidelines to govern use. Examples of cloud-based services useful to the Commission include:

- identification of a product to be used for storage of non-sensitive data and integration of this product into our infrastructure;
- integration of external cloud computing processing resources to support business functions; and
- internal and external resources for advanced collaboration services such as instant messaging, video conferencing, and online meetings.

TECHNOLOGY PLANNING

With limited resources for technology projects, the commission approaches technology planning from an agency-wide perspective to ensure that technology projects and purchases are driven by business needs. Business needs from all areas of the agency are communicated, discussed, and prioritized at the monthly meeting by the core team of the IT strategic planning group to foster coordination and sharing of information technologies. Projects with a technology component are subject to an internal approval process, including a business justification and cost-benefit analysis. The core team representatives from all program areas communicate with the information resources manager on technology projects which are prioritized from an agency-wide perspective.

New and improved information technology procured through strategic outsourcing to private sector partners and implemented with Commission oversight can provide a cost-effective option for resilient, reliable, and secure systems. The rapid advancement of computing technology in recent years has prompted the software industry to rise to the occasion and create better solutions, bringing about greater benefits to the community of consumers.

Integration of commercial solutions with State of Texas systems often require custom applications and enhancements that are more cost efficient to be performed and maintained by agency staff. When the business units purchase commercial software, they might face the fact that there are some certain problems with installing the software and adopting it to that division's goals and objectives. When packaged, commercial solutions do not provide the business value needed. The Commission uses custom applications and enhancements to meet the agency's unique software requirements.

COMMISSION TECHNOLOGICAL ADVANCES

The Commission has integrated technology into all aspects of its operations. Integration will continue to be in direct support of the goals of the agency. In addressing the agency's information resource objectives, the following common goals were identified:

- update the aging information technology infrastructure;
- improve the ability for analysis and reporting to provide the necessary business intelligence for establishing commission policy; and
- develop and continuously analyze the Commission's portfolio for process improvement where new systems can be implemented and will address existing gaps and reduce total cost of operation.

Most recently, in cooperation with accounting, budget, and internal procurement, the agency has migrated the internal purchasing functions to a new secure web-based application, which will provide better administrative reporting and access. The agency has also migrated from Novell to Active Directory and from Lotus Notes e-mail to Microsoft Office 365, offering anywhere access to cloud-based email, web conferencing, file sharing, and Office Web Apps.

The Commission is migrating agency applications to web-based applications not only to improve access to services, but also to help streamline and improve agency business processes. While the most visible example of electronic services is seen on the agency portal, virtually all agency applications have been converted to web-based applications and the information and services are delivered online. These web-based applications allow customers to transact business with the agency from any location at their convenience.

The Commission recognizes the need for information and services to be usable by all of its customers. Agency information is now increasingly distributed through electronic means over the Internet. Customers can access information and services at their own convenience. The agency is making it easier for clients to get information by designing an easy-to-navigate website. The agency will continue to assess and evaluate its website to make sure it is ordered around functional areas rather than agency organizational structures. It will continue to enhance the search and browse capabilities to help users locate what they need. The agency will continue to follow and implement DIR rules relating to the development and monitoring of its website to provide access to individuals with disabilities.

The Commission has worked to adapt and deploy technology solutions that support the agency's goals and objectives. The Commission has implemented these solutions in concert with statewide strategies described in the 2012–2016 State Strategic Plan for Information Resources Management, which include the following major information systems in use at the agency:

Application	Section	Description
ManagePath	Leasing	SaaS−statewide lease management system
PortfolioPath	Leasing	SaaS−statewide lease portfolio system
MicroMain	O&M	SaaS−manages work orders, contracts, budgets and reports
IMPACT	FDC	SaaS−construction project management system
Team IMPACT	FDC Contractors	SaaS−construction project management system
Comet	FDC	SaaS−building assessment system (works with IMPACT)
AssetWorks	FSP	SaaS−Sales and inventory system for federal surplus property activity
GFAS	Fiscal	Internal accounting system
Citibank Smart Data Online	Fiscal	Imports purchasing data , reformats it, and uploads into GFAS
Ecova	Fiscal	Ecova sends utility consumption and invoices to Fiscal for import
Assistance Organizations	FSP	Tracks organizations that are qualified to receive federal surplus property
Records Tracking	Records Mgt	Manages records retention
Fee Tracking	Fiscal	Administers fees paid to third parties for services such as auctions
Conference Room Reservations	PAM	Schedules all of the conference rooms in state buildings
Correspondence Tracking	Executive	Tracks executive mail, reports and documents
Facilities Service Center	Other Agencies	Administers service requests
Federal Surplus Invoices	Fiscal	Uploads of files from AssetWorks to GFAS
Financial Reports	Fiscal	Captures Comptroller and GFAS accounting reports for user access
HR Tracking	HR	Adds new employees, assign their positions, program areas, email addresses, timesheet approver, etc.
HUB Annual/Semi-annual Reports	HUB	Procurement reports mandated by the CPA
HUB Monthly Report	HUB	Procurement reports mandated by the CPA
HUB PAR System	HUB	Tracks progress and vendor compliance with HUB contracting plans

APPLICATION	SECTION	DESCRIPTION
Procurement System	Procurement	Creates requisitions, purchase orders, etc.
ISAM System	Security Coordinators	Request or deny access to the various internal and external systems
Legal Contracts	Legal	Tracks all agency contracts and performs reporting
MicroMain Billing	O&M	Run upon request to upload work order data into GFAS and to create invoices
PAF System	HR	Personnel actions such as new hires, transfers, resignations
Payment Scheduling	Fiscal	Accounts Payable to schedule recurring payments
Point of Sale System	SSP	Inventory, sales, and reporting of the state surplus property received and sold at the Austin location
SaaS Transaction Processing	3rd party providers	Administers for third party hosted services
State Surplus Invoices	SSP	Uploads sales data into accounting system
State Surplus Property Listings	Public	Displays state surplus property for sale with photos
State Surplus Storefront	SSP	Inventory, sales, and reporting of SSP received and sold at the Fort Worth and San Antonio locations
Tailgate Reservations	PAM	Tracks parking spaces rented to tailgaters
Customer Service Survey	TFC	Tracks performance for the programs and departments
Reporting Database	TFC	Tracks and archives reports required by statute
Web Application Portal	TFC	Secure cloud platform for many of the TFC web applications, internal policies, forms and documents
TFC Website	Public	Main public website for TFC for use by the general public
Time Sheet	HR	Tracks employee leave/interfaces with the CPA's leave accounting system
Voucher Payment Tracking	Fiscal	Manages voucher payment information

LEGEND
CPA−*Comptroller of Public Accounts*
FDC−*Facility Design & Construction*
O&M−*Operations & Management*
FSP−*Federal Surplus Program*
GFAS−*GUI DIR Fund Accounting System*
HR−*Human Resources*
HUB−*Historically Underutilized Business*
ISAM−*Information Systems Access Management,*
PAF−*Personnel Action Forms,*
***PAM** – Planning & Asset Management*
SaaS−*Software as a Service*
SDOL−*Smart Data Online,*
SSP−*State Surplus Program,*

DEGREE OF AGENCY AUTOMATION

The Commission is currently participating in the Statewide Data Center Services Project established by House Bill 1516, enacted in 2005 by the 79th Legislature, and has an on-going dialogue with the Department of Information Resources ("DIR") and Xerox/ACS, utilizing the shared data center and disaster recovery services toward helping the agency build a more secure, agile, and cost-effective infrastructure for the delivery of agency information technology services.

The Commission's local area network supports end-user computing, printing, client-server, and web-based applications. Workstations, printers, and help desk services are provided by a four member information technology operations staff. The local area network supports shared access to a variety of standard software application packages including an office product suite, electronic messaging, database management system, and business and accounting applications. Internet connectivity is provided through the Commission's connection to the statewide network infrastructure.

The Commission promotes network security user awareness, education, and active participation with agency staff as well as technology to maintain a secure functional network environment. These strategies, along with ongoing network and application evaluation and testing ensure the development of secured and hardened application platforms in line with the State Enterprise Security Plan. The Commission continues to enhance a comprehensive security program to manage all of its critical technology and communications assets. The Commission routinely conducts periodic assessments of technology security through a penetration test conducted by DIR. As part of this effort, DIR identifies risks in network and application security and the agency responds by remediating the risks.

Upgrading the agency's website will facilitate access to information relevant to opportunities for potential private vendors, including solicitations for professional services and goods. Greater public access to agency information through the website includes the use of social media, public private partnerships, and information from state officials and agencies. The agency's website has been designed to be completely accessible, working in accordance with the Web Content Accessibility Guidelines. The website provides a live search engine by simplifying the search process.

ANTICIPATED NEED FOR AUTOMATION—COMMISSION INITIATIVES

The Commission has a number of initiatives currently in progress or planned over the next biennium that will enhance the agency's ability to serve the public and client agencies as well as to deliver reliable and secure workplace solutions.

Successful expansion of the Commission's cloud computing platform may require the additional purchase of licenses for data sources that are external to the agency. This platform is expected to be used internally only; however, some functions may leverage data created by external agencies or vendors. Additionally, any expansion of agency personnel may require the acquisition of additional licenses and servers through the State Data Center.

The Commission continues to proactively enhance, standardize, and control all aspects of its internal technical resources in order to support lines of business and streamline internal support activities. Additional technology initiatives that are planned or underway within the agency are discussed under Capital Asset Strengths and Weaknesses in Part II above and in the Technology Resources Planning—Technology Initiative Assessment and Alignment section of this plan.

PART V

ECONOMIC VARIABLES

CONSTRUCTION

Key economic variables that can potentially affect the cost of construction projects include construction materials costs, construction material shortages, labor costs, fuel costs, construction activity, and natural disasters. The impact of these economic variables on construction costs in turn affects the cost and schedule of capital improvement projects managed by the Commission. If the final cost of the project exceeds projections for escalation accounted for in a client agency's appropriation request, the agency may have to scale down the scope of the project or request additional funding in a subsequent budget cycle. When completion dates are affected and extended, a client agency may incur additional unplanned expenses, such as the expense for temporary leased space, and the startup or expansion of a program may be delayed.

Various industry publications track construction costs and the construction labor and materials market. Current cost data indicates that building construction costs have increased about 1.9% in the past year. Other data indicates that total construction activity in the Texas region may have grown as much as 16% in 2013, with the majority of that growth in the building market and more specifically in residential construction. Recovery and economic growth continue post-recession, and construction pricing continues to rise, with increases likely to fall in the range of a 3 to 5% increase per annum.

To plan for the impact of changing economic conditions, the Commission currently utilizes a conservative cost escalation factor of 4.5% per annum in the development of project analyses. The Commission also utilizes certain construction delivery methods that are advantageous during times of escalating construction costs, such as the Construction Manager at Risk method, which provides for the involvement of the contractor during the design phase and helps ensure the use of real-time cost information to achieve a final design and construction contract.

COMMISSION FACILITIES

The Commission is charged with providing efficient facilities that meet the needs of state agencies serving the citizens of Texas. Historically, population trends were a logical gauge for predicting facility requirements for state agencies. As the population grew or shrank, the staffing and facility needs of state agencies followed the changes in population in a logical manner. However, agencies occupying both commercially leased and state-owned facilities under the Commission's management reported an attrition of 185 FTE's, an overall decrease of 0.3%, between Fiscal Years 2011 to 2013. During this same period, the state's population increased by 990,000 persons, an overall increase of 3.9%. (Calculations are based on tenant agency responses to the Commission's Space Needs Survey for 2013, and the Department of State Health Services.)

State-owned facilities provide approximately six million square feet of office space in eight cities throughout Texas. Chapter 2167, Texas Government Code, directs the Commission to fulfill any request for space by using state-owned facilities when available; however the Legislature has not authorized the construction of a new state office building since 2000. Except for the recent evacuation of the G.J. Sutton Building, occupancy in state-owned buildings is approximately 100% and will remain this way for the foreseeable future. In the absence of available state-owned facilities, the Commission is forced to continue to rely upon facilities leased from the private sector to accommodate the immediate space needs of state agencies.

COMMERCIAL OFFICE REAL ESTATE MARKET

The Commission leases 10.3 million square feet of office space throughout 253 Texas cities with the majority of these facilities located in the major metropolitan areas of the state, including Austin, the Dallas/Fort Worth Metroplex, Houston, and San Antonio. Each of these city's central business district and suburban office submarkets are in the "Recovery" or "Expansion" phases, of the office market lifecycle and are experiencing decreasing vacancy rates, moderate absorption, employment growth, and rental rate growth. San Antonio's central business district market is in recovery, while the same submarkets in Austin, Dallas/Fort Worth, and Houston are in the expansion phase. As it relates to the suburban office submarkets, Austin and San Antonio are in the recovery phase, while Dallas/Fort Worth and Houston are in the expansion phase.

For the fourth year in a row, *Forbes.com* lists Austin as "America's Fastest Growing City." Three other Texas cities fall in the top twenty fastest growing cities in the report including Dallas/Fort Worth (no. 4), Houston (no. 10), and SanAntonio (no. 20), These and other factors indicate asking rents will increase proportionally as available space diminishes and demand grows.

A brief outline of projected economic and population growth for each area, accompanied by state leased and commercial office market information, can be found in Appendix F.

STATEWIDE LEASE CONSOLIDATION PROGRAM

The Commission manages over 800 leases of commercial facilities, from private entities, in 253 cities across the state. The leased portfolio totals approximately 10.3 million square feet at a cost of approximately $153.6 million each year. While the Commission routinely analyses the cost of perpetually leasing facilities compared to building new state facilities or acquiring existing properties to meet the long-term space needs of state government, the state has maintained a long-term lease presence, 30 years or more, in the majority of Texas metropolitan areas. For example, the state leases space in excess of 2 million square feet in Travis County, at a cost of approximately $35 million annually. The state experienced a 250% increase in lease expenditures from 1990 to 2010 due to the lack of state-owned facilities. This trend continues as rental rates increase. Similar conditions exist on a smaller scale throughout Texas where the state has maintained a historical presence in leased space..

The Commission continues to implement the Statewide Lease Consolidation Program to position the state to capitalize on market opportunities to expand ownership and improve access to services for taxpayers. The Commission is currently assessing long-term (30 to 50 year) statewide facility needs and cost savings achieved through shared facility resources. Over the last four years the Commission has realigned the lease portfolio staging lease renewals and expirations to terminate concurrently. In 2009 the Planning and Real Estate Management Division staff identified 9 cities, containing 223 leases, totaling 4.1 million square feet targeted for consolidation into 23 regional service centers by 2020.

PART VI

IMPACT OF FEDERAL STATUTES/REGULATIONS

HISTORICAL ROLE OF FEDERAL INVOLVEMENT

President Harry Truman, in an effort to simplify federal surplus property distribution, signed into law the Federal Property and Administrative Services Act. The act created the U.S. General Services Administration ("GSA"), the federal agency that oversees the Federal Surplus Property Program ("FSP Program") today. The primary authority for the Federal Surplus Personal Property Donation Program is Title 40 of the United States Code, Section 549. Implementing regulations are contained in Title 41 of the Code of Federal Regulations, Section 102-37.

Throughout the years following the establishment of the program, additional legislation has been passed which increased the number of programs or groups which are eligible to obtain federal surplus property through the FSP Program.

Eligible Groups

- state and public agencies
- museums
- free libraries
- educational organizations
- nonprofit educational and public health activities
- entities providing assistance to the homeless
- entities providing assistance to the impoverished
- medical institutions, hospitals and clinics
- nonprofit and public programs for the elderly
- active SBA 8(a) certified companies with an active SBA 8(a) certification by the Small Business Administration ("SBA")
- service educational activities of special interest to the armed services
- public airports
- historic light stations
- child care centers
- drug abuse treatment centers
- fire departments and emergency service districts

KEY STATE LEGISLATION AFFECTING THE FEDERAL PROGRAM

The Texas State Educational Agency for Surplus Property was established by the Governor in 1945 by executive order under authority of his "War Emergency Powers." In 1949, the 51st Legislature changed the name to the Texas Surplus Property Agency and continued the agency by passage of Senate Concurrent Resolution 33.

Each successive Legislature continued the Texas Surplus Property Agency by Concurrent Resolutions until March 19, 1971, when House Bill 216 became law as Article 6252-6b, Vernon's Annotated Revised Civil Statutes of the State of Texas, establishing the Texas Surplus Property Agency as a permanent agency of the state.

On June 19, 1993, the 73rd Legislature passed Senate Bill 381 abolishing the Texas Surplus Property Agency. The bill called for the functions of the agency to pass to the Commission, known as the General Services Commission at that time, effective September 1, 1993, thus establishing the FSP Program. Subsequent state legislation over the following years renamed the agency, now known as the Texas Facilities Commission, but did not impact the Commission's role as the designated Texas state agency under federal law to act on behalf of the United States Government with respect to federal surplus and salvage property.

CURRENT FEDERAL ACTIVITIES

As the federal agency that oversees the FSP Program today, the GSA is responsible for oversight and administration of the program. In order to facilitate the disbursement of federal surplus property throughout the United States, the GSA coordinates with state agencies, like the Commission. These agencies are known as the State Agency for Surplus Property ("SASP").

To receive transfers of federal surplus property, an SASP must have a GSA approved "State Plan of Operation" as set forth in United States Code, 41 Federal Regulations, Section 102-37. A State Plan of Operation is a document developed under state law and approved by GSA in which the state sets forth a plan for the management and administration of the SASP in the donation of property. The state legislature must develop the plan, however, the Commission is charged by statute with submitting the plan to the legislature for approval. The chief executive officer of the state must submit the plan to the administrator of GSA for acceptance and certify that the SASP is authorized to: (i) acquire and distribute property to eligible donees in the state; (ii) enter into cooperative agreements; and (iii) undertake other actions and provide other assurances as are required by the code and set forth in the plan. The plan is updated as necessary. Amendments or modifications to the plan must be approved by GSA. Proposed plans and major amendments to existing plans require general notice to the public for comment. The current Texas State Plan of Operations was fully executed in April 1998.

When a federal entity determines that they have property that is no longer needed, they are required to follow federal guidelines to dispose of the property. In most cases, the federal entity is required to post the property on the GSA website. While the property is posted on this website, other federal entities, and SASPs, such as the Texas FSP Program are allowed to view the property and request it for donation. Each state is allowed, per Title 40 of the United States Code, Section 549, to operate a program to facilitate the transfer of federal surplus property to organizations deemed eligible under the terms allowed by the program. If another federal entity has need of the property, they are given preference over any other state program which may ask for it. Allocation is then determined by the GSA based on factors such as prior allocation of similar items to that particular state; overall federal surplus property allocated to a particular state, and need as described by a donee. After the FSP Program is allocated a particular piece of property, transportation must then be arranged to one of our warehouses. In some situations, a donee is allowed to pick up the property directly from the federal holding entity which results in a reduced handling fee being assigned to the property.

Each SASP is responsible for ensuring compliance with federal regulations in the donation of surplus federal property. One such responsibility is the monitoring of how the property is used. In compliance with the federal and state conditions and restrictions associated with the receipt of federal surplus property, property must be placed in use by a donee for the purpose for which acquired within one (1) year of receipt. The property must be used for the expressed purpose throughout the federal restriction period. If the property is not placed in use within the one (1) year period and utilized for the expressed purpose for the specified period of restriction, the property is to be returned to the SASP "at the donees expense." The property must not be sold, traded, leased, bailed, cannibalized, encumbered, removed for permanent use outside the state, or otherwise disposed of during the specified period of restriction without the prior approval of the GSA or SASP. The period of restriction shall begin on the date the property is actually placed into use. Property with an original acquisition cost of less than $5,000.00 has a compliance period of twelve (12) months. Property with an original acquisition cost of $5,000.00 or more and passenger vehicles have a compliance period of eighteen (18) months. Any aircraft has a compliance period of five (5) years, and some items, such as non-operational combat aircraft and firearms are perpetual items. Perpetual property is property for which the compliance period never expires and the property must be continually tracked by the program. All donees are subject to compliance visits by the FSP Program within that compliance period to ensure that the property is being used as intended by the donee.

GSA performs a review of each SASP, typically every two years, to evaluate the SASP's management of the program. Their review includes an evaluation of an SASP's eligibility determinations, property allocation, and compliance monitoring.

The FSP Program is administered by a program director and assistant director. Both are responsible for the State and Federal Surplus Property Programs with the assistant director primarily responsible for the federal program. Approximately fourteen (14) employees work primarily for the federal program with fourteen (14) state program employees lending support where necessary. Other agency personnel lend support from such functional areas as Financial Services & Budget, Human Resources, Information Technology, Legal Services, Mail Operations, Procurement, and Risk Management.

Anticipated Impact on Service Populations and Agency Operations of Future Federal Actions

The federal donation program is dependent on the release of excess property declared surplus by the federal government. Changes in the quantity and quality of donable property can fluctuate from year to year depending on the availability and federal initiatives, such as active military conflicts around the world and budgetary restrictions. All states utilizing the program are very competitive in bringing as much donable property as possible back to their home state. The process of finding what is available and seeking GSA allocation approval is an on-going effort to return as much property as possible to eligible Texas donees.

Property is listed by GSA online with limited information or sometimes incorrect information regarding the condition of the property. Physical inspection and assessment for larger items is critical in obtaining the best possible property for the program. Whereas other states send representatives to federal surplus locations all over the country to screen property, the Texas SASP has historically limited such trips to locations within the state. Restricting screening trips to Texas severely limits the program's ability to obtain quality property. In order to expand, the program needs to expand screening visits in the future.

Any federal statute or regulation which limits the acquisition of property by a federal entity will directly affect future allocations of property to the states. In addition, any federal statute or regulation which impacts the type of organization eligible to participate in the federal surplus property program could have a positive or negative impact.

PART VII

OTHER LEGAL ISSUES

Senate Bill 1457

The Texas School for the Blind and Visually Impaired (TSBVI) is a center for educational services for all blind and visually impaired students in Texas. The Texas School for the Deaf (TSD) is established as a state agency to provide a continuum of direct educational services to students who are deaf or hard of hearing and who may have multiple disabilities.

The 83rd Legislature enacted Senate Bill 1457 which transferred the maintenance and operation of the facilities for TSBVI and TSD to the Commission. These schools retain the title to their property, but were required to enter into memoranda of understanding ("MOUs") with the Commission for maintenance and operation of the facilities. This will allow the schools to focus primarily on the educational needs of their students while the Commission assumes responsibility for maintaining the schools' facilities along with other facilities in Austin maintained by the agency.

Although Senate Bill 1457 required the Commission and TSBVI and TSD to enter into MOUs to perfect the transfer of responsibilities and duties for certain facility management services by January 1, 2014, the MOUs were executed effective August 31, 2013. The accelerated timing for the MOUs was necessary because some of the funds and full-time equivalents that support facilities maintenance for the schools for FY 2014 were transferred to the Commission in the General Appropriations Act effective September 1, 2013. The MOUs set forth the processes in which all employees, records, contracts, equipment and other relevant information were transferred between the entities as well as the manner in which the Commission plans to provide continuing maintenance at both facilities. Maintenance includes: (i) preventative maintenance and periodic testing and/or inspection of the systems for all facilities provided on both campuses; (ii) general carpentry; and (iii) maintenance, operation and repair of mechanical, electrical, and plumbing systems, fire protection services, elevator and lift systems, irrigation systems, and security controls and equipment. The Commission also provides trash removal and recycling services. In addition, the MOUs set forth the process for identifying needed capital improvements and deferred maintenance projects for the campuses and including such projects in the Commission's capital improvement and deferred maintenance plan that defines capital improvements and critical and non-critical maintenance needs.

Senate Bill 211

The Commission's responsibilities have historically encompassed a wide array of support services related to the administration of state facilities. Throughout its nearly 100-year history, the Commission has undergone numerous legislative changes to the scope of its functional responsibilities, including the transfer to other agencies of duties for statewide procurement, telecommunications, and Capitol Complex law enforcement.

In recent decades, the Commission's responsibilities have been focused by the Texas Legislature on providing a clean and safe work environment for state government that is functional, energy efficient, and cost effective. The operational aspects of the agency include the assignment of space to departments of state government; master facilities planning; acting as the state's representative in real estate matters, including lease procurement; the design and construction of facilities; the maintenance and operation of facilities; and the administration of state and federal surplus property. To *accomplish its current mission, the Commission* has concentrated on increasing the effectiveness, expertise, and efficiency within its operations. The Commission continually reviews internal processes, procedures, and organizational structure to identify opportunities for improvement.

During Fiscal Years 2012-13, the Commission underwent review by the Sunset Advisory Commission pursuant to Texas Government Code, Chapter 325. The review provided by this statute determines whether the functions of an agency are needed, and if so, how the agency can work better and save money for Texans. Upon review, the Sunset Advisory Commission recommended, and Senate Bill 211 was filed and passed, to continue the functions of the Commission for an additional eight (8) years.

As passed, Senate Bill 211 made many positive changes to various statutory reporting requirements of the Commission by syncing the filing deadlines and recipients for similar reports. In addition, the bill included a new provision in Texas Government Code, Section 2165.2035, that allows the Commission to recoup from parking revenues costs incurred by the agency for trash collection and disposal, grounds and other property maintenance, and the remedying of any damage to state property related to the after-hours use of state-owned parking facilities. The bill also enacted a new provision that disallows the Commission from leasing, selling, or otherwise disposing of any property in the Capitol Complex without legislative approval. However, this prohibition does not affect individual parking leases or other small leases/licenses under Subchapter E of Chapter 2165.

Senate Bill 211 addressed many aspects of the Commission's potential involvement in public-private partnerships pursuant to legislation enacted during the 82nd Legislative session and the Commission will review and make any necessary amendments to the agency's Public-Private Partnership Guidelines and internal processes to comply with the new requirements.

Senate Bill 211 also created new Texas Government Code, Sections 2166.105-2166.108 to address a newly-required Capitol Complex Master Plan, Comprehensive Planning and Development Process, and Comprehensive Capital Improvement and Deferred Maintenance Plan.

Pursuant to Section 2166.105, the Commission shall prepare a Capitol Complex Master Plan to include the following: (i) an overview and summary of the previous plans for the Capitol Complex; (ii) a stated strategic vision and long-term goals for the Capitol Complex; (iii) an analysis of state property, including buildings, in the Capitol Complex and of the extent to which this state satisfies its space needs through use of the property; (iv) detailed, site-specific proposals for developing state property in the Capitol Complex, including proposals on the use of property and space for public or private sector purposes; (v) an analysis of and recommendations for building design guidelines to ensure appropriate quality in new or remodeled buildings in the Capitol Complex; (vi) an analysis of and recommendations for Capitol Complex infrastructure needs, including transportation, utilities, and parking; (vii) for projects identified in the plan, an analysis of and recommendations for financing options; (viii) time frames for implementing the plan components and any projects identified in the plan; (ix) consideration of alternative options for meeting state space needs outside the Capitol Complex; and (x) other information relevant to the Capitol Complex as the Commission determines appropriate. The Commission is required to ensure that the General Land Office, the State Preservation Board, the Texas Historical Commission, and other relevant interested parties are included in each stage of the development of the Capitol Complex Master Plan and that this plan and the master facilities plan developed under Section 2166.102 do not conflict and together comprehensively address the space needs of state agencies. In addition, the proposed plan shall be submitted to the Partnership Advisory Committee for review and comment. The Commission shall submit the initial plan to the Governor, Lieutenant Governor, Speaker of the House of Representatives, Comptroller, and Legislative Budget Board not later than April 1, 2016, and updates to the plan not later than July 1st of each even-numbered year thereafter.

Pursuant to new Section 2166.107, the Commission is required to adopt by rule a comprehensive process for planning and developing state property in the Commission's inventory and for assisting state agencies in space development planning for state property under Texas Government Code, Sections 2165.105 and 2165.1061. This process must include: (i) a clear approach and specific time frames for obtaining input throughout the planning and development process from the public, interested parties, and state agencies, including the General Land Office; (ii) specific schedules for providing to the Commission regular updates on planning and development efforts; (iii) a public involvement policy to ensure that before the Commission makes a decision on the use or development of state property the public and interested parties have the opportunity to review and comment on the Commission's plans; and (iv) confidentiality policies consistent with Texas Government Code, Chapter 552.

Finally, new Section 2166.108 requires the Commission to develop a comprehensive capital improvement and deferred maintenance plan that clearly defines the capital improvement needs and critical and noncritical maintenance needs of state buildings. The plan must: (i) list, with regular updates, deferred maintenance projects that contain critical high-priority projects and lower-priority, non-health and safety projects; (ii) state the Commission's plan for addressing the projects; (iii) account for the completion of high-priority projects; (iv) estimate when the lower-priority projects may become higher-priority projects; (v) be modified as necessary to include additional maintenance projects; (vi) contain a list of all predictable capital improvement projects, including a time frame and a cost estimate for each project; (vii) contain a plan, updated biennially, for responding to emergency repairs and replacements that, in consultation with the Legislative Budget Board, identifies potential sources of funds, which may include bonds and bond interest, that may be used to pay the costs of emergency repair and replacement projects. The comprehensive capital improvement and deferred maintenance plan must include a prioritized list by state agency facility of each project that includes an estimate of the project's cost and the aggregate costs for all facility projects. The Commission is required to include the comprehensive capital improvement and deferred maintenance plan and regular updates to the plan in its long-range plan required under Texas Government Code, Section 2166.102. The information included in the long-range plan must include the aggregate project costs for each state agency but may exclude the cost of each specific facility project.

Senate Bill 211 also amended the surplus property statutes to require all political subdivisions and assistance organizations that obtain property through a direct transfer for a state agency to use the property for a period of two (2) years before disposal – similar to the federal program. This will preclude entities from taking property not needed for their mission and selling it for a profit and will make property available to the organizations that need the equipment to provide services.

House Bill 1675

House Bill 1675 requires that the Commission undergo a “limited” Sunset review of items included in the Sunset Advisory Commission’s recommendations to the 83rd Legislature.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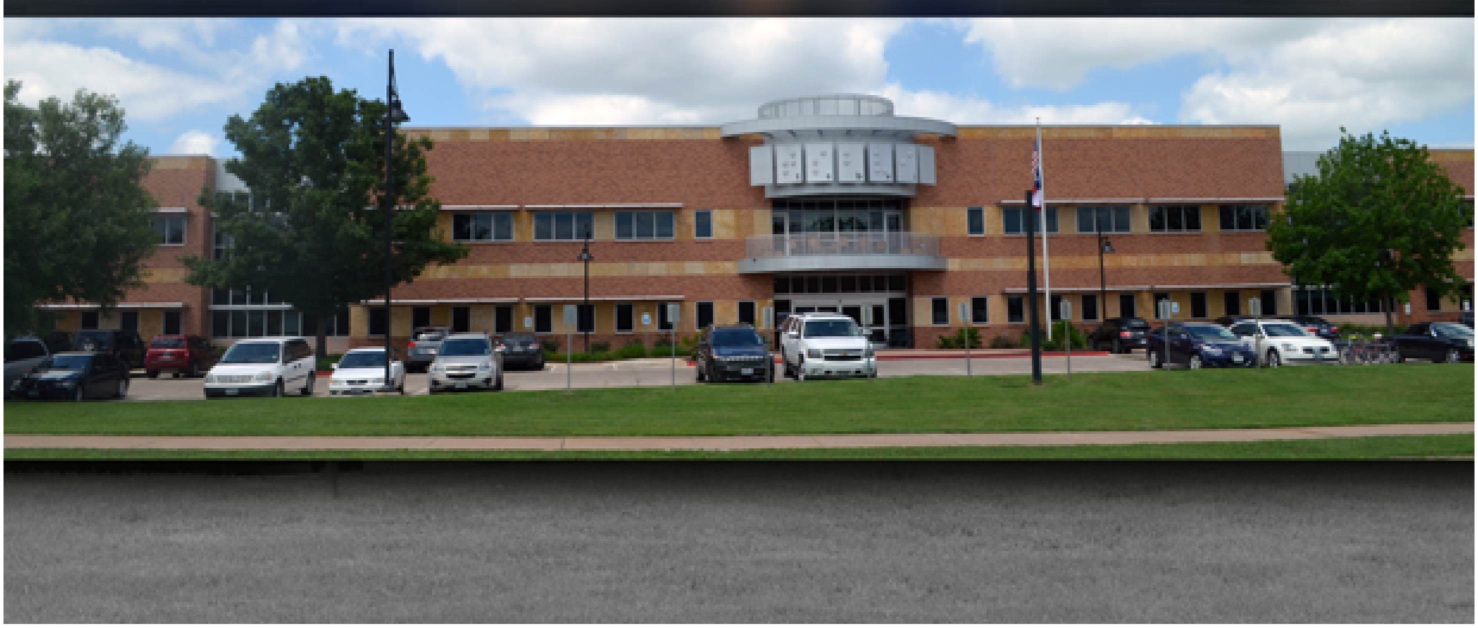

PART VIII

SELF-EVALUATION AND OPPORTUNITIES FOR IMPROVEMENT

The Commission has three main areas of focus for opportunities for improvement: to reduce the backlog of deferred maintenance, to reduce energy consumption, and to maximize the strategic and efficient use of state-owned facilities to reduce long-term dependence on the use of lease space.

DEFERRED MAINTENANCE

The Commission is consistently working to identify, evaluate, and strategically reduce the backlog of deferred maintenance needs of the state-owned facilities under the Commission's care. As discussed in previous sections of this plan, in 2006 the Commission performed a comprehensive facility condition assessment that identified an extensive backlog of repairs and renovations for all state-owned office buildings maintained by the agency. Based on that assessment, the Commission proposed a ten-year deferred maintenance program in excess of $380 million to substantially reduce the backlog that existed at that time and to improve the overall condition of the building inventory managed by the agency. The funding request for the program was not fully appropriated and the original program is no longer on track. As a result, the repairs and renovations previously projected for future biennia have now reached a more critical level.

This extensive backlog represents more than the sum of past annual maintenance deficits. It also includes a continuous, compounding effect of postponing maintenance from one year to the next. This compounding effect is similar to the interest on debt and results in an exponential escalation in the cost of maintenance and repairs. If needed maintenance is not completed in one year, then the costs of maintenance, repair, or replacement are significantly higher in subsequent years. Asset management studies have shown that if routine preventative maintenance is not performed, then repairs equaling five times the maintenance costs are generally required. In turn, if the repairs are not completed, expenses for major repair, renovation, or replacement can be five times the repair costs. As the rate of deterioration accelerates, it reaches the point where repairs are no longer possible or financially prudent considering factors such as the total value of the asset and the projected remaining life and planned use of the asset.

Postponing maintenance compounds not only the cost of deferred maintenance but also the volume as well. Facilities are in a constant state of deterioration and even while identified problems are being corrected, other problems occur, increasing the overall deterioration of the inventory of assets. Additional funding will slow the rate of increase in the backlog but will not halt it. The sheer volume of state-owned assets managed by the Commission and the critical level of many facilities means that, even with an infusion of needed funding, the backlog will continue to increase. This problem is not unique to the Commission or the State of Texas; it is faced by governments at all levels throughout the country, by institutions of public and higher education, and by private asset managers.

Due to funding constraints, recent appropriations for deferred maintenance have been limited to amounts needed only for projects identified as most critical to reduce the risk to continuity of operations and/or health and life safety concerns. The continued deferral of projects that are currently less critical will result in an increase in the volume and cost of the total backlog as well as in the critical level of numerous projects. The result will be an increasingly deleterious effect on the value of state-owned property and facilities.

Without adequate funding for preventative and routine maintenance and repairs, the backlog will continue to increase and become more critical in nature, despite the Commission's continued implementation of a strategy to effectively distribute allocation of available funds to the highest-priority needs. As a result, the Commission does not anticipate reducing the aggregate amount of the accumulated deferred maintenance backlog within its portfolio of state-owned facilities with current funding levels.

In order to strategically reduce the aggregate amount of the accumulated deferred maintenance backlog within the Commission's portfolio of state-owned facilities and protect the public investment in these assets, a predictable stream of additional funding is needed over a sustained period of time.

ENERGY

The primary goal of the Commission's energy management function is to reduce utility consumption and operating costs in state-owned facilities on the agency's inventory. The Commission is in the early stages of establishing a holistic approach to energy management and continues to implement a variety of energy-reduction initiatives including i) utility consumption and billing reviews for discovery of anomalies, errors and trends; ii) utility rate negotiations in unregulated markets; iii) collaboration with the Commission's property management and maintenance divisions to establish best managed conservation practices for building use and maintenance; iv) collaboration with the Commission's automation/controls division to tweak building operations for peak performance; and v) collaboration with the project management division to achieve energy and resource conservation results on all applicable capital improvements. While the authorized strategies for Deferred Maintenance ("DM") appropriations for Fiscal Years 2014 and 2015 were primarily for health and life/safety concerns as discussed above, the Commission has implemented these DM projects with an approach that also fulfills SECO-mandated energy performance codes whenever possible. Where scopes of Deferred Maintenance projects provide opportunity for rebates from utility providers, the Commission actively pursues those rebates to leverage a more thorough repair and remediation of known building deficiencies. Additionally, as a matter of policy, when ongoing DM projects provide opportunity and appropriately authorized funding is available, other energy enhancements are pursued in concert with the DM projects.

The Commission coordinates with the General Land Office (GLO) to obtain low prices for natural gas and, when productive, has entered into a contract, negotiated through GLO, to lock in gas rates.. More recently, the cost of natural gas has been relatively stable and historically low, so TFC has not felt a need to lock in natural gas pricing for the last couple of years. In addition, the Commission has signed a long-term contract with Austin Energy that has stabilized pricing for utility service for our larger service connections for state-owned facilities in Austin and Travis County through May 2015.

The Energy Management Program affects the Commission's overall annual utility budget of approximately $20 million that comprises roughly 50% of the agency's general revenue appropriations. Implementation of this program additionally has long-term effects on the usefulness and life cycle of building equipment and systems that contribute to a quality working environment in all facilities on the Commission's inventory. Equipment upgrades such as variable speed pumps, building automation systems, and energy management systems not only result in energy savings but also prolong the life of the mechanical systems and allow for instantaneous detection of malfunctions and poorly performing equipment. Emerging lighting technology not only saves energy in the long term but reduces the need for the continued general maintenance activity of replacing light bulbs as the newer bulbs have extended life cycles. The ultimate goal of all these initiatives is to reduce utility consumption and operating costs in state-owned facilities.

Approximately 90% of the agency's utility expenditures go towards facilities in Austin and Travis County, with roughly 70% of that 90% attributable to electrical power. Austin Energy serves as the sole provider of electricity for this subset of the agency's utility expenditures. As power demands and fuel prices continue to increase, Austin Energy, in the fall of 2012, implemented the utility's first rate increase in 15 years followed by a subsequent hike in the fall of 2013. The state currently receives a favorable rate structure from Austin Energy and an agreement is in place that serves to insulate the accounts for our larger service connections of at least 500 kW from these rate increases until its expiration in May of 2015. Indications from Austin Energy are that these accounts will convert to standard commercial accounts and the corresponding rate structure at that time affecting the state with a substantial annual increase in utility costs of approximately $3 million.

The need for redundancy of electrical resources has been underscored by numerous recent events nationwide and our own power outages in the Capitol Complex. These events have exposed the vulnerabilities and risk of reliance on a single electrical utility provider. The Commission has conducted a preliminary study on the feasibility and cost benefits of constructing and operating a Combined Heating and Power ("CHP") generation facility for the Capitol Complex, the associated infrastructure for distributing those utilities campus wide and for other large scale strategic conservation facilities, more specifically Thermal Energy Storage ("TES"). The outcome of these ongoing efforts has identified the construction of an integrated infrastructure for distributing utilities throughout the capitol complex and TES as a priority in preparation for the future when independent cogeneration of power, steam, and chilled water develops into an initiative for the safety and security of state government and/or a responsible fiscal measure. The pursuit of the prioritized infrastructure provides many short term benefits in terms of physical plant consolidation, reduction in operating and maintenance costs, more efficient and reliable delivery of utilities, and reduction of "peak demand" electrical charges. The infrastructure, as a critical element of the CHP, lays the ground work for future development of this initiative.

REDUCTION OF LEASED SPACE

One of the Commission's main functions is to provide office space for state agencies through the design and construction of facilities or through leasing services. The Commission continues working to maximize the efficient use of space in state-owned buildings and to reduce the state's dependency on long-term commercially leased facilities, particularly in Travis County. The Commission's lease portfolio includes nearly 2.3 million square feet in Travis County at an approximate annual cost of $35.1 million.

In 2012 the Commission began work on the Robert D. Moreton Building cladding replacement project. This major deferred maintenance renovation project required the relocation of over 500 occupants of the building. The Commission was able to locate state-owned space for all the occupants thereby avoiding any lease costs. As work on the building is completed in 2014, the Commission will be able to free up state-owned space for state agencies that have seen their staff size increase as a result of legislative mandates. The Commission will also be able to accommodate state agencies currently located in approximately 18 thousand square feet of lease space.

In compliance with legislation enacted by the 83rd Legislature, the Commission is preparing a Capitol Complex Master Plan. A prime focus of this master plan is the efficient relocation of state agencies from leased space to new state-owned buildings. The Commission is contemplating a multi-phase plan that can be implemented over multiple biennia until lease space is reduced to a minimum. It is the Commission's intent to seek funding for the first phase during the 84th Legislative Session. If approved, the Commission will be able to retire in excess of $8 million of annual lease expenses.

In the North Austin Complex, the Commission is working with the Health and Human Services Commission to master plan the grounds around the John H. Winters Building. As with the Capitol Complex, the Commission is proposing a multi-phase plan to construct new buildings thereby minimizing the need for lease space for health related state agencies. It is the Commission's intent to seek funding for the first phase of construction during the 84th Legislative Session. If approved, the Commission will be able to retire in excess of $5 million of annual lease expenses.


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AGENCY GOALS, OBJECTIVES, STRATEGIES AND RELATED MEASURES

GOAL 1 – FACILITIES CONSTRUCTION AND LEASING	
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	• Average lease processing time (days). • Percent reduction of leased square footage of office and warehouse space.
Explanatory Measures	• 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	• Total square footage owned. • Income from parking lots and garages.
OBJECTIVE 1.2.	To complete 90% 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	• 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	
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 25% of the funded deferred maintenance projects by the end of each fiscal year.
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	• 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	
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.	
Outcome Measure	Fair market value of federal surplus property distributed.
Output Measure	Total net dollar sales of state surplus and salvage property sold.
Explanatory Measures	• Number of donees who received federal surplus property. • Number of agencies participating in the state surplus property program.

GOAL 4 – HISTORICALLY UNDERUTILIZED BUSINESSES (“HUBS”)	
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 meet or exceed statewide HUB goals established in the 2009 State of Texas Disparity Study by facilitating participation of these small businesses in agency procurement and contracting processes.
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	
Review, assess, and implement improvements to the agency plan for increasing the use of historically underutilized businesses, including service disabled veterans, through purchasing and public works contracts and subcontracts.	
Output Measure	• Number of HUBs contacted for bid proposals. • Number of new HUBs contacted for bid proposals. • Number of HUB contracts and subcontracts awarded. • Dollar value of HUB contracts and subcontracts awarded.

Technology Resource Planning—Technology Initiative Assessment and Alignment

Initiative 1. Biennial Funding for DIR/State Data Center Contract

1. Initiative Name: Name of the current or planned technology initiative.

Biennial Funding for DIR/State Data Center Contract

2. Initiative Description: Brief description of the technology initiative.

TFC is mandated to participate in the consolidated data center project. DIR forecasts the amount each participant will need each biennium for continued participation in the 8 year contract with XEROX ending in 2020. TFC is consolidating Office 365 into the DIR contract offering and evaluating disaster recovery reclassification impact on services and costs. Renewal of these services will provide essential services for management of agency data.

3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.

Name	Status
DIR/State Data Center	Assessing internal needs for development of TFC specific costs and will include necessary funding in LAR 16-17.

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.

IT specific: Objective 4-1-2; Agency: All objectives.

5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.

- Security and Privacy
- Cloud Services
- Legacy Applications
- Business Continuity
- Enterprise Planning and Collaboration
- IT Workforce
- Virtualization
- Data Management
- Mobility
- Network

This project meets the "Enterprise Planning and Collaboration" priority of the 2014-2018 State's Top Ten Technology priorities. It will also meet "Security and Privacy" and "Cloud Services" priorities.

6. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements

• Compliance (required by State/Federal laws or regulations)
• Operational efficiencies by providing both an operations and a development server. • Security improvements by providing an alternative back-up server location in the event of a catastrophic failure. • Compliance with state directives on consolidated services.
7. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.
Barriers: Continued participation in the data center is dependent upon legislative funding in AY16-17.

INITIATIVE 2. SERVER SYSTEMS END-OF-LIFE REPLACEMENT

1. **Initiative Name**: Name of the current or planned technology initiative.	
Server Systems End-of-Life Replacement	
2**. Initiative Description**: Brief description of the technology initiative.	
Replacement of end-of-life servers maintained at the DIR data center. Some servers are at end-of-life status, and need to be replaced to reach current service levels (N or N-1 status). XEROX is responsible for the server upgrades. The TFC data servers must service locations throughout the state.	
3**. Associated Project(s**): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.	
Name	**Status**
Server Systems End-of-Life Replacement	Planning is complete. Funding will be requested in LAR 16-17, as part of overall Data Center funding request.
4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.	
IT specific: Objective 4-1-2; Agency: All objectives.	
5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.	
• Security and Privacy • Cloud Services • Legacy Applications • Business Continuity • Enterprise Planning and Collaboration	• IT Workforce • Virtualization • Data Management • Mobility • Network
This project meets the "Legacy Applications" and "Security and Privacy" priorities of the 2014-2018 State's Top Technology priorities.	
6. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the	

technology initiative. Types of benefits include: • Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Security improvements • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)
• Operational efficiencies gained through newer, faster, more stable technology • Citizen/customer satisfaction in reduced delays and outages • Security improvements by reducing the risk of a catastrophic server failure • Foundation for future operational improvements, which must run on up-to-date systems
7. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.
Barriers: Replacement is dependent upon legislative funding and subject to XEROX's priorities.

INITIATIVE 3. GFAS POWER BUILDER CONVERSION

1. Initiative Name: Name of the current or planned technology initiative.	
GFAS Power Builder Conversion	
2**. Initiative Description**: Brief description of the technology initiative.	
Conversion of the PowerBuilder interface for the GUI Fund Accounting System (GFAS) from legacy technology to web based system using .NET.	
3**. Associated Project(s):** Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.	
Name	**Status**
GFAS Power Builder Conversion	Planning is complete; next phase in staff development.
4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.	
IT specific: Objective 4-1-2; Agency: All objectives. Financial system supports all program activities.	
5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.	
• Security and Privacy • Cloud Services • Legacy Applications • Business Continuity • Enterprise Planning and Collaboration	• IT Workforce • Virtualization • Data Management • Mobility • Network
This project meets the "Legacy Applications" priority of the 2014-2018 State's Top Technology priorities.	

6. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include: • Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Security improvements • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)
• Operational efficiencies in processing time and staff productivity • Security improvements in upgrading to a more secure format • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)
7. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.
Capabilities: TFC anticipates staff will be able to perform work in house. **Barriers**: Project is dependent upon available staffing and unanticipated programming requirements for interfacing with USAS .

INITIATIVE 4. VOICE OVER INTERNET PROTOCOL ("VOIP")

1. Initiative Name: Name of the current or planned technology initiative.
Voice Over Internet Protocol ("VOIP")
2. Initiative Description: Brief description of the technology initiative.
Replace end-of-life telecommunications equipment by conversion of the current telephone system and aging equipment to VOIP network and equipment.
3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.

Name	Status
VOIP	System has been planned. Preparatory upgrades to the network infrastructure are complete. Currently waiting on DIR to complete the implementation phase of its plan.

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.
IT specific: Objective 4-1-2; Agency: All objectives. Phone system is essential communication tool.
5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.
• Security and Privacy • Cloud Services • IT Workforce • Virtualization

• Legacy Applications • Business Continuity • Enterprise Planning and Collaboration	• Data Management • Mobility • Network

This project meets the "Network" priority of the 2014-2018 State's Top Technology priorities.

6. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

- Operational efficiencies- system will provide additional capabilities
- Citizen/customer satisfaction – quality of calls, enhanced messaging
- Foundation for future operational improvements

7. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.

Capabilities: Upgraded network capable of carrying VOIP.
Barrier: Project is dependent upon DIR successful completion of its VOIP project phases.

INITIATIVE 5. INTEGRATED WORKPLACE MANAGEMENT SYSTEM ("IWMS")

1. Initiative Name: Name of the current or planned technology initiative.

Integrated Workplace Management System ("IWMS")

2. Initiative Description: Brief description of the technology initiative.

Implement an IWMS to manage operational initiatives; reduce energy consumption and maintenance cost through analysis and process improvement. This is an industry best practice in an enterprise approach to managing the State's building assets. In preparation, an assessment the business requirements and potential solutions must be performed.

3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.

Name	Status
• Assessment (IWMS) • Procurement and Implementation of Solution	Initial planning complete. Funding requested for the assessment in LAR 16-17.

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.

IT specific: Objective 4-1-2; Agency: All objectives. The integrated system will cross program areas, linking facility management processes and streamlining computing services.

5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.

• Security and Privacy • Cloud Services • Legacy Applications • Business Continuity • Enterprise Planning and Collaboration	• IT Workforce • Virtualization • Data Management • Mobility • Network

This project meets the "Enterprise Planning and Collaboration" priority of the 2014-2018 State's Top Technology priorities. It also meets the "Security and Privacy," "Data Management" and potentially, "Cloud Services" priorities.

6. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

- Operational efficiencies in processing time and productivity
- Citizen/customer satisfaction in delivering more secure communication and timely services.
- Foundation for future operational improvements by providing better management information on which to make decisions affecting energy management, construction, maintenance, etc.

7. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.

Barrier: Project is dependent upon funding through legislative appropriation.

Initiative 6. Financial Management Reporting

1. Initiative Name: Name of the current or planned technology initiative.

Financial Management Reporting

2. Initiative Description: Brief description of the technology initiative.

Develop a financial database that houses financial data from different data sources and to use this data to produce monthly financial reports for executive management and the commissioners.

3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.

Name	Status
Financial Management Reporting	Planned; Scheduling in process.

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.

IT specific: Objective 4-1-2; Agency: All objectives. Financial analysis supports all programs.

5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.

• Security and Privacy • Cloud Services • Legacy Applications • Business Continuity • Enterprise Planning and Collaboration	• IT Workforce • Virtualization • Data Management • Mobility • Network
This project meets the "Data Management" priority of the 2014-2018 State's Top Technology priorities.	
6. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include: • Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Security improvements • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)	
• Operational efficiencies such as reduced data compilation and analysis time and increased staff productivity • Foundation for future operational improvements through better financial analysis • Compliance with budget and accounting rules and regulation	
7. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.	
Capabilities: Project will be designed and developed by current IT staff.	

Initiative 7. Active Directory

1. Initiative Name: Name of the current or planned technology initiative.	
Active Directory	
2. Initiative Description: Brief description of the technology initiative.	
The purpose of this initiative is to transfer data and to mitigate linked spreadsheets and portal applications in order to complete the agency's migration from Novell to Microsoft Active Directory and file services.	
3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.	
Name	**Status**
Active Directory	Infrastructure is complete; migration of data is in planning stage.
4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.	
IT specific: Objective 4-1-2; Agency: All objectives.	
5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.	

• Security and Privacy • Cloud Services • Legacy Applications • Business Continuity • Enterprise Planning and Collaboration	• IT Workforce • Virtualization • Data Management • Mobility • Network

This project meets the "Cloud Services" priority of the 2014-2018 State's Top Technology priorities.

6. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

- Operational efficiencies – IT management will be more efficient
- Citizen/customer satisfaction – added stability for end users
- Foundation for future operational improvements

7. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.

Capabilities: Infrastructure is complete.
Barriers: Project is dependent upon available funding for professional migration services.

Initiative 8. Computer Lifecycle Replacement Plan

1. Initiative Name: Name of the current or planned technology initiative.

Computer Lifecycle Replacement Plan

2. Initiative Description: Brief description of the technology initiative.

The purpose of this request is to establish a 4-year Desktop Technology Refresh Plan to replace the agency's aging PC's, laptops, and printers with modern equipment, capable of running current business productivity software.

3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.

Name	Status
Computer Lifecycle Replacement Plan	Plan designed, first phase implemented.

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.

IT specific: Objective 4-1-2; Agency: All objectives.

5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.

• Security and Privacy • Cloud Services • Legacy Applications • Business Continuity • Enterprise Planning and Collaboration	• IT Workforce • Virtualization • Data Management • Mobility • Network
This project meets the "Modernization" priority of the 2014-2018 State's Top Technology priorities. It also meets "Security and Privacy" and "Legacy Applications" priorities.	
6. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include: • Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Security improvements • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)	
• Operational efficiencies through equipment capable of running current business applications • Citizen/customer satisfaction through more efficient service delivery • Security improvements as newer technology includes newer security features. • Foundation for future operational improvements	
7. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.	
Capabilities: First phase of project was implemented with DIR rebate funds in FY12-13. **Barriers**: Continued application is dependent upon funding through legislative appropriation.	

INITIATIVE 9. IT SYSTEMS SECURITY STRATEGY (DIR ENTERPRISE SECURITY PROGRAM)

1. Initiative Name: Name of the current or planned technology initiative.	
IT Systems Security Strategy (DIR Enterprise Security Program)	
2. Initiative Description: Brief description of the technology initiative.	
As part of DIR's state-wide Enterprise Security Program, the Commission engaged a security expert to evaluate the IT Security Program and to make recommendations on how current constraints and requirements may best be addressed. The purpose of this initiative is the deployment the recommendations in the resulting report.	
3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.	
Name	**Status**
IT Systems Security Strategy	Assessment is complete; Phased implementation of recommendations has been planned; funding will be

	requested in LAR 16-17.
4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.	
IT specific: Objective 4-1-2; Agency: All objectives.	
5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.	
• Security and Privacy • Cloud Services • Legacy Applications • Business Continuity • Enterprise Planning and Collaboration	• IT Workforce • Virtualization • Data Management • Mobility • Network
This project meets the "Security and Privacy" priority of the 2014-2018 State's Top Technology priorities. It also meets the "Enterprise Planning and Collaboration" priority.	
6. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include: • Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Security improvements • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)	
• Security improvements • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)	
7. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.	
Capabilities: Staff is capable of and has been implementing some recommendations. **Barrier**: Completion of project is dependent upon funding through legislative appropriation.	

INITIATIVE 10. INTERNET BANDWIDTH UPGRADE

1. Initiative Name: Name of the current or planned technology initiative.	
Internet Bandwidth Upgrade	
2. Initiative Description: Brief description of the technology initiative.	
This initiative is for increasing the bandwidth of the internet connection for the Facilities Commission's Central Services Building administrative network from 40 Mb to 100 Mb.	
3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.	
Name	**Status**
Internet Bandwidth Upgrade	Planning is complete; implementation scheduled for FY15.

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.
IT specific: Objective 4-1-2; Agency: All objectives.
5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.
• Security and Privacy • Cloud Services • Legacy Applications • Business Continuity • Enterprise Planning and Collaboration • IT Workforce • Virtualization • Data Management • Mobility • Network
This project meets the "Network" priority of the 2014-2018 State's Top Technology priorities.
6. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include: • Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Security improvements • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)
• Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Foundation for future operational improvements
7. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.
Capabilities: Project completion is projected for FY15.

Initiative 11. Website Redesign

1. Initiative Name: Name of the current or planned technology initiative.
Website Redesign
2. Initiative Description: Brief description of the technology initiative.
Redesign website for better interaction, easier navigation, and visibility of content.
3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.

Name	**Status**
Website Redesign	Basic design has been planned. Updated content is in development.

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.
IT specific: Objective 4-1-2; Agency: All objectives. The website delivers content and use access to all programs agency-wide.
5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.
• Security and Privacy • Cloud Services • Legacy Applications • Business Continuity • Enterprise Planning and Collaboration • IT Workforce • Virtualization • Data Management • Mobility • Network
This project meets the "Enterprise Planning and Collaboration" priority of the 2014-2018 State's Top Technology priorities.
6. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include: • Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Security improvements • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)
• Operational efficiencies – navigation will be easier • Citizen/customer satisfaction – accessibility and content delivery will enhance experience • Foundation for future operational improvements • Compliance – content is periodically prescribed through legislation
7. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.
Capabilities: Staff is capable of both design and content upgrades. **Barriers**: Content is developed by program areas, which have competing priorities.

INITIATIVE 12. WORK ORDER SYSTEM UPGRADE

1. Initiative Name: Name of the current or planned technology initiative.
Work Order System Upgrade
2. Initiative Description: Brief description of the technology initiative.
Implement upgrade to MicroMain™, the agency work order system for maintenance, repair, and minor construction.
3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.

Name	Status
Work Order System Upgrade	Planning complete; migration of customized contract and billing components is in development.

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.
IT specific: Objective 4-1-2; Agency: All objectives. The website delivers content and use access to all programs agency-wide.
5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.
• Security and Privacy • Cloud Services • Legacy Applications • Business Continuity • Enterprise Planning and Collaboration • IT Workforce • Virtualization • Data Management • Mobility • Network
This project meets the "Legacy Applications" and "Data Management" priorities of the 2014-2018 State's Top Technology priorities.
6. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include: • Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Security improvements • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)
• Operational efficiencies – upgrade will have best practice processes • Citizen/customer satisfaction – system is critical to service delivery and billing • Foundation for future operational improvements
7. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.
Capabilities: Staff is capable of performing the software upgrade. **Barriers**: Staff turnover has affected project schedule.

Initiative 13. Backup Building Controls Network ("BCN") Disaster Recovery ("DR") / Heartbeat

1. Initiative Name: Name of the current or planned technology initiative.
Backup Building Controls Network ("BCN") Disaster Recovery ("DR") / Heartbeat
2. Initiative Description: Brief description of the technology initiative.
This initiative is for creating a "fail-over" or disaster backup system for the BCN Network Operations

Center.	
3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.	
Name	**Status**
BCN DR / Heartbeat	Planned
4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.	
IT specific: Objective 4-1-2; Agency: All objectives.	
5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.	
• Security and Privacy • Cloud Services • Legacy Applications • Business Continuity • Enterprise Planning and Collaboration	• IT Workforce • Virtualization • Data Management • Mobility • Network
This project meets the "Network" and "Business Continuity" priorities of the 2014-2018 State's Top Technology priorities.	
6. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include: • Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Security improvements • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)	
• Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Security improvements • Foundation for future operational improvements	
7. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.	
Barriers: Project is dependent upon available funding.	

Initiative 14. Cisco Identity Services Engine ("ISE") Security Program

1. Initiative Name: Name of the current or planned technology initiative.
Cisco Identity Services Engine ("ISE") Security Program
2. Initiative Description: Brief description of the technology initiative.
This initiative is for increasing the security awareness, enforcement and overall agency group security policies on the BCN.

3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.	
Name	**Status**
Cisco ISE software	Planned

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.

IT specific: Objective 4-1-2; Agency: All objectives.

5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.

- Security and Privacy
- Cloud Services
- Legacy Applications
- Business Continuity
- Enterprise Planning and Collaboration
- IT Workforce
- Virtualization
- Data Management
- Mobility
- Network

This project meets the "Security and Privacy" priority of the 2014-2018 State's Top Technology priorities.

6. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Foundation for future operational improvements
- Security improvements

7. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.

Barriers: Project is dependent upon available funding.

Initiative 15. Cisco Prime Network Management Tools

1. Initiative Name: Name of the current or planned technology initiative.

Cisco Prime Network Management Tools

2. Initiative Description: Brief description of the technology initiative.

This initiative is for increasing the network management, operational efficiencies, enforcement and overall agency BCN security.

3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.

Name	**Status**
Cisco Prime software	Planned

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.

IT specific: Objective 4-1-2; Agency: All objectives.

5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.

- Security and Privacy
- Cloud Services
- Legacy Applications
- Business Continuity
- Enterprise Planning and Collaboration
- IT Workforce
- Virtualization
- Data Management
- Mobility
- Network

This project meets the "Network" and "Security and Privacy" priorities of the 2014-2018 State's Top Technology priorities.

6. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Foundation for future operational improvements
- Security improvements

7. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.

Barriers: Project is dependent upon available funding.

Initiative 16. Replacement of the BCN Servers

1. Initiative Name: Name of the current or planned technology initiative.

Replacement of the BCN Servers

2. Initiative Description: Brief description of the technology initiative.

The purpose of this request is to establish a 4-year BCN Server Technology Refresh Plan to replace the agency's aging BCN Server's with modern equipment, capable of running current business productivity software.

3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.

Name	Status
BCN server replenishment/replacement	Planned

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.

IT specific: Objective 4-1-2; Agency: All objectives.

5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any.

- Security and Privacy
- Cloud Services
- Legacy Applications
- Business Continuity
- Enterprise Planning and Collaboration
- IT Workforce
- Virtualization
- Data Management
- Mobility
- Network

This project meets the “Network” priority of the 2014-2018 State’s Top Technology priorities.

6. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Foundation for future operational improvements

7. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency’s ability to successfully implement the technology initiative.

Barriers: Project is dependent upon available funding.

Initiative 17. Building Controls Network (“BCN”) Redundant Network Operations Center (“NOC”)

1. Initiative Name: Name of the current or planned technology initiative.

Building Controls Network (“BCN”) Redundant Network Operations Center (“NOC”)

2. Initiative Description: Brief description of the technology initiative.

This initiative is for creating a redundant or “fail-over” Network Operations Center (NOC) to maintain system reliability and redundancy.

3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency’s Information Technology Detail.

Name	Status
BCN redundant NOC	Planned

4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.
IT specific: Objective 4-1-2; Agency: All objectives.
5. Statewide Technology Priority(ies): Identify the statewide technology priority or priorities the technology initiative aligns with, if any. • Security and Privacy • Cloud Services • Legacy Applications • Business Continuity • Enterprise Planning and Collaboration • IT Workforce • Virtualization • Data Management • Mobility • Network
This project meets the "Network" priority of the 2014-2018 State's Top Technology priorities.
6. Anticipated Benefit(s): Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include: • Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Security improvements • Foundation for future operational improvements • Compliance (required by State/Federal laws or regulations)
• Operational efficiencies (time, cost, productivity) • Citizen/customer satisfaction (service delivery quality, cycle time) • Foundation for future operational improvements
7. Capabilities or Barriers: Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.
Project is dependent upon available funding.

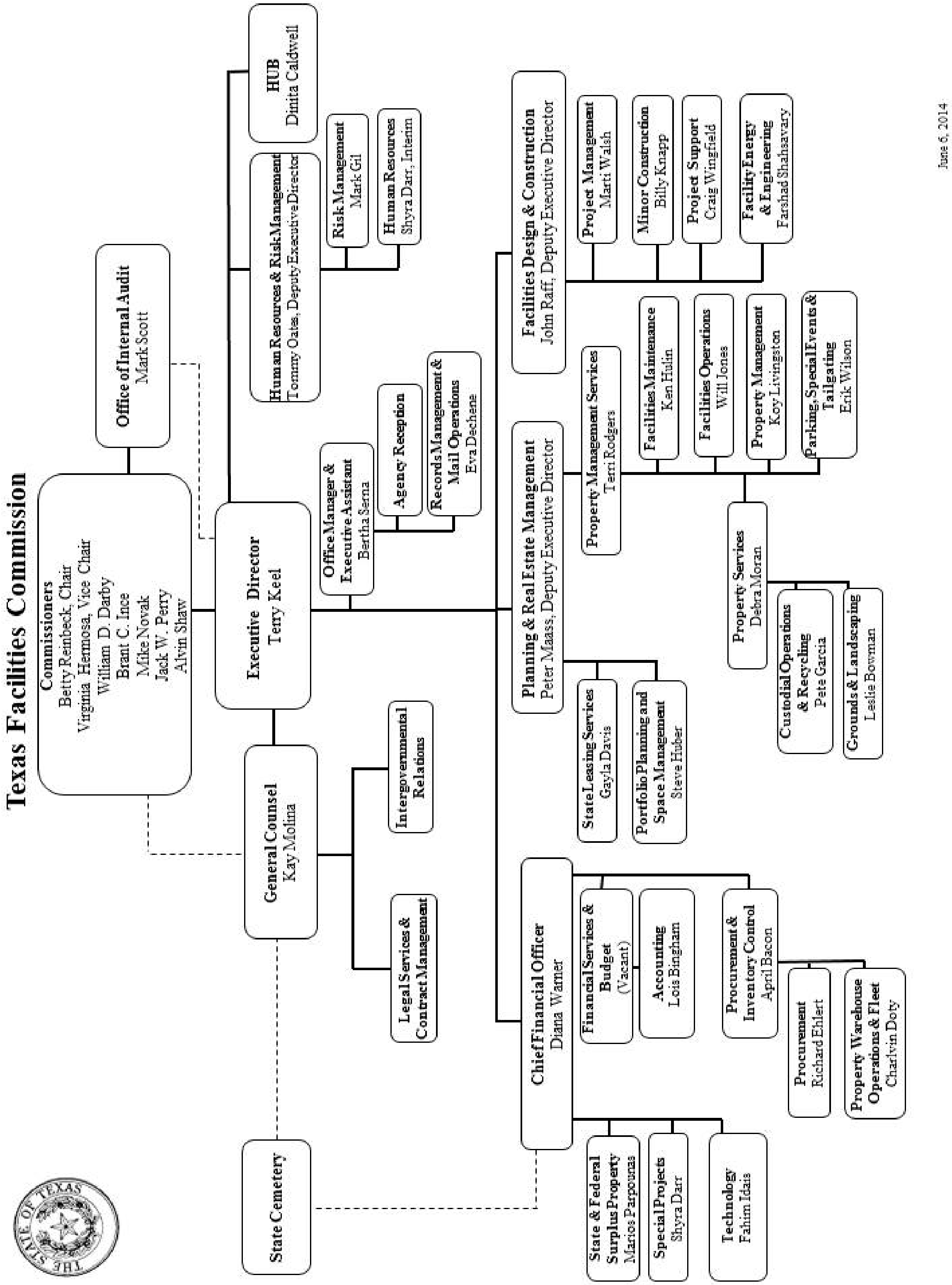
APPENDIX A. DESCRIPTION OF AGENCY'S PLANNING PROCESS

The Sunset process is the regular assessment of the need for a state agency to exist and is directed by the Sunset Advisory Commission, a twelve-member body appointed by the Lieutenant Governor and the Speaker of the House of Representatives. The Sunset process works by setting a date on which an agency will be abolished unless legislation is passed to continue its functions. This creates a unique opportunity for the Legislature to look closely at each agency and make fundamental changes to an agency's mission or operations if needed.

The Texas Facilities Commission (the "Commission") underwent review by the Sunset Advisory Commission during Fiscal Years 2012-13 with a recommendation, and subsequent bill filed and passed, to continue the functions of the Commission for an additional eight years.

During the review process, Commission staff worked extensively with staff of the Sunset Advisory Commission to evaluate the need for the agency and to propose needed statutory or management changes. Following the Sunset Advisory Commission's February 2013 Report to the 83rd Legislature and the subsequent passage of legislation that continued the Commission, agency staff have worked to implement the Sunset recommendations and legislative provisions. These efforts have included the ongoing review and reevaluation of program functions, policies, and goals by executive staff, division directors, and key program area staff from throughout the agency. This process has constituted the foundational basis for preparation of the agency's Strategic Plan for Fiscal Years 2015-2019.

APPENDIX B. CURRENT ORGANIZATIONAL CHART



APPENDIX C. FIVE-YEAR PROJECTIONS FOR OUTCOMES

OUTCOME	2015	2016	2017	2018	2019
Dollar savings achieved through the efficient use of state-owned space.	$150,000	$0	$0	$0	$0
Percent of completed construction projects on schedule and within budget.	90%	90%	90%	90%	90%
Fair market value of federal surplus property distributed.	12,000,000	9,500,000	9,500,000	9,500,000	9,500,000
Percent of the total dollar value of purchasing and public works contracts and subcontracts awarded to HUBs.	29%	29%	29%	29%	29%

APPENDIX D. LIST OF MEASURE DEFINITIONS

OUTCOME MEASURE 1.1.1. Dollar savings achieved through efficient use of state-owned space.	
Definition	Dollar savings resulting from new construction and/or reconfiguration and better use of state-owned space and by increased utilization of state-owned facilities and thereby providing for greater opportunities to move state agencies from leased space to state-owned space.
Purpose	Measure captures the net financial benefit realized by new construction and/or reconfiguring state-owned space and by increased utilization of state-owned facilities and thereby providing for greater opportunities to move state agencies from leased space to state-owned space.
Data Source	Space Utilization and Leasing Databases.
Methodology	Measure is calculated by subtracting construction, reconfiguration and relocation costs from the amount of lease payments avoided.
Data Limitations	Number of leases expiring within each fiscal year of the biennium, availability of state-owned space, and current inventory and occupancy of state-owned space.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	No.

OUTCOME MEASURE 1.2.1. Percent of completed construction projects on schedule and within budget.	
Definition	Completed construction projects (projects) are defined as projects substantially complete as of the last day of the reporting period. “Substantially complete” is defined as in the Uniform General Conditions for State of Texas construction contracts. Substantial completion date is documented on a required certificate. On phased projects only the date of certificate issued for final phase is used. Total project budget (budget) is defined as the sum of the construction contract (contract) amount & construction contingency (contingency) for additional costs that are uncertain but likely to occur. (Full measure definition & methodology in TFC policies as of 03/25/2014).
Purpose	To track the progress and cost of construction projects.
Data Source	FDC construction contract and project files & TFC’s electronic project management control system.
Methodology	For each completed project the contractual end date is calculated from the notice-to-proceed date & the original construction duration (duration) specified in the contract. The number of days ahead of or behind schedule is calculated as the net difference in calendar days between the substantial completion date, contractual end date & excluded delay days. The result is divided by the number of calendar days specified as original duration. If the result is less than or equal to a 5% increase the project was completed on schedule. Excluded delays include scope changes requested by using agencies and/or unforeseen/unavoidable conditions. Total construction cost is the sum of the budget and all approved construction change orders less approved change orders resulting from excluded delays. If the result is less than or equal to the budget the project was completed within budget. The number of projects completed on schedule within budget is divided by the number of projects completed.
Data Limitations	None.

Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	Yes.

EFFICIENCY MEASURE 1.1.1.1. Average lease processing time (days).	
Definition	The average number of days for all Invitations for Bid awarded year-to-date, from the time a request for lease space is received until notice of award is executed.
Purpose	This measure captures the reduction in square footage achieved by moving state agencies from current leased space or to reduced leased space. This information is an indicator of the continuing use of leased space to meet the needs of state agencies.
Data Source	Lease activity report.
Methodology	Calculation of the average number of days it takes to award Leasing contracts, beginning with the date a request for lease space is received until the notice of award is executed. Delays beyond TFC's control are not included in the timeframe.
Data Limitations	N/A.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Lower than target.
Key Measure	No.

EFFICIENCY MEASURE 1.1.1.2. Percent reduction of leased square footage of office and warehouse space.	
Definition	The percent reduction of total office and warehouse square footage under active lease by TFC achieved by moving state agencies from current leased space or to reduced leased space. Total square footage is defined as the sum of square footage referenced on all active leases for office and warehouse space. Active lease is defined as a state lease, as amended, that is in effect as of the last day of the reporting period.
Purpose	The measure captures the percentage of leased square footage reduced as a result of moving state agencies from current leased space to reduced lease space.
Data Source	Leasing portfolio management system.
Methodology	The percent reduction is calculated based on the difference between the total square footage as of the last day of the quarterly reporting period and the total square footage as of the last day of the prior fiscal year. The total square footage is derived from the leasing portfolio management system. The total square footage as of the last day of the quarterly reporting period is subtracted from the total square footage as of the last day of the prior fiscal year. The result is the numerator. The denominator is the total square footage as of the last day of the prior fiscal year. The difference between the total square footage as of the last day of the quarterly reporting period and the total square footage as of the last day of the prior fiscal year (the numerator) is divided by the total square footage as of the last day of the prior fiscal year (the denominator). The result is multiplied by 100 to achieve a percentage.
Data Limitations	Subject to the number of leases expiring within each fiscal year of the biennium, to the availability of state-owned space as an alternative to leased space, and to state agency needs. TFC leases space based on the actual requirements of client agencies

	and the total leased square footage is the result of external state agency needs.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	Yes.

EXPLANATORY MEASURE 1.1.1.1. Total square footage of office and warehouse space leased.	
Definition	The simple arithmetic total of square footage of office and warehouse space under active lease by TFC. Square footage is defined as the square footage referenced on an active lease. Active lease is defined as a state lease, as amended, that is in effect as of the last day of the reporting period.
Purpose	This measure quantifies the square footage of office and warehouse space leased by TFC. This information is an indicator of the continuing use of leased space to meet the space requirements of state agencies.
Data Source	Leasing database portfolio management system.
Methodology	The sum of total square footage of office and warehouse space under active lease by TFC as of the last day of the reporting period is derived from the leasing portfolio management system.
Data Limitations	Subject to state agency needs. TFC leases space based on the actual requirements of client agencies and the total leased square footage of office and warehouse space is the result of external state agency needs.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Lower than target.
Key Measure	Yes.

EXPLANATORY MEASURE 1.1.1.2. Cost per square foot leased.	
Definition	The result of the total annual rents paid, divided by the total amount of space leased, in net square feet.
Purpose	To provide information on the costs associated with leased space.
Data Source	Lease activity report.
Methodology	Calculation of the total rents paid divided by the total amount of space leased, in net square feet.
Data Limitations	Fluctuation of the leasing market across the state.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Lower than target.
Key Measure	No.

OUTPUT MEASURE 1.1.1.1. Total number of leases awarded, negotiated, or renewed.	
Definition	The total number of leases awarded, negotiated, or renewed. Leases awarded, negotiated, renewed are defined as state lease contracts that are obtained through various procurement methods and that require a Lease Action Memo that is signed by

	the Executive Director.
Purpose	This measure quantifies the workload of TFC's leasing services function represented by the total number of leases awarded, negotiated, or renewed.
Data Source	Leasing portfolio management system.
Methodology	The total number of state lease contracts for the reporting period is calculated from the lease activity report derived from the leasing portfolio management system. Only those state lease contracts with a Lease Action Memo signed by the Executive Director as of the last day of the reporting period are included in the calculation.
Data Limitations	TFC leases space based on the actual requirements of client agencies and the total number of state lease contracts is the result of external state agency needs.
Calculation Method	Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	Yes.

EXPLANATORY MEASURE 1.1.2.1. Total square footage owned.	
Definition	The simple arithmetic total of net usable office space in the TFC inventory (statewide).
Purpose	To quantify the amount of office space owned for comparison purposes with other measures.
Data Source	Space Utilization Database.
Methodology	Total of all usable square feet included in the TFC inventory of state buildings.
Data Limitations	N/A
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	No.

EXPLANATORY MEASURE 1.1.2.2. Income from parking lots and garages.	
Definition	Total income collected from renting spaces in state-owned parking lots and garages located in Austin, Texas.
Purpose	To maximize the use of state-owned parking lots and garages by providing the state with a no-tax revenue source.
Data Source	Recorded receipts received by vendors and/or individuals.
Methodology	Total revenue from rental receipts from vendors and/or individuals minus contractor expenses allowed in statute. The agency's accounting department records the receipts by payer name and deposits them into the state treasury under comptroller revenue object code 3747, Rental Other.
Data Limitations	Limited availability of state-owned parking spaces and fluctuations of the commercial parking market rates in Austin, Texas.
Calculation Method	Cumulative.
New Measure	Yes.

Desired Performance	Higher than target.
Key Measure	No.

EFFICIENCY MEASURE 1.2.1.1. Percent of change in project construction costs due to change in scope.	
Definition	The dollar volume of change orders resulting from changes in the scope of the project divided by the initial contract amount on active construction projects.
Purpose	This measure will identify the total changes to project costs resulting from scope changes.
Data Source	FDC project information forms and project status reports.
Methodology	Total of all change orders divided by the total of all initial contract amounts on active construction projects.
Data Limitations	N/A.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Lower than target.
Key Measure	No.

EFFICIENCY MEASURE 1.2.1.2. Percent of change in project construction costs due to errors and omissions in design.	
Definition	The dollar volume of change orders resulting from errors and omissions in design divided by the initial contract amount on active construction projects.
Purpose	This measure will identify the total changes to project costs resulting from errors and omissions in design.
Data Source	FDC project information forms and project status reports.
Methodology	Total of all change orders divided by the total of all initial contract amounts on active construction projects.
Data Limitations	N/A.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Lower than target.
Key Measure	No.

EFFICIENCY MEASURE 1.2.1.3. Percent of change in project construction costs due to unforeseen conditions.	
Definition	The dollar volume of change orders resulting from unforeseen conditions divided by the initial contract amount on active construction projects.
Purpose	This measure will identify the total changes to project costs resulting from unforeseen conditions.
Data Source	FDC project information forms and project status reports.
Methodology	Total of all change orders divided by the total of all initial contract amounts on active construction projects.
Data Limitations	N/A.

Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Lower than target.
Key Measure	No.

EXPLANATORY MEASURES 1.2.1.1. Percent of construction projects on schedule.	
Definition	Ratio of construction projects on schedule to the total number of projects in progress.
Purpose	Quantifies the number of construction projects completed within the established timeframe.
Data Source	FDC contract files.
Methodology	The total number of active projects on schedule at the end of the reporting period divided by the total number of active projects at the end of the reporting period.
Data Limitations	None.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	No.

OUTPUT MEASURE 1.2.1.1. Number of construction projects managed.	
Definition	Total active construction projects.
Purpose	To quantify project management workload.
Data Source	FDC Active Construction Project Listing Database.
Methodology	Simple total of the number of construction projects managed.
Data Limitations	Subject to funding by Legislature.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	No.

EFFICIENCY MEASURE 2.1.1.1. Average cost per square foot of privatized custodial services.	
Definition	The average cost per cleanable square foot billed by private vendors for custodial services performed in state-owned facilities managed by TFC. Cleanable space is defined as the total square footage within the building envelope excluding all elevator core space above the first floor and all mechanical, electrical, and telecommunications closets. Custodial services include contracted pest control services.
Purpose	This measure tracks the cost of privatized delivery of custodial services performed in state-owned facilities managed by TFC. This information helps ensure the cost-effective delivery of services.
Data Source	Cost information is obtained from the agency's accounting system and the agency's computerized maintenance management system. Square footage of cleanable space is obtained from construction records and floor plans in the agency's computer-aided

	design software system.
Methodology	The sum of all quarterly costs billed to TFC by private vendors for custodial services performed as of the last day of the reporting period is divided by the total square footage of cleanable space in state-owned buildings covered by the service contracts. The result is the average cost per square foot of cleanable space for privatized custodial services performed in state-owned facilities managed by TFC. The calculation of total cleanable square footage is updated annually as of the last day of the fiscal year.
Data Limitations	None.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Lower than target.
Key Measure	Yes.

Efficiency Measure 2.2.1.1. Average cost per acre of grounds care provided.	
Definition	Average cost per acre to maintain surface area assigned to the Grounds Maintenance program.
Purpose	This measure evaluates labor and material costs necessary to conduct grounds maintenance activities as a ratio to area maintained, providing a benchmark to measure performance.
Data Source	Property Management's Computerized Maintenance Management System, and the most current listing of gross square footage by building provided by the Facilities Leasing and Space Planning department.
Methodology	The cost spent for labor and materials is divided by the square footage of the area maintained.
Data Limitations	Potential overlap with contracted grounds maintenance services.
Calculation Method	Cumulative.
New Measure	No.
Desired Performance	Lower than Target.
Key Measure	No.

Efficiency Measure 2.2.1.2. Average cost per square foot of all building maintenance and operations services.	
Definition	The average cost per square foot of all building maintenance and operations services performed in state-owned facilities managed by TFC. Building maintenance and operations services do not include custodial services, grounds maintenance, utilities, and security.
Purpose	This measure tracks the cost of all building maintenance and operations services performed in state-owned facilities managed by TFC. This information is useful to ensure the cost-effective delivery of services.
Data Source	Cost information is obtained from the agency's accounting system, budget reports, and the agency's computerized maintenance management system. Gross square footage is obtained from construction records and floor plans in the agency's computer-aided design software system.
Methodology	The sum of all building maintenance and operations costs expended year-to-date by TFC as of the last day of the reporting period is divided by the total gross square

	footage of state-owned facilities managed by TFC. The result is the average year-to-date or annual cost per square foot of all building maintenance and operations services. The calculation of costs includes expenditures made at the request of private tenants for which TFC receives reimbursement and excludes expenditures for custodial services, grounds maintenance, utilities, and security. The calculation of total gross square footage is updated annually as of the last day of the fiscal year.
Data Limitations	Seasonal weather conditions; age and unforeseen conditions of buildings, building systems, and equipment.
Calculation Method	Cumulative.
New Measure	No.
Desired Performance	Lower than target.
Key Measure	Yes.

EFFICIENCY MEASURE 2.2.1.3. Cost per square foot for outsourced property management.	
Definition	The average cost per square foot for all property management services provided by contracted vendors.
Purpose	This measure provides the average property management dollars spent per square foot for all outsourced property management.
Data Source	Listing of gross square footage by building provided by the Facilities Leasing and Space Planning Division and Property Management's Computerized Maintenance Management System.
Methodology	Property management expenditures divided by total exterior square footage of all outsourced property.
Data Limitations	None.
Calculation Method	Cumulative.
New Measure	No.
Desired Performance	Lower than target.
Key Measure	No.

EFFICIENCY MEASURE 2.2.1.4. Cost per square foot for state managed properties.	
Definition	The average cost per square foot for all property management services provided by TFC employees.
Purpose	This measure provides the average property management dollars spent per square foot for state managed properties. The measure includes the cost for custodial, grounds maintenance, security guards and utilities.
Data Source	Current listing of gross square footage by building provided by the Facilities Leasing and Space Planning Division and Property Management's expenditures from TFC's Computerized Maintenance Management System.
Methodology	Property management expenditures divided by total exterior square footage of all state managed properties.
Data Limitations	None.
Calculation Method	Cumulative.
New Measure	No.

Desired Performance	Lower than target.
Key Measure	No.

EFFICIENCY MEASURE 2.2.1.5. Utility cost per square foot.	
Definition	Total utility costs divided by the area of conditioned space.
Purpose	Shows the relationship of the utility dollars expended per square foot to an established target.
Data Source	Current listing of gross square footage by building provided by the Facilities Leasing and Space Planning Division and utility expenditures are provided by the TFC fiscal division.
Methodology	The ratio is calculated by dividing the total utility expenditures by the total interior square footage.
Data Limitations	Seasonal weather variations and increases in building density effect utility costs.
Calculation Method	Cumulative.
New Measure	No.
Desired Performance	Lower than target.
Key Measure	No.

EFFICIENCY MEASURE 2.2.1.6. Percent of deferred maintenance projects completed.	
Definition	The calculation of the percentage of the deferred maintenance projects in the Master Facilities Plan that were targeted for completion during the current biennium (based on appropriated funding) that are actually completed during the reporting period.
Purpose	This measure sets a benchmark to use in calculating progress made toward completion of the deferred maintenance projects targeted for completion during the biennium.
Data Source	Deferred Maintenance Excel spreadsheet for the current biennium provided by the Fiscal Department.
Methodology	The percentage is calculated by dividing the number of the deferred maintenance projects completed by the number of deferred maintenance projects targeted for completion based on appropriated funding.
Data Limitations	N/A
Calculation Method	Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	No.

OUTPUT MEASURE 2.2.1.1. Total quantity of paper recycled.	
Definition	Total tons of paper recycled by state agencies in buildings serviced by the TFC Recycle program.
Purpose	Reflects the total quantity of paper recycled on a quarterly basis from TFC buildings serviced by the TFC Recycle Program.
Data Source	Recycling vendor daily weight tickets.

Methodology	The quantity in pounds of paper recycled by paper recycling vendor as reflected in daily weight tickets is totaled.
Data Limitations	Accurate weight tickets from contract vendor.
Calculation Method	Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	No.

OUTPUT MEASURE 2.2.2.1. Square footage of building space financed through TPFA (lease payments).	
Definition	Usable area of TFC managed projects financed by the TPFA (statewide).
Purpose	Reports the volume of TPFA bond financed buildings.
Data Source	TFC Space Utilization Database.
Methodology	Total square footage taken directly from the "Buildings Funded by TPFA" database.
Data Limitations	Subject to projects approved by the Legislature.
Calculation Method	Non-cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	No.

EFFICIENCY MEASURE 2.2.3.1. Cost per acre of grounds care.	
Definition	Cost per acre for grounds care provided at the State Cemetery.
Purpose	This measure quantifies the agency's ability to ensure grounds service is being efficiently rendered.
Data Source	The source of costs will include agency direct salary, equipment, and supply expenditures used by the agency for grounds care services.
Methodology	The measure will quantify the costs of performing grounds services and divide that by the number of maintainable acreage.
Data Limitations	Occasionally additional cemetery staff assists in maintaining the cemetery grounds. This will not be included in the calculation of cost per acre.
Calculation Method	Non-Cumulative.
New Measure	Yes.
Desired Performance	Lower than Target.
Key Measure	No.

OUTCOME MEASURE 3.1.1. Fair market dollar value of federal surplus property distributed.	
Definition	The total fair market dollar (defined as 23.3% of original cost) value of federal surplus property distributed to eligible recipients (donees).
Purpose	This measure captures the value of federal surplus property that is actually distributed to customers, which reflects on the effectiveness of the program.
Data Source	TFC – Federal Surplus Property Activity Report, which is developed from receiving,

	donation, and invoice reports from each FSP district.
Methodology	Sum of the fair market dollar value of all federal surplus property actually distributed to recipients for the reporting period.
Data Limitations	Availability of Federal Surplus Property is subject to external factors.
Calculation Method	Non-Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	No.

EXPLANATORY MEASURE 3.1.1.1. Number of donees who received federal surplus property.	
Definition	Number of eligible donees that actually participated and received property during the reporting period.
Purpose	The measure shows the total number of donees that received property during the reporting quarter. This is important because the greater the number of donees participating in the program, the greater the savings to the donee.
Data Source	Donee status report.
Methodology	The measure is calculated by running the InCircuit Property Donation Report for the reporting quarter. The “Accounts” on the last page of the report is the number of donees that received property during the reporting quarter.
Data Limitations	Participation in program is voluntary.
Calculation Method	Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	No.

EXPLANATORY MEASURE 3.1.1.2. Number of agencies participating in the State Surplus Property Program.	
Definition	Manual count of state agencies located in Austin that participate in the State Surplus Property Program.
Purpose	Increasing the number of agencies participating in the State Surplus Property Program helps ensure that the State receives the best value for disposal of surplus property.
Data Source	State Surplus spreadsheet.
Methodology	Manual count of the number of agencies participating in the State Surplus Property Program. Each agency is only counted once, regardless of the number of state surplus property transactions.
Data Limitations	Agencies are not required to participate in the State Surplus program.
Calculation Method	Non-cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	No.

OUTPUT MEASURE 3.1.1.1. Total net dollar sales of state surplus and salvage property sold.	
Definition	The total net dollar sales of state surplus and salvage property sold during the reporting period through live public auctions, Internet sales, and the agency's storefront.
Purpose	The sale of state surplus property through live public auctions, Internet sales, and the agency's storefront ensures surplus property is properly sold and that the state receives the maximum return on the sale.
Data Source	The data collection for state surplus property is entered into the State Property Accounting (SPA) with the Comptroller of Public Accounts by each agency. Agencies enter property into this system and enter a code for disposal either by live public auction, Internet sales or the agency's storefront.
Methodology	Adding total sales dollars for all live auction sales less auctioneers' fees, Internet sales and the agency's storefront sales methods to dispose of the state surplus property.
Data Limitations	Agencies coding properly and agencies may choose to participate (non-mandatory).
Calculation Method	Cumulative.
New Measure	No.
Desired Performance	Higher than target.
Key Measure	No.

APPENDIX E. WORKFORCE PLAN

CURRENT WORKFORCE PROFILE

GENDER AND AGE

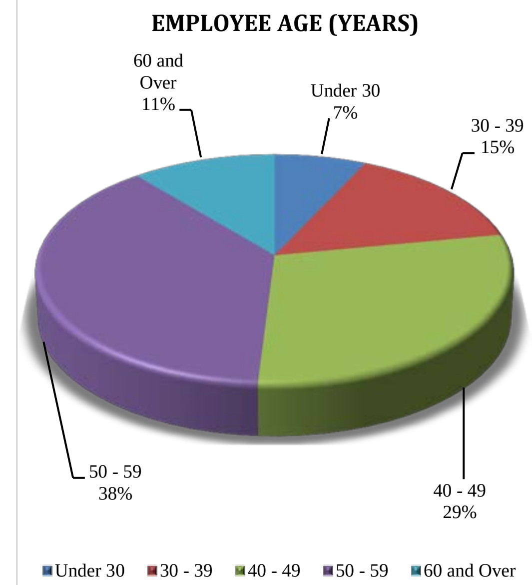


Figure 1. Employee Age as of March 31, 2014

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.

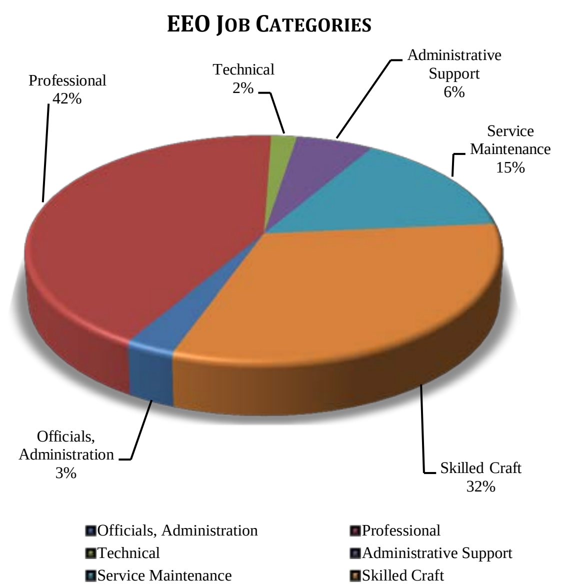


Figure 2. Equal Employment Job Categories

WORKFORCE DIVERSITY

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	
FY 2013	State*	TFC	State*	TFC	State*	TFC
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)*						

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.

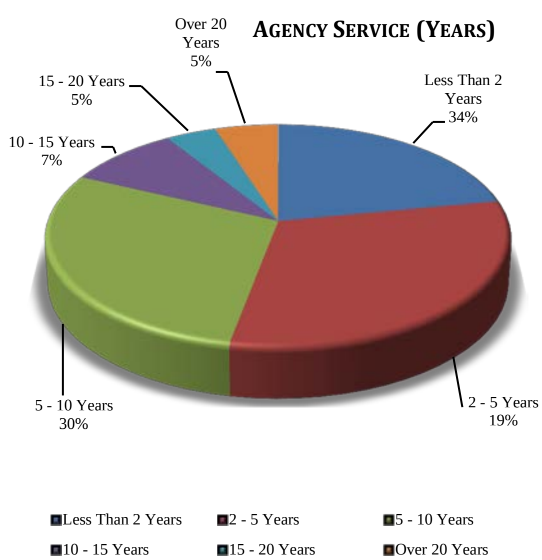


Figure 3. Employee Agency Service as of March 31, 2014

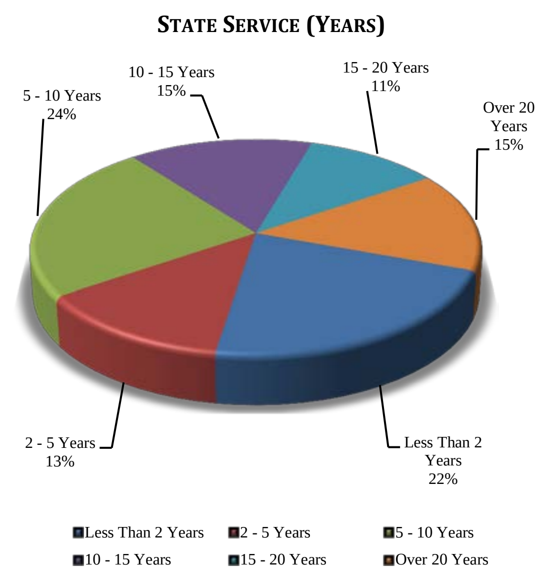


Figure 4. Employee State Service as of March 31, 2014

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.

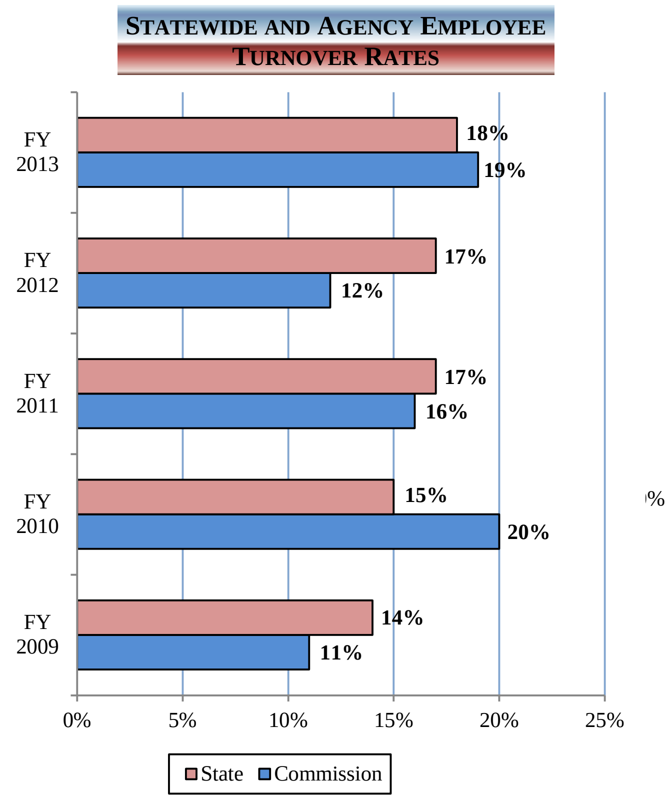


Figure 5. Statewide and Agency Employee Turnover Rates

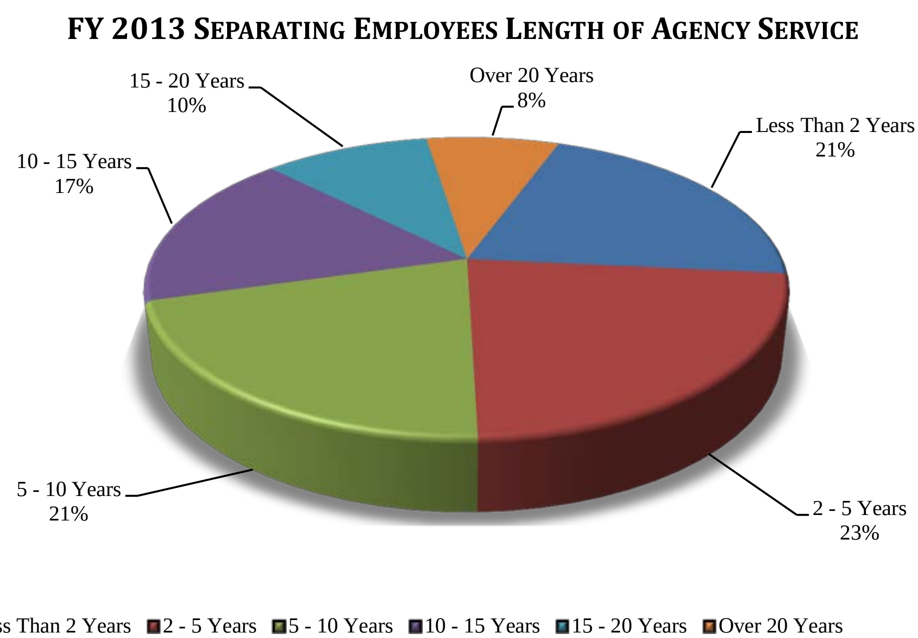


Figure 6. FY 2013 Separating Employees Length of Agency Service

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.

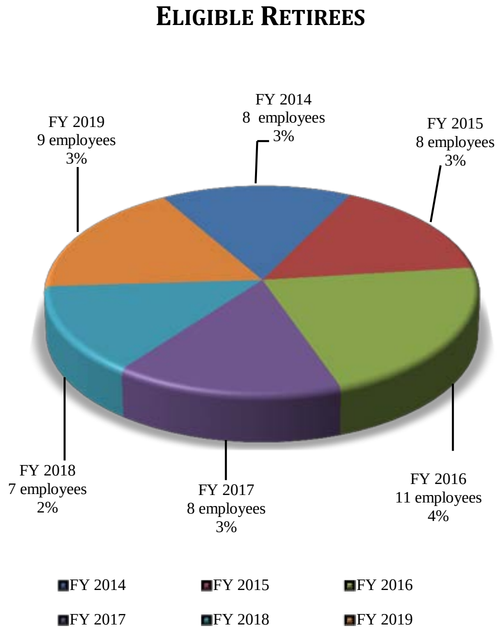


Figure 7. Eligible retirees

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.

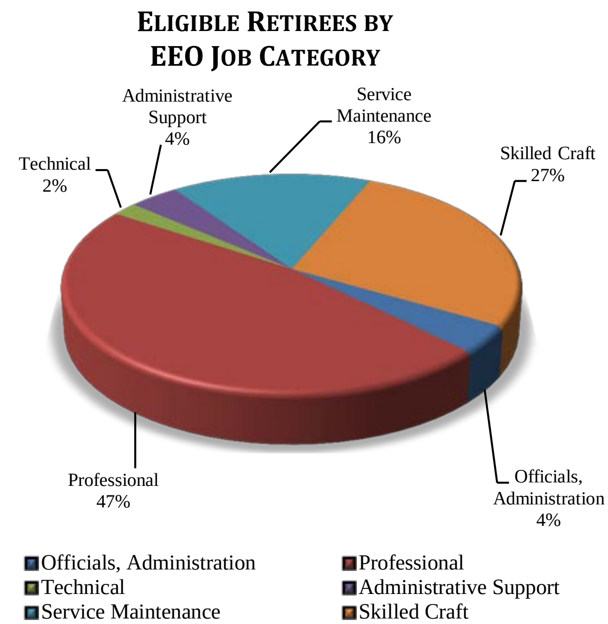


Figure 8. Eligible retirees through FY 2019 by EEO Job Category

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.

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.

APPENDIX F. COMMERCIAL REAL ESTATE MARKET INFORMATION

AUSTIN

Economic growth rate, 2011 to 2016: 6.1%

Population growth rate: 2.8%

Office Market Trends: Austin was ranked the #1 Best-Performing City in 2013 by the Milken Institute, based upon job creation, job retention, and the quality of new jobs. This had positive impacts on the real estate market, including overall occupancy rates rising to 89.2%, the highest rate it has been since 2000, while vacancy rates fell 10 basis points in the fourth quarter to 16.3% and 80 basis points over the year. Average asking rent increased by 1.8% to $26.57/sf and the average effective rent grew to $21.55/sf.

Average Rate: The state's average full-service rate for office space was $17.73/sf in Fiscal Year2013.

DALLAS / FORT WORTH

Economic growth rate, 2011 to 2016: 5%

Population growth rate: 2.2%

Office Market Trends: In 2013 the Dallas/Fort Worth area has added 83,700 jobs to the workforce. Alongside the creation of new jobs, there was high demand for office property. Records show that over $3 billion worth of office space-related transactions occurred during the year. And despite new space becoming available, vacancy rates have remained low at 22.9%, down 20 basis points for the quarter and down 50 basis points year over year. The Dallas central business district ended the year with a 30% vacancy rate, but the rest of the region enjoyed the benefits of the recovering economy. The decline in regional vacancy rates is expected to slow in the coming year due in part to the finalization and availability of new construction projects. In addition, Dallas was voted #7 the Best-Performing City in 2013. Average asking rent increased by 2.8% to $20.52/sf and the average effective rent grew to $15.88/sf.

Average Rate: The state's average full-service rate paid for office space in the Dallas/Fort Worth area was $15.02/sf in Fiscal Year2013.

HOUSTON

Economic growth rate, 2011 to 2016: 6.1%

Population growth rate: 2%

Office Market Trends: In 2013 Houston experienced phenomenal economic growth that shows no signs of slowing down. More than 86,000 jobs have been added year over year. New construction projects that were put on the market impacted vacancy rates, reducing vacancy rates to 13.9% from 14.8% at the close of 2012. Leasing activity also increased over 30%. A significant amount of unmet demand exists and over 7 million square feet of new construction was under way at the end of 2013 with another 7.7 million square feet proposed. Houston earned spot #8 on the Best-Performing City in 2013. Average asking rent also grew by 3.6% to $25.90/sf and the average effective rent grew to $21.68/sf, up 3.7%.

Average Rate: The state's average full-service rate paid for office space is $16.25/sf in Fiscal Year 2013 in Houston.

SAN ANTONIO

Economic growth rate, 2011 to 2016: 3.7%

Population growth rate: 2.1%

Office Market Trends: San Antonio had one of the lowest unemployment rates in the country at 5.9% in 2013 and this was reflected in the office space market. Vacancy rates dropped in all classes, remaining highest in the Class B category, especially in the central business district. Rental rates increased by $.25 this quarter to $20.66/sf, including the central business district, which over the third quarter experienced over a $2.00/sf spike on a weighted average. Though the central business district's rents may have increased, the high vacancy figures may result in a market correction in the coming year. Meanwhile, San Antonio's overall economic health looks to continue on an upward trend, including being named the 12th Best Performing City, a 10-spot gain over the prior year.

Average Rate: The state's average full-service rate paid for office space was $16.12/sf in Fiscal Year 2013 in San Antonio.

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