

Appendices

Appendix A – Description of TDLR’s Strategic Planning Process

Appendix B – Texas Department of Licensing and Regulation Organizational Chart

Appendix C – Projected Outcome Measures – Fiscal Years 2009 – 2013

Appendix D – Performance Measure Definitions

Appendix E – Implementing the Texas Transformation

Appendix F – Texas Department of Licensing and Regulation Workforce Plan

Appendix G – Texas Department of Licensing and Regulation Historically Underutilized Businesses Plan

Appendix H – 2008 Strategic Plan Employee Survey

Appendix I – Impact of Federal Activities on State Regulatory Functions

Appendix J – Effect of Outstanding Court Cases

APPENDIX A

Description of TDLR's Strategic Planning Process

TDLR's strategic planning process commenced in January 2008 when TDLR's Executive Director, William H. Kuntz, Jr. and Deputy Executive Director, Brian E. Francis, met to review the current strategic planning tool and outline key elements to consider in the planning cycle (see Addendum 1).

The executive director appointed the following employees to the Agency Strategic Plan Writing and Editing Teams.

Writing Team – George Bomar, Compliance Program Specialist; Dianne Casey, Assistant Deputy Executive Director; Brad Bowman, Assistant General Counsel; Stephen Bruno, Government Relations Officer; George Ferrie, Director of Compliance; Mike Fickel, Web Designer/Communication Specialist; Sharon Homoya, Personnel Attorney; Charles Johnson, Assistant General Counsel; Christina Kaiser, Director of Enforcement; Michelle Mayes, Licensing Analyst; Gene Mays, Customer Service Manager; Dede McEachern, Director of Licensing; Randy Nesbitt, Financial Analyst; Jimmy Odom, Licensing Analyst; Lee Parham, Business & Occupations Section Manager; Wendy Pellow, Assistant General Counsel; Simon Skedd, Network Manager; Tom Spradlin, Public Affairs Officer; and Susan Stanford, Public Information Officer.

Group Editing Team – George Bomar, Compliance Program Specialist; George Ferrie, Director of Compliance; Mike Fickel, Web Designer/Communication Specialist; David Gonzales, Building & Mechanical Section Manager; Jeff Hill, Assistant General Counsel; Dede McEachern, Director of Licensing; Randy Nesbitt, Financial Analyst; Kyle Smith, Prosecutor; and Jonathan Steinberg, Assistant General Counsel.

Draft Editing Team – Susan Bonnell, Program Specialist; Jeff Copas, Licensing Analyst; Jerry Daniel, Electrical Occupations & Code Specialist; Gregg Dodson, Enforcement Investigator; Nancy Foster, Program Specialist; Adriana Gonzalez, Licensing Analyst; Linda Jahn, Enforcement Investigator; Chris Kadas, General Counsel; Elizabeth Perez, Barber and Cosmetology Program Manager; Tomas Spradlin, Public Affairs Officer; Russ Taulli, Financial and Vehicle Safety Programs Manager; and Kim Whitt, Education & Examination Specialist.

Final Editing Team: Beth Clare, Building & Mechanical Administrative Assistant; Karen Cox, Prosecutor; Irene Garza, Customer Service Representative; Debbie Jahns, Accessibility Specialist; Anthony Jones, Chief Boiler Inspector; Donna Lipke, Engineer Specialist; Kay Mahan, Executive Assistant; Monica McKenzie, Licensing Analyst; Melissa Ramirez, Lead Legal Assistant-Intake; Dawn Robinson, Customer Service Representative; Pedro Villarreal, Legal Assistant-Intake; and Lawrence Taylor, Chief Elevator Inspector.

At its March 25, 2008 meeting the Commission received an overview of TDLR's strategic planning process. Invitations to participate in external focus group meetings were posted on the agency's web page and sent to TDLR's e-mail notification subscribers (see Addendum 2). The invitations provided two avenues for participation – attend an external focus group session or provide written comments. Over ninety persons attended the external focus groups and more than 600 e-mail responses were received to the focus group questions. You may view these comments on our web site at www.license.state.tx.us.

The agency conducted twelve external focus group meetings. This gave participants an opportunity to discuss the quality of services the agency provides and potential service delivery improvements. Participants also gave us valuable input regarding trends and changes they believe will affect their industries over the next five years. This information plays a critical role in helping the agency identify the best use of existing resources and the need for additional resources. Without question, the suggestions and ideas generated by our stakeholders drive TDLR's strategic planning process.

The Commissioners guide the agency by being involved in all phases of the strategic planning process. This is a clear indication of their commitment to serving the citizens of Texas by ensuring that the department continues its pursuit of excellence.

We developed a Strategic Planning section on our web site to inform the public and get input. This part of the web site includes the invitation to participate in the planning process, the date of the external focus groups, summaries of each session and ultimately the Strategic Plan.

Concurrent with the external focus group meetings, the agency conducted

internal focus groups for all of its employees. They were provided the opportunity to respond to the same questions asked of the public. Information and opinions gathered from our employees are also a crucial part of TDLR's strategic planning process that has resulted in numerous service improvements and cost savings.

As assignments were completed, they were reviewed, edited, and formatted for approval by the Commission.

At its June 20, 2008 meeting, the Commission approved the 2009 – 2013 Strategic Plan.

Addendum 1 – TDLR’s Strategic Planning Timeline

January 15 – March 15, 2008

Development of Strategic Planning Tool

February 29, 2008

Disseminate Invitations to Participate in TDLR’s Customer Satisfaction Information Gathering Process (External Focus Groups)

March 6, 2008

Disseminate Drafting Assignments

Bill Kuntz, Brian Francis, Dianne Casey, George Bomar, Brad Bowman, Stephen Bruno, George Ferrie, Mike Fickel, Sharon Homoya (WF Plan WG), Charles Johnson, Christina Kaiser, Michelle Mayes, Gene Mays, Dede McEachern, Randy Nesbitt, Jimmy Odom, Lee Parham, Wendy Pellow, Simon Skedd (IR Plan WG), Tom Spradlin (PM/Budget Plan WG), Susan Stanford

March 7, 2008

Publish Strategic Planning Documents to the LRnet and Web Site

March 11, 2008

Town Hall Meeting to Discuss Strategic Planning Process – Publish Documents to LRnet

March 20, 2008

Publish Online Target Surveys

March 17 – March 26, 2008

Conduct Internal Focus Groups

March 24, 2008

Disseminate/Publish Legislative Surveys

March 25, 2008

Commission Meeting – Overview of Strategic Planning Process / Appointment of Strategic Planning Workgroup

| | | |
|-----------------------------------------------------------------------------------|--------------------------------|------------------------------------|
| March 28, 2008 | | |
| Estimated Due Date for Revisions to the Performance Measure and Budget Structures | | |
| March 31, 2008 FOCUS GROUPS | | |
| FACILITATOR | 8:30 A.M. – 11:00 A.M. | SCRIBE/BACKUP |
| Bill Kuntz | TOW | Kay Mahan / Tanya Gauthreaux |
| Brian Francis | BAR | Christina Guzman / Ray Pizarro |
| David Gonzales | AB | Beth Clare / Bob Posey |
| Dede McEachern | PES, SLS, TAL, TCW | Tamala Fletcher / Joyce Hennington |
| 12:30 P.M. – 3:00 P.M. | | |
| Bill Kuntz | COS | Kay Mahan / Tanya Gauthreaux |
| Brian Francis | AUC, LCI, PTC | Christina Guzman / Ray Pizarro |
| George Ferrie | BLR, ELE, IHB | Susan Bonnell / Barbara Stoll |
| Don Dudley | DHC, LDW, LSC, SCP, VPP | Tamala Fletcher / Joyce Hennington |
| 3:30 P.M. – 6:00 P.M. | | |
| Bill Kuntz | ACR, ELC | Kay Mahan / Tanya Geauthreaux |
| Brian Francis | STATE AGENCIES | Christina Guzman / Ray Pizarro |
| Lee Parham | WWD/PI, WXM | Tamala Fletcher / Joyce Hennington |
| George Ferrie | BOX | Susan Bonnell / Barbara Stoll |

April 2008

Estimated Release of Instructions for Preparing and Submitting Agency Requests for Legislative Appropriations for 2008 – 2009 to be Issued by Governor’s Office

April 2, 2008

Presentation of Revisions to Performance Measures and Budget Structure to Executive

April 2, 2008

Presentation of Internal Focus Group Summaries to Executive

April 2 – May 16, 2008

Strategic Plan Review and Edit Process

April 3, 2008

Internal Focus Group Comments Posted to LRnet

April 4, 2008

Last Day to Receive Written Feedback from Stakeholders

April 11, 2008

Legislative Survey Feedback from Stakeholders

April 11, 2008

Presentation of Customer Satisfaction Information (External Focus Group) Summaries to Executive

April 14, 2008

Customer Satisfaction Information (External Focus Group) Summaries Mailed to Commission Members for Review/Comment

April 16, 2008

Customer Satisfaction Information (External Focus Group) Summaries Posted on Web Site

April 25, 2008

Commission Workgroup Meeting

May 28, 2008

Present Draft Strategic Plan to Commission and Commission Chairman/
Appoint Three Commission Members to the Strategic Plan Commission Oversight Workgroup

June 6, 2008

Commission Member and Final Editor Comments Due

June 10, 2008

Draft of Strategic Plan Forwarded to Final Editors

June 18, 2008

Incorporate Recommendations Received from Commission Members and Final Editors

June 19, 2008

Meet with Commission Strategic Plan Workgroup at the E.O.Thompson Building
Summary of Changes Incorporated into Revised Strategic Plan Sent to Commission

June 20, 2008

Present Revised Strategic Plan (including summary of changes from Workgroup) to Commission Members for Final Approval

June 27, 2008

Submit Strategic Plan to Governor's Office, LBB, etc.
Completion of ABEST Entry of Performance Measure Definitions
Mail Final Version of Strategic Plan to Commission Members

June 30, 2008

Post Strategic Plan on Web and Send Message by Electronic Mailing List Day Before July 2008 Commission Meeting
Meet with Commission Strategic Plan Workgroup at the E.O.Thompson Building
Summary of Changes Incorporated into Legislative Appropriations Request Sent to Commission

July 22 – 24, 2008

Present Legislative Appropriations Request (including summary of changes from Workgroup) to Commission Members for Final Approval

July 30, 2008

Agencies Submit Legislative Appropriations Requests for the 2010 – 2011 Biennium

August 2008

Joint Governor's Office of Budget and Planning and Legislative Budget Board Budget Hearings Begin on Agency Legislative Appropriations Requests for the 2010 – 2011 Biennium

Addendum 2 – TDLR’s Invitation to Participate in Strategic Planning

Come Be a Part of TDLR’s Strategic Planning Process

We are gearing up for strategic planning and your input is just what we need. TDLR invites you to come help us plan for the future. We want to know what services are important to you, what improvements TDLR needs to make and what changes you think will take place over the next five years in your industry.

Over the next month you will have the opportunity to participate in the strategic planning process:

Strategic Planning Focus Groups – Attend a Town Hall Meeting in Austin (see the schedule) led by TDLR employees in which you and other interested persons in your industry will have a chance to give your answers to TDLR’s five strategic planning questions.

Through E-mail – Simply e-mail TDLR (strategicplan@license.state.tx.us) your responses to the five strategic planning questions no later than April 15, 2008.

By Regular Mail – Provide written feedback to the five strategic planning questions by mailing your responses no later than April 15, 2008 to:

TDLR Strategic Plan
P.O. Box 12157
Austin, Texas 78711-2157

This strategic planning process is your chance to share your thoughts and ideas on how TDLR can improve the way we do business. I encourage you to take advantage of this opportunity to help TDLR shape its future success. I look forward to seeing you at one of the strategic planning focus groups or receiving your written feedback to our five strategic planning questions. If you need any further assistance, please contact me at william.kuntz@license.state.tx.us or Brian Francis, Deputy Executive Director at brian.francis@license.state.tx.us.

Sincerely,

William H. Kuntz, Jr.
Executive Director

If you require auxiliary aids, services or materials in an alternate format contact the TDLR at least five working days prior to the focus group date. Phone: (512) 463-6599, FAX: (512) 475-2874, E-MAIL: christina.guzman@license.state.tx.us, TDD/RELAY TEXAS: 1-800-relay-VV (for voice), 1-800-relay-TX (for TDD).

Strategic Planning Focus Group Sessions Schedule - March 31, 2008

**Radisson Hotel and Suites
111 East Cesar Chavez
Austin, Texas 78701**

8:30 a.m. to 11:00 a.m.

Travis III Room – Tow Trucks, Operators and Vehicle Storage Facilities

Travis II Room – Barbering

Travis I Room – Architectural Barriers

Lakeview Room – Personnel Employment Services, Staff Leasing Services, Talent Agencies and Temporary Common Worker Providers

12:30 p.m. – 3:00 p.m.

Travis III Room – Cosmetology

Travis II Room – Auctioneers, Licensed Court Interpreters and Property Tax Consultants

Travis I Room – Boiler, Elevators, Escalators and Related Equipment, and Industrialized Housing and Buildings

Lakeview Room – Discount Health Care Card Program, Loss Damage Waivers, For-Profit Legal Service, Service Contract Providers and Vehicle Protection Product Warrantors

3:30 p.m. – 6:00 p.m.

Travis III Room – Air Conditioning and Refrigeration and Electricians

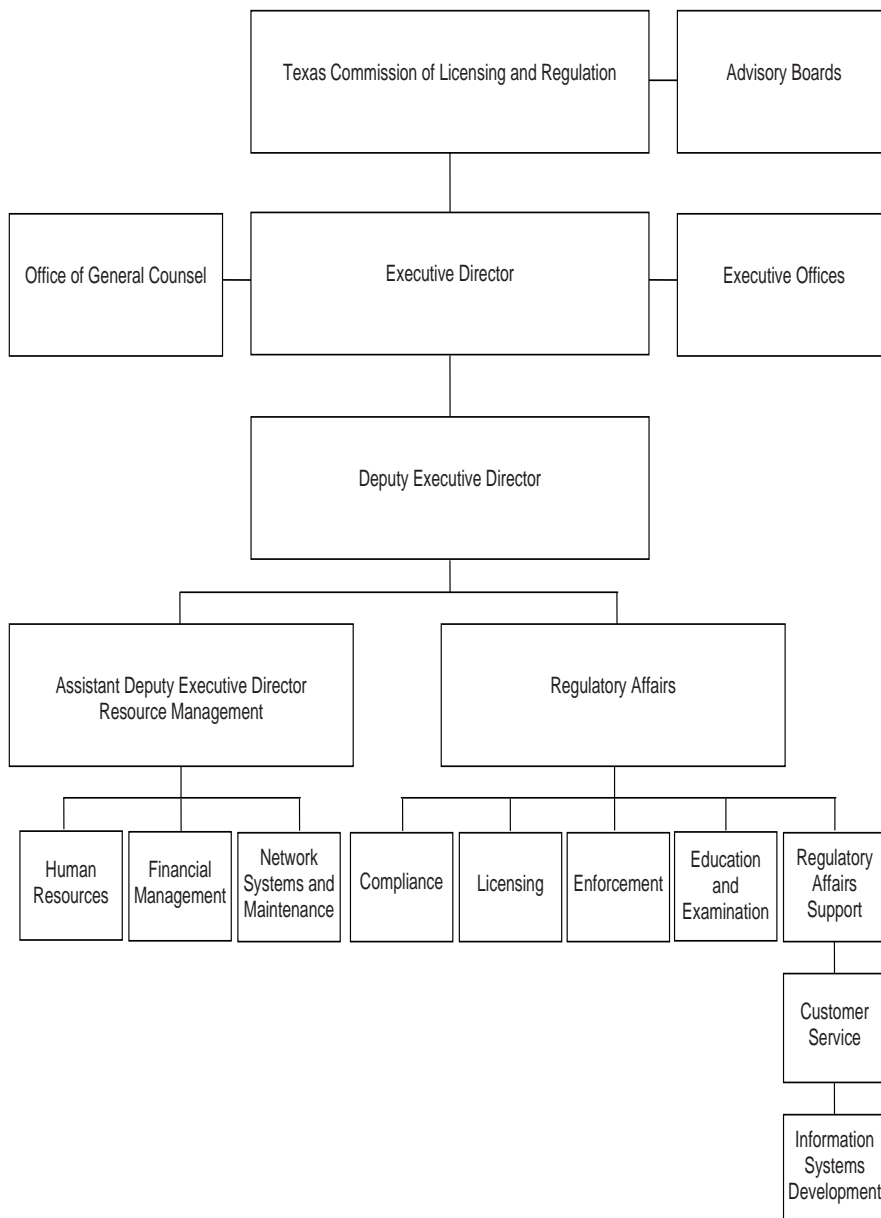
Travis II Room – State Agencies

Travis I Room – Water Well Drillers and Pump Installers, and Weather Modification

Lakeview Room – Combative Sports

Appendix B

Texas Department of Licensing and Regulation Organizational Chart



Appendix C

Projected Outcomes – Fiscal Years 2009 – 2013

| OUTCOME | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------------------------------------------------------------|-------|-------|-------|-------|-------|
| Percent of Licensees With No Recent Violations | 99% | 99% | 99% | 99% | 99% |
| Percent of Licensees Who Renew Online | 75% | 77% | 77% | 80% | 80% |
| Percent of New Individual Licenses Issued Online | 60% | 60% | 62% | 62% | 65% |
| Percent of Complaints Resulting in Disciplinary Action | 25% | 27% | 30% | 31% | 33% |
| Percent of Documented Complaints Resolved within Six Months | 70% | 70% | 71% | 71% | 71% |
| Percent of AB Building Plan Reviews Completed w/in 30 Days | 98% | 98% | 98% | 98% | 98% |
| Recidivism Rate of Those Receiving Disciplinary Action | 3.10% | 3.40% | 3.40% | 3.10% | 3.00% |
| Inspection Coverage Rate | 98% | 98% | 98% | 98% | 98% |
| Percent of Boilers Inspected for Certification within Appropriate Time Frames | 70% | 72% | 74% | 75% | 75% |

Appendix D

Performance Measure Definitions

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| A. GOAL: LICENSING License, certify, and register qualified individuals and businesses. | | |
| OUTCOME MEASURES | | |
| 01-01-01 PERCENT OF LICENSEES WITH NO RECENT VIOLATIONS (KEY) | | |
| SHORT DEFINITION The percent of the total number of licensed, registered, or certified individuals at the end of the reporting period who have not incurred a violation within the last thirty-six months. | | |
| PURPOSE/IMPORTANCE This measure provides an indication of the job TDLR is doing to educate licensees, registrants and certificants about the agency's statutes and rules and of the necessity for enforcement activities resulting from violations. | | |
| SOURCE/COLLECTION OF DATA The total number of licensed individuals from the report "LICENSECNT" generated from the Texas Umbrella Licensing Information Project (TULIP); the number of individuals licensed/registered/certified – performance measure EX 01-01-01-02; licensees with Final Orders during the 36 month period prior to the end of the reporting period – Enforcement Access Database for Final Orders. | | |
| METHOD OF CALCULATION This measure is calculated by subtracting the total number of licensees, registrants and certificants with violations during the three-year period from the total number of licensees, registrants and certificants at the end of the reporting period. The result is divided by the total number of licensees, registrants and certificants and multiplied by 100 to achieve a percentage. | | |
| DATA LIMITATIONS External Factors: General market and economic conditions, statutory changes, and changes in the number of persons licensed are key variables that impact the measure that are beyond the control of TDLR. | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Non-cumulative | No | Higher than target |
| 01-01-02 PERCENT OF LICENSEES WHO RENEW ONLINE (KEY) | | |
| SHORT DEFINITION The percent of the total number of licensed, registered, or certified individuals that renewed their license, registration, or certification online during the reporting period. | | |
| PURPOSE/IMPORTANCE To track the use of online license renewal technology by the licensee population. | | |
| SOURCE/COLLECTION OF DATA The number of licenses, registrations, or certifications renewed online from the report "PERFRENLIC" from the Texas Umbrella Licensing Information Project (TULIP) divided by the total number of renewed licenses, registration, or certifications issued to individuals during the reporting period from performance measure OP 01-01-01-02. | | |

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------|
| <p>METHOD OF CALCULATION The total number of individual licenses, registrations, or certifications renewed online divided by the total number of individual licenses, registrations, or certifications renewed during the reporting period. The result is multiplied by 100 to achieve a percentage.</p> | | |
| <p>DATA LIMITATIONS External Factors: General market and economic conditions, statutory changes, changes in the number of individuals who choose to remain in the industry & the number of those licensees with access to both the internet & credit cards. Those factors are beyond TDLR's control.</p> | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Cumulative | No | Higher than target |
| <p>A. GOAL: LICENSING License, certify, and register qualified individuals and businesses. OUTCOME MEASURES</p> | | |
| <p>01-01-03 PERCENT OF NEW INDIVIDUAL LICENSES ISSUED ONLINE (KEY)</p> | | |
| <p>SHORT DEFINITION The percent of all new licenses, registrations, or certifications issued online to individuals during the reporting period.</p> | | |
| <p>PURPOSE/IMPORTANCE To track use of online license issuance technology by the licensee population.</p> | | |
| <p>SOURCE/COLLECTION OF DATA The number of new licenses, registrations, or certifications issued online to individuals from the report "PERFORGLIC" from the Texas Umbrella Licensing Information Project (TULIP) divided by the total number of new licenses, registrations, or certifications issued to individuals during the reporting period from performance measure OP 01-01-01-01.</p> | | |
| <p>METHOD OF CALCULATION The total number of new licenses, registrations, or certifications issued to individuals online divided by the total number of new licenses, registrations, or certifications issued to individuals during the reporting period. The result is multiplied by 100 to achieve a percentage.</p> | | |
| <p>DATA LIMITATIONS External Factors: General market and economic conditions, statutory changes, changes in the number of individuals who choose to remain in the industry and the number of those licensees with access to both the internet & credit cards. Those factors are beyond TDLR's control.</p> | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Cumulative | No | Higher than target |
| <p>A.1.1 STRATEGY: LICENSE, REGISTER AND CERTIFY Issue licenses, registrations, and certificates to qualified individuals. OUTPUT MEASURES</p> | | |
| <p>01-01-01-01 NUMBER OF NEW LICENSES ISSUED TO INDIVIDUALS (KEY)</p> | | |
| <p>SHORT DEFINITION The number of licenses, registrations and certificates issued to previously unlicensed, unregistered or uncertified individuals during the reporting period.</p> | | |
| <p>PURPOSE/IMPORTANCE This measure provides data relating to the number of individuals desiring to be initially licensed, registered or certified under the statutes regulated by TDLR.</p> | | |

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| <p>SOURCE/COLLECTION OF DATA Boiler - Excel spreadsheet and Boiler Certification Report from the HP3000; IHB – Access database maintained by IHB program; Licensing – “PERFORGLIC” from the Texas Umbrella Licensing Information Project (TULIP).</p> | | |
| <p>METHOD OF CALCULATION Add the number of new licenses, registrations and certifications issued to individuals during the reporting period.</p> | | |
| <p>DATA LIMITATIONS External Factors: General market and economic conditions, statutory changes, the addition or removal of programs and the number of persons desiring to enter industries regulated by TDLR are key variables that impact the measure that are beyond the control of TDLR.</p> | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Cumulative | No | Higher than target |
| <p>01-01-01-02 NUMBER OF LICENSES RENEWED (INDIVIDUALS) (KEY)</p> | | |
| <p>SHORT DEFINITION The number of licensed, registered or certified individuals who held licenses, registrations or certificates previously and renewed their license, registration or certificate during the current reporting period.</p> | | |
| <p>PURPOSE/IMPORTANCE This measure provides data relating to the number of individuals desiring to remain licensed, registered or certified under the statutes regulated by TDLR.</p> | | |
| <p>SOURCE/COLLECTION OF DATA Boiler - Excel spreadsheet and Boiler Certification Report for the HP3000; IHB – Access database maintained by IHB program; Licensing – “PERFRENLIC” from the Texas Umbrella Licensing Information Project (TULIP).</p> | | |
| <p>METHOD OF CALCULATION Add the number of licenses, registrations and certifications renewed to individuals during the reporting period.</p> | | |
| <p>DATA LIMITATIONS External Factors: General market and economic conditions, statutory changes in the criteria for renewing, and the number of persons desiring to renew are key variables that impact the measure that are beyond the control of TDLR. Internal Factors: Rule changes and fee changes may also impact the measure.</p> | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Cumulative | No | Higher than target |
| <p>A.1.1 STRATEGY: LICENSE, REGISTER AND CERTIFY Issue licenses, registrations, and certificates to qualified individuals. EFFICIENCY MEASURES</p> | | |
| <p>01-01-01-01 PERCENTAGE OF NEW INDIVIDUAL LICENSES ISSUED WITHIN 10 DAYS</p> | | |
| <p>SHORT DEFINITION The percentage of initial individual license, registration and certification applications that were processed during the reporting period within 10 days measured from the time in days elapsed from receipt of the initial completed application until the license, registration or certification is mailed.</p> | | |
| <p>PURPOSE/IMPORTANCE This measure indicates the ability of TDLR to process new applications in a timely and efficient manner.</p> | | |

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| SOURCE/COLLECTION OF DATA | | |
| Boiler - Excel spreadsheet; IHB – Access database maintained by IHB; Licensing – “PERFORGLIC” from the Texas Umbrella Licensing Information Project (TULIP). | | |
| COLLECTION OF DATA | | |
| This measure is calculated by dividing the number of individual licenses, registrations and certificates issued within 10 days during the reporting period by the total number of individual licenses, registrations and certificates issued during the reporting period. The result is multiplied by 100 to achieve a percentage. | | |
| DATA LIMITATIONS | | |
| External Factors: General market and economic conditions, statutory changes and the number of persons desiring to become licensed, registered or certified are key variables that impact the measure that are beyond TDLR’s control. Internal Factors: Turnover in the staff that process licenses, registrations, and certifications may also impact the measure. | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Non-cumulative | No | Higher than target |
| 01-01-01-03 PERCENT OF INDIVIDUAL LICENSE RENEWALS ISSUED WITHIN 7 DAYS | | |
| SHORT DEFINITION | | |
| The percentage of individual license, registration or certification renewal applications that were processed during the reporting period within 7 days of receipt, measured from the time (in calendar days) elapsed from receipt of the renewal application until the date the renewal license, registration or certificate is mailed. | | |
| PURPOSE/IMPORTANCE | | |
| This is a measure of TDLR’s ability to process renewal applications in a timely and efficient manner. | | |
| SOURCE/COLLECTION OF DATA | | |
| Boiler - Excel spreadsheet; IHB – Access database maintained by IHB program; Licensing – “PERFRENLIC” from the Texas Umbrella Licensing Information Project (TULIP). | | |
| METHOD OF CALCULATION | | |
| This measure is calculated by dividing the number of individual licenses, registrations and certificates renewed within 7 days during the reporting period by the total number of individual licenses, registrations and certificates renewed during the reporting period. The result is multiplied by 100 to achieve a percentage. | | |
| DATA LIMITATIONS | | |
| External Factors: General market and economic conditions, statutory changes and the number of persons desiring to renew licenses, registrations or certifications are key variables that impact the measure that are beyond TDLR’s control. Internal Factors: Turnover in the staff that process renewals of licenses, registrations, and certifications may also impact the measure. | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Non-cumulative | No | Higher than target |
| A.1.1 STRATEGY: LICENSE, REGISTER AND CERTIFY Issue licenses, registrations, and certificates to qualified individuals. | | |
| EXPLANATORY MEASURE | | |
| 01-01-01-01 TOTAL NUMBER OF INDIVIDUALS LICENSED (KEY) | | |
| SHORT DEFINITION | | |
| Total number of individuals licensed, registered or certified at the end of the reporting period. | | |
| PURPOSE/IMPORTANCE | | |
| This measure indicates the total licensee, certificate holder and registrant population. | | |

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------|
| <p>SOURCE/COLLECTION OF DATA Boiler - Paradox report maintained in the Boiler section; IHB – Access database maintained by IHB program; Licensing – “LICENSECNT” report from the Texas Umbrella Licensing Information Project (TULIP).</p> | | |
| <p>METHOD OF CALCULATION Add the number of individuals holding licenses, registrations or certificates.</p> | | |
| <p>DATA LIMITATIONS External Factors: General market and economic conditions, statutory changes and the number of persons desiring to renew or become licensed, registered or certified are key variables that impact the measure that are beyond TDLR’s control. Internal Factors: Fee changes, rule changes and staff turnover are variables that may also impact the measure.</p> | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Non-cumulative | No | Higher than target |
| <p>A.1.2 STRATEGY: LICENSE BUSINESSES AND FACILITIES License, certify and register qualified individuals and businesses. EXPLANATORY MEASURE</p> | | |
| <p>01-01-02-01 TOTAL NUMBER OF BUSINESS FACILITIES LICENSED (KEY)</p> | | |
| <p>SHORT DEFINITION The unduplicated number of businesses, facilities, or pieces of equipment licensed, registered or certified by the agency at the end of the reporting period.</p> | | |
| <p>PURPOSE/IMPORTANCE This measure indicates the total business, facility construction project and equipment population.</p> | | |
| <p>SOURCE/COLLECTION OF DATA AB - HP3000 LCEABLOGD report from the AB program; Boiler - Excel spreadsheet in the Boiler area and HP3000 report from the Boiler Certification System; Elevator - certification report Database Statistics to Date, maintained in the Elevators section; IHB – Access database maintained by the IHB program; Licensing – “LICENSECNT” report from the Texas Umbrella Licensing Information Project (TULIP).</p> | | |
| <p>METHOD OF CALCULATION Add the total number of businesses, facilities, construction projects and equipment licensed, registered or certified.</p> | | |
| <p>DATA LIMITATIONS External Factors: General market and economic conditions, statutory changes and the number of facilities that renew or become licensed, registered or certified are key variables that impact the measure that are beyond TDLR’s control. Internal Factors: Fee changes, rule changes and staff turnover are variables that may also impact the measure.</p> | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Non-cumulative | No | Higher than target |
| <p>A.1.4 STRATEGY: CONTINUING EDUCATION/CUSTOMER SERVICE Develop continuing education and provide customer service. OUTPUT MEASURE</p> | | |
| <p>01-01-04-01 NUMBER OF INFORMATION REQUESTS FILLED</p> | | |

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------|
| SHORT DEFINITION | | |
| This figure reflects requests received through the downloading of information from TDLR's web site, written open records requests, and written requests for information packets. | | |
| PURPOSE/IMPORTANCE | | |
| This measure indicates the number of electronic and written requests for information regarding the statutes regulated by TDLR. This is not a standard licensing agency measure. | | |
| SOURCE/COLLECTION OF DATA | | |
| Data is derived from traffic log analysis tools utilized by TDLR's web site, Access database for Open Records Request. | | |
| METHOD OF CALCULATION | | |
| Add the number of requests received through the downloading of information from TDLR's web site, written open records requests, and written requests for information packets. | | |
| DATA LIMITATIONS | | |
| External Factors: Requests for information packets and the use of electronic dissemination of information are key variables that impact the measure that are beyond the control of TDLR. | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Cumulative | No | Higher than target |
| A.1.4 STRATEGY: CONTINUING EDUCATION/CUSTOMER SERVICE | | |
| Develop continuing education and provide customer service. | | |
| EXPLANATORY MEASURES | | |
| 01-01-04-01 NUMBER OF INDIVIDUALS RECEIVING TRAINING/ EDUCATION | | |
| SHORT DEFINITION | | |
| The total number of non-agency individuals receiving training/education provided by the agency to impart knowledge of laws, rules and/or standards of regulated industries. | | |
| PURPOSE/IMPORTANCE | | |
| This measure indicates the number of individuals benefiting from TDLR's training/ education efforts. The measure is not a standard measure for licensing agencies. | | |
| SOURCE/COLLECTION OF DATA | | |
| TDLR form 013ALL | | |
| METHOD OF CALCULATION | | |
| Count the number of attendees for training/education sessions provided by TDLR. | | |
| DATA LIMITATIONS | | |
| External Factors: The number of persons requesting or needing training and the use of electronic resources to access information are key variables that impact the measure that are beyond the control of TDLR. | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Cumulative | No | Lower than target |
| 01-01-04-02 NUMBER OF TRAINING/EDUCATION SESSIONS CONDUCTED | | |
| SHORT DEFINITION | | |
| Number of sessions conducted by agency staff to non-agency staff to impart knowledge of laws, rules and/or standards for regulated industries. | | |
| PURPOSE/IMPORTANCE | | |
| This measure indicates TDLR's efforts at training/educating its public. This measure is not a standard licensing agency measure. | | |

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| SOURCE/COLLECTION OF DATA TDLR form 013ALL. | | |
| METHOD OF CALCULATION Add the number of training/education sessions held. | | |
| DATA LIMITATIONS External Factors: The number of persons requesting or needing training, and the use of electronic resources to access information are key variables that impact the measure that are beyond the control of TDLR. | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Cumulative | No | Lower than target |
| B. GOAL: ENFORCEMENT Protect the public by enforcing laws administered by the agency. | | |
| OUTCOME MEASURES | | |
| 02-01-01 PERCENT OF COMPLAINTS RESULTING IN DISCIPLINARY ACTION | | |
| SHORT DEFINITION Percent of complaints that were resolved during the reporting period that resulted in disciplinary action. | | |
| PURPOSE/IMPORTANCE This measure indicates the effectiveness of complaint resolution processes by TDLR. | | |
| SOURCE/COLLECTION OF DATA Reports generated from Final Orders Database (in Access) showing disciplinary actions taken during the reporting period and the Crystal Report generated from a data extraction from CIMS (Complaint Intake Monitoring System) showing the number of jurisdictional complaints closed. | | |
| METHOD OF CALCULATION The number of disciplinary actions divided by the total number of complaints resolved minus "L" type cases during the reporting period. The result is multiplied by 100 to achieve a percentage. Disciplinary action includes agreed orders, written reprimands, suspensions, probations, revocations, restitutions ordered, and/or fines assessed on which the commission or Executive Director has acted. | | |
| DATA LIMITATIONS External Factors: General market and economic conditions and the complexity and severity of the complaint filed are key variables that impact the measure that are beyond the control of TDLR. Internal Factors: Turnover in staff that are associated with the complaint resolution process may also impact the measure. | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Non-cumulative | No | Higher than target |
| 02-01-02 PERCENT OF DOCUMENTED COMPLAINTS RESOLVED WITHIN SIX MONTHS (KEY) | | |
| SHORT DEFINITION The percent of complaints resolved during the reporting period that were resolved within a six month period from the time they were opened for investigation by the agency. | | |
| PURPOSE/IMPORTANCE This measure indicates the effectiveness of complaint resolution processes by TDLR. | | |

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| <p>SOURCE/COLLECTION OF DATA Crystal Report of extracted data from the Complaint Intake Monitoring System (CIMS). Automatically calculated by CIMS. Crystal Report "CIMS stats.rpt" generated from a data extract from CIMS showing the percent of complaints closed in six months.</p> | | |
| <p>METHOD OF CALCULATION The number of complaints resolved within six months from the date opened in CIMS divided by the number of complaints resolved during the reporting period. The result is multiplied by 100 to achieve a percentage.</p> | | |
| <p>DATA LIMITATIONS External Factors: General market and economic conditions and the complexity and severity of the complaint filed are key variables that impact the measure that are beyond the control of TDLR. Internal Factors: Turnover in staff that are associated with the complaint resolution process may also impact the measure.</p> | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Non-cumulative | No | Higher than target |
| <p>02-01-03 PERCENT OF ARCHITECTURAL BARRIER BUILDING PLAN REVIEWS COMPLETED WITHIN THIRTY DAYS (KEY)</p> | | |
| <p>SHORT DEFINITION The percent of construction/engineering documents reviewed for compliance with Architectural Barrier standards during the current reporting period that were reviewed within 30 days of receipt of complete submittal by agency plan reviewers.</p> | | |
| <p>PURPOSE/IMPORTANCE This measure indicates the effectiveness of TDLR's Architectural Barrier plan review process.</p> | | |
| <p>SOURCE/COLLECTION OF DATA Information services retrieves information from HP3000 to create report "Completed Reviews".</p> | | |
| <p>METHOD OF CALCULATION The numerator for this measure is calculated by subtracting the total number of AB plan reviews not completed within thirty days from the total number of AB plan reviews completed, during the reporting period. The denominator is the total number of AB plan reviews completed during the reporting period. The result is multiplied by 100 to achieve a percentage.</p> | | |
| <p>DATA LIMITATIONS External Factors: General market and economic conditions, construction trends, statutory changes and the number of registered accessibility specialists are key variables that impact the measure that are beyond the control of TDLR. Internal Factors: Turnover in plan reviewers and other AB personnel, rule changes, enforcement action and changes to the plan review process may also impact the measure.</p> | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Non-cumulative | No | Higher than target |
| <p>02-01-04 RECIDIVISM RATE OF THOSE RECEIVING DISCIPLINARY ACTION</p> | | |
| <p>SHORT DEFINITION The number of repeat offenders at the end of the reporting period as a percentage of all disciplinary actions during the reporting period.</p> | | |
| <p>PURPOSE/IMPORTANCE This measure shows how effectively the agency educates its regulated industries and enforces its regulatory requirements.</p> | | |

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| SOURCE/COLLECTION OF DATA | | |
| Final Order Log (an Excel file) maintained by the Legal Assistant to the Prosecutor. | | |
| METHOD OF CALCULATION | | |
| The total number of individuals with a disciplinary action for the reporting fiscal year as well as at least one additional disciplinary action in the reporting fiscal year or the two preceding fiscal years divided by the total number of individuals receiving disciplinary actions in the reporting fiscal year. The result is multiplied by 100 to achieve a percentage. | | |
| DATA LIMITATIONS | | |
| External Factors: General market and economic conditions and the complexity and severity of the complaint filed are key variables that impact the measure that are beyond the control of TDLR. | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Non-cumulative | No | Lower than target |
| 02-01-05 INSPECTION COVERAGE RATE (KEY) | | |
| SHORT DEFINITION | | |
| The total number of inspections completed by agency and third party inspectors divided by the total number of inspections required. | | |
| PURPOSE/IMPORTANCE | | |
| This measure indicates the effectiveness of TDLR's inspection process. | | |
| SOURCE/COLLECTION OF DATA | | |
| Explanatory performance measure 02-01-01-02, Total Number of Inspections Completed. | | |
| METHOD OF CALCULATION | | |
| Inspections required is defined as the number of inspections projected, in all regulated industries, forwarded (carried over) from previous period, plus the number of new inspections coming due during the current reporting period. The numerator for this measure is the total number of required inspections completed, during the reporting period. The denominator is the total number of inspections required, during the reporting period. The result is multiplied by 100 to achieve a percentage. | | |
| DATA LIMITATIONS | | |
| External Factors: General market and economic conditions, construction trends, statutory changes and the number of registered accessibility specialists are key variables that impact the measure that are beyond the control of TDLR. Internal Factors: Turnover in inspectors, inspection backlog, rule changes, enforcement action and changes to the inspection process may also impact the measure. | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Non-cumulative | No | Higher than target |
| 02-01-06 PERCENT OF BOILERS INSPECTED FOR CERTIFICATION WITHIN APPROPRIATE TIMELINES (KEY) | | |
| SHORT DEFINITION | | |
| The percent of Boiler certificate inspections performed by agency and third party inspectors during the reporting period that were inspected within thirty days after the certificate expiration date. | | |
| PURPOSE/IMPORTANCE | | |
| This measure indicates the effectiveness of TDLR's Boiler inspection process. This is not a standard licensing performance measure. | | |
| SOURCE/COLLECTION OF DATA | | |
| HP3000 BSAUDIT3 report. | | |

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| <p>METHOD OF CALCULATION The HP3000 program takes the total number of inspections completed within 30 days after the certificate of expiration date divided by the total number of inspections due. The result is multiplied by 100 to achieve a percentage.</p> | | |
| <p>DATA LIMITATIONS External Factors: The number of boilers due for inspection, the number of boilers manufactured and general market and economic conditions are key variables that impact the measure that are beyond the control of TDLR. Internal Factors: Turnover in inspectors also impacts the measure.</p> | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Non-cumulative | No | Higher than target |
| <p>B.1.1 STRATEGY: CONDUCT INSPECTIONS Enforce laws by conducting routine, complex and special inspections. OUTPUT MEASURE</p> | | |
| <p>02-01-01-01 TOTAL NUMBER OF ARCHITECTURAL BARRIERS INSPECTIONS COMPLETED BY AGENCY & THIRD PARTY INSPECTORS (KEY)</p> | | |
| <p>SHORT DEFINITION The total number of Architectural Barrier inspections completed by agency and third party inspectors during the reporting period.</p> | | |
| <p>PURPOSE/IMPORTANCE This performance measure shows the number of Architectural Barrier inspections completed.</p> | | |
| <p>SOURCE/COLLECTION OF DATA Information Services retrieves information from HP3000 to create report – Number of Days to Complete Inspection and RAS/ICP Performance Measure Report.</p> | | |
| <p>METHOD OF CALCULATION Add the total number of Architectural Barriers inspections completed for the reporting period.</p> | | |
| <p>DATA LIMITATIONS External Factors: General market and economic conditions, construction trends, statutory changes and the number of registered accessibility specialists are key variables that impact the measure that are beyond the control of TDLR. Internal Factors: Turnover in inspectors, inspection backlog, rule changes, enforcement action and changes to the inspection process may also impact the measure.</p> | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Cumulative | No | Higher than target |
| <p>B.1.1 STRATEGY: CONDUCT INSPECTIONS Enforce laws by conducting routine, complex and special inspections. EFFICIENCY MEASURES</p> | | |
| <p>02-01-01-01 AVERAGE NUMBER OF MONTHS TO COMPLETE ARCHITECTURAL BARRIER INSPECTIONS (KEY)</p> | | |
| <p>SHORT DEFINITION The average number of months to complete an Architectural Barrier inspection by agency staff during the reporting period.</p> | | |
| <p>PURPOSE/IMPORTANCE This measure shows how efficient TDLR is in scheduling and performing Architectural Barrier inspections.</p> | | |

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| SOURCE/COLLECTION OF DATA | | |
| Information Services retrieves information from HP3000 to create report. | | |
| METHOD OF CALCULATION | | |
| Total the number of days it takes to complete each inspection and divide this total by the number of inspections completed, which is then converted into months. | | |
| DATA LIMITATIONS | | |
| External Factors: General market and economic conditions, construction trends, statutory changes, building owners/managers schedules and the number of third party Registered Accessibility Specialists are key variables that impact the measure that are beyond the control of TDLR. | | |
| Internal Factors: Turnover in inspectors, inspection backlog, rule changes, enforcement action and changes to the inspection process may also impact the measure. | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Non-cumulative | No | Lower than target |
| B.1.1 STRATEGY: CONDUCT INSPECTIONS | | |
| Enforce laws by conducting routine, complex and special inspections. | | |
| EXPLANATORY MEASURES | | |
| 02-01-01-01 NUMBER OF BUILDINGS OR FACILITIES INSPECTED FOR ARCHITECTURAL BARRIERS | | |
| SHORT DEFINITION | | |
| The total number of subject buildings or facilities for which an inspection request has been received by TDLR and inspection has not yet been done, and the total number of buildings or facilities leased or occupied by the state, under any lease or rental agreement, that is ready for occupancy, and inspection has not yet been done. | | |
| PURPOSE/IMPORTANCE | | |
| This shows the work in process in Architectural Barrier inspections. | | |
| SOURCE/COLLECTION OF DATA | | |
| Information Services retrieves information from HP3000 to create report. | | |
| METHOD OF CALCULATION | | |
| The HP3000 system totals Architectural Barrier inspections due based on the requests received for inspections that have not been performed. | | |
| DATA LIMITATIONS | | |
| External Factors: General market and economic conditions, construction trends, and statutory changes are key variables that impact the measure that are beyond the control of TDLR. | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Non-cumulative | No | Lower than target |
| 02-01-01-02 TOTAL NUMBER OF INSPECTIONS COMPLETED (KEY) | | |
| SHORT DEFINITION | | |
| The total number of inspections, for all regulated industries, completed by agency and third party inspectors. | | |
| PURPOSE/IMPORTANCE | | |
| This measure indicates the number of inspections completed by agency and third parties. | | |
| SOURCE/COLLECTION OF DATA | | |
| AB – Information Services retrieves information from HP3000 to create report; Boiler - HP3000 reports BLRRPT2 (Third Party Inspections) and BSRP0185 from the TRS (TDLR inspectors); Boxing - List of inspection events provided by the Boxing program; IHB - Access database maintained in IHB program; Elevators - individual inspectors records; VWD - Word database maintained by Program Manager. | | |

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| METHOD OF CALCULATION Add the number of inspections from all sources. | | |
| DATA LIMITATIONS External Factors: General market and economic conditions, construction trends, statutory changes and the number of third party providers or registered accessibility specialists are key variables that impact the measure that are beyond the control of TDLR. Internal Factors: Turnover in inspectors, inspection backlog, rule changes, enforcement action and changes to the inspection process may also impact the measure. | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Non-cumulative | No | Higher than target |
| 02-01-01-03 TOTAL NUMBER OF EQUIPMENT INSPECTIONS DUE | | |
| SHORT DEFINITION The total number of boiler certification and elevator, escalator and related equipment inspections due. | | |
| PURPOSE/IMPORTANCE This shows the workload universe of boilers and elevators, escalators, and related equipment due for inspection. This is not a standard measure for licensing agencies. | | |
| SOURCE/COLLECTION OF DATA HP3000 report - BSRP0190 and Elevator system database. | | |
| METHOD OF CALCULATION The total boilers and equipment in the HP3000 and the Elevator system database with an expiration date within the parameters. | | |
| DATA LIMITATIONS External Factors: General market and economic conditions, type of boiler, manufacturing trends, construction trends, number of Qualified Elevator Inspectors and Boiler Inspectors and statutory changes are key variables that impact the measure that are beyond the control of TDLR. | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Cumulative | No | Lower than target |
| B.1.2 STRATEGY: BUILDING PLAN REVIEWS Perform building plan reviews. OUTPUT MEASURES | | |
| 02-01-02-01 TOTAL NUMBER OF ARCHITECTURAL BARRIER BUILDING PLANS REVIEWED BY AGENCY AND THIRD PARTY PLAN REVIEWERS | | |
| SHORT DEFINITION The total number of construction/engineering documents reviewed for compliance with Architectural Barriers standards by agency and third party plan reviewers during the reporting period. | | |
| PURPOSE/IMPORTANCE This performance measure shows the total number of plan reviews completed for the Architectural Barriers program. | | |
| SOURCE/COLLECTION OF DATA Information Services retrieves information from HP3000 to create the needed report. | | |
| METHOD OF CALCULATION Add the number of plan reviews from the Information Services reports for the current reporting period. | | |

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| <p>DATA LIMITATIONS External Factors: General market and economic conditions, construction trends, statutory changes and the number of registered accessibility specialists are key variables that impact the measure that are beyond the control of TDLR. Internal Factors: Turnover in plan reviewers, rule changes, enforcement action and changes to the plan review process may also impact the measure.</p> | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Cumulative | No | Higher than target |
| <p>02-01-02-02 TOTAL NUMBER OF PLAN REVIEWS COMPLETED BY AGENCY AND THIRD PARTIES (AB & IHB)</p> | | |
| <p>SHORT DEFINITION The total number of construction/engineering documents reviewed by agency and third party plan reviewers for compliance with applicable standards.</p> | | |
| <p>PURPOSE/IMPORTANCE This measure indicates the number of plan reviews completed by agency and third parties.</p> | | |
| <p>SOURCE/COLLECTION OF DATA Information Services retrieves information from HP3000 to create the needed report; IHB – Access database maintained by IHB Program.</p> | | |
| <p>METHOD OF CALCULATION Add the number of plan reviews from the Information Services reports for the current reporting period; access database located in H:\data\engineer\IHB.mdb.access table name “Plans Log”.</p> | | |
| <p>DATA LIMITATIONS External Factors: General market and economic conditions, construction trends, statutory changes and the number of registered accessibility specialists are key variables that impact the measure that are beyond the control of TDLR. Internal Factors: Turnover in plan reviewers, rule changes, enforcement action and changes to the plan review process may also impact the measure.</p> | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Cumulative | No | Higher than target |
| <p>B.1.2 STRATEGY: BUILDING PLAN REVIEWS Perform building plan reviews. EFFICIENCY MEASURES</p> | | |
| <p>02-01-02-01 AVERAGE NUMBER OF DAYS TO COMPLETE ARCHITECTURAL BARRIER BUILDING PLAN REVIEWS BY AGENCY STAFF</p> | | |
| <p>SHORT DEFINITION The average number of days to complete an Architectural Barrier building plan review by agency staff during the reporting period.</p> | | |
| <p>PURPOSE/IMPORTANCE This measure shows how efficient TDLR is in reviewing construction/engineering documents.</p> | | |
| <p>SOURCE/COLLECTION OF DATA Information Services retrieves information from HP3000 to create report.</p> | | |
| <p>METHOD OF CALCULATION Total the number of days it takes to complete each plan review and divide by the total number of plan reviews completed.</p> | | |

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| <p>DATA LIMITATIONS External Factors: General market and economic conditions, construction trends, statutory changes and the number of third party providers or Registered Accessibility Specialists are key variables that impact the measure that are beyond the control of TDLR. Internal Factors: Turnover in plan reviewers, rule changes, enforcement action and changes to the plan review process may also impact the measure.</p> | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Non-cumulative | No | Lower than target |
| <p>B.1.3 STRATEGY: RESOLVE COMPLAINTS Enforce compliance by settlement, prosecution, penalty and sanction. OUTPUT MEASURE</p> | | |
| <p>02-01-03-01 NUMBER OF COMPLAINTS RESOLVED (KEY)</p> | | |
| <p>SHORT DEFINITION The total number of jurisdictional complaints closed during the reporting period.</p> | | |
| <p>PURPOSE/IMPORTANCE This measure reflects the efforts of TDLR's enforcement activities to resolve complaints.</p> | | |
| <p>SOURCE/COLLECTION OF DATA Crystal report of extracted data from the Complaint Intake Monitoring System (CIMS).</p> | | |
| <p>METHOD OF CALCULATION The number of complaints closed in CIMS during the reporting period minus cases closed for lack of jurisdiction during the same reporting period.</p> | | |
| <p>DATA LIMITATIONS External Factors: General market and economic conditions and the complexity and severity of the complaint filed are key variables that impact the measure that are beyond the control of TDLR. Internal Factors: Turnover in staff that are associated with the complaint resolution process may also impact the measure.</p> | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Non-cumulative | No | Higher than target |
| <p>B.1.3 STRATEGY: RESOLVE COMPLAINTS Enforce compliance by settlement, prosecution, penalty and sanction. EFFICIENCY MEASURES</p> | | |
| <p>02-01-03-01 AVERAGE TIME FOR CONSUMER COMPLAINT RESOLUTION (DAYS) (KEY)</p> | | |
| <p>SHORT DEFINITION The average length of time to resolve a complaint, for all complaints closed during the reporting period.</p> | | |
| <p>PURPOSE/IMPORTANCE This measure indicates the effectiveness of investigative and complaint resolution processes by TDLR.</p> | | |
| <p>SOURCE/COLLECTION OF DATA Crystal report of extracted data from the Complaint Intake Monitoring System (CIMS).</p> | | |
| <p>METHOD OF CALCULATION The cumulative sum of the number of days it took to close each jurisdictional complaint in the reporting period and divide by the total number of complaints closed in the reporting period.</p> | | |

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| DATA LIMITATIONS | | |
| External Factors: General market and economic conditions and the complexity and severity of the complaint filed are key variables that impact the measure that are beyond the control of TDLR. Internal Factors: Turnover in staff that are associated with the complaint resolution process may also impact the measure. | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Non-cumulative | No | Lower than target |
| B.1.4 STRATEGY: INVESTIGATION | | |
| Investigate complaints. | | |
| EXPLANATORY MEASURE | | |
| 02-01-04-01 NUMBER OF JURISDICTIONAL COMPLAINTS RECEIVED (KEY) | | |
| SHORT DEFINITION | | |
| The total number of complaints opened for investigation during the reporting period that are within the agency's statutory jurisdiction. | | |
| PURPOSE/IMPORTANCE | | |
| This measure indicates the case workload of TDLR. | | |
| SOURCE/COLLECTION OF DATA | | |
| Crystal report of extracted data from the Complaint Intake Monitoring System (CIMS) reports. | | |
| METHOD OF CALCULATION | | |
| The number of jurisdiction complaints opened for investigation during the reporting period. | | |
| DATA LIMITATIONS | | |
| External Factors: General market and economic conditions, the number of transactions or business activities involving an industry or business regulated by TDLR are key variables that impact the measure that are beyond the control of TDLR. | | |
| CALCULATION TYPE | NEW MEASURE | DESIRED PERFORMANCE |
| Cumulative | No | Lower than target |

Appendix E

Implementing the Texas Transformation

1. Has the agency considered use of managed services in order to focus more on its business needs?

TDLR routinely considers managed services in a continuing effort to maximize efficiency and currently participates in TEX-AN, TexasOnline, and Texas Data Center Services contract. The agency's newest venture into managed services is a hosted call center for its customer service contact center.

2. Does the agency leverage and obtain additional value from the Information and Communications Technology (ICT) Cooperative Contracts program; for example, by further negotiating not-to-exceed pricing?

The agency participates in the program via existing contracts such as Neabus for Imaging Services. It provides searches among Go-Direct contracts first prior to formal solicitations and with DIR in sending in our quarterly procurement schedule to provide them information to negotiate for better pricing opportunities.

3. Describe the agency's strategies to align with the State Enterprise Security Plan.

Currently in use at the agency are several of the strategies documented in the SESP, such as: Distributed Software patch management, Active Directory Policies Enforced password policies and user rights based on roles, routine software vulnerability assessments via DIR, Anti-virus detection software is deployed on all agency workstations and servers, Firewall and Router access control lists are routinely monitored and adapted to changing environments, monitoring of systems and network devices for availability as well as Event Log messaging notifications are carried out via centralized monitoring tool – notifications of alerts and warnings are sent to relevant staff via e-mail/pager. URL content filtering and anti-phishing technology are deployed at the network edge, as well as additional anti-virus/spam technology for both incoming and outgoing traffic. TDLR's ISO and IRM have also recently finished the annual review of the existing Security policies and procedures manual, which is revised

and up to date.

TDLR is also participating in the data center services program and is reaping the benefits of additional support, maintenance and security provided by this contract.

TDLR's System Development Life Cycle methodology is based upon the Texas Project Development Framework. System Development is heavily influenced by the laws and rules TDLR enforces. These laws and rules form the basis for the business requirements. Following any changes to these, a review of the business models and requirements is conducted.

- 4. Describe the agency's policies, practices and programs, implemented or planned, that comply with relevant statutes and administrative rules to ensure the privacy of confidential data. Describe any future plans for improvement.**

TDLR security policies were developed and cross-referenced to the security policy standards in Chapter 202 of the Texas Administrative Code. In addition, these policies have been developed by interpreting other legislation and legal requirements, understanding business needs and by considering the cultural environment.

An annual review of the document is scheduled and as emerging technologies or new legislation arise, the security policies will be amended.

- 5. What current practices or plans are in place to improve usability and searchability of the agency's Web content?**

TDLR's web site is a leader in accessibility, structured from the ground up to comply with W3C and WCAG 2.0 recommendations. Plans are to convert all static PDF documents to accessible versions and to standardize the look and feel of all data search functions in the near future.

- 6. What current practices or plans are in place to improve life cycle management of agency data and information? Include the agency's approach and ability to meet future open records and e-discovery requests.**

The agency reviews and updates its agency retention schedule for all

records on a biennial cycle. In addition, because of the increasing number of records that are imaged or scheduled for imaging, it is TDLR's plan to institute scheduled electronic data records management (i.e. purging) so as to restrict the amount of storage space required and to apply the retention schedule consistently across all agency data.

The agency currently makes certain information available to the public via the Internet, subject to confidentiality requirements. For example, certain information that had to be requested under an open records request for the Barber and Cosmetology programs is now available for download through the TDLR web site.

The agency plan in the future is to manage web site data by a content management system/scheduler commercially available. TDLR will develop and apply unique rules for schedules and web site content management.

7. Describe agency methods and standards, implemented or planned, intended to enhance data sharing (i.e., improve interoperability) with other entities.

Our Water Well Driller/Pump Installer program currently shares information with the Texas Water Development Board (TWDB) via a communal database (Texas Well Report Submission and Retrieval System) which was developed utilizing resources from both agencies. The data is further utilized by the Texas Commission on Environmental Quality (TCEQ), drillers, pump installers, landowners, various groundwater conservation districts and private companies that perform research for construction and environmental projects. The database went online in February 2001, and since implementation approximately sixty-five¹ percent of the regulated communities are utilizing the database. As of this date, 142,671 well reports and 47,557 plugging reports have been filed online. *Currently, TDLR, TCEQ, TWDB and the Texas Groundwater Protection Committee (TGPC), of which the TDLR is a member, continues working on the project to scan the hard-copy well reports that are on file in the TCEQ's Central Records. The pilot project that utilized a kiosk at TCEQ headquarters has been completed and we are currently working to get access to the imaged data online. That data includes approximately one million well reports. The TDLR's Water Well Driller/Pump Installer program continues to*

¹ *The percent has dropped some due to the influx of new licensees (added to the total) that are not yet utilizing the online system.*

administer the online Abandoned Well (ABW) database where referrals are submitted by anyone who documents an abandoned well. TCEQ continues to manually review the status of the abandoned wells submitted and the system also allows the participating Groundwater Conservation Districts to report and track wells. They too utilize the system to keep up with wells submitted. TDLR uses the database to track abandoned well compliance and to update the status of wells. In addition, TDLR sends our database information to the Office of the Attorney General and to the Texas Guaranteed Student Loan Corporation to facilitate collection of delinquent child support and student loans.

Future plans include taking advantage of participation in programs that allow agencies to access data for staff driving records, as appropriate, and criminal background information for license applicants.

8. Does the agency have any plans to simplify or reduce the number of existing software platforms (e.g., operating systems, application development environments, database systems, office suites, other COTS applications)? If no, is the agency fully leveraging its technology to support both its current and future business environment?

As an agency participating in the data center services program, TDLR will consolidate operations to the state data centers in Austin and San Angelo within the next six to twelve months. The consolidation includes migration to the DCS standard software platforms and tools for greater consistency across the state. Additionally, TDLR submits new infrastructure technology purchases through the DCS solution request process. The solution request process uses the DCS standard configurations and includes enterprise-level reviews of solutions to ensure alignment with the state's direction for data center services.

9. Describe any current or planned activities targeted at reducing the environmental resource consumption of technology equipment (recycling, consolidating, virtualizing, buying energy efficient equipment, etc.).

As an agency participating in the data center services program, TDLR will consolidate operations to the state data centers in Austin and San Angelo in the next six to twelve months. Per DIR, the state data centers

will use highly efficient energy management systems, including double-conversion technology for the uninterruptible power supply (UPS) direct current (DC) units and specialized lighting design that utilizes twenty-three percent less electricity than the state energy allowance. In addition to migrating operations to the more efficient environment, TDLR will virtualize systems management by re-aggregating distributed systems into virtual systems, replace older, less efficient technology, and employ other emerging technology strategies to reduce TDLR's technology footprint. The Technology Plan delivered as part of the Data Center Services contract describes TDLR's consolidation and virtualization plans in detail.

Appendix F

Texas Department of Licensing and Regulation Workforce Plan

Top employers recognize the contributions of their employees, acknowledging that time spent in actively developing, investing and optimizing a workforce of diverse and committed employees adds value to their business. Similarly, the Texas Department of Licensing and Regulation (TDLR) recognizes the contributions of its employees and acknowledges that they are its greatest asset. To that end, we have worked diligently to develop, organize and align our workforce to maximize productivity and effectiveness.

We align and allocate our human resources through a process called Workforce Planning. Workforce planning includes forecasting conditions and developing initiatives to meet identified workforce needs. It also provides a clear basis for linking recruitment, training, employee development and other programs to our short-term and long-term objectives. This ensures that we have the right employees at the right time, doing what is necessary to achieve our agency mission. Workforce planning is essential to the success of TDLR due to the exponential growth the agency has experienced over the past several fiscal years.

Agency Overview

The agency started in 1909 as the Bureau of Labor Statistics. At that time, the agency's duties and functions focused on labor issues – enforcing labor laws, inspecting factories and encouraging the growth of Texas industry. During the 1930's, the agency's role began to shift from labor to industry regulation. In 1973, the agency's name was changed to the Texas Department of Labor and Standards to better reflect its dual function.

In 1989, the 71st Legislature changed the agency's name to the Texas Department of Licensing and Regulation, charging it with oversight of certain businesses, industries, general trades and occupations. TDLR emerged with an umbrella structure as the state's occupational and professional licensing agency. The agency's remaining labor functions transferred to the Texas Employment Commission, now known as the Texas Workforce Commission. These changes represented another chapter in the agency's long and productive history

in providing quality public service to Texans. Since the agency's successful completion of the Sunset Review in 2003, Sunset Advisory Board staff reference TDLR as the model for other licensing agencies. With the addition of two more programs in fiscal year 2008, the department currently administers the following twenty-six regulatory and licensing programs (showing the statutory citation and original year of enactment):

Business and Occupations

- Vehicle Towing (Chapter 2308, Occupations Code) (1927)
- Barbers (Chapters 1601 and 1603, Occupations Code) (1929)
- Combative Sports (Chapter 2052, Occupations Code) (1933)
- Cosmetologists (Chapters 1602 and 1603, Occupations Code) (1935)
- Personnel Employment Services (Chapter 2501, Occupations Code) (1949)
- Vehicle Storage Facilities (Chapter 2303, Occupations Code) (1985)
- Talent Agencies (Chapter 2105, Occupations Code) (1989)
- Temporary Common Worker Employers (Chapter 92, Labor Code) (1991)
- Staff Leasing Services (Chapter 91, Labor Code) (1993)
- Service Contract Providers (Chapter 1304, Occupations Code) (1999)
- Vehicle Protection Product Warrantors (Chapter 2306, Occupations Code) (2001)
- For-Profit Legal Services Contracts (Chapter 953, Occupations Code) (2003)
- Loss Damage Waivers (Chapter 35, Business and Commerce Code) (2003)
- Discount Health Care Cards (Chapter 76, Health and Safety Code) (2007)

Professional

- Auctioneers (Chapter 1802, Occupations Code) (1975)
- Property Tax Consultants (Chapter 1152, Occupations Code) (1991)
- Licensed Court Interpreters (Chapter 57, Government Code) (2001)

Building and Mechanical

- Boilers (Chapter 755, Health and Safety Code) (1937)
- Architectural Barriers (Chapter 469, Government Code) (1969)
- Air Conditioning and Refrigeration (Chapter 1302, Occupations Code) (1983)
- Industrialized Housing and Buildings (Chapter 1202, Occupations Code) (1985)
- Elevators, Escalators and Related Equipment (Chapter 754, Health and Safety Code) (1993)
- Electricians (Chapter 1305, Occupations Code) (2003)

Natural Resources

- Water Well Drillers (Chapter 1901, Occupations Code) (1961)
- Weather Modification (Chapters 301 and 302, Agriculture Code) (1967)
- Water Well Pump Installers (Chapter 1902, Occupations Code) (1991)

Although these industries and occupations differ, TDLR uses standardized processes, that can be applied to all regulated industries, thereby improving the delivery of services. These common regulatory processes are to issue licenses, registrations, certificates, and permits to qualified applicants; conduct compliance inspections such as: water well driller and pump installers, vehicle storage facilities, barber and cosmetology shops and schools, buildings and equipment; monitor third-party inspectors; investigate and resolve complaints from consumers and industry; prosecute violators; and educate licensees and the public about the services and programs TDLR administers.

TDLR, like many other state agencies, continues to face program changes, increased responsibility, and expanding customer needs. In the past four years, four major programs and additional responsibilities in the Electricians, Air Conditioning, and Combative Sports programs have been added to our regulatory responsibilities and our workforce has more than doubled. As TDLR continues to grow, we will continue to assimilate programs into the agency.

A. AGENCY VISION, MISSION AND PHILOSOPHY

Our vision is to be the model state agency, earning the public trust by setting the standard for customer service, innovation, cost effectiveness and efficiency.

The mission of the Texas Department of Licensing and Regulation is to honor the public trust, ensure the public's safety, and foster a fair and efficient regulatory environment.

As stewards of the public trust we regulate in a firm, fair and consistent manner. We provide the highest level of customer service. We serve the citizens of Texas fairly. We value the dignity and worth of all our employees. We grow capable and effective leaders. We initiate innovation and embrace change to ensure the wise and strategic use of public resources.

B. STRATEGIC GOALS AND OBJECTIVES

Goal I: ***To effectively serve the public by licensing, certifying and registering qualified individuals and businesses.*** (Texas Occupations Code, Chapter 51)

Objective: As the state's umbrella licensing agency, TDLR is responsible for the licensing, certification and registration of varied and complex businesses, industries, general trades and occupations. We are also responsible for educating consumers and the industry about our programs.

Strategies:

- Minimize the cost to issue and renew a license.
- Issue and renew licenses in a timely manner, ensuring competency requirements are met.
- Ensure that examination content measures the appropriate licensee competency levels.
- Ensure the integrity of the examinations and licensure process.
- Administer examinations to individuals in accordance with the law.
- Monitor continuing education providers to ensure compliance with the rules.
- Develop and distribute information regarding regulated industries through e-mail, Internet, electronic notification list, publications, and newsletters.
- Provide comprehensive customer service for all programs administered.

- Provide exemplary informational services to the public and licensees through technology and enhancement of web site content.

Goal 2: ***To protect the public by enforcing laws administered by the agency. (Texas Occupations Code, Chapter 51)***

Objective: We are also responsible for the protection of the public through the regulation of our twenty-six programs, by providing a firm, fair and consistent complaint resolution process.

Strategies:

- Minimize the cost for complaint resolution.
- Protect the public by conducting routine, complex, and special inspections.
- Investigate and prosecute unlicensed activity.
- Resolve complaints swiftly.
- Improve investigative techniques to increase efficiencies.
- Enforce compliance through timely case prosecutions and settlements, administrative penalties and sanctions.
- Award payments from the Auctioneer Recovery Fund for aggrieved parties.

Goal 3: ***Develop and maintain a skilled workforce committed to outstanding performance.***

TDLR's diverse responsibilities require technical expertise and experienced, highly trained employees. We provide training and educational opportunities to develop needed skills to ensure that these responsibilities are met.

Objective: Ensure that TDLR's workforce has the appropriate skills, knowledge and motivation to achieve the agency mission.

Strategy:

- Use the internal focus groups, the Survey of Organizational Excellence, and other assessment tools to identify training needs.
- Provide timely training by function, division, and section through on-site training or select providers.
- Determine cost-effective methods of delivery for training needs, including partnering with other state agencies to share training resources.

- Use retention bonus programs to maintain critical staff with specialized skill sets such as programming and network personnel or bilingual employees.

Goal 4: ***Maintain a customer-focused agency culture.***

Satisfied customers, both external and internal, are important indicators of how effectively the agency is achieving its mission.

Objective: Improve the quality of services we provide to our customers, both external and internal.

Strategy:

- Improve the quality of services delivered to external customers, making needed information more accessible and providing required forms online.
- Improve the quality of services provided to internal customers by increasing the timeliness and usefulness of information.
- Conduct external and internal focus groups to identify and develop needed improvements and services.
- Continue to improve the delivery, accuracy and dissemination of information via telephone, the Internet, e-mail and written correspondence.
- Continue to improve the quality and accuracy of information delivered from the customer service contact center.

Goal 5: ***Grow leaders to prepare for organizational and personnel changes, including increased responsibility and anticipated retirements.***

Cultivating the leadership abilities of its employees is at the core of TDLR's culture and is critical to our success.

Objective: Provide employees with developmental opportunities, training, and challenges designed to expose them to new and increased responsibilities.

Strategy:

- Evaluate the functions and duties of positions.
- Identify and cultivate the skills of potential successors.

- Use mentor relationships, job-shadowing, and cross-training to transfer knowledge and expertise amongst staff and between programs.
- Use internal and external training to develop leadership skills.
- Develop standard documented procedures to protect against loss of institutional knowledge.
- Impart knowledge by active employee participation in agency planning, analysis, and implementation.
- Identify and create developmental opportunities including training through the Governor's Center for Management Development, such as the Governor's Executive Development Program for senior management, Executive Leadership for Information Technology Excellence for leaders in information technology, and courses from the Excellence in Leadership Series for mid-level managers and team leaders.

C. REGULATORY FUNCTIONS

TDLR is the only state agency that regulates such a diverse array of businesses, industries, trades and occupations. Despite the variety, the department has identified common functions shared by these programs and has organized its operations accordingly to maximize efficiency and effectiveness:

- Administrative – provides expertise in executive management, legal counsel, human resources, information technology, financial management, governmental relations, policy development, and Commission and Advisory Board support;
- Compliance – conducts inspections and plan reviews, provides industry and technical expertise and monitors third-party inspectors and plan reviewers;
- Customer Service – assists licensees and the public by responding to telephone, e-mail and in-person inquiries;
- Education and Examination – reviews and approves pre-licensing and continuing education courses and providers, and manages the development and administration of examinations;
- Enforcement – investigates complaints from consumers, industry, municipal officials, as well as other TDLR divisions, and prosecutes violators; and
- Licensing – processes applications and issues licenses, registrations, certificates and permits.

D. ANTICIPATED CHANGES TO MISSION, STRATEGIES AND GOALS

Although TDLR's core mission remains constant, our continued growth will affect the strategies and decision-making processes. We have identified several external factors likely to affect TDLR.

Expanding Responsibilities

New Programs – The 2007 Legislature entrusted TDLR with additional programs which included the regulation of Discount Health Care Cards, Tow Trucks, Vehicle Storage Facilities, Appliance Installers, and Air Conditioning Technicians. These new programs resulted in an additional 128.5 FTEs and dramatically increased the responsibilities of the Human Resources Management Office by doubling the agency's FTEs in three fiscal years. Every department, however, experienced an increase in responsibilities. This has not changed TDLR's goals and objectives, but has made the attainment of our goals challenging by affecting the prioritization of our strategies and procedures.

Technological Initiatives

TDLR continues to expand and enhance our online services to increase customer use and reduce costs. We strive to provide our customers with the most up-to-date technology in an effort to increase quality, expand accessibility, and communicate concisely. Some of TDLR's recent technological initiatives include:

- online licensing system, providing faster, simpler processing of licenses;
- online license application and renewal, and project registration system;
- online complaint reporting system;
- online Student Hour and Enrollment Automated Reporting System (SHEARS);
- more interactive online forms;
- document imaging and management system, increasing access to elevator and boiler inspection records online;
- electronic notification about program changes;

- access to online license renewal via kiosk located in the E.O.Thompson building;
- enhanced Internet and Intranet sites, providing extensive information in an easily navigable environment; and
- electronic transfer of licensing information for the production, issuing and mailing of plastic license cards to licensees.

Demographic Outlook

TDLR's employee make-up reflects the age and ethnic demographics of Texas. The following provides an overview of the various segments of our workforce.

Aging Workforce – According to the U.S. Department of Labor, Bureau of Labor Statistics, the median age will approach forty-three by 2010, reflecting the aging of baby boomers born between 1946 to 1964, who will begin turning sixty-four in the year 2010. TDLR has a succession plan in place to address upcoming retirements.

Generation X – The forty-six million people born between 1963 and 1977 make up Generation X. Preferring to keep their options open rather than committing to any single employer, Generation X workers are driven by performance based recognition and rewards. To retain these employees longer than the Generation X average of 3.5 years at any given job, TDLR focuses on merit-based salary increases, employee recognition, training opportunities, retention bonuses, and flexible work schedules.

Generation Y – Generation Y has as much effect on the workplace as retiring baby boomers. Members of “Gen Y,” those born between 1977 and 1997, continue entering the workforce and bringing with them different priorities. These workers begin their careers with the assumption that they will change jobs frequently, making retention of this age group challenging. To counter this trend, we continue to create retention strategies that focus more on immediate benefits, such as flexible work schedules, rather than delayed benefits.

Increasing Diversity – The rates at which ethnic and racial populations are growing also affect agency diversity. The U.S. Hispanic population grew by sixty

percent during the 1990s. Asian workers, although fewer in number, constitute the fastest growing segment of the population. TDLR fosters a respect-based, open atmosphere that attracts an increasingly diverse workforce. We also consider the diversity of our external customers and provide services – such as web site content, customer service, and examinations – in several languages. Growing diversity could also place more demand on programs that serve non-English speaking populations, such as cosmetologists, electricians, air conditioning technicians, combative sports participants or licensed court interpreters.

Women in the Workforce – Since 1997, the rate of women participating in the labor force has only slightly increased even though the economy has continued to expand. This participation rate reflects the increasing number of women who choose to leave the workforce to care for their families. Those women who do stay in the workforce are experiencing difficulty in gaining leadership positions in state government. TDLR has developed opportunities such as flexible work schedules and involvement in new program implementation, strategic planning, and legislative and fiscal note teams. TDLR also encourages and allows female employees in leadership roles to attend the annual training offered by the Executive Women in Texas Government. Strategies and training to develop our female workforce in leadership and managerial skills are periodically re-evaluated and refined.

Third-Party Vendors

In an effort to conduct state business more efficiently, TDLR has partnered with third-party vendors to assist with projects such as examination development and delivery, imaging and data entry of licensing applications, and the production, issuing, and mailing of plastic license cards. These vendors allow us to focus on our core competencies which helps the agency operate in a cost effective manner.

TDLR's Current Workforce Profile

A. WORKFORCE DEMOGRAPHICS

The organizational chart in Appendix B shows TDLR's functional alignment, which accomplishes the licensing and regulation of our twenty-six diverse programs by supporting empowered employees to improve the delivery

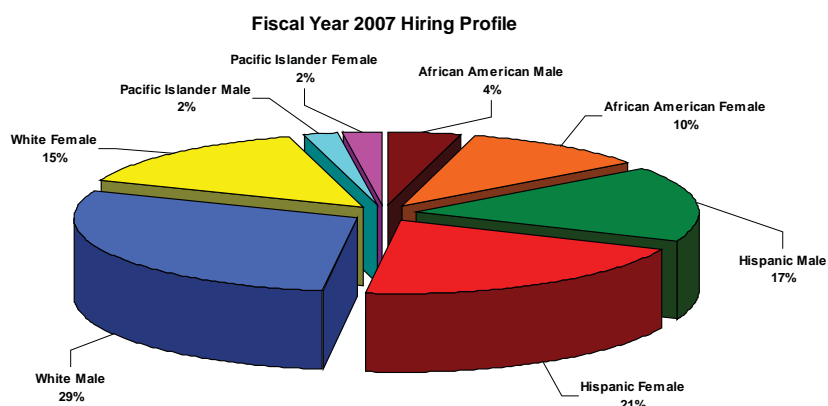
of services. Currently, TDLR has 379.5 appropriated full-time equivalent positions (FTEs), a fifty-one percent increase from the 251 FTEs during fiscal year 2007. While the majority of TDLR employees are located in Austin, there are seventy-one employees working in the field, allowing the agency to better meet the needs of consumers and the regulated industries.

TDLR’s current workforce is fifty-nine percent female and forty-one percent male. More than seventy-four percent of our employees are age forty and over, and the average age for TDLR’s workforce is forty-six. Thirty-three percent of employees have more than five years of agency service.

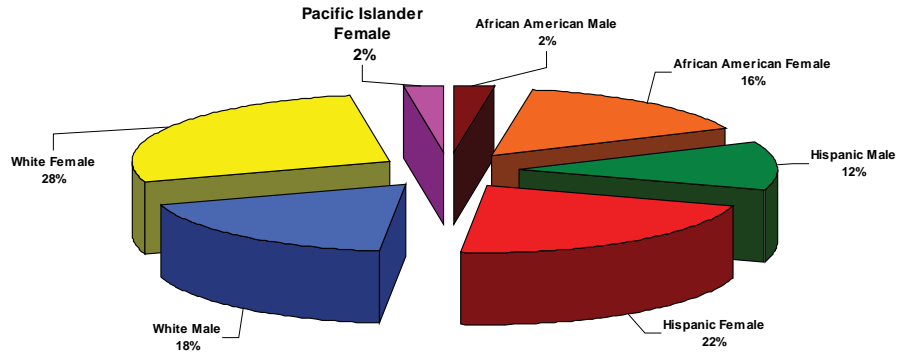
Commitment to Employing a Qualified and Diverse Workforce

Consistent with TDLR’s core values of respect and integrity, the agency provides equal employment opportunities to all applicants and employees. We are committed to recruiting, selecting, and retaining a highly qualified workforce that is representative of the state’s diverse labor force. TDLR’s business model effectively serves a variety of businesses and occupations. TDLR’s selection process focuses on hiring employees well suited to serve its licensee population. Through its employment of design professionals, master electricians, a meteorologist, a water well pump installer, a licensed court interpreter, cosmetologists, barbers, boiler inspectors, elevator inspector, and an air conditioning and refrigeration contractor, the agency is able to effectively and efficiently regulate these specialized programs.

The charts below show the agency’s demographic hiring profile for fiscal year 2007 (forty-eight new employees hired) and fiscal year 2008 (eighty-three new employees hired), through the second quarter.



Fiscal Year 2008 Hiring Profile (through February 29, 2008)



Through the second quarter in fiscal year 2008, African-Americans and Hispanic-Americans made up fifty-two percent of the agency’s workforce. The following table further illustrates that diversity, comparing the percentage of African-American, Hispanic-American, and female TDLR employees, for September 1, 2007 through February 29, 2008, to the statewide civilian workforce.

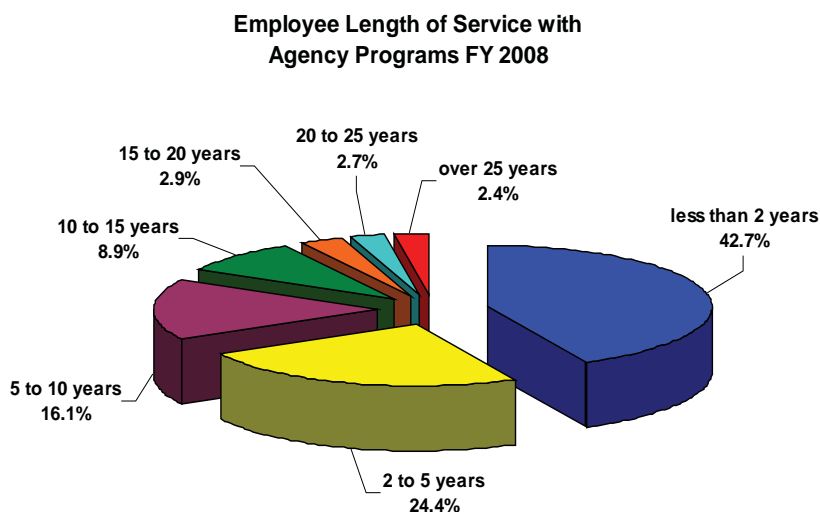
Agency Workforce Composition

| Category | African American | | Hispanic American | | Female | |
|---------------------------|------------------|---------|-------------------|---------|--------|---------|
| | TDLR % | State % | TDLR % | State % | TDLR % | State % |
| Officials/ Administrators | 23.5 | 9.8 | 5.9 | 13.3 | 52.9 | 42.9 |
| Professionals | 11.9 | 15.4 | 20.9 | 20.9 | 40.3 | 53.7 |
| Paraprofessionals | 22.2 | 29.5 | 35.2 | 28.9 | 85.2 | 77.7 |
| Technicians | 9.2 | 12.3 | 28.6 | 23.9 | 36.7 | 44.7 |
| Administrative Support | 33.3 | 18.6 | 29.0 | 29.7 | 85.5 | 88.3 |

Experienced Workforce

TDLR values all of its employees – those who have long and rich experience with agency programs and those who bring fresh perspectives from outside the agency. Each employee contributes to TDLR’s well-earned reputation as a model state agency. As previously noted, the agency has experienced

significant growth in the past three fiscal years. In 2005, TDLR had 184.5 FTEs. By 2008, that number has grown to 379.5 FTEs. As a result, more than sixty-seven percent of TDLR employees have worked at the agency for less than five years. Hiring employees with institutional knowledge in new or transferred programs has resulted in more than thirty percent of our staff having ten years or more of experience with programs we administer. The transfer of the programs administered by the Texas Cosmetology Commission and the Texas State Board of Barber Examiners resulted in the hiring of forty-seven employees on the first day of the 2006 fiscal year. Over eighty-two percent of those new hires had experience with the two programs transferred to TDLR on September 1, 2005. These valued employees provide institutional knowledge and innovation, contributing to the agency’s customer service and our strategic planning process.



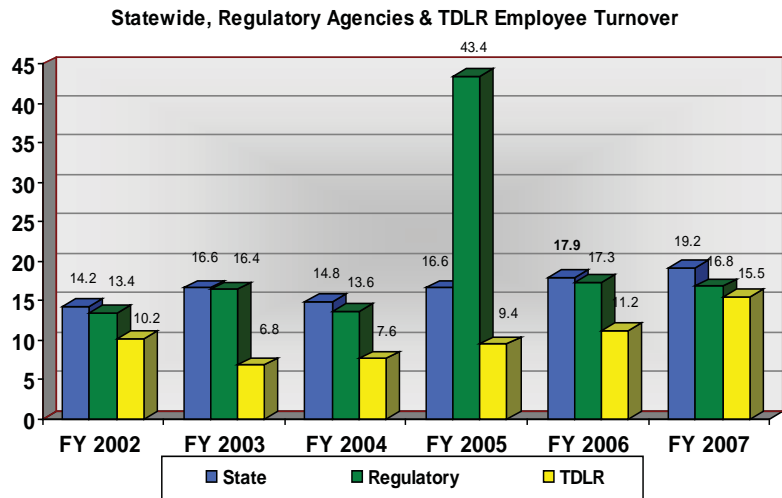
B. EMPLOYEE TURNOVER

Meeting the demands of today’s changing business environment requires building and retaining a dependable and motivated staff. Finding and keeping quality employees can pose a challenge since they are also in high demand by the private sector. To meet this challenge, TDLR provides stimulating work, opportunities for growth, and an employee-friendly environment.

Our successes in hiring and in creating a satisfying work environment are evidenced in fiscal years 2006 and 2007 State of Texas Employee Exit Survey results, indicating that seventy-three percent of those responding would want to work for TDLR again in the future.

Projected Turnover

TDLR’s turnover rate remains significantly lower than statewide averages and other regulatory agencies. This trend is expected to continue as the economy continues to decline, affecting private sector jobs. TDLR projects a turnover rate of 7.4 percent for fiscal year 2008. This is a considerable decrease from fiscal years 2006 and 2007, when employees seeking other professional opportunities or better pay and benefits contributed to the higher turnover.



TDLR relies upon a comprehensive compensation package to attract, motivate, and retain highly skilled and talented employees. This includes full use of salary ranges, performance awards, and retention and recruitment bonuses. Even with use of these compensation tools, benefit reductions affect TDLR’s ability to attract and retain employees, who equate state employment with good benefits. Further reductions in health and insurance benefits or eligibility requirements, such as those that occurred in 2003, which included a ninety day waiting period before new employees are eligible for health insurance and retirement benefits, will detract people from state employment.

Turnover Rates by Selected Positions

TDLR analyzed its fiscal year 2007 turnover rate. This analysis revealed that four positions – inspectors, investigators, attorneys and program specialists – contributed to nearly fifty percent of the agency’s turnover rate.

| FY 2007 TURNOVER BY POSITION | PERCENT OF TOTAL FTES | PERCENT OF AGENCY TURNOVER |
|------------------------------|-----------------------|----------------------------|
| Inspectors | 4.8 | 9.8 |
| Investigators | 19.6 | 14.6 |
| Attorneys | 4.8 | 9.8 |
| Program Specialists | 16.0 | 14.6 |

To address the above average turnover rate for these positions the agency will develop strategies for better recruitment and greater retention of these highly skilled positions.

Length of Service and Turnover

TDLR has made great strides in retaining employees who have two or more years of experience with the agency. Employees with less than two years experience, however, made up approximately thirty-eight percent of the workforce in fiscal year 2007 while accounting for two-thirds of the agency’s overall turnover. This high turnover rate indicates a need to refine our selection processes to ensure that we are hiring those individuals whose expectations are aligned with the agency, who will be the best fit for the position, are able to adapt and thrive in our culture, and embody our core values.

| FY 2007 LENGTH OF SERVICE | PERCENT OF TOTAL FTES | PERCENT OF AGENCY TURNOVER |
|---------------------------|-----------------------|----------------------------|
| Less than 2 years | 38.1 | 63.4 |
| 2-5 years | 19.9 | 12.2 |
| 5-10 years | 23.3 | 19.5 |
| 10-15 years | 9.6 | 4.9 |
| 15-20 years | 3.0 | 0.0 |
| 20-25 years | 4.5 | 0.0 |
| 25-30 years | 1.5 | 0.0 |

Age and Turnover

Employees under the age of thirty made up approximately four percent of TDLR’s workforce in fiscal year 2007 but had a turnover rate of nearly fifteen percent.

| FY 2007 AGE GROUPS | PERCENT OF TOTAL FTES | PERCENT OF AGENCY TURNOVER |
|--------------------|-----------------------|----------------------------|
| Under 30 years | 4.6 | 14.6 |
| 30-39 years | 21.8 | 24.4 |
| 40-49 years | 36.0 | 34.1 |
| 50-59 years | 27.4 | 19.5 |
| 60 years and over | 10.2 | 7.4 |

C. INCREASED RETENTION

TDLR’s turnover rate steadily decreased from 12.2 percent in fiscal year 2001 to a low of 6.9 percent in fiscal year 2003. Turnover increased slightly through fiscal year 2007, at a time when TDLR was adjusting to dramatic growth as a result of new licensing programs. Despite this increase, TDLR’s turnover rate has remained significantly lower than the statewide percentage during the past five fiscal years. The agency’s low turnover rate is a direct result of management’s commitment to developing and retaining a quality workforce. Our retention strategies include:

- flexible work hours and compressed work weeks;
- merit pay designed to reward star performers;
- full use of the salary ranges;
- retention bonuses for critical staff, including bilingual employees;
- bonuses for outstanding performance;
- “You Can Count on Me” program, facilitating co-worker recognition of teamwork, customer service and exceptional performance;
- length of service awards; and
- internal focus groups, wherein executive management responds to feedback received from employees.

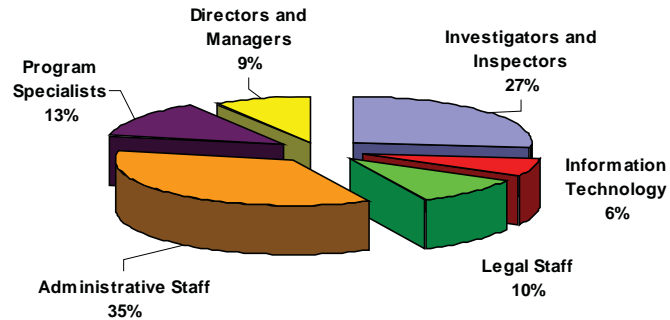
Organizational changes and our focus on leadership, communication, employee development, and work environment are important factors in our high retention rate. The results of an internal survey are being reviewed and analyzed so the data may be used for continuous organizational improvement. TDLR's success results from changes recommended and implied in previous survey data, which revealed increasing confidence in our agency culture. This confidence is key to increasing retention and improving efficiencies.

D. RETIREMENT ELIGIBILITY

TDLR closely monitors and analyzes the reasons employees leave the agency. In fiscal year 2007, ten percent of the separations were due to retirement. Retirements have been decreasing since fiscal year 2003, when it accounted for more than forty-five percent of the separations. This decrease may be attributed in part to the end of the statewide retirement incentives that were available to employees in the 2004 – 2005 biennium.

Twenty-one percent of our workforce will be eligible for retirement within the next five years. Retirement eligibility is particularly high in the administrative and investigators/inspectors classifications. Program specialists make up thirteen percent of those eligible to retire within the next five years. They possess essential technical knowledge and expertise and are responsible for program planning and development. Replacing these individuals will be difficult. To mitigate the loss of institutional and technical knowledge, we identify and nurture staff whose skills can be developed to assume these responsibilities. The agency provides opportunities, which include professional development courses, cross-training, and participation on work teams (i.e., new program implementation, strategic planning, and legislative and fiscal note teams). This exposure broadens the individuals' perspective, prepares them for assuming additional responsibilities, and improves on our general performance as an agency. Targeted recruitment also minimizes the gaps in experience and technical knowledge caused by retirements.

Retirement Eligibility by Job Category (through calendar year 2011)



E. CRITICAL WORKFORCE SKILLS

We recognize that each employee brings important skills and experience to the workplace. We rely on our highly qualified employees and their many skills which are critical to our ability to operate and successfully achieve our mission. As a team, our employees ensure the public’s safety with respect to the programs we regulate using the following skills:

- time management;
- leadership and coaching;
- legal analysis;
- financial analysis;
- negotiation strategies and techniques;
- project management;
- technical writing;
- customer service;
- workflow analysis;
- ability to review regulatory processes;
- ability to explain complex technical information to customers;
- ability to analyze and solve problems;
- ability to anticipate trends and adjust accordingly;
- ability to inspire change;
- ability to interpret and apply statutes and policies;
- technical skills related to the Air Conditioning and Refrigeration, Architectural Barriers, Barber, Boiler, Cosmetology, Electricians, Elevator Safety, Industrialized Housing and Buildings, Vehicle Towing and Storage Facilities, and Water Well Driller and Pump Installer

- programs;
- investigative techniques;
- information technology and telecommunications qualifications;
- computer proficiency; and
- plain language skills – oral and written communication.

TDLR’s Future Workforce Profile

A. CRITICAL FUNCTIONS AND ANTICIPATED WORKFORCE SKILLS

Although TDLR’s vision to be the model state agency will remain unchanged, the number of programs administered by the agency will likely increase. The Legislature has demonstrated its confidence in our ability to expand our role as the state’s umbrella licensing agency. As the chart shows below, TDLR’s regulated programs, licensee population, and our full-time equivalent employees has increased over the past eight fiscal years. We anticipate TDLR will have increased responsibilities and will receive new programs during future Legislative Sessions. The personnel necessary to effectively administer any new programs will rise accordingly.

| YEAR | PROGRAMS REGULATED | LICENSEE POPULATION | FTES | RATIO OF LICENSEES TO FTES |
|------|--------------------|---------------------|-------|----------------------------|
| 2001 | 16 | 105,904 | 144.5 | 733 |
| 2002 | 19 | 136,306 | 149.0 | 915 |
| 2003 | 19 | 136,785 | 149.0 | 915 |
| 2004 | 21 | 223,062 | 183.5 | 1,216 |
| 2005 | 21 | 257,079 | 184.5 | 1,393 |
| 2006 | 23 | 552,668 | 237.0 | 2,332 |
| 2007 | 23 | 532,720 | 251.0 | 2,122 |
| 2008 | 25 | 611,770 | 379.5 | 1,612 |

We anticipate growth in the following functional areas as new programs are added and existing programs are expanded:

Administrative – the need will exist to develop and implement information technology and telecommunication initiatives and to partner with third-party vendors increase efficiencies. The addition of new programs will result in a need for additional administrative staff in the Network Services, Financial

Management and Human Resource areas.

Compliance – the need will exist to attract and retain highly trained staff and industry experts, such as program specialists, investigators and inspectors to assist in the administration of the programs.

Customer Service – the volume and complexity of inquiries (telephone, e-mail, and walk-ins) will increase, requiring additional staff with call center experience, and strong interpersonal, technological, and bilingual skills.

Education and Examination – an increase in education and examinations for licensure will increase the functions of this section. Additional staff will be required for the oversight of examinations, and the approval and monitoring of both pre-licensure and continuing education courses and providers.

Enforcement – the increase in the number of complaints received will result in the need for additional staff in the intake, investigation and prosecution sections. Investigative (field or courtroom) experience will be required, depending on the position. Report-writing skills will also be in demand.

Licensing – an increase in licensees will require additional staff to review applications and issue licenses, registrations, permits and certifications.

In anticipation of increased responsibilities and new programs, TDLR will need employees who excel in the areas of process analysis and redesign, creative thinking, and communication. These skills will be crucial in our dynamic environment resulting from consolidation and transformation. Future TDLR employees will also face the challenge of adapting to our performance-based culture, requiring us to train or hire leaders who have specific skills in project management and change leadership.

Expected Workforce Changes

- **Expanding Responsibilities** – The addition of programs will require continued improvement in the efficiency of our inspection and investigation processes. An increase in licensees, inspections, and complaints will require our investigative and inspection staff to assume additional duties and learn new programs. Training of all employees

across functional areas will continue to be important so that each employee understands how his or her responsibilities affect other areas and contribute to the attainment of the agency mission and goals.

- **Decreasing Pool of Employees in Technical Areas** – The pool of qualified applicants and employees with skills in technical areas (Architectural Barriers, Water Well Drillers, Water Well Pump Installers, Discount Health Care Card and Boiler) continues to shrink. We rely on our experienced program specialists and investigators to develop and cross-train current employees and create technical training programs for new employees.
- **Technological Advances** – TDLR will continue to be a leader in the use of new technology by monitoring industry changes and implementing necessary adjustments that benefit our employees and the public. As TDLR increases its reliance on information technology, our programmers will be critical in developing the software and systems necessary to respond to customers' needs, provide quality services, and conduct day-to-day business operations.

Our increasing reliance on technology requires, in turn, employees who are proficient with such technologies. Training current employees on new technologies has been key to the successes we've achieved with our licensing system. It has also been critical in our transition to a document imaging system, which is resulting in a paperless licensing environment.

- **Aging Workforce and Pending Retirements** – Our aging workforce will result in an increasing number of retirements. Continued analysis of the positions potentially affected will determine how we proceed in our succession planning.

B. ANTICIPATED INCREASE IN NUMBER OF EMPLOYEES

As a result of the 2007 Legislature, TDLR assumed additional programs and staff increased by over fifty percent. TDLR's ratio of employees to licensees is the lowest among all regulatory agencies. This ratio is indicative of operational

efficiencies that allow the agency to administer its increasing responsibilities at a low cost to licensees. Because of the agency's past successes, it is anticipated that additional programs and agencies will be transferred to TDLR. The growth and resulting agency staffing needs will be determined by the statutory objectives of the programs or agencies transferred and the ease with which they can be incorporated into our business model.

TDLR's business model is based upon the concept that licensing programs have certain common functions – issuing licenses, inspecting facilities, and investigating complaints. Similarly, support functions are common to all licensing agencies. TDLR is organized into the following divisions and sections: Compliance, Customer Service, Education and Examination, Enforcement, Executive, Financial Management, General Counsel, Human Resources, Information Systems Development, Licensing, and Network Systems and Maintenance. Breaking down regulation into functions, instead of by category of occupation, allows TDLR to create economies of scale, regardless of the type of program regulated.

Should the Legislature and government leadership decide to consolidate existing agencies or programs to TDLR, we are poised to accept and implement these increasing responsibilities. A corresponding increase in FTEs from transferred programs would be inevitable and necessary to achieve effective administration. Although support staff may nominally increase, most of the increase in staff would occur in our Licensing, Compliance and Enforcement divisions. These positions would be necessary to ensure the continued efficient administration of the transferred programs with technical knowledge and expertise being key. Specifically, we would need program experts, investigators, inspectors, customer service representatives and licensing analysts.

Gap Analysis

A. ANTICIPATED SHORTAGE IN STAFFING LEVELS

After analyzing the workforce information, we have identified the following gaps between the agency's current workforce supply and anticipated needs. Our focus is to attract and retain the right employees for the job.

- The pool of qualified applicants for our technical programs (Boilers,

Water Well Drillers and Pump Installers, Discount Health Care Card and Architectural Barriers in particular) is rapidly shrinking – fewer and fewer applicants have the requisite experience. Many of these technical positions also experience high turnover, due in part to competition with the private sector, which offers higher pay and greater benefits.

- Twenty-one percent of our workforce is currently eligible or will become eligible for retirement within the next five years, including eight percent of our directors and managers. A large segment of these pending retirements is staff with highly specialized skill, leadership ability, and knowledge. These are the employees who, for each of our varied programs, possess the technical knowledge and expertise, and are responsible for their planning and development. We are aware that replacing these individuals will be difficult and could affect our ability to effectively administer programs. Therefore, we have identified and analyzed these key positions, assessing possible candidates for succession and determining their current and needed skills.
- Although eighty-seven percent of new employees hired in fiscal year 2006 remained with the agency, twenty percent of the separations occurred during the first six months of employment. This indicates a need to continue to examine our hiring practices to ensure that we are effectively communicating our expectations, gleaned appropriate information through the interview process and hiring the person who will thrive within our agency culture.
- TDLR is experiencing the same challenges that other employers have in regard to retaining Generation Y workers. The rate at which younger, less tenured employees are leaving affects the agency's ability to position key staff members for promotion, career development and succession planning.

B. ANTICIPATED SHORTAGE OF SKILLS

TDLR's analysis of its employees' current skills and its anticipated needs revealed that without a trained, capable workforce, even an efficient administration with the best strategic plan cannot accomplish its mission. TDLR works to ensure

that its workforce has the appropriate skills, knowledge and motivation to achieve the agency vision, mission and goals. There are, however, a number of gaps, and employees have a continued need for additional training in critical and future workforce skills.

- As stated above, a large number of employees identified as eligible for retirement are either in management positions or positions requiring extensive technical knowledge of a program. To ensure that we can successfully administer our programs without interruption, these key positions have been and continue to be targeted for succession planning. Succession planning includes training, mentoring, and cross-training for technical program positions and leadership development.
- The roles we ask our managers to fill require skill in project management, process analysis, change management, critical thinking, and communication. Our managers must be able to compare and identify change initiatives to avoid failure, choose a suitable change approach, motivate employees to welcome change, define implementation strategies to support our goals and apply our performance-based culture to support new structures and processes.
- Cross training of employees within functional areas – Licensing, Compliance and Enforcement – will also be important should our regulatory umbrella expand. Each employee should embrace the agency's philosophy of excellent customer service and understand how his or her responsibilities affect other areas and contribute to the agency vision, mission, and goals.
- TDLR serves a diverse range of customers including those that speak languages other than English. We can best meet the needs of all customers if we have a fully diversified and trained staff. Although we have increased the number of bilingual staff, we must continue to focus on the recruitment and retention of employees who speak multiple languages in positions that have customer contact. To this end, the department routinely uses retention bonuses to retain bilingual employees. Over thirteen percent of our staff received a bilingual retention bonus in 2007.

- Our increasing reliance on technology requires employees with programming and networking skills. Training current employees on new technologies has been key to the successes we've achieved, but must continue across functional lines. Work processes will continue to evolve and we will respond, training our employees on the more difficult competencies needed. To retain technology employees, retention bonuses are given to all technology staff who are eligible. One hundred percent of our technology staff received a retention bonus in 2007.

Strategy Development

To address the gaps between the current staffing levels, skills, and future needs, TDLR has developed the following goals.

Retirements will result in significant loss of institutional and technical knowledge.

Goal: Grow leaders to prepare for the impending retirements of key staff, thereby maintaining continuity in leadership and service quality. Narrow the gaps in time and ability between the vacating of critical positions and finding replacements who develop proficiency in essential skills.

Rationale: Succession planning is an inherent part of TDLR's culture, and continued planning is critical to our ability to meet agency vision, mission and goals. The majority of impending retirements over the next five years are either managers or staff with technical skill and knowledge. These are the employees who, for each of our varied programs, possess experience, technical knowledge and expertise and who are responsible for their planning and development. They are a critical element of TDLR's functional model. We must continue to identify and analyze these key positions, prioritize critical competencies; assess possible candidates for succession; and determine their current and needed skills.

Action Steps:

- Continue to update internal data and provide quarterly reports to executive management on estimated retirement eligibility dates.
- Meet at least bi-annually with division directors to evaluate or update their staffing risks, develop customized strategic solutions, facilitate identification of potential successors and adjust/implement workforce action plans accordingly.
- Continue to work with executive management in identifying additional developmental opportunities for future leaders such as management training, cross-training and involvement on specific agency teams, such as new program implementation, strategic planning, and legislative teams.
- Continue leadership development through the Governor's Executive Development Program and the Executive Leadership for Information Technology Excellence program.
- Create an internal mentor program whereby employees with critical competencies can assist in the development of future leaders.
- Continue to develop written procedures for the purpose of capturing and transferring knowledge.
- Continued growth in responsibilities for TDLR provides advancement opportunities for employees to develop leadership skills, technical knowledge and expertise.

Attracting and retaining the right employees for the job.

Goal: To attract quality employees who will contribute to TDLR's vision, mission and goals.

Rationale: Recruiting, selecting and retaining employees who can contribute to achieving TDLR's goals and objectives are crucial to our success. Rewarding exceptional performance, providing meaningful staff development and creating a culture that supports innovation, excellence and quality life is paramount to our retention efforts.

Action Steps:

Recruitment

- Target recruiting efforts based on program priorities and changing

workforce needs, not specific job vacancies.

- Continue to broaden the scope of recruiting efforts to ensure a fully diversified workforce, using TDLR's e-mail notification system, web site and bulletin boards, as well as job banks, newspaper advertisements, job fairs and Internet recruiting sources.
- Continue to market TDLR's total compensation package, ensuring that applicants and candidates are informed about our state and agency benefits (i.e. merit pay, full use of salary ranges, performance awards, retention and recruitment bonuses, health insurance, life insurance and leave benefits).
- Continue to enhance the interview process to assess applicants' skills that are considered critical to success.

Retention

- Continue to research turnover data by position, age, tenure and diversity, focusing on reasons for attrition.
- Utilize pay incentives, where appropriate, to attract and retain staff.
- Continue to use the retention bonus program to include positions with high turnover or specialized skill sets (bilingual employees).
- Adjust salaries within assigned pay ranges for positions with high turnover or critical functions.
- Continue to create and implement quality of life flexibility initiatives such as compressed or flexible work schedules, Wellness Programs, and telecommuting opportunities.
- Continue to recognize and reward employees through the various programs given by the Employee Recognition Team.

Current employees lack critical and future workforce skills.

Goal: Further development of a quality workforce committed to outstanding performance and excellent customer service.

Rationale: Without a trained, capable and motivated workforce, even an efficient administration with the best strategic plan cannot accomplish its mission.

Action Steps:

- Continue to use internal focus groups, employee satisfaction surveys,

the Survey of Organizational Excellence, and follow-up meetings with agency employees to identify training needs.

- Meet at least quarterly with each division director to assess and prioritize training needs by division.
- Continue to identify new skill sets required as a result of program changes and expand training opportunities accordingly, focusing on technical and communication skills.
- Continue to focus on TDLR's core values.
- Continue cross-training of employees in functional areas so that each employee understands how his or her responsibilities and performance affect other areas and contribute to TDLR's vision, mission, and goals.
- Develop an internal mentor and/or shadowing program.
- Develop mandatory management training program focused on change leadership and project management.
- Continue to use the Governor's Executive Development Program and the Executive Leadership for Information Technology Excellence program to enhance employee development, grow leaders, and improve organization communication.
- Develop mandatory training to teach managers recruitment, performance development, and retention strategies and skills.
- Explore cost-effective methods of delivering training.
- Continue to provide information to executive management and staff regarding opportunities to share training resources with other state agencies, specifically the Office of the Attorney General and through the Employee Assistance Program.
- Continue to train current employees on competencies needed for new technologies – TDLR's licensing and document imaging systems.

Appendix G

Texas Department of Licensing and Regulation Historically Underutilized Businesses (HUB) Plan

The Texas Department of Licensing and Regulation (TDLR) offers contracting opportunities to all Texans with a goal of awarding HUBs at least twenty-eight percent of the total value of contracts and subcontracts in each fiscal year. To maintain the agency's strong purchasing history with HUBs and to increase the use of HUBs in agency contracts, the department uses the following plan:

1. The agency's Deputy Executive Director is TDLR's HUB Coordinator.
2. The HUB Coordinator:
 - a. coordinates training programs for the recruitment and retention of HUBs;
 - b. reports required information to the Texas Comptroller of Public Accounts (TCPA);
 - c. educates purchasing staff about HUBS;
 - d. ensures that a good faith effort is made to increase the award of goods and services contracts to HUBs;
 - e. supports the agency goal to include HUBs in at least twenty-eight percent of the total value of contracts and subcontracts awarded annually;
3. TDLR adopted TCPA's HUB rules and follows TCPA purchasing procedures of the HUB program.
4. TDLR uses the TCPA Certified Master Bidders List (CMBL) that identifies certified HUB vendors and purchases from local HUB vendors when possible.
5. TDLR requires that purchases from HUB vendors be made throughout the categories, ensuring that all underutilized groups are, if possible, represented in our purchasing practices.

6. TDLR attends forums presented by the TCPA HUB program.
7. TDLR works with interested vendors that may be eligible for HUB certification and implements the mentor-protégé program designed by TCPA.
8. The Senior Purchaser monitors purchasing to ensure that agency goals with respect to HUB vendors are met.

Appendix H

2008 Strategic Plan – Employee Survey

How long have you worked for this organization?

- Less than 1 year
- 1-2 years
- 3-5 years
- 6-9 years
- 10 years or more

1. TDLR is efficient in doing its job.
2. I feel included in the Strategic Plan process.
3. My immediate Supervisor trusts me to do my job.
4. We are encouraged to share information freely at TDLR.
5. I am a valued member on my team.
6. There are enough hours in the day to get the job done.
7. The agency supports each individual to perform their duties and succeed.
8. The agency provides opportunities for professional growth.
9. My job does not cause stress or anxiety in my life.
10. I am satisfied with my total compensation package (salary, benefit, retirement, holiday, etc.).
11. Customer service is a priority.
12. TDLR stands out amongst other state agencies.

Survey ranking will be the following (to the right of each statement):

| | | | |
|--------------------------|-----------------|--------------|-----------------------|
| Strongly Disagree | Disagree | Agree | Strongly Agree |
| 1 | 2 | 3 | 4 |

TDLR Survey Response Chart

| QUESTION | LESS THAN 1 YEAR | 1 – 2 YEARS | 3 – 5 YEARS | 6 – 9 YEARS | 10 YEARS OR MORE | AVG |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------|-------------|-------------|------------------|-----|
| TDLR is efficient in doing its job. | 3.2 | 3.5 | 3.6 | 3.8 | 3.1 | 3.4 |
| I feel included in the Strategic Plan process. | 3.1 | 3.7 | 3.8 | 3.8 | 3.4 | 3.6 |
| My immediate Supervisor trusts me to do my job. | 3.7 | 3.9 | 2.8 | 3.5 | 3.5 | 3.5 |
| We are encouraged to share information freely at TDLR. | 3.3 | 3.6 | 3.8 | 3.0 | 3.0 | 3.3 |
| I am a valued member on my team. | 3.7 | 3.8 | 3.4 | 3.8 | 3.6 | 3.7 |
| There are enough hours in the day to get the job done. | 2.7 | 2.8 | 2.0 | 3.0 | 2.8 | 2.7 |
| The agency supports each individual to perform their duties and succeed. | 3.3 | 3.5 | 3.6 | 3.5 | 3.1 | 3.4 |
| The agency provides opportunities for professional growth. | 3.3 | 3.5 | 3.2 | 2.8 | 2.8 | 3.1 |
| My job does not cause stress or anxiety in my life. | 2.9 | 2.8 | 2.4 | 2.0 | 2.8 | 2.6 |
| I am satisfied with my total compensation package (salary, benefits, retirement, holidays, etc.). | 2.8 | 3.2 | 3.2 | 2.5 | 2.5 | 2.8 |
| Customer service is a priority. | 3.6 | 3.8 | 3.4 | 3.5 | 2.9 | 3.4 |
| TDLR stands out amongst other state agencies. | 3.4 | 3.8 | 3.4 | 3.3 | 3.6 | 3.5 |
| Average | 3.3 | 3.5 | 3.2 | 3.2 | 3.1 | 3.3 |
| <p>Survey Ranking: 1 = Strongly Disagree 2 = Disagree 3 = Agree 4 = Strongly Agree</p> <p>Green highlighted numbers are the highs for the question. Yellow highlighted numbers are the lows for the question.</p> | | | | | | |

Appendix I

Effect of Federal Activities on State Regulatory Functions

Federal Statutes and Regulations

The Americans with Disabilities Act of 1990 (ADA)

The ADA (42 U.S.C. §§ 12101 et seq.) and the Americans with Disabilities Act Accessibility Guidelines (ADAAG), which are enforced by the U.S. Department of Justice (DOJ), greatly influence regulation of construction and renovation projects. DOJ has certified that the Texas Architectural Barriers Act and the Texas Accessibility Standards (TAS), which are administered by TDLR, are equivalent to the new construction and alterations requirements of the ADA, Title III.

Interstate Commerce Act

The Interstate Commerce Act of 1887, as amended (49 U.S.C. § 1 et seq.), which is regulated by the U.S. Department of Transportation, addresses the relationship between federal and state authorities for regulating motor carriers including tow trucks. The Texas Legislature assigned the regulation of tow trucks to TDLR during the 80th Legislative Session (2007). Section 14501 of the Act prohibits states from enacting or enforcing any law, rule or other provision relating to the price, route or service of motor carriers with respect to the transportation of property. This section, however, does not restrict the states' authority to establish safety regulations for motor carriers, to require minimum amounts of financial responsibility and insurance, or to regulate prices charged for nonconsensual towing. The U.S. Supreme Court has ruled that Congress' purpose regarding this law was to preempt states' economic regulation, not safety regulation, of motor carriers transporting property.

Liability Risk Retention Act of 1986

Risk retention groups qualified under the Liability Risk Retention Act (15 U.S.C. §§ 3901 et seq.) may provide reimbursement insurance to serve as the financial security required to cover the obligations of service contract providers and vehicle protection product warrantors licensed by the department. Such groups that are licensed in another state are required only to register with the Texas Department of Insurance, but are not regulated

by it. When such risk retention groups fail because they do not maintain adequate financial reserves – at least three have in years past – Texans holding contracts or warranties may suffer losses. TDLR brought to the attention of the Legislature the need to amend the Texas Occupations Code, Chapter 1304, to require that insurance companies providing financial security for licensed service contract providers maintain minimum amounts of paid-in capital and surplus to policyholders. The long-term effect of the Legislature's 2005 amendment will be fewer Texans harmed by defaulting service contract providers backed by reimbursement insurance policies. These protections are especially important since the Liability Risk Retention Act did not grant oversight or enforcement authority to any federal agency.

Magnuson-Moss Warranty Act

The Magnuson-Moss Warranty Act (15 U.S.C. §§ 2301), which is enforced by the U.S. Federal Trade Commission (FTC), primarily states protections for warranties of consumer products, including service contracts. Under the Act, the FTC may prescribe by rule the terms and disclosure requirements for service contracts. The Act also allows a supplier or warrantor to enter into a service contract with a consumer in addition to or in lieu of a written warranty if disclosure requirements are met. The Act does not preempt state requirements that afford greater consumer protections and do not unduly burden interstate commerce, so long as the State administers and enforces the greater requirement. TDLR regulates service contract providers and vehicle protection product warrantors, although warranties are exempt from Texas Occupations Code, Chapters 1304 and 2306.

Professional Boxing Safety Act

The Professional Boxing Safety Act (15 U.S.C. §§ 6301 et seq.), which is enforced by the United States Attorney General, requires that boxers register with state boxing commissions, such as TDLR, which in turn issue federal identification cards to the boxers. State boxing commissions are required within forty-eight hours to report boxing results and medical information to Fight Fax, the official federally-designated entity that maintains all registered boxers' records in a national database. This database provides critical information necessary for state boxing commissions to properly match combatants and enforce medical suspensions. Further, each state is required to establish safety standards equivalent to those established by the Act.

Titles XVIII and XIX of the Social Security Act - Medicare and Medicaid

The Medicare and Medicaid statutes (42 U.S.C. §§ 1395 et seq. and 42 U.S.C. §§ 1396 et seq., respectively), which are enforced by the U.S. Department of Health and Human Services, state that nursing facilities receiving Medicare or Medicaid reimbursements are subject to the National Fire Protection Association (NFPA) Life Safety Code 101. These facilities comply with the NFPA Code rather than the Model Building Codes adopted by TDLR.

Clean Air Act

The Clean Air Act (42 U.S.C. §§ 7401 et seq.), which is regulated by the U.S. Environmental Protection Agency, addresses the purchase and use of refrigerants used in air conditioning equipment. These federal requirements have been incorporated into Texas Occupations Code, Chapter 1302, Subchapter H. This subchapter requires persons who are not exempt or not licensed as air conditioning and refrigeration contractors to obtain a certificate of registration from TDLR to purchase refrigerants. The subchapter also provides that a person may not sell or use refrigerants in violation of the Clean Air Act. The subchapter has been drafted to adapt to federal and industry changes, such as the phase out by 2010 of the current refrigerant known as R-22 (Freon) and the development of new refrigerants, such as chlorine-free 410A, that do not deplete the ozone layer.

National Appliance Energy Conservation Act (NAECA) of 1987

NAECA (42 U.S.C. §§ 6291 et seq.), which is administered by the United States Department of Energy, establishes minimum energy conservation standards for certain types of residential appliances including freezers, furnaces and air conditioners. The Act addresses regulations for testing and labeling requirements, energy conservation standards, and when state and local building code requirements regarding energy conservation standards are not superseded by the federal standards. As part of its Air Conditioning and Refrigeration program, TDLR monitors this federal statute for increases in the required minimum efficiencies.

Help America Vote Act of 2002 (HAVA)

HAVA (42 U.S.C. §§ 15301 et seq.), which is administered by the United States Election Assistance Commission, the United States Department of Justice, and the United States Department of Health and Human Services, makes federal funds available to election officials for election administration improvements,

including modifications to polling places to make them more accessible. TDLR provides technical expertise to the Texas Secretary of State's Office and county officials regarding voting site accessibility, election site accessibility checklists, and facility modifications for compliance with accessibility standards.

Other Federal Laws

- Individuals and organizations conducting weather modification operations are required by federal law (15 U.S.C. §330 et seq.) to periodically report their activities to the United States Department of Commerce, National Oceanic and Atmospheric Administration (NOAA). Each weather modification permit issued by TDLR stipulates that the documentation prepared and submitted to NOAA by weather modification operators be provided to TDLR in a timely manner.
- The U.S. Department of Housing and Urban Development (HUD) qualifies housing units for federal loans. HUD has reviewed and accepted TDLR's Industrialized Housing and Buildings program for Category III Housing, which qualifies such housing for federal loans.

Appendix J

Effect of Outstanding Court Cases

TDLR's strategy is to manage litigation to achieve the most equitable result. TDLR's Office of General Counsel works closely with the Office of the Attorney General (OAG), who represents TDLR in court to resolve cases. The outcomes of the following current court cases may affect TDLR's regulatory and related functions.

I. TDLR Cases

A. Business and Occupations – Personnel Employment Services

USA Employment, L.L.C. v. Texas Department of Licensing and Regulation, Cause No. G-1-GN-08-000137, Travis County District Court, 261st Judicial District. This is an appeal by USA Employment, a personnel employment service provider, of a Commission order assessing administrative penalties for violations of Chapter 2501, Texas Occupations Code, and (Act).

USA Employment recruited teachers in India for employment in the United States. The Commission found that USA Employment made false promises or misleading statements and referred applicants to employers without having work orders for referrals. The department also found that USA Employment advertised positions without having a verified job order from the employer. Finally, USA Employment charged fees before the applicants accepted offers of employment.

USA Employment believes the Commission erred by not properly quantifying and itemizing the fees paid before employment. The company alleged the department failed to determine when the complainants received employment and improperly used telephonic testimony. USA Employment claims that *res judicata* bars the department from considering the issues in the complaint. The company also asserts the evidence does not support the proposed penalty.

The department is unable to effectively regulate personnel employment agencies because the statute only authorizes the Commission to impose fines and sanctions for collecting fees prior to employment.

B. Business and Occupations – Cosmetology

Pegah Zabihi v. Texas Department of Licensing and Regulation, Cause No. D-1-GN-08-000728, Travis County District Court, 353rd Judicial District. The Texas Department of Licensing and Regulation (Department) seeks to revoke a cosmetology license that was issued in error to Ms. Zabihi (Plaintiff) while she was in prison for a felony conviction. Texas Occupations Code § 53.021(b) states that the department shall revoke a person's license upon imprisonment following a felony conviction. An Attorney General's opinion (GA-0064 (2003)) has concluded that this language means that the license is automatically revoked when the licensee is imprisoned on a felony conviction. The Plaintiff in this case asserts that this provision does not apply to her because she did not have a license before imprisonment. The Plaintiff asserts that under Texas Occupations Code § 53.021(a) the agency has discretionary authority to deny or revoke a license and the department decided to issue the Plaintiff a license while she was in prison.

After a hearing before the State Office of Administrative Hearings (SOAH), in which the Administrative Law Judge (ALJ) agreed with the department, the Texas Commission of Licensing and Regulation (Commission) ordered license revocation. The Commission denied Plaintiff's motion for a rehearing, and the Plaintiff filed suit in district court.

The issue in this case is not clearly addressed by the language in the Texas Occupations Code Chapter 53. The court could rule that TDLR may issue a license to persons in prison, even though under the Attorney General opinion the license would be automatically revoked. This case may also decide if people may apply for a new or renewal license while in prison. Finally, this case could affect the procedures that all licensing agencies must use to revoke a license issued to a person who is in prison. Depending on the court's decision, the Texas Legislature may want to consider amendments to Chapter 53.

C. Business and Occupations – Combative Sports

Texas Department of Licensing and Regulation v. Benjamin L. Jackson, individually and d/b/a X-Treme Boxing Entertainment, X-treme Fight Club, X-Treme Fight Night, and X-Treme Promotions, Cause No. D-1-GN-08-001099, Travis County District Court, 353rd Judicial District. This is a combative sports enforcement case against

Benjamin Jackson for promoting combative sports events without a license and failure to comply with a number of combative sports laws and rules. Mr. Jackson denies that his events are “combative sports” events as defined by statute.

The Texas Occupation Code defines “combative sports” as any sport in which participants voluntarily engage in full contact to score points, to cause an opponent to submit, or to disable an opponent in a contest, match, or exhibition. The statutory definition specifically excludes, however, “student training or exhibitions of students’ skills conducted by martial arts schools, or associations of schools, where the students’ participation is for health and recreational purposes rather than competition and where the intent is to use only partial contact.”

The investigation by the department found that Mr. Jackson promotes and stages combative sports events, called “X-Treme Fight Night”, because patrons enter a fight ring and by all appearance fully engage in a physical contest where they try to hurt their opponent by striking blows or make their opponent submit by using techniques known as submission grappling. Alcoholic drinks are available and consumed by the participants.

Mr. Jackson claims that his events are not combative by definition because the participants are required to sign waivers stating that the participant agrees not to engage in full contact and agrees not to try to score points, to cause an opponent to submit, or to disable an opponent.

This case may allow parties to avoid regulation simply by agreement. It may also clarify whether certain events qualify as combative sports events subject to regulation by the department.

2. Texas Cosmetology Commission

In 2005 the Legislature abolished the Texas Cosmetology Commission (TCC) and transferred all the rights and duties of that agency to TDLR effective September 1, 2005. As a result, TDLR has taken the TCC’s place as a party in the following court cases.

Maria Pallotta and David Lopez and Dolphin Technical Inst. v. Texas Cosmetology Commission and Carolyn Modica, Cause No. E-165031, Jefferson County District Court, 172nd Judicial District. This case arises from the assault by a former inspector of the TCC against an owner of a cosmetology school. The plaintiffs are seeking monetary damages, an injunction, and a declaratory judgment that TCC violated the plaintiffs' rights. The plaintiffs are asserting claims under federal law, the Texas Tort Claims Act, and the Uniform Declaratory Judgment Act.

TDLR asserted sovereign immunity as a defense and that the assault by the former inspector does not create a cause of action against TDLR. TDLR requested dismissal because of the court's lack of jurisdiction over TDLR. The district court granted TDLR's request for dismissal. The Plaintiffs appealed to the Texas Court of Appeals. This case could affect the liability of TDLR and other state agencies for the unauthorized acts of employees.

Carolyn K. McCollum v. Texas Cosmetology Commission, Cause No. 2005-CI-20075, Bexar County District Court, 224th Judicial District. A former TCC employee brought this lawsuit alleging that TCC discriminatorily terminated her employment based on disability, age and race, and in retaliation for her supporting a coworker in an employment-related dispute with TCC. If the plaintiff prevails, TDLR may have financial exposure for conduct that it did not control.

