



Legislative Requirement:

An Efficiency Audit of the Texas Department of Transportation

Lisa R. Collier, CPA, CFE, CIDA
State Auditor

October 19, 2026

Members of the Legislative Audit Committee:

The State Auditor's Office contracted with Baker Tilly US, LLP (Baker Tilly) to conduct an efficiency audit of the Texas Department of Transportation (Department), as required by Texas Government Code, Section 327.002. Texas Government Code, Section 327.003, allows the State Auditor's Office to contract with an external auditor to conduct these audits.

Baker Tilly identified six main areas with inefficiencies. These are:

- **Procurement.** The Department's procurement systems lack sufficient integration, resulting in manual processes, operational inefficiencies, limited visibility, and challenges in effectively executing and monitoring procurement activities.
- **Fleet.**
 - The Department's manual fleet procedures, particularly pre-trip inspections, create operational inefficiencies, while the Department's current digitization efforts focus on transfer and disposal transactions.
 - The Department's fleet utilization consistently falls below established targets, indicating potential opportunities to optimize asset levels, deployment, and replacement decisions.
- **Shared Services.** Current Print Center (Center) business volume may not be sufficient to sustain the Center's operations due to reduced demand for traditional print products and changes to its funding structure.
- **Technology.**
 - The Department lacks formal performance measures and post-implementation evaluations to determine whether drone investments achieve expected efficiencies and benefits.
 - Limited integration between the Aviation Division systems results in duplicate data entry, manual reconciliation, and reduced process efficiency.
- **Workforce.**
 - The Department uses contractors and consultants to supplement internal capacity, but it lacks complete enterprise-level analysis to determine whether recurring or long-term external labor use is efficient and sustainable.

- The Department lacks minimum agency-wide succession planning expectations for critical roles, limiting its ability to ensure consistent knowledge transfer and operational continuity during workforce transitions.
- Decentralized technical and role-specific training is not consistently captured in agency-level reporting, limiting the Department's visibility into employee readiness and workforce capability gaps.
- **Departmental Services.**
 - The Department lacks centralized tracking of Continuity of Operations Planning corrective actions, limiting visibility into whether recurring continuity efforts result in documented program improvements.
 - Inconsistent travel booking and reimbursement practices across the Department create inefficiencies and errors that could be reduced by adopting the Travel Information Division's practices.

Baker Tilly did not identify any duplication, overlap, or conflict with other state agencies or misalignment between Department rules in the Texas Administrative Code and its statutory authority and mission.

The Department provided an implementation plan, which is presented in the attached report. Overall, the Commission agreed to implement Baker Tilly's recommendations.

Sincerely,

Lisa R. Collier, CPA, CFE, CIDA
State Auditor

cc: The Honorable Greg Abbott, Governor
Members of the Texas Transportation Commission
Mr. Marc Williams, Executive Director, Texas Department of Transportation



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Texas State Auditor's Office

Texas Department of Transportation (TxDOT) Efficiency Audit

October 2026

Baker Tilly US, LLP
901 S MoPac Expressway, Suite 100
Austin, TX 78746



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1. Executive Summary

A. Summary of Inefficiencies and Recommendations

Based on the risk-based procedures performed, the audit identified opportunities for TxDOT to improve the efficient administration of state resources in areas related to procurement system integration, workflow tracking, approval, and reporting; fleet asset management, fleet operations procedures, and fleet utilization; Print Center; drone technology investment performance measures; aviation system integration and duplicate data entry; reliance on contractors and consultants; succession planning; division training resources; continuity of operations planning; and travel booking and reimbursement.

Our inefficiencies and recommendations are summarized on the following page, grouped by six focus areas: (1) Procurement, (2) Fleet, (3) Shared Services, (4) Technology, (5) Workforce, and (6) Departmental Services. Inefficiencies and recommendations are detailed in further depth in [Section 3](#).

Auditors did not identify any duplication, overlap, or conflict with other state agencies or misalignment between the TxDOT rules in the Texas Administrative Code and its statutory authority and mission.



B. Inefficiencies Summary

Eleven inefficiencies across six focus areas

 Procurement	
1	System Integration, Workflow Tracking, Approval, and Reporting: Procurement systems lack sufficient integration, resulting in manual processes, operational inefficiencies, limited visibility, and challenges in effectively executing and monitoring procurement activities. TxDOT does not systematically track or report procurement approval timelines, limiting management’s ability to identify approval-related delays.
 Fleet	
2	Operations Procedures: Manual fleet procedures, particularly pre-trip inspections, create operational inefficiencies, while current digitization efforts focus on transfer and disposal transactions.
3	Utilization: Fleet utilization consistently falls below established targets, indicating potential opportunities to optimize asset levels, deployment, and replacement decisions.
 Shared Services	
4	Print Center: Current Print Center business volume may not be sufficient to sustain the Center’s operations due to reduced demand for traditional print products and changes to its funding structure.
 Technology	
5	Drone Technology Investment Performance Measures: TxDOT lacks formal performance measures and post-implementation evaluations to determine whether drone investments achieve expected efficiencies and benefits.
6	Aviation – System Integration and Duplicate Data Entry: Limited integration between Aviation systems results in duplicate data entry, manual reconciliation, and reduced process efficiency.



 Workforce	
7	Reliance on Contractors and Consultants: TxDOT uses contractors and consultants to supplement internal capacity but lacks complete enterprise-level analysis to determine whether recurring or long-term external labor use is efficient and sustainable.
8	Succession Planning: TxDOT lacks minimum agencywide succession planning expectations for critical roles, limiting its ability to ensure consistent knowledge transfer and operational continuity during workforce transitions.
9	Division Training Resources: Decentralized technical and role-specific training is not consistently captured in agency-level reporting, limiting TxDOT's visibility into employee readiness and workforce capability gaps.
 Departmental Services	
10	Continuity of Operations Planning: TxDOT lacks centralized tracking of COOP corrective actions, limiting visibility into whether recurring continuity efforts result in documented program improvements.
11	Travel Booking and Reimbursement: Inconsistent travel booking and reimbursement practices across TxDOT create inefficiencies and errors that could be reduced by adopting the Travel Information Division's practices.



2. Project Overview

The Texas Department of Transportation (TxDOT, the agency) provides statewide management of the planning, development, operation, and maintenance of Texas' multimodal transportation system.

Texas law assigns TxDOT responsibilities that include:

- Planning and constructing highways and bridges
- Maintaining the state highway system
- Managing traffic and transportation operations
- Supporting public transportation, aviation, rail, maritime, bicycle, and pedestrian programs
- Administering federal and state transportation funding

TxDOT employs more than 12,000 full-time-equivalent (FTE) employees and maintains a decentralized workforce serving communities throughout the state. The agency is organized into 25 geographical districts and 34 divisions. Its workforce includes expertise for programs in engineering, highway and bridge construction, maintenance, transportation operations, planning and programming, project management, right of way, environmental affairs, aviation, rail, maritime transportation, public transportation, research, and technology. These programs are supported by agencywide capabilities such as finance, procurement, information technology, cybersecurity, human resources, legal services, communications, and administration.

The Texas Legislature establishes TxDOT's appropriations and authorized staffing levels through the biennial General Appropriations Act.¹ Direct appropriations for TxDOT's fiscal 2026 and 2027 budgets total \$39.92 billion.

¹ Texas Department of Transportation, *Moving Texas Forward: TxDOT's Legislative Review—Summary of Enacted Transportation and General Government Legislation, 89th Legislature (2025)*, 2025. [TxDOT Legislative Summaries](#)



3. Inefficiencies and Recommendations

A. Procurement

System Integration, Workflow Tracking, Approvals, and Reporting

1	Inefficiency	TxDOT's Procurement Division relies on manual procurement workflow tracking, without real-time visibility into the status and timeline metrics needed to readily determine the status of individual procurements and measure the time required to complete key stages of the procurement process. Due to unintegrated procurement systems, staff perform manual data entry, reconciliation, and information retrieval processes resulting in duplicate efforts. TxDOT's Procurement Division and Professional Engineering Procurement Services (PEPS) Division do not systematically track or report the duration of procurement approval stages nor provide management with dashboard reporting that identifies approval-related delays. Without tracking and reporting approval timelines, TxDOT lacks the information necessary to determine the extent to which approval activities may contribute to procurement delays.
	Recommendation	TxDOT should: • Evaluate opportunities to better integrate systems used throughout the procurement process and establish a consistent process for capturing, maintaining, and reporting key procurement milestone dates, coordinating with the Information Technology (IT) Division as needed. • Identify duplicative system functionality, manual data transfers, and information gaps and determine where system interfaces, data consolidation, or other technology solutions could reduce redundant activities and improve the accessibility and consistency of procurement information. • Consider implementing an end-to-end procurement aging dashboard with milestone timestamps and reporting functionality such as median cycle time, percentiles, number of procurements older than established thresholds, and reasons for delay. • Establish a process to systematically capture, monitor, and report approval timelines for significant stages of the procurement process. As part of implementing this process, TxDOT could consider using a dashboard or similar reporting mechanism for the Procurement and PEPS divisions to provide



visibility into approval cycle times and aging and facilitate analysis by procurement type, dollar value, approval level, and responsible approving function or entity, as appropriate.

- Monitor and analyze approval-related delays to identify recurring bottlenecks, outliers, and opportunities to streamline approval routing while maintaining appropriate controls.
 - Develop and implement a prioritized approach for addressing identified integration needs based on operational impact, feasibility, cost, and available resources.
-

TxDOT relies on multiple procurement-related systems that are not adequately integrated, resulting in a fragmented technology environment. Procurement information and activities are distributed across systems such as PeopleSoft, Euna, and Salesforce, requiring staff to navigate multiple platforms to complete and monitor procurement activities. The lack of integration between these systems can require manual data entry, reconciliation, and retrieval of information across platforms, contributing to duplicate data entry, duplication of effort, process inefficiencies, and limitations in obtaining a consolidated view of procurement activities. In addition, Procurement relies on manual workflow tracking and has not implemented a centralized, automated tracking and reporting capability that consistently captures key procurement milestones throughout the procurement lifecycle. Procurement status and milestone information may be maintained across separate files, records, or individual tracking methods, limiting visibility into the status and timeline metrics of the procurement process. TxDOT is aware of these integration challenges, and the IT Division is currently supporting integration efforts across the department.

The use of multiple systems that are not appropriately integrated, combined with reliance on manual workflow tracking, increases the risk of inefficient procurement processes, inconsistent or incomplete information, and duplicative data entry and administrative efforts. This inefficiency causes staff to spend additional time entering, reconciling, and retrieving information across systems rather than performing higher-value procurement activities. Additionally, fragmented information limits management's ability to obtain a complete and timely view of procurement activities, monitor performance, and make informed decisions.

Effective procurement performance management should provide management with sufficient information to identify, evaluate, and address factors that affect the timeliness and efficiency of the procurement process.² Because approval requirements vary based on factors such as procurement type and dollar value, tracking the time procurements spend awaiting required approvals can help management identify bottlenecks, distinguish approval delays from Procurement Division processing time, and focus improvement efforts where they can have the greatest impact on procurement cycle times.

² *Performance Metrics, Public Procurement Practice*, copyright 2012. National Institute of Government Purchasing. [Layout 1](#)



Procurement (Procurement Division and PEPS) tracks and reports on a variety of performance measures related to procurement timeliness, including request and processing times. However, these divisions do not systematically track or report the amount of time procurements spend in approval stages or provide management with dashboard reporting that identifies approval-related delays. Both the Procurement and PEPS divisions indicated that approval routing can be a significant contributor to procurement delays. Depending on the procurement amount, type, and other characteristics, a procurement may require multiple levels of review and approval before it can proceed. Certain procurements may also be dependent on reviews or approvals outside of TxDOT, including those involving the Texas Comptroller of Public Accounts (CPA). Furthermore, TxDOT leadership noted that TxDOT is in the process of rolling out updated steps to improve the approval process. Additionally, the PEPS Division will launch a new procurement dashboard that will feature multi-level procurement tracking abilities.

Procurement performance monitoring and dashboards have primarily focused on activities and processing times within the procurement function, with less visibility into approval routing and associated wait times. In addition, the complexity and variability of approval requirements, including approvals performed by other TxDOT functions or external entities, make it more challenging to consistently measure and assess approval timelines.

Without understanding approval timelines, TxDOT lacks the data necessary to determine which approval activities contribute to procurement delays. This limits management's ability to isolate delays occurring within Procurement from those occurring during the approval process, identify high-risk approval stages, and implement targeted corrective actions to improve procurement timeliness and operational efficiency.

Recommendation

TxDOT should:

- Evaluate opportunities to better integrate systems used throughout the procurement process and establish a consistent process for capturing, maintaining, and reporting key procurement milestone dates, coordinating with the IT Division as needed.
- Identify duplicative system functionality, manual data transfers, and information gaps and determine where system interfaces, data consolidation, or other technology solutions could reduce redundant activities and improve the accessibility and consistency of procurement information.
- Consider implementing an end-to-end procurement aging dashboard with milestone timestamps and reporting functionality such as median cycle time, percentiles, number of procurements older than established thresholds, and reasons for delay.



- Establish a process to systematically capture, monitor, and report approval timelines for significant stages of the procurement process. As part of implementing this process, TxDOT could consider using a dashboard or similar reporting mechanism for the Procurement and PEPS divisions to provide visibility into approval cycle times and aging and facilitate analysis by procurement type, dollar value, approval level, and responsible approving function or entity, as appropriate.
- Monitor and analyze approval-related delays to identify recurring bottlenecks, outliers, and opportunities to streamline approval routing while maintaining appropriate controls.
- Develop and implement a prioritized approach for addressing identified integration needs based on operational impact, feasibility, cost, and available resources.

Management Implementation Plan	
Management Agreement	Procurement Division: Management agrees with the recommendation. However, it is important to note that the audit fieldwork and observations were conducted prior to the deployment of the Procurement Lifecycle Tracker. Professional Engineering Procurement Services Division (PEPS): Management agrees with the recommendation regarding professional engineering services procurement selection oversight and management.
Responsible Party	Procurement Division: Procurement Support Services Section Director Professional Engineering Procurement Services Division (PEPS): Director, Professional Engineering Procurement Services Division (PEPS)
Implementation Timeline	Procurement Division: The Procurement Lifecycle Tracker was implemented on September 14, 2026. Further enhancements will be phased based on assessment of operational impact, feasibility, cost, available resources, and departmental priorities. Professional Engineering Procurement Services Division (PEPS): July 2027
Action Plan	Procurement Division Initial implementation of an operation tracker is complete. Additional enhancements are ongoing. On September 14, 2026, the TxDOT PRO implemented the Procurement Lifecycle Tracker, a centralized dashboard that enhances visibility, accountability, and reporting throughout the procurement lifecycle. The dashboard:



- Replaced manual procurement workflow tracking with a centralized, automated monitoring tool.
- Established a standardized process for capturing and maintaining key procurement milestones, including status indicators identifying procurements as On Schedule, At Risk, or Delayed.
- Enabled users to filter procurement data by requisition number, solicitation, district or division, purchaser, procurement status, and completion status.
- Provides phase-, activity-, and task-level visibility into procurements supported by a PRO timeline, including key milestone target dates, completion dates, and significant approval-stage activities.
- Provides a customer-facing timeline that compares planned milestone dates with actual completion dates.
- Permits the monitoring and analysis of approval-related delays, bottlenecks, and outliers to facilitate streamlining while maintaining appropriate controls.
- Consolidates information from multiple systems into a single reporting platform, providing stakeholders with near real-time procurement data that refreshes every 15 minutes during weekday business hours.

The Procurement Lifecycle Tracker is an important step toward centralized procurement lifecycle and status reporting. The PRO will build on this foundation by refining milestone and approval-stage measures, and in coordination with ITD, will evaluate integration opportunities with project prioritization based on operational value and available resources.

Professional Engineering Procurement Services Division (PEPS)

PEPS is currently in development of a new milestone driven dashboard that offers insight into each stage of the procurement selection and negotiation process. The dashboard will be launched mid-year 2027 after initial testing over the next several months with district assistance.



B. Fleet

Operations Procedures

2	Inefficiency	Manual procedures in Fleet Operations were identified in three high-volume fleet procedures: pre-trip inspection, transfer, and disposal. Fleet Operations is currently working to digitize transfer and disposal processes, with pilot efforts expected to begin soon. However, more cost-effective and efficient approaches to pre-trip inspection are available.
	Recommendation	TxDOT should evaluate the feasibility of implementing an automated solution that could include high-resolution vehicle scanners at fleet district gates and digital condition reporting tools to improve the efficiency and consistency of vehicle inspections. Additionally, an automated technology solution may help streamline fleet operations by enabling standardized documentation and real-time visibility into vehicle conditions across districts.

Manual steps in three fleet procedures—pre-trip inspection, transfer, and disposal—were identified. These procedures involve the manual completion of paper forms, transfer of the forms, manual data input, and document storage. According to management, Fleet Operations completed 487 asset transfers and 2,375 disposal transactions in the last two years. There is no count for pre-trip inspections because the paper forms used are not recorded; they are only stored. Automating portions of the inspection process could reduce the time and effort associated with manual inspections, enhance the accuracy of vehicle condition assessments, and provide more timely maintenance and asset management information.

TxDOT has started projects to digitize transfer and disposal transactions, which will be piloted soon. However, a similar, more cost-effective and efficient approach to pre-trip inspection has not yet been considered. As of May 2026, based on 13,387 fleet assets, average actual utilization of 40%, and 52 weeks per year, estimated annual pre-trip inspections could exceed 250,000 transactions. Pre-trip inspections are time-consuming.³ At an estimated five minutes per inspection, performing pre-trip inspections may require more than 20,000 hours per year.

Recommendation

TxDOT should evaluate the feasibility of implementing an automated solution that could include high-resolution vehicle scanners at fleet district gates and digital condition reporting tools to improve the efficiency and consistency of vehicle inspections. Additionally, an automated technology solution may help streamline fleet operations by enabling standardized documentation and real-time visibility into vehicle conditions across districts.

³ TxDOT Fleet Operations Tableau Dashboard, May 2026



Management Implementation Plan	
Management Agreement	Management agrees with this recommendation.
Responsible Party	Director, Fleet Operations Division (FOD)
Implementation Timeline	TxDOT anticipates completing the evaluation and determining next steps by January 2027.
Action Plan	While FOD appreciates the audit team’s focus on technological innovation, implementing an automated drive-through inspection system (such as a Tier 4 Enterprise AI Arch) is not a viable substitute for manual pre-trip inspections due to critical functional and regulatory constraints: 1. Failure to Meet Mandatory Department of Transportation (DOT) Compliance Requirements • Automated drive-through scanners use exterior body, undercarriage, and tire optical/laser sensors with AI to detect surface anomalies (scratches, dents, tread wear, and fluid leaks). • Scanners cannot inspect or verify internal components essential to DOT compliance and driver safety, such as engine oil/fluid levels, under-the-hood belts and hoses, steering linkages, or in-cab emergency equipment (fire extinguishers, emergency reflectors). • These physical checks remain legally mandated under state and federal safety regulations across various TxDOT vehicle classes. 2. Operational Redundancy & Infeasibility • Relying on Automated Vehicle Inspection System (AVIS) introduces a false sense of compliance while still requiring operators to perform manual internal inspections. • This creates duplicate workflows (drive-through scan plus manual walkaround and under-hood checks), ultimately hindering shop and yard throughput rather than improving efficiency.



Technical & Financial Market Analysis: Outfitting TxDOT's vast geographic footprint with automated drive-through scanning would require commercial-grade enterprise hardware at district gates and maintenance facilities. Below is an evaluation of prevailing market solutions:

- Tier 1: Mobile App Only
 - Estimated Unit Cost: \$0 (Subscription-based)
 - Capabilities & Alignment: Basic driver-led photo uploads. Does not automate gate-level inspections.
- Tier 2: Portable Systems
 - Estimated Unit Cost: \$5,000 – \$12,000
 - Capabilities & Alignment: Intended for temporary events or intermittent checkpoints; insufficient durability for continuous fleet operations.
- Tier 3: Mid-Range Fixed
 - Estimated Unit Cost: \$15,000 – \$30,000
 - Capabilities & Alignment: Designed for small commercial rental lots; lacks comprehensive AI structural modeling and heavy-duty durability.
- Tier 4: Enterprise AI Arch (Minimum Required Tier for Gate Automation)
 - Estimated Unit Cost: \$40,000 – \$150,000+ per unit
 - Capabilities & Alignment: Features 360° 3D modeling, high-speed ground cameras, and laser tire profiling.
- Tier 5: Factory / Paint Shop
 - Estimated Unit Cost: \$500,000 – \$1,000,000+ per unit
 - Capabilities & Alignment: Specialized manufacturing and paint production lines; entirely outside agency operational scope.

Financial Impact Assessment: Outfitting TxDOT's extensive network of district gates, designated maintenance yards, and regional facilities with Tier 4 hardware, supporting infrastructure, network integration, and ongoing vendor maintenance agreements are estimated to exceed \$45 million. Given the limited operational return and mandatory manual checks, this expenditure is cost prohibitive.

Recommended Alternative Action: Rather than procuring high-cost, fixed physical scanning hardware, FOD proposes leveraging existing technology assets to achieve the audit's efficiency and accountability goals at a fraction of the cost:

- Digital Inspection Checklist Integration: TxDOT's current fleet management software platform already includes



	built-in functionality to support digital, mobile-first inspection checklists. • Standardized Implementation: Transitioning daily pre-trip paper logs to this native mobile environment delivers standardized, timestamped reporting and centralized visibility across all 25 districts. Device Enablement Requirement: This approach requires outfitting frontline operators with agency-issued mobile devices. This option represents a highly scalable alternative that fully preserves the regulatory integrity of our DOT-mandated safety walkarounds. The scale and cost of this would need to be further investigated.
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Utilization

3	Inefficiency	Overall, TxDOT's performance targets for fleet utilization are not being met. Underutilization may indicate an excess of some assets, opportunities to adjust deployment, or aged-out equipment or vehicles. In addition, the internal targets are not further broken down to allow additional study.
	Recommendation	TxDOT should: • Strategically enhance its approach to monitoring and analyzing underutilized fleet assets by establishing utilization targets at the equipment and vehicle class level, allowing for more meaningful performance assessments across different asset categories. • Leverage analytical techniques such as root cause analysis, benchmarking, modeling, and simulation to better understand the drivers of underutilization and identify opportunities to improve fleet deployment and efficiency. Enhanced tracking and analysis can provide actionable insights that support data-driven fleet management decisions and more effective use of resources. • Periodically evaluate whether utilization targets, particularly for heavy equipment and people movers, remain appropriate and aligned with current operational needs, fleet composition, and organizational objectives.

TxDOT maintains a 40% utilization target for heavy equipment and 70% utilization target for people movers.⁴ These high-level targets have not been met in any month over the 13 months ending in May 2026.

⁴ TxDOT Fleet Operations Tableau Dashboard, May 2026



For heavy equipment and people movers, utilization has averaged 32% and 56%, respectively, over the 13 months ending May 2026. Management is aware of these performance measures and takes corrective action with unit and tactical actions. We understand assets are moved from low to higher need locations and located based on seasonal patterns.

However, more strategic analyses, like modeling needs by asset class or running simulations of a range of needs, are not currently performed.

There is an opportunity to enhance decision-making through more strategic and diagnostic analytics that identify why underutilization occurs and what is likely to occur in the future. Incorporating predictive modeling, simulation, and comparative benchmarking can help Fleet Operations better understand utilization drivers, optimize fleet composition, and improve resource allocation. These capabilities can be supported through advanced analytical tools and platforms beyond Tableau, including Python, R, and AnyLogic.

Utilization of fleet assets is a primary indication of efficiency. This metric tells the operator whether they are getting productive value from the asset. Low utilization may suggest excess assets, inefficient deployment, or aged-out equipment or vehicles.⁵

Recommendation

TxDOT should:

- Strategically enhance its approach to monitoring and analyzing underutilized fleet assets by establishing utilization targets at the equipment and vehicle class level, allowing for more meaningful performance assessments across different asset categories.
- Leverage analytical techniques such as root cause analysis, benchmarking, modeling, and simulation to better understand the drivers of underutilization and identify opportunities to improve fleet deployment and efficiency. Enhanced tracking and analysis can provide actionable insights that support data-driven fleet management decisions and more effective use of resources.
- Periodically evaluate whether utilization targets, particularly for heavy equipment and people movers, remain appropriate and aligned with current operational needs, fleet composition, and organizational objectives.

⁵ U.S. General Services Administration, Motor Vehicle Policy Customer Guide, August 2026. GSA Motor Vehicle Policy Customer Guide



Management Implementation Plan	
Management Agreement	Management agrees with this recommendation.
Responsible Party	Director, Fleet Operations Division (FOD)
Implementation Timeline	FOD has already begun implementing new utilization metrics as a pilot with the official rollout in January 2027.
Action Plan	All utilizations will be monitored for Calander year 2027 and reevaluated to ensure alignment with desired metrics.

C. Shared Services

Print Center

4	Inefficiency	Current Print Center business volume may no longer be sufficient to sustain the Center's operations due to a reduced demand for traditional print products and changes to its funding structure.
	Recommendation	TxDOT should: • Evaluate and right-size the Print Center's operating model based on current and projected demand for print services, including the appropriate level of staffing, equipment, and other fixed resources necessary to efficiently meet anticipated demand. • Determine which products and services are most cost-effective to provide in-house versus procure externally, and periodically reassess demand to ensure resources remain appropriately sized.

TxDOT's Print Center operates as a shared service and uses established rates to charge divisions and districts for print services. Under the current funding structure, divisions and districts receive funding for print services and may obtain those services from TxDOT's Print Center or external providers.

In fiscal year (FY) 2025, the Print Center's budget was \$3,098,140, and its total revenue was \$2,675,820; in FY2026, its budget and total revenue were \$3,105,900 and \$2,733,571, respectively. The Print Center's current business volume is insufficient to support its existing cost structure. Demand for Print Center services from TxDOT divisions and districts has declined significantly since FY2020. From FY2016 through FY2019, the Print Center averaged approximately \$2.4 million annually in internal print services revenue resulting from services provided to TxDOT. From FY2020 through FY2025, the Print Center averaged approximately \$1 million in revenue annually, with



internal print services declining from approximately \$1.4 million in FY2020 to approximately \$800,000 in FY2025.

Print Center staff attributed the decline in internal business to two primary factors: declining demand for traditional printing products as demand has shifted toward other forms of communication and the FY2020 change in funding structure. Prior to FY2020, the Print Center received an annual budget allocation to provide services to TxDOT divisions and districts. In FY2020, TxDOT implemented a chargeback model under which funds were allocated to divisions and districts, which could then obtain print services from TxDOT's Print Center or external providers. As the level and mix of demand has changed, the Print Center's operating model and capacity are no longer aligned with its current workload.

Print Center management stated that for some items, especially those ordered in large quantities, vendors that specialize in those items can better handle the volume and are often able to deliver them more quickly and/or at a lower cost. However, there are some services the Print Center can provide at a lower cost than an external vendor, such as custom signage, door tags, and other facility-related items. Over the past year, Print Center management has increased marketing efforts to better inform other TxDOT divisions and districts of services they can provide, as well as gathering information on what services are most relevant given the changing environment. These efforts should help inform decision-making about future Print Center offerings and operations.

In summary, the decline in internal business has reduced the Print Center's overall volume to a level insufficient to support its existing cost structure. Management stated that this has created uncertainty in making decisions related to staffing, equipment, materials sourcing, and other operating resources. Without aligning capacity and costs with current and projected workload, TxDOT risks maintaining resources that exceed the level necessary to efficiently provide Print Center services or missing opportunities to produce items internally for less cost. Recent efforts to gather information and market current services will help management determine what services should remain in-house.

Recommendation

TxDOT should:

- Evaluate and right-size the Print Center's operating model based on current and projected demand for print services including the appropriate level of staffing, equipment, and other fixed resources necessary to efficiently meet anticipated demand.
- Determine which products and services are most cost-effective to provide in-house versus procure externally and periodically reassess demand to ensure resources remain appropriately sized.



Management Implementation Plan	
Management Agreement	Management agrees with this recommendation.
Responsible Party	Statewide Program Support and Services Section Director
Implementation Timeline	The Support Services Division (SSD) has already begun to implement the recommendations. This is an ongoing process, and the expectation is that we should complete implementation within one year.
Action Plan	In Process - reorganization of staffing, equipment evaluation to meet the requirements, review of services for in-house and external cost effectiveness, and assessment of opportunities to leverage the department's print shop to provide cost-effective services to other state agencies.



D. Technology

Drone Technology Investment Performance Measures

5	Inefficiency	TxDOT has not established a formal process for measuring and monitoring whether investments in drone technology achieve intended efficiencies, workload reductions, time savings, or other operational improvements for TxDOT districts and divisions using the technology. Although Aviation identified expected benefits for the planned Drone Fleet Management System, including improved productivity, time savings, reduced errors, reduced risk, and cost avoidance, baseline measures and post-implementation evaluations were not identified, limiting TxDOT's ability to determine whether drone investments are producing expected efficiency gains.
	Recommendation	TxDOT should: • Establish a process for evaluating significant drone technology investments. The process should identify the expected operational or efficiency outcomes of an investment, establish baseline measures where practical, assign responsibility for collecting performance information, and perform post-implementation evaluations to determine whether anticipated benefits were achieved. Depending on the purpose of the investment, Aviation could consider measures such as staff effort, time savings, operational efficiency improvements, user adoption, or other outcomes relevant to the investment's objectives. • Identify opportunities for program enhancements, process improvements, training needs, and future investment decisions.

TxDOT's Aviation Division manages the statewide drone program, while TxDOT districts and divisions ultimately own and use the equipment. Drone technology is intended to improve activities such as data collection and surveying and reduce effort at the district and division level. Because drone technology investments are intended to improve operational efficiency, establishing a process to evaluate whether anticipated benefits are achieved helps management determine whether investments are producing the expected results and provides information to support future investment decisions.

While Aviation's strategic planning documentation includes proposed measures for certain future technology initiatives, Aviation has not established a formal process for measuring and monitoring whether drone technology investments achieve intended efficiency gains, workload reductions, or operational improvements. Management stated that it does not generally track metrics related to technology upgrades, such as time savings or other measurable performance improvements, and



that user experience has largely been the primary measure of success. User feedback provides valuable information regarding user experience, satisfaction, and opportunities for improvement. However, baseline measures and post-implementation evaluations were not identified to determine whether anticipated benefits were achieved.

The absence of formal drone technology investment outcome measures results from TxDOT not having an established process for measuring and monitoring whether anticipated benefits from drone technology investments are achieved over time. As a result, management may have limited information to determine and demonstrate whether drone technology investments achieve intended efficiency gains, workload reductions, time savings, or operational improvements for TxDOT districts and divisions.

Recommendation

TxDOT should:

- Establish a process for evaluating significant drone technology investments. The process should identify the expected operational or efficiency outcomes of an investment, establish baseline measures where practical, assign responsibility for collecting performance information, and perform post-implementation evaluations to determine whether anticipated benefits were achieved. Depending on the purpose of the investment, Aviation could consider measures such as staff effort, time savings, operational efficiency improvements, user adoption, or other outcomes relevant to the investment’s objectives.
- Identify opportunities for program enhancements, process improvements, training needs, and future investment decisions.

Management Implementation Plan	
Management Agreement	Management agrees with this recommendation.
Responsible Party	Emerging Aviation Technology Section Director
Implementation Timeline	September 2027
Action Plan	The Aviation Division (AVN) will establish a formal process for evaluating significant drone technology investments to determine whether anticipated operational and efficiency benefits are achieved. The process will define expected outcomes, establish baseline measures where practical, identify appropriate performance measures, assign responsibility for collecting performance information, and provide for post-implementation evaluations. Performance measures will be tailored to the purpose of each significant investment and may include staff effort, time savings,



	workload reduction, operational efficiency, utilization, cost efficiencies, safety and operational benefits, and user experience. AVN will pilot the methodology before final implementation and use results to identify program improvements, training needs, and future investment considerations.
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Aviation – System Integration and Duplicate Data Entry

6	Inefficiency	Limited integration between Aviation systems, including BlackCat and eGrants, requires information to be entered and maintained across multiple applications, resulting in duplicate data entry, manual reconciliation activities, and reduced process efficiency.
	Recommendation	TxDOT should: • Identify and evaluate high-volume Aviation processes that require duplicate data entry, manual reconciliation, document handling, or reporting across multiple systems and consider strategic system improvements. This evaluation should identify where project, grant, contract, compliance, and related information is maintained across multiple applications or spreadsheets, determine the volume and frequency of activities requiring manual data entry or system handoffs, and assess opportunities to improve information sharing through system enhancements, workflow automation, or integration initiatives. • Prioritize and implement improvements based on operational impact, feasibility, cost, and available resources and periodically evaluate whether implemented solutions reduce duplicate activities, improve process efficiency, decrease manual effort, and improve information consistency across Aviation systems.

Effective business processes and supporting technology systems should minimize unnecessary duplicate data entry, manual reconciliation activities, and redundant handling of information. Information required for business operations should be shared efficiently across systems where practical to reduce administrative effort, improve data consistency, and support efficient program administration.

Aviation relies on multiple systems, including BlackCat and eGrants, to support airport planning, grant administration, contract management, and other operational activities. However, TxDOT Aviation’s current grants management system, eGrants, has reached the end of its lifecycle and no longer meets the division’s operational needs. The software is no longer fully supported by the developer, who has indicated that system modifications and enhancements are not being provided. As a result, the division is unable to implement improvements that would increase efficiency, reduce manual processes, enhance reporting capabilities, or integrate with other



business systems such as BlackCat. As a result, information must often be entered, maintained, and reconciled across multiple applications because data does not automatically flow between systems. Planners enter project information into BlackCat and are subsequently required to re-enter the same information into eGrants. In addition, contract specialists maintain information within eGrants but also rely on separate spreadsheets to manage and track project and contract information, while compliance staff and project managers frequently download documents from eGrants for review and then return to the system to complete processing activities. Multiple systems must often be updated separately because information does not automatically flow between applications.

These conditions result from Aviation's technology environment consisting of multiple systems that support different business functions that were implemented independently over time, resulting in limited integration and information sharing between applications. Aviation has recognized these challenges through strategic planning activities that identify duplicate data entry, fragmented reporting, manual processes, and business process integration as areas for improvement. Aviation has also identified future initiatives involving system integration, workflow automation, and modernization intended to reduce duplicate effort and improve information sharing across systems.

As a result of these limitations, staff are required to perform numerous manual and duplicate processes to manage grant development and administration activities. Across the development sections, these workarounds consume approximately 56 staff hours per week, or an estimated 2,922 hours annually. This represents a significant operational inefficiency and reduces resources available for other program priorities. These workarounds may reduce process efficiency, increase administrative effort, and increase the potential for data inconsistencies across systems. To reduce duplicate data entry and improve information sharing, TxDOT should identify high-volume Aviation processes that require information to be maintained across multiple systems and evaluate opportunities to streamline those activities through system enhancements, workflow automation, or integration initiatives.

Recommendation

TxDOT should:

- Identify and evaluate high-volume Aviation processes that require duplicate data entry, manual reconciliation, document handling, or reporting across multiple systems and consider strategic system improvements. This evaluation should identify where project, grant, contract, compliance, and related information is maintained across multiple applications or spreadsheets, determine the volume and frequency of activities requiring manual data entry or system handoffs, and assess opportunities to improve information sharing through system enhancements, workflow automation, or integration initiatives.



- Prioritize and implement improvements based on operational impact, feasibility, cost, and available resources and periodically evaluate whether implemented solutions reduce duplicate activities, improve process efficiency, decrease manual effort, and improve information consistency across Aviation systems.

Management Implementation Plan	
Management Agreement	Management agrees with this recommendation.
Responsible Party	Aviation Grants Section Director
Implementation Timeline	November 2027. Phased implementation begins in FY 2028, based on operational priority, feasibility, funding, available resources, and technology dependencies.
Action Plan	AVN will conduct a structured assessment of high-volume business processes requiring duplicate data entry, manual reconciliation, document handling, spreadsheet tracking, reporting, or other manual activities across multiple systems. The assessment will identify where project, grant, contract, compliance, and related information is maintained across applications; determine the volume and frequency of identified manual activities; and quantify staff effort where practical. Identified opportunities will be evaluated and prioritized based on operational impact, feasibility, cost, available resources, and technology dependencies. Because the existing eGrants system has reached the end of its lifecycle and has limited ability to support enhancements, AVN will focus on identifying an appropriate long-term business and technology solution rather than committing significant resources to integration with a system that may ultimately be replaced. Potential solutions may include business-process redesign, workflow automation, improved reporting and data sharing, system integration, and modernization or replacement of existing technology. AVN will establish performance measures to determine whether implemented solutions reduce duplicate data entry, manual reconciliation, staff effort, processing time, reliance on spreadsheets, and information inconsistencies. The audit estimate of approximately 56 staff hours per week, or 2,922 hours annually, associated with current development-section workarounds, will serve as an initial reference point and will be validated during the assessment.



E. Workforce

Reliance on Contractors and Consultants

7	Inefficiency	TxDOT uses contractors and consultants to supplement internal capacity, and management identified the statutory FTE cap as a significant workforce constraint. Although contractor and consultant support can provide specialized expertise and flexible capacity, TxDOT does not have a complete enterprise-level analysis showing where external labor is recurring or long-term, the costs and functions supported, the amount of internal oversight required, and whether the current mix of employees, contractors, and consultants remains efficient and sustainable.
	Recommendation	TxDOT should: • Conduct an enterprise-level analysis of contractor and consultant use to identify where external labor is used, the costs and functions supported, whether reliance is recurring or long-term, and the amount of internal oversight required. • Assess whether the current mix of employees, contractors, and consultants remains efficient and sustainable and to inform workforce planning, sourcing decisions, knowledge-transfer expectations, and staffing or budget requests where appropriate.

TxDOT uses contractors and consultants across divisions and districts to supplement internal capacity. According to management, TxDOT's statutory cap of 13,175 FTEs is a significant workforce constraint, noting that divisions and districts use external resources when workload demands exceed the capacity available within their authorized staffing levels.

PEPS management reported that contract employees perform routine document updates, allowing TxDOT employees to focus on procurement, consultant selection, and work authorizations. Consultants also provide specialized project oversight while TxDOT retains responsibility for contract management.

PEPs management also noted that contractors performing similar services are generally assigned to different projects, districts, or customers and are not intended to duplicate work, although some overlap may occur during transitions to support knowledge transfer and project continuity. Management also noted that Indefinite Delivery/Indefinite Quantity (IDIQ) contracts allow TxDOT to use pre-procured consultant services to easily support individual assignments as needs arise.

TxDOT's FY2025 and FY2026 divisional budget information showed increases in budgeted contracted maintenance activity for selected divisions. Although this information does not represent total expenditure of contractor or consultant labor, it provides context that contracted



activity is a significant and changing part of TxDOT’s operating environment. This is supported by fieldwork conversations highlighting increases in reliance on third-party support across multiple divisions and years.

TxDOT has also reduced hirings for each year for the past four fiscal years according to internal staffing dashboards tracking applications, interviews, and hires. This supports the need for an organization-wide understanding of the level of third-party reliance.

While TxDOT tracks staffing levels and vacancies, we did not identify routine, complete enterprise-level analysis that would allow the agency to determine where contractor and consultant labor is recurring or long-term, what functions external labor supports, and whether the current labor mix is efficient and sustainable. Without this visibility, TxDOT may have limited ability to determine whether external labor is being used strategically, or whether internal oversight needs are adequately considered.

Recommendation

TxDOT should:

- Conduct an enterprise-level analysis of contractor and consultant use to identify where external labor is used, the costs and functions supported, whether reliance is recurring or long-term, and the amount of internal oversight required.
- Assess whether the current mix of employees, contractors, and consultants remains efficient and sustainable and to inform workforce planning, sourcing decisions, knowledge-transfer expectations, and staffing or budget requests where appropriate.

Management Implementation Plan	
Management Agreement	Management agrees with this recommendation.
Responsible Party	Director, Human Resources Division (HRD) and HR Programs Section Director
Implementation Timeline	Project to be initiated by January 2027.
Action Plan	Project scope will include all recommendations from the Audit report as suggested. Further planning will be needed to establish full scope, schedule, and resource management plan.



Succession Planning

8	Inefficiency	TxDOT has not established minimum agencywide expectations for identifying technical, hard-to-fill, licensed, or long-training-period roles that warrant formal succession planning or documented knowledge-transfer activities. As a result, TxDOT has limited assurance that critical institutional knowledge is identified, documented, and transferred before experienced employees retire, transfer, or leave unexpectedly.
	Recommendation	TxDOT should: • Establish minimum agencywide expectations for identifying roles that require formal succession planning or documented transition activities. The framework should include criteria for identifying technical, hard-to-fill, licensed, long-training -period, and other roles where vacancies could result in knowledge loss or operational disruption. • Require standard knowledge transfer templates, documentation of critical responsibilities, and confirmation that planned transition activities have been completed.

Succession planning and knowledge transfer are important components of workforce management for TxDOT because many positions require specialized technical and institutional knowledge that may take significant time to develop. This is particularly relevant for positions that are difficult to recruit or require professional licenses and certifications. For example, professional engineers require multiple years of experience and examinations before becoming licensed, and other specialized positions similarly require significant time before employees are fully proficient.

TxDOT has not established minimum agencywide expectations for succession planning and knowledge transfer specifically in critical roles. Human Resources Department (HRD) leadership identified knowledge management, knowledge capture, and knowledge transfer as areas with opportunities for improvement. Succession and knowledge-transfer activities are generally managed by individual divisions and districts based on their operational needs rather than through a consistent agencywide approach that is formalized and visible for central oversight. TxDOT workforce data demonstrates that transition needs arise regularly; as of June 2026, TxDOT's Vacancy Dashboard reported a 3% vacancy rate across the agency, while their Internal Mobility data from July 2025 through July 2026 reflected 2,659 promotion actions, in addition to other career movements. These transitions and vacancies create a need for effective succession and knowledge transfer practices.



Recommendation

TxDOT should:

- Establish minimum agencywide expectations for identifying roles that require formal succession planning or documented transition activities. The framework should include criteria for identifying technical, hard-to-fill, licensed, long-training-period, and other roles where vacancies could result in knowledge loss or operational disruption.
- Require standard knowledge transfer templates, documentation of critical responsibilities, and confirmation that planned transition activities have been completed.

Management Implementation Plan	
Management Agreement	Management agrees with this recommendation.
Responsible Party	Director, HRD and Workforce Development
Implementation Timeline	Project to be initiated by January 2027. TxDOT anticipates a timeline for useful deliverables to be available by January 2028.
Action Plan	Project scope will include all recommendations from the Audit report as suggested. Further planning will be needed to establish full scope, schedule, and resource management plan.

Division Training Resources

9	Inefficiency	TxDOT has a centralized training structure that supports agencywide learning and tracks required training. However, technical and role-specific training provided by divisions and districts is not consistently captured in agency-level reporting. As a result, TxDOT has limited visibility into role-specific training needs, completion, certification progress, time-to-proficiency, and employee readiness, limiting its ability to identify workforce capability gaps.
	Recommendation	TxDOT should: • Establish minimum expectations for designing, documenting, and reporting role-specific training needs, completion, certification progress, and time-to-proficiency. TxDOT should consider leveraging its existing centralized training structure and Enterprise Learning Management System to capture or consolidate this information, while allowing divisions and districts to continue managing training based on their operational needs. This information should be consolidated to provide greater visibility into rapid onboarding, workforce capability gaps, role



	effectiveness, knowledge transfer, and succession planning decisions.
	• Consider developing optional role-based training for common functions and skills that divisions and districts rely on across the agency.

TxDOT provides centralized training through HRD’s Workforce Development section and tracks training through the Enterprise Learning Management System. TxDOT’s Mandatory Training Requirements demonstrate a structured approach to agencywide training by establishing required courses, completion timeframes, and delivery methods for new hires and existing employees. These requirements primarily address required departmentwide topics, including ethics, cybersecurity, workplace safety, and supervisory responsibilities.

TxDOT personnel indicated that divisions and districts also develop and provide technical and role-specific training based on their operational needs. These activities are generally managed within the individual divisions and districts, and the extent to which training needs, completion, certification progress, and employee readiness are documented and tracked varies across TxDOT. As a result, TxDOT does not have the same organizational-level visibility into technical and role-specific development that it has for centralized mandatory training.

Without a consolidated view on technical and role-specific development, TxDOT has limited ability to assess workforce capability gaps across divisions and districts. Without greater visibility into role-specific training needs and employee readiness, TxDOT has limited ability to identify development priorities, better target training resources, and incorporate capability needs into succession and broader workforce planning.

Recommendation

TxDOT should:

- Establish minimum expectations for divisions and districts to document and report role-specific training needs, completion, certification progress, and time-to-proficiency. TxDOT should consider leveraging its existing centralized training structure and Enterprise Learning Management System to capture or consolidate this information, while allowing divisions and districts to continue managing training based on their operational needs. This information should be used to provide greater visibility into workforce capability gaps and support broader workforce and succession planning decisions.
- Consider developing optional role-based training for common functions and skills that divisions and districts rely on across the agency.



Management Implementation Plan	
Management Agreement	Management agrees with this recommendation.
Responsible Party	Director, HRD and Workforce Development
Implementation Timeline	Project to be initiated by January 2027. TxDOT anticipates a timeline for useful deliverables to be available by January 2028.
Action Plan	Project scope will include all recommendations from the Audit report as suggested. Further planning will be needed to establish full scope, schedule, and resource management plan.

F. Departmental Services

Continuity of Operations Planning

10	Inefficiency	TxDOT does not centrally document whether significant continuity-related corrective actions are assigned, resolved, risk accepted, or incorporated into future Continuity of Operations Planning (COOP) planning activities, limiting TxDOT's enterprise-level visibility into whether the staff effort invested in recurring COOP activities results in documented program improvement.
	Recommendation	TxDOT should establish a risk-based process to track significant continuity-related corrective actions from COOP exercises, continuity events, and relevant after-action review activities through resolution or risk acceptance. The process should: • Define tracking criteria, identify owners and due dates, monitor status, and document resolution or risk acceptance. • Evaluate whether relevant AAR items have COOP or continuity implications. • Incorporate recurring themes into future COOP plans, exercises, training, templates, or guidance.

COOP is the process agencies use to plan for maintaining mission-essential functions when normal operations are disrupted by events such as facility outages, technology disruptions, staffing limitations, severe weather, or other emergencies. At TxDOT, the Strategic Initiatives and Innovation Division administers the enterprise COOP program, while divisions and districts are responsible for maintaining and implementing their respective COOP plans.



COOP and Emergency Operations are related but distinct. COOP focuses on maintaining mission-essential functions when normal operations are disrupted, while Emergency Operations focuses on coordinating the agency's response to emergency events. These functions can overlap when an emergency event affects a district's or division's ability to continue mission-essential functions. In those cases, an actual event and related after-action review may be used to satisfy annual continuity exercise requirements and identify lessons learned relevant to future COOP planning.

TxDOT has established a COOP framework, leveraging standardized templates, plan submission rubric, and a COOP master tracker to support annual review and monitoring activities. Key annual requirements are tracked and include annual plan updates, exercise submissions, quarterly calls, COOP planner information, and individual COOP plan-review follow-up. However, enterprise tracking primarily focuses on completion of these requirements and individual plan-review follow-up. TxDOT does not maintain a centralized, risk-based process for tracking significant continuity-

related corrective actions identified through COOP exercises, continuity events, and relevant Emergency Operations after-action reports (AARs) through resolution or risk acceptance.

A centralized process would not require TxDOT to track every local issue or every Emergency Operations AAR item. Rather, the process should focus on significant, recurring, cross-cutting, or unresolved continuity-related issues where enterprise-level visibility would help TxDOT determine whether follow-up occurred, whether risk was accepted, and whether lessons learned should inform future continuity planning.

AARs were evaluated from select local emergency management events relevant to Priority 1 Mission Essential Functions identified in district COOP plans, noting that some improvement items were described in narrative sections but were not separately carried forward into recommendation tables with documented owner, timeline, status, resolution, or risk acceptance. TxDOT indicated that some items were addressed through familiarity with prior events, seasonal refresher training, or event-specific operational support rather than documented corrective-action tracking.

The Texas State Office of Risk Management (SORM) provides statewide continuity guidance for state agencies, including expectations for COOP plans and exercises. SORM guidance states that an effective COOP program incorporates an ongoing cycle of planning, training, exercises, and evaluating performance after exercises or real events to review and improve the plan. SORM further emphasizes that continuity programs should evolve over time and be regularly reviewed and updated to support the continued performance of essential functions during disruptions.⁶

TxDOT has not established enterprise-level criteria for determining which significant continuity-related corrective actions require centralized tracking through resolution or risk acceptance. As a result, there is limited enterprise-level visibility into whether significant continuity-related issues

⁶ State Office of Risk Management, *Texas Enterprise Risk Management Guidelines*, November 19, 2021. [SORM Texas Enterprise Risk Management Guidelines](#)



are consistently assigned, resolved, risk accepted, or incorporated into documented program improvements. Recurring or cross-cutting issues may not be identified and addressed, and TxDOT may not be able to demonstrate that the staff effort and resources invested in COOP reviews, exercises, and after-action activities are consistently translated into documented improvements and enhanced continuity readiness.

Recommendation

TxDOT should establish a risk-based process to track significant continuity-related corrective actions from COOP exercises, continuity events, and relevant after-action review activities through resolution or risk acceptance. The process should:

- Define tracking criteria, identify owners and due dates, monitor status, and document resolution or risk acceptance.
- Evaluate whether relevant AAR items have COOP or continuity implications.
- Incorporate recurring themes into future COOP plans, exercises, training, templates, or guidance.

Management Implementation Plan	
Management Agreement	Management agrees with this recommendation.
Responsible Party	Enterprise Programs Section Director
Implementation Timeline	March 2027
Action Plan	The COOP Program updated its After-Action Report (AAR) process to capture continuity-related corrective actions and lessons learned from COOP exercises, continuity events, and other relevant AAR activities. All COOP exercise AARs are due by December 31, 2026, and will be reviewed using a standardized rubric to assess continuity implications and the significance and risk associated with identified findings. Findings meeting established tracking criteria will be consolidated into a centralized tracker identifying action items, owners, due dates, status, and lessons learned. Prior to each quarterly COOP meeting, the tracker will be reviewed to monitor progress, obtain updates from responsible owners, and document whether actions have been completed, remain in progress, or have been formally risk accepted. Recurring themes and lessons learned will be evaluated for incorporation into future COOP plans, exercises, training, templates, and guidance.



Travel Booking and Reimbursement

11

Inefficiency

Travel reimbursement practices and coordinator support vary across TxDOT divisions and districts, contributing to differences in employee guidance, staff effort and time, and expense reimbursement return rates due to errors or omissions. TxDOT's Travel Information Division (TID) has successfully implemented processes and procedures to minimize time spent on travel booking and reimbursement activities, and these lessons can be applied across TxDOT.

Recommendation

TxDOT should:

- Establish minimum agencywide standards for traveler preparation and Travel Coordinator support, including defined responsibilities, standardized training, appropriate system access, and consistent pre-travel guidance.
- Use reimbursement return-rate data to identify higher-return divisions and districts, pilot improved practices in selected areas, and evaluate the impact on return rates, staff effort, and processing time to assess the costs and benefits of broader implementation.

For many TxDOT employees, travel is an activity central to performing their work. For example, Materials & Tests Division employees travel across the state to inspect construction materials for highway and bridge projects. Other divisions that have higher levels of travel include Transportation Planning & Programming, Maintenance, Support Services, and Professional Procurement.

While travel booking policies are governed by the Texas Comptroller of Public Accounts, TxDOT has its own procedures for employees to follow when booking travel and uses Travel Coordinators to help facilitate travel booking and reimbursement. Based on interviews and an agencywide survey conducted as part of this audit, management and staff highlighted several challenges with travel policies, including the need to use multiple contracts and platforms for booking airfare, hotels, and rental cars rather than having a centralized platform that can facilitate all bookings, and regular changes to travel policies that are often not recognized by employees, resulting in non-compliance with requirements. While these challenges are outside of TxDOT's direct control, there are opportunities to improve internal departmental procedures to facilitate more efficient travel booking and reimbursement.

Travel Booking

Each division at TxDOT has assigned Travel Coordinators who assist fellow employees in booking travel and obtaining reimbursement for expenses. Management noted that most Travel Coordinators perform these duties in addition to their regularly assigned job duties and that these responsibilities are not core to these jobs. Since these duties are not considered core job



responsibilities, there is little time available or dedicated to improving or streamlining the booking and reimbursement processes. Some of the pain points mentioned by staff include requirements to obtain cost comparisons for each type of travel to ensure the lowest-cost option is selected; having to use separate booking systems for hotels, airlines, and rental cars, which requires travelers to re-enter information into each system during booking and reimbursement; and manual hotel tax entry.

Travel Reimbursement

Another issue noted by management is that there are frequent updates to the state's travel policies, and it can be difficult for Travel Coordinators and staff to stay informed of these changes. As a result, staff sometimes do not comply with requirements, which can lead to reimbursement claims being returned or even rejected.

When a reimbursement claim is returned, the employee needs to review any identified errors or omissions, make corrections and/or provide additional supporting documentation, and resubmit the claim for reimbursement. This claim is then reviewed again and may either move forward for reimbursement or be returned if the employee has not provided the necessary information. This process not only consumes staff time but often delays reimbursement, which can be a financial burden for employees.

TxDOT's Finance Resubmission Analysis Dashboard reports on the percentage of reimbursement claims that are returned at least once to employees for correction and tracks this information by division and district. For FY2026, employee expense reimbursement return rates ranged from approximately 3% to 60%, with TID having the lowest rate at less than 3% of reimbursement claims returned for correction. For divisions with higher return rates, this represents a substantial amount of time lost by employees seeking reimbursement as well as those who reviewing claim. Additionally, our interviews with TxDOT management and survey of staff also found significant frustration with the travel booking and reimbursement processes.

TID conducted its own analysis of the reimbursement claims process and found that the average employee spent 3.5 hours entering a claim and the average return rate across TxDOT was 30% with an average processing time of 13.4 days. TID estimates that with its streamlined process, claims entry takes 30 minutes, and the average processing time is under seven days.

Travel Information Division (TID) Improved Practices

TID has implemented several strategies to address challenges with travel booking and reimbursement and has reported significant time savings. TID's structured intake process, including standardized guidance, pre-travel coordinator involvement, and centralized travel claim preparation, presents an opportunity to reduce rework and improve consistency across TxDOT.

In addition, TID has made travel booking and reimbursement a core job responsibility for its Travel Coordinator and has implemented a standardized process that includes uniform pre-travel guidance, uses a repeatable claims process to reduce returns, and relies on the Travel Coordinator



to stay up to date on changes to travel policies. The Travel Coordinator handles most travel bookings rather than having each employee in the division book their own travel. Since the Travel Coordinator regularly books travel, they have identified appropriate hotel, airfare, and rental car resources and do not spend as much time comparing options as an employee who travels only occasionally. In instances where multiple individuals are traveling to the same place, the Travel Coordinator can save even more time as arrangements can be made for multiple people rather than having multiple individuals spend time searching and comparing travel options. TID’s Travel Coordinator has created templates and standard information forms for travelers to complete that aid in completing travel booking and reimbursement. TID’s Travel Coordinator estimated that, on average, it takes about 30 minutes to book travel for an individual. Other divisions reported that booking travel often takes an hour or more per trip.

Recommendation

TxDOT should:

- Establish minimum agencywide standards for traveler preparation and Travel Coordinator support, including defined responsibilities, standardized training, appropriate system access, and consistent pre-travel guidance, using TID’s processes as a model.
- Use reimbursement return-rate data to identify divisions and districts with higher return rates, pilot TID’s practices in selected areas, and evaluate the impact on return rates, staff effort, and processing time before broader implementation.

Management Implementation Plan	
Management Agreement	Management agrees with this recommendation.
Responsible Party	Director of Employee Payments and Accounts Receivable and Manager of Employee Payments
Implementation Timeline	October 2026 – August 2027
Action Plan	Exploring Travel Coordinator training and phased adoption of the Travel Information Division processes to strengthen the Travel Coordinator role by: • Implementing an AI tool to automate the entry of hotel receipt information into employee expense reports. • Clarifying Travel Coordinator expectations for reviewing travel requests and documentation before submission. • Increasing Travel Coordinator accountability for identifying incomplete, inaccurate, or unsupported travel information.



- Reinforcing compliance with travel policies, approval requirements, and documentation standards.
- Requiring consistent Travel Coordinator communication and guidance to travelers within their district and division.
- Clarifying shared traveler and Travel Coordinator responsibilities throughout the travel process.
- Where feasible, having Travel Coordinators complete expense reports to reduce returns, delays, and rework.
- Requiring travel-related training for new employees.
- Partnering with the Travel Information Division to develop and record a Travel Coordinator training course and coordinate with HR to add it to Enterprise Learning Management (ELM).
- Piloting the new training course with division Travel Coordinators.

The goal is greater consistency, accountability, traveler support, compliance, and operational efficiency. We believe that strengthening the Travel Coordinator role through training, clear expectations, and organizational support will reduce the administrative burden on the travelers and improve the overall travel experience.



4. Objectives, Scope, and Methodology

A. Objectives

This audit assessed whether TxDOT administers selected state resources efficiently and in accordance with best practices and applicable requirements.

B. Scope

The audit was conducted pursuant to Texas Government Code, Chapter 327, which requires periodic efficiency audits of state agencies. The scope included the TxDOT's administration of state resources, including financial, staffing, property, technology, and other resources relevant to the audit objectives.⁷ The audit primarily evaluated the agency's operations and processes as they existed beginning in January 2026, when the audit started. Where necessary to evaluate trends, performance, or specific activities, audit procedures included analysis of historical information covering periods appropriate to the area under audit. The scope period for individual audit procedures is described within the relevant inefficiencies where applicable.

C. Methodology

Baker Tilly conducted this audit between January 2026 and August 2026, using a risk-based approach designed to evaluate the efficient administration of state resources across the audit objectives. During planning, we conducted a comprehensive risk assessment to identify the areas presenting the greatest risk and the most significant opportunities to improve the efficient administration of state resources. The highest-risk areas identified through this assessment were selected for detailed audit procedures during fieldwork. Not every area evaluated resulted in a reportable inefficiency. The inefficiencies presented in this report focused on the most significant opportunities to improve the efficient administration of state resources.

To address the audit objectives, Baker Tilly:

- Analyzed applicable statutes, regulations, agency policies and procedures, organizational documentation, financial information, operational data, and other relevant records
- Interviewed agency leadership and staff to obtain an understanding of governance, business processes, and operations
- Analyzed selected financial, operational, and performance data
- Evaluated agency practices against applicable requirements and recognized leading practices
- Evaluated selected programs, processes, and activities to identify opportunities to improve efficiency and the administration of state resources, including:

⁷ Texas Legislature, *Texas Government Code, Chapter 327: Efficiency Audits of State Agencies*. [Texas Constitution and Statutes](#)



- Strategic and management processes, including enterprise governance and coordination, alignment of technology investments and operational priorities, and continuity planning and operational resilience
- Financial processes including federal funding and grant funding, shared services funding and cost recovery, and travel, expense, and administrative cost management
- Operational and administrative processes, including procurement and professional engineering procurement services, fleet operations, workforce planning, technology systems and integration, financial reporting systems, third-party dependencies, and project delivery.
- Evaluated selected systems and workflow tools supporting these processes, including BlackCat, ServiceNow, Tableau Dashboards and related spreadsheets, tracking sheets, databases, and reporting tools

Data Reliability

Fleet inefficiencies relied on data from TxDOT information systems in the May 2026 FOD Tableau Dashboard. To deem the data reliable, the auditor (1) met with TxDOT management and Fleet Operations data analysts for orientation and analyzed the dashboard's contents; (2) examined the parameters and data sources listed in the catalog fields, governance snapshots, and dashboard calculations for each dashboard relied upon for reasonableness; and (3) examined the output and information provided in each dashboard relied upon for consistency and completeness. The data was sufficiently reliable for the purposes of this audit.

For Print Center financial data from FY2016 through FY2025, we (1) analyzed Print Center revenue and expense totals as reported in TxDOT's budget documents and (2) assessed the data for reasonableness and consistency across the period assessed. The data was sufficiently reliable for the purposes of this audit.

For travel reimbursement data for FY2024 through FY2026, we (1) analyzed TxDOT's Travel Key Performance Indicator Dashboards, the raw Excel data used to produce this reporting, and the Travel Information Division's analysis of travel data, including its methodology and conclusions; and (2) analyzed this data for reasonableness and consistency across the period assessed and whether it supported management and staff testimony. The data was sufficiently reliable for the purposes of this audit.

For workforce-related data for FY2024 through FY2026, including contractor usage, succession planning, and training, we (1) analyzed Human Resources Key Performance Indicator Dashboards and the raw Excel data used to produce this reporting and (2) analyzed this data for reasonableness and consistency across the period assessed. The data was sufficiently reliable for the purposes of this audit.



D. Statement of Compliance with GAGAS

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



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