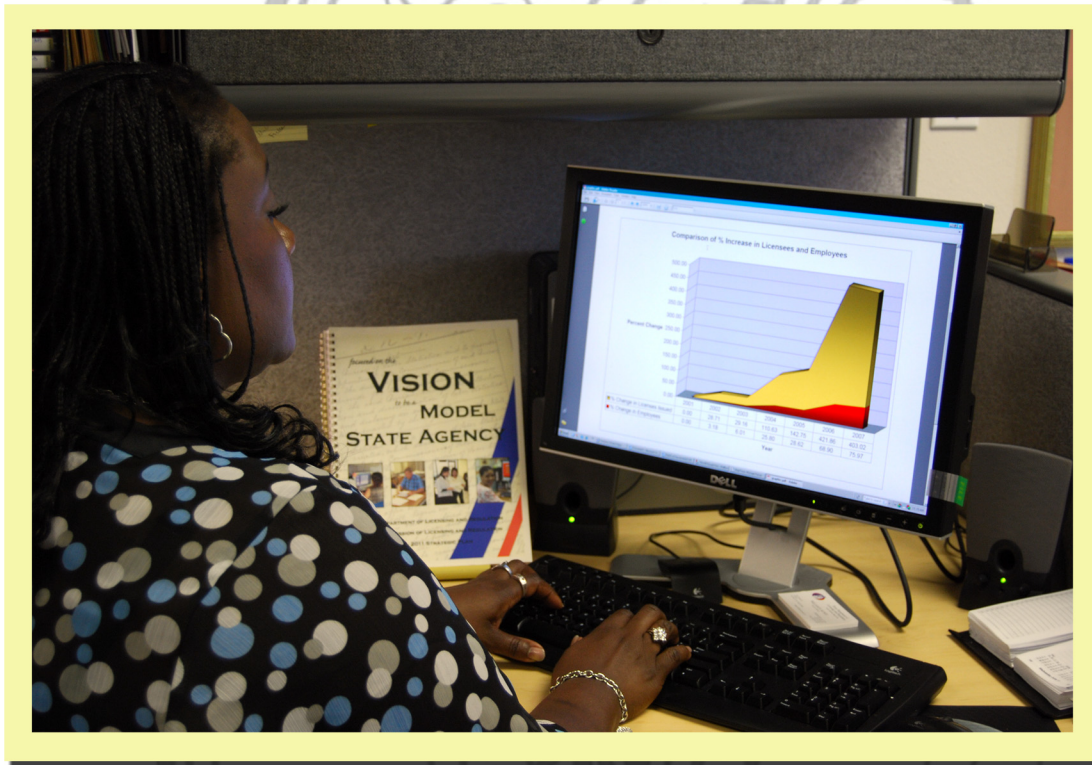


# TDLR Strategic Plan

*for the fiscal years 2009-13  
by the*

## Texas Commission of Licensing and Regulation



*and the*

## Texas Department of Licensing and Regulation



*submitted June 27, 2008*



## Contents

<b>STRATEGIC PLAN BACKGROUND</b>	<b>2</b>
<i>The Vision, Mission and Philosophy of Texas State Government</i>	
Governor Rick Perry's Vision of Texas State Government	4
The Mission of Texas State Government	4
The Philosophy of Texas State Government	5
<i>Statewide Goals and Benchmarks</i>	
Regulatory	6
Natural Resources and Agriculture	6
General Government	7
<i>The Vision, Mission and Philosophy of TDLR</i>	
TDLR's Vision	7
TDLR's Mission	7
TDLR's Philosophy	7
<i>Agency Scope and Functions</i>	
Statutory Basis	8
TDLR's History	8
Main Functions	10
<i>Organizational Aspects</i>	
Texas Commission of Licensing and Regulation	11
<i>Organizational Structure</i>	
Compliance	12
Customer Service	16
Education and Examination	16
Enforcement	17
Executive	18
Financial Management	19
Human Resources	20
Information Systems Development	20
Licensing	21
Network Systems and Maintenance	21
Office of the General Counsel	22
<i>Agency Make-up and Commitment to a Diverse Workforce</i>	
TDLR Workforce	23
Commitment to Diversity	23
<i>Employee Turnover and Staff Experience</i>	
Low Turnover	25
Highly Qualified Workforce	26
<i>Fiscal Aspects</i>	
Size of Budget	28
Method of Finance	29
Budgetary Limitations	29
Current and Future Budget Needs	29
Capital and Leased Needs	32
Historically Underutilized Businesses	33
<b>STRATEGIC PLAN ASSESSMENT</b>	<b>35</b>
<i>Technology Developments</i>	
Impact of Technology on Current Department Operations	37

## Contents

Better Communication	38
Improving Services	39
Impact of Anticipated Technological Advances	39
Degree of Department Automation	40
Anticipated Need for Automation	40
<i>Key Organizational Events and Areas of Change</i>	
Success Breeds Challenges, Challenges Breed Opportunities	41
Interim Charges	42
Growing Leaders	43
Improving Services Through Technology	44
Opportunities for Improvement	45
Fee Reductions	46
Changes in Commission Membership	47
<i>TDLR Highlights and Accomplishments</i>	
Measure of Success	
<i>Department Performance</i>	47
<i>New Responsibilities from the 2007 Legislative Session</i>	49
<i>Increased Efficiencies</i>	50
<i>Customer Service Contact Center</i>	51
<i>Student Hour and Enrollment Automated Reporting System (SHEARS)</i>	51
<i>Self-Evaluation and Opportunities for Improvement</i>	
Employee Turnover	52
Employee Overtime	53
Audits of TDLR	54
Agency Characteristics Requiring Improvement	55
Strategic Challenges	57
Leveraging Community Resources to Address Agency Goals	57
Local Partnerships	58
Technical Assistance Partnerships	60
Interagency Partnerships	61
Federal Partnerships	62
Private Sector Partnerships	63
Employee Satisfaction and Recommendations for Improvement	64
<i>Service Population Demographics</i>	
Benefits to Those We Serve	66
Whom We Serve	67
Where We Serve Them	67
<i>Customer Profile</i>	
Texas' Changing Population	68
<i>Economic Variables</i>	
Gross State Product	69
Employment Trends	69
Pace of Construction	70
Displacement Damage	70
<i>Effect of Federal Activities on State Regulatory Functions</i>	
Federal Statutes and Regulations	71
Federal Legislation, Regulations, and Court Cases	72
<i>Cooperation with Local, State, and Federal Entities</i>	
Effect of Anticipated State Statutory Changes	74
Effect of Outstanding Court Cases	75
Effect of Cooperation with Local Entities	76

<i>TDLR Customer Satisfaction</i>	
Customer Assessment of TDLR's Services	76
<b>STRATEGIC PLAN INITIATIVES</b>	<b>81</b>
<i>Prioritization of Strategic Planning Initiatives</i>	
Staffing and Resource Initiatives	83
Technology Initiatives	84
Complaint Resolution Initiatives	84
Licensing Initiatives	84
Interim Charge Initiatives	85
Advisory Board Initiatives	85
<b>TEXAS DEPARTMENT OF LICENSING AND REGULATION'S GOALS, OBJECTIVES, STRATEGIES, AND MEASURES</b>	<b>87</b>
<b>APPENDICES</b>	<b>93</b>
Appendix A – Description of TDLR's Strategic Planning Process	95
Appendix B – TDLR's Organizational Chart	105
Appendix C – Five-Year Projections for Outcome Measures	106
Appendix D – Performance Measure Definitions	107
Appendix E – Implementing the Texas Transformation	122
Appendix F – TDLR's Workforce Plan	127
Appendix G – TDLR's Historically Underutilized Businesses (HUB) Plan	155
Appendix H – 2008 Strategic Plan Employee Survey	157
Appendix I – Effect of Federal Activities on State Regulatory Functions	159
Appendix J – Effect of Outstanding Court Cases	163

The **Strategic Plan Background** Section is an overview of TDLR's guiding principles, history, responsibilities, organization, staff makeup, staff experience, budget, and use of HUB's. It is organized under the following sections/headings:

**The Vision, Mission and Philosophy of TDLR** – This section lays out the guiding principles for the agency beginning with our overarching vision to be a model state agency.

**Overview of Agency Scope and Functions** – An overview of TDLR's creation, history, main functions, the twenty-six programs we regulate, and the agency's functional alignment.

**Organizational Aspects** – Highlights the Texas Commission of Licensing and Regulation and how it works in conjunction with Advisory Boards. Following a brief overview of the Commissioner's duties, TDLR's functionally aligned divisions are explained along with corresponding programs.

**Agency Make-up/Commitment to Diverse and Qualified Workforce** – Focusing on Agency Workforce, this section reveals TDLR's commitment to diversity by detailing hiring profiles and workforce composition.

**Employee Turnover/Staff Experience** – This section features the agency's lower than average turnover rate and reasons for it.

**Fiscal Aspects** – Budget, appropriations, budgetary limitations and agency needs are reviewed in this section.

**Historically Underutilized Businesses** – This brief, important section highlights TDLR's exceeding the statewide average for purchases and contracts made with HUBs.

### **Strategic Plan Background Highlights**

- The Strategic Plan Background provides a snapshot of the agency.
- The vision of the agency driving the divisions in their various functions is supported by core values modeled by the executive director and the deputy executive director.

- TDLR's growth over a relatively short period of time reveals the confidence of the Legislature and the wisdom behind the agency's functional alignment.
- The strength of the underlying philosophy and functional alignment is shown in the agency's workforce productivity and low turnover.
- As a Commission-based regulatory agency, no other Texas state agency has the number and diversity of programs.





Rick Perry, Governor of Texas

## The Vision, Mission, and Philosophy of Texas State Government

### Governor Rick Perry's Vision for Texas

Working together, I know we can address the priorities of our citizens. As my administration works to create greater opportunity and prosperity for our citizens, making our state and its people truly competitive in the global marketplace, we must remain focused on the following critical priorities:

*Assuring open access to an educational system that not only guarantees the basic core knowledge necessary for productive citizens but also emphasizes excellence and accountability in all academic and intellectual undertakings;*

*Creating and retaining job opportunities and building a stronger economy to secure Texas' global competitiveness, leading our people and a stable source of funding for core priorities;*

*Protecting and preserving the health, safety, and well-being of our citizens by ensuring healthcare is accessible and affordable and by safeguarding our neighborhoods and communities from those who intend us harm; and*

*Providing disciplined, principled government that invests public funds wisely and efficiently.*

### The Mission of Texas State Government

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

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

## The Philosophy of Texas State Government

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

- First and foremost, Texas matters most. This is the overarching, guiding principle by which we will make decisions. Our state, and its future, is more important than party, politics, or individual recognition.
- Government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes.
- Decisions affecting individual Texans, in most instances, are best made by those individuals, their families, and the local government closest to their communities.
- Competition is the greatest incentive for achievement and excellence. It inspires ingenuity and requires individuals to set their sights high. Just as competition inspires excellence, a sense of personal responsibility drives individual citizens to do more for their future and the future of those they love.
- Public administration must be open and honest, pursuing the high road rather than the expedient course. We must be accountable to taxpayers for our actions.
- State government has a responsibility to safeguard taxpayer dollars by eliminating waste and abuse and providing efficient and honest government.
- Finally, state government should be humble, recognizing that all its power and authority is granted to it by the people of Texas, and those who make decisions wielding the power of the state should exercise their authority cautiously and fairly.

## Statewide Goals and Benchmarks

TDLR has identified and defined its relationships to the relevant statewide priority goals and benchmarks.

### Regulatory

**Goal** *To ensure Texans are effectively and efficiently served by high-quality professionals and businesses by: implementing clear standards; ensuring compliance; and reducing the regulatory burden on people and business.*

**Benchmarks** *Percent of state professional licensee population with no documented violations.*

*Percent of new professional licensees as compared to the existing population.*

*Percent of documented complaints to professional licensing agencies resolved within six months.*

*Percent of individuals given a test for professional licensure who received a passing score.*

*Percent of new and renewed professional licenses issued via Internet.*

### Natural Resources and Agriculture

**Goal** *To conserve and protect our state's natural resources (air, water, land, wildlife, and mineral resources) by: providing leadership and policy guidance for state, federal, and local initiatives; and encouraging responsible, sustainable economic development.*

**Benchmarks** *Percent of Texas waters that meet or exceed safe water quality standards.*

*Percent of environmental violations tracked and reported.*

## General Government

**Goal** *To provide citizens with greater access to government services while reducing service delivery costs and protecting the fiscal resources for current and future taxpayers by: supporting effective, efficient, and accountable state government operations; and conservatively managing the state's debt.*

**Benchmarks** *Total state spending per capita.*

*Percent change in state spending, adjusted for population and inflation.*

*Number of state employees per 10,000 population.*

*Number of state services accessible by Internet.*

*Total savings realized in state spending by making reports, documents, and processes available on the Internet.*

## The Vision, Mission, and Philosophy of TDLR

### TDLR's Vision

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.

### TDLR's Mission

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.

### TDLR's Philosophy

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

"The Legislature has recognized TDLR as the State's model for occupational licensing, continuously adding new programs and relying on the agency's licensing expertise to help with start-up licensing programs. TDLR's ability to successfully incorporate new programs sets the stage for continued consolidation of smaller licensing agencies."

--Sunset Advisory Commission report on the Department of Public Safety, June 2008

### Why is TDLR unique among state agencies?

"The quality of its employees is unique, they have a shared vision of TDLR as a Model State Agency. The employees' capabilities equal or exceed those of any large corporate business organization I have been associated with during my over 30 years of private sector business."  
-- Frank Denton,  
TDLR Commission Chairman (Conroe, TX)

capable and effective leaders. We initiate innovation and embrace change to ensure the wise and strategic use of public resources.

## Agency Scope and Functions

### Statutory Basis

Chapter 51 of the Texas Occupations Code establishes the Texas Department of Licensing and Regulation (TDLR) and lays out its organization and general responsibilities. TDLR is responsible for regulating a wide variety of businesses, industries, trades, and occupations. The Texas Commission of Licensing and Regulation (Commission) is TDLR's governing body with seven public members appointed by the Governor, with the advice and consent of the Senate.

The duties of the Commission are to:

- select the executive director and supervise his management of TDLR;
- set policy for TDLR;
- approve TDLR's strategic plan, operating budget and request for funding;
- adopt rules to implement the laws administered by TDLR;
- impose fines and sanctions against individuals and businesses that violate laws, rules and orders; and
- set fees to cover the costs of TDLR's programs.

The executive director:

- manages the daily operations of TDLR;
- issues licenses;
- approves settlement of complaints;
- issues cease and desist orders; and
- refers cases to the Texas Attorney General to obtain injunctions or collect penalties.

### TDLR's History

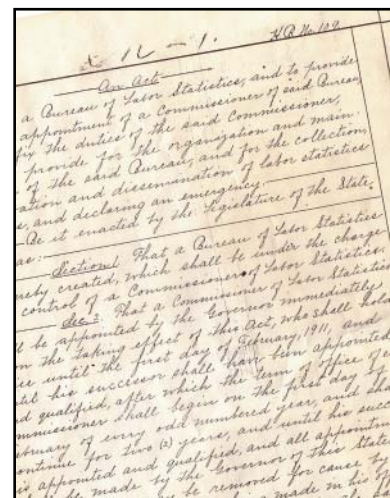
TDLR's predecessor, the Bureau of Labor Statistics was created in 1909

to enforce labor laws and collect labor data. In 1973 it became the Texas Department of Labor and Standards. In 1989, the Legislature changed the name to the Texas Department of Licensing and Regulation and shifted its focus to licensing and regulating a variety of businesses, industries, trades and occupations. The Legislature has continued to expand TDLR's regulatory responsibilities, effectively making it the state's umbrella licensing agency. In 2003 the Legislature established statewide licensing of electricians. In 2005 the Legislature abolished the Board of Barber Examiners and the Texas Cosmetology Commission and transferred their functions to TDLR. In 2007, lawmakers transferred the regulation of tow truck companies and vehicle storage facilities to TDLR from the Texas Department of Transportation. The Legislature also created a new regulatory program for discount health care card operators and three new categories of licensees, adding residential appliance installers, barber hair braiders, and air conditioning and refrigeration technicians.

Currently, we regulate twenty-six programs with 125 license types and 543,142 licensees. The programs are listed below with the current statutory citation and original year of enactment.

### Businesses 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)



TDLR's enabling statute as the Bureau of Labor Statistics in 1909

- 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)

### Main Functions

TDLR is the only state agency that regulates such a diverse array of businesses, industries, trades, and occupations. The department has identified common

functions shared by these entities 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, 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 examination functions;
- Enforcement – investigates complaints and prosecutes violators; and
- Licensing – processes applications and issues licenses, registrations, certificates and permits.

## Organizational Aspects

### Texas Commission of Licensing and Regulation

The Texas Commission of Licensing and Regulation (Commission) is the policy-making arm of the agency. The Commission is composed of seven representatives of the general public appointed by the Governor to staggered six-year terms. The Commission members are private citizens not engaged in any of the businesses or trades regulated by TDLR. As successful professionals, the Commissioners bring insight gleaned from individual experiences, in ways that contribute to TDLR's common-sense and fiscally conservative approach to regulation and efficiency.

### Commission's Reliance on Advisory Boards

The Commission members rely on the knowledge and experience of Advisory Board members from the industries we regulate. Advisory Board members are appointed by the Chairman with the approval of the Commission. These Advisory Boards review and make recommendations to the Commission



TDLR Commissioners, 2008





Texas Commission of Licensing and Regulation in session, 2008

on rules and technical standards, professional license examination content, continuing education requirements, and other areas affecting these industries. While not binding, Advisory Board recommendations are weighed carefully by the Commission.

A valuable means of communication between the Commission and Advisory Boards is a Commission member appointed by the Chairman as an Advisory Board liaison. The role of the liaison is to ensure that industry concerns and expertise, as voiced by the Advisory Board, are fully understood and considered in Commission deliberations.

### Commission Duties and Regulatory Approach

The Commissioners' duties include:

- guiding the development of and approving the agency strategic plan, budget and request for funding,
- providing policy guidance for agency operations,
- reviewing and adopting rules,
- adjudicating final orders in contested cases, and
- hiring, supervising, and setting the salary for the executive director.

The Commission directs our common-sense approach to cost-effective governmental regulation. Prior to adoption, the Commission weighs all rules for possible negative impact on consumers and licensees. This balanced approach protects the public while ensuring the regulatory process and rules are not unnecessarily burdensome. The Commission also makes sure that funds are used wisely and efficiently. Over the past four years, the Commission has reduced total license fees charged by \$3,338,085.

## Organizational Structure

### Compliance

The Compliance division provides technical oversight, valuable expertise, and training for our twenty-six programs through three sections – Building and Mechanical, Business and Occupations, and Field Operations. The division also acts as the point of contact for questions and concerns regarding regulations,

while helping improve the quality and operations of businesses, industries, general trades, and occupations in Texas.

### **Building and Mechanical Section**

The Building and Mechanical section works to ensure the accessibility of buildings and facilities for persons with disabilities. They work with building owners, local building officials, and licensees to facilitate the safe installation of electrical power and wiring, heating and cooling systems, the safe operation and maintenance of boilers and elevators, and the safe construction of modular buildings.

The *Air Conditioning and Refrigeration Program* works to ensure the safe installation and efficient operation of air conditioning, heating, ventilation and refrigeration systems. This program evaluates applicants' qualifications; implements adopted state and local mechanical and energy codes; and attends meetings of licensees, industry professionals, municipal and regional licensing authorities, and consumers.

The *Architectural Barriers Program* works to ensure that persons with disabilities are not denied access to services and employment opportunities in new and renovated buildings and facilities. The section ensures compliance with the Texas Accessibility Standards; performs review and inspection services; licenses and oversees third-party Registered Accessibility Specialists (RAS); and provides training for design professionals, building owners, local buildings officials, and other interested parties.

The *Boiler Safety Program* works to ensure the proper installation, safe operation, and ongoing safety inspections of over 56,000 registered boilers used in places such as power plants, schools, hospitals, nursing homes, office buildings, and apartments. In addition, this program provides valuable certification review services for manufacturing and repair businesses to certify compliance with construction and safety codes.

The *Electricians Program* works to ensure safe installation of electrical wiring and equipment through the evaluation of applicants' qualifications; implementation of local, county and state adopted electrical safety codes; and presence at meetings of licensees, industry professionals, municipal and regional licensing authorities, and consumers.



the Air Conditioning and Refrigeration Program works to ensure public safety and trust

The *Elevator Safety Program* works to ensure the safety of Texans who ride on more than 40,000 registered elevators, escalators, moving walks, and wheel chair lifts through oversight of inspections and certifications, and interpretation of adopted safety standards. This section provides outreach services and education programs to third-party Qualified Elevator Inspectors (QEIs), registered elevator contractors, building owners, and facility managers on compliance and safety issues.

The *Industrialized Housing and Buildings Program* works to ensure that modular buildings in Texas meet the same standards used for site-built homes and buildings. This section reviews plans, performs on-site certification of manufacturing plants, inspects modular units, and monitors the services provided by third-party inspectors and plan reviewers.

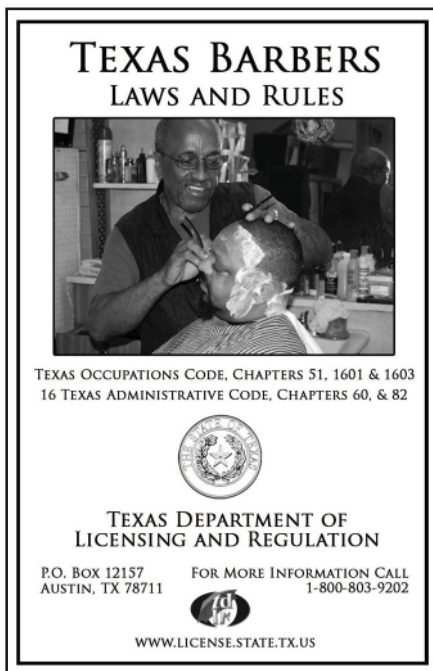
### **Business and Occupation Section**

The Business and Occupation section provides expertise and customer support for such varied professions as barbers, combative sports, cosmetologists, discount health care card operators, vehicle protection plans, vehicle towing and storage, water well drilling, and weather modification activities.

The *Barber Program* ensures those providing barber services such as haircuts and shaves do so in a safe and sanitary manner. Working closely with state and county health and medical experts, program staff develop sanitation rules for more than 19,000 barbers, barber shops, and schools.

The *Combative Sports Program* promotes the safety and fair treatment of contestants and spectators of combative sports events in Texas. Staff oversee third-party inspectors and licensees including ring officials, judges, amateur combative sports associations, and referees. Regulations cover proper matching of contestants, weigh-ins, pre- and post-fight health and medical evaluations of contestants, and ensuring event promoters fulfill their financial obligations.

The *Cosmetology Program* oversees regulation of over 192,000 individuals and businesses including facialists, manicurists and schools. Working with state and county health officials, program staff develop sanitation rules and monitor health and safety issues to protect clients and employees. They also conduct



TDLR publishes the laws and rules for Barbers and Barber shops

informal and educational programs for licensees and business operators to ensure that services are provided in a safe and sanitary manner.

The *Financial and Towing Safety Programs* work to ensure the important consumer protection and safety provided by regulation of tow trucks and vehicle storage facilities, to provide consumer protection for users of Discount Health Care Card programs, and to provide oversight for a number of other smaller programs. This program also provides expertise and training related to insurance, bonding, and net worth requirements for regulated businesses such as private barber schools, combative sports operations, personnel employment and staff leasing services, property tax consultants, and talent agencies.

The *Water Well Driller and Pump Installer Programs* work to protect the quality of state groundwater resources and the safety of the public water supply. Staff enforce laws and rules regarding qualification of licensees, water well drilling, water well pump installation, location standards, and the plugging of abandoned and deteriorated wells.

The *Weather Modification Program* works with groundwater conservation districts and other groups to ensure safe rain enhancement (cloud seeding) and hail suppression operations. In addition, the staff expert plays a key role in the evaluation of license and permit applications, the preparation of grant proposals and use of grant funds for research, and facilitates the introduction of new cloud seeding approaches.

### **Field Operations Section**

The Field Operations section provides on-site inspection, education and field investigation services for our programs to ensure business owners and licensees operate in compliance with our laws and rules. In addition, field staff provide education and hands-on assistance to licensees, businesses and industry professionals. Field Operations staff provide TDLR with a statewide presence, lowering travel costs and increasing efficiency. Field Operations staff perform inspections for the Architectural Barriers, Barber, Cosmetology, and Vehicle Towing and Storage programs.

## Texas Cosmetology Laws and Rules



Texas Department of Licensing and Regulation

P.O. Box 12157  
Austin, TX 78711

For more information call 1-800-803-9292  
[www.license.state.tx.us](http://www.license.state.tx.us)



TDLR also publishes the laws and rules book for Cosmetologists and salons

## Background



the main goal of TDLR's Customer Service representatives is "one call resolution"

## Customer Service

TDLR's foundation for providing excellent customer service is the Customer Service section. The section is now located on the sixth floor of the E.O. Thompson building and is a state-of-the-art contact center. Keyboards, chairs, computer monitor arms, and desks are ergonomic and adjustable for individual employees. Wireless headsets used by the Customer Service staff are padded, lightweight, and adjustable. Customer Service agents use the telephone, e-mail and in-person contact to handle customer inquiries. The section uses the Centergy Virtual Contact Center phone system by Aastra Intecom, which uses a language-based call routing software for quick response. The system software also allows for the input of license numbers to efficiently route calls to the appropriate service person. Customer Service agents have access to all agency databases to provide accurate information to customers. TDLR recognizes the complexity of providing uniform assistance across twenty-six programs, so each new-hire in customer service must complete six weeks of training before taking their first incoming call. The main goal of the section is "one call resolution." The focus of each call is to answer all of the customer's questions and concerns at the time of the call. Each call ends with the question, "Is that all we can do to help you today?" Currently, the center receives 2,000 calls per day. The center has recently extended its availability to the public by changing its customer service hours to 7 AM to 6 PM.

## Education and Examination

The Education and Examination division makes sure that license and renewal applicants meet education and examination requirements and that current licensees requiring continuing education complete the required hours for each renewal period.

### Education

To ensure compliance with laws, rules and procedures, the Education section:

- evaluates and approves schools and courses;
- evaluates and approves continuing education providers and courses;
- provides technical support for education related matters;
- conducts audits of courses, schools and providers;
- manages TDLR's online course completion database; and
- develops and maintains education web site information.

CONTINUING EDUCATION	HOURS	POPULATION (03/01/2008)
Air Conditioning and Refrigeration Contractors	8	24,209
Auctioneers	6	2,178
Cosmetology Operators and Instructors	6	107,630
Cosmetology Specialty	6	41,584
Electricians	4	101,145
Licensed Court Interpreters	8	570
Property Tax Consultants	12	715
Registered Accessibility Specialists	8	438
Water Well Drillers and Pump Installers	4	2,350

### Examination

The Examination section manages the development and administration of TDLR's examination activities for the ten programs that require a test to obtain a license. This section also:

- coordinates the review and updating of examination content with examination vendors and industry experts, including Advisory Board members;
- works with examination vendors to assess effectiveness of examination questions and the need for changes; and
- provides information, including pass rate data, to schools and instructors regarding the examination process.

PROGRAM	EXAMINATIONS ADMINISTERED FY 2007
Cosmetologists	33,205
Barbers	1,564
Electricians	4,954
Air Conditioning and Refrigeration Contractors	2,170
Well Drillers and Pump Installers	292
Auctioneers	131
Licensed Court Interpreters	84
Registered Accessibility Specialists	70
Property Tax Consultants	19
Boiler Inspectors	16
<b>TOTAL</b>	<b>42,505</b>

### Enforcement

The Enforcement division investigates, negotiates, and resolves complaints for the twenty-six TDLR regulated programs. Complaints and reports of violations are received from consumers, industry, municipal officials and TDLR staff. Enforcement personnel also work proactively in seeking evidence of potential violations.

The structure of the division promotes an effective process for fair and



TDLR's Enforcement division works proactively to seek evidence of potential violations



TDLR Executive Director Bill Kuntz facilitating a focus group meeting with agency clients and industry attendees

efficient management and resolution of complaints. This process includes the following:

- The Intake section confirms the agency’s legal jurisdiction, performs initial research on each complaint filed, and recommends whether an investigation should be opened.
- The Investigation section assigns an investigator to each opened case to develop a detailed account of the facts through witness interviews, research, and on-site investigations. Investigators prepare a written report upon completion of the investigation.
- The Prosecution section ensures proper disposition of each case, pursuing penalties or sanctions where violations are found. Prosecutors issue closing letters when the evidence does not support proceeding to a formal hearing. When a complaint cannot be resolved through negotiation, the Prosecutor represents the department before the State Office of Administrative Hearings and the Texas Commission of Licensing and Regulation.
- The Legal Support section tracks and updates Final Orders and collects penalties on Agreed Orders. Staff monitor and assure compliance with Commission-ordered probation requirements. Legal Support handles the initial screening of background checks received from the Department of Public Safety and reviews reports for crimes that may be the basis to deny or revoke the license of an applicant or licensee. Lastly, the section handles fee collection cases.

Consistency in the investigation and resolution of complaints is an essential part of TDLR’s firm, fair, and efficient enforcement philosophy. The division’s Complaint Resolution Procedures Manual, Enforcement Plan, and Criminal Conviction Guidelines were developed to accomplish this consistency. Enforcement periodically reviews and revises these documents and submits them to the Commission for approval.

### Executive

Executive Offices provides leadership and motivation to meet the agency’s vision, manages the day-to-day operation of the agency, and ensures strategic goals are met. The Executive Offices’ success is guided by a respect-based management philosophy and a commitment to open communication with our employees and our customers.

The executive director and his staff perform the following functions:

- carry out Commission policies;
- recommend fee changes and budgetary proposals to the Commission;
- develop and direct strategic planning initiatives;
- perform preliminary review of Advisory Board applicants;
- assess administrative sanctions (denial, suspension, revocation, and probation of a license);
- issue cease and desist orders;
- review, draft, and propose rules;
- represent the agency and provide testimony before the Legislature;
- support program Advisory Boards;
- manage and authorize grants from the Auctioneer Education and Recovery Fund;
- provide policy direction for workforce planning, recruitment, benefits and compensation, and staff development;
- act as the agency's contact with governmental bodies; and
- issue press releases and respond to media inquiries about the department's activities.

### **Financial Management**

The Financial Management division manages the agency's fiscal resources in compliance with state and federal laws. Financial Management is organized into the following cross-trained teams – revenue, expenditure, purchasing, budgeting and reporting, and mail.

Financial Management ensures the agency stays within spending limits, including the out-of-state travel expenditure cap. The division monitors purchasing and capital asset requirements, develops the Legislative Appropriation Request, monitors the agency's annual budget, and prepares all fiscal reports for the agency.

With an emphasis on communication, innovation and fiscal responsibility, key duties of the division are:



## Background

- accounting;
- budgeting;
- cash receipt processing;
- expenditure and payment processing;
- revenue reconciliation;
- financial interface for USAS and the TexasOnline portal;
- fixed Asset Management;
- mail processing;
- purchasing, property and contract administration;
- risk Management; and
- vehicle fleet management.

### Human Resources

The Human Resources Office supports the agency's vision and mission by helping to foster a healthy, positive, and fair working environment that attracts, develops, and retains qualified and dedicated employees.

Human Resources focus on offering quality service to employees by providing support in the following areas:

- workforce planning;
- recruitment and hiring;
- training and career development;
- employee benefits;
- developing and maintaining personnel policies and procedures;
- compensation and related matters;
- employee relations;
- ensuring compliance with state and federal employment law;
- detection and prevention of employee fraud; and
- legal support on personnel matters.

### Information Systems Development

TDLR's Information Systems Development staff design and develop custom licensing software. This software provides a common platform for the process of licensing tailored to the specific needs of each agency program.



Information Systems Development staff designs and develops custom licensing software for the agency

The Texas Umbrella Licensing Information Project (TULIP) software system forms the framework for the licensing system. The TULIP system is designed to accommodate multiple license types and expand easily in response to changing needs of the agency.

Many of TDLR's Internet-based systems connect directly with the TULIP database. This allows real-time applications and renewal of licenses through TexasOnline, continuing education course completion postings, barber and cosmetology student enrollment and classroom hour reporting, and extensive database searches.

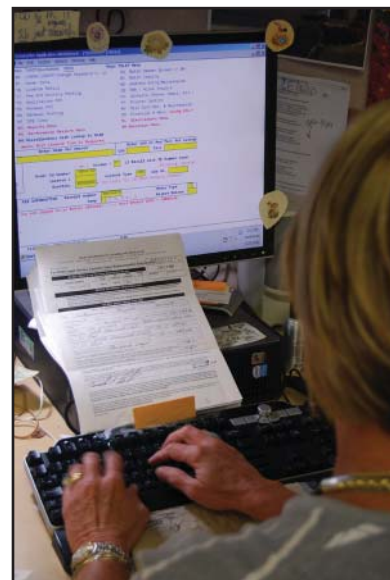
### Licensing

The primary responsibility of the Licensing division is to review applications and issue licenses to qualified applicants. Extensive knowledge of licensing requirements outlined in twenty-six statutes and their administrative rules is required to issue 125 license types. Licensing provides full license evaluation and support for over half a million licensees. Evaluation includes checking criminal history, verifying education and credentials, reviewing on-the-job experience, and analyzing financial security.

The Licensing division demonstrates the true strength of TDLR's business model. The spirit of teamwork within Licensing permits peaks in the workload to be spread across the division. This surge capacity allows all Licensing teams to assist when seasonal spikes are encountered. During peak times the entire division gives a portion of their day to process these applications.

### Network Systems and Maintenance

Network Systems and Maintenance supports the agency's vision by planning for growth, installing new systems, and maintaining all software and hardware components for the network. The section monitors the agency's information network, operates the Help Desk, and monitors the performance of the Data Center Services partnership. Network Services provides customer satisfaction and rapid response time with fully cross-trained specialists. This section also partners with private sector businesses to support server and telephone services.



the Licensing division reviews applications and issues licenses to qualified applicants



the agency's information network is monitored by the Network Systems section



the Office of the General Counsel manages the agency's legal affairs and advises executives and the Commission

Network Services supports several large locations in Austin and numerous agency field locations throughout the state. New remote software allows timely response to problems at these sites. Through interagency contracts with the Firefighters' Pension Commission and the Texas Commission on the Arts, Network Services assists these agencies with their network operations.

Network Services meets the increasing demand for public information by providing audio streaming and archiving of agency meetings, open and free access to agency documents online, and a cost-effective e-mail notification system. These services have set a high standard for sharing public information.

### Office of the General Counsel

The Office of the General Counsel manages all legal affairs of the agency. It uses a common-sense approach by ensuring agency rules, contracts and policy-making activities are fair and consistent. This approach protects the people of Texas, promotes an efficient regulatory environment, and minimizes the risk of litigation against the state, the agency and its Commissioners and employees.

The General Counsel's Office is responsible for:

- rulemaking and rule review;
- responding to Open Records requests;
- supporting Advisory Boards;
- advising the Commission; and
- drafting contracts and legal opinions for the agency.

The General Counsel's Office works closely with the Office of the Attorney General to pursue court orders, seek the collection of delinquent fines, and to coordinate other legal proceedings that arise. When needed, the division consults with the Office of the Attorney General on new and revised rules and on Open Records requests. The General Counsel, TDLR's Chief Audit Executive and Ethics Officer, serves as the advisor to the Commissioners, Executive Offices, and agency staff concerning pending hearings and cases, bills and new laws affecting the agency, ethics questions, and sensitive legal matters.

Since the beginning of fiscal year 2007, the Office of the General Counsel has improved consistency among the agency's twenty-six programs by:

- repealing 22 rules;
- revising or drafting more than 328 rules adopted by the Commission; and
- coordinating responses to more than 761 open records requests.

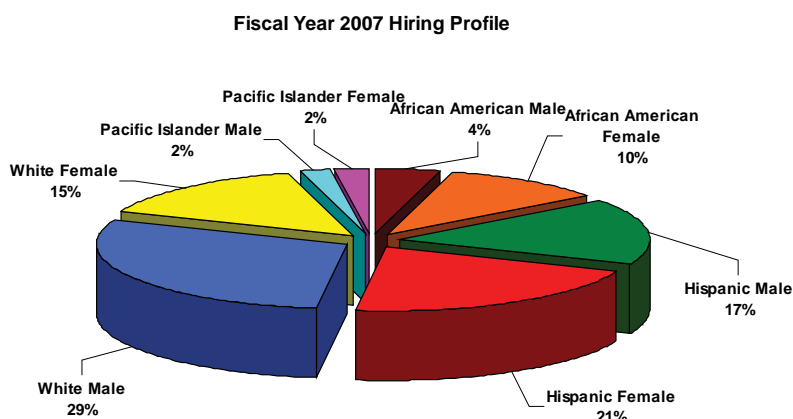
## Agency Make-up and Commitment to a Diverse Workforce

### TDLR Workforce

TDLR's dedicated and knowledgeable staff administer a variety of programs, regulating industries and occupations under its jurisdiction. For the 2008 – 2009 biennium, TDLR has an authorized workforce of 379.5 full-time equivalent positions (FTEs). This fifty-one percent increase in FTEs from fiscal year 2007 resulted from the transfer of the Tow Truck and Vehicle Storage Facility programs and the approval of critical enforcement and customer service related exceptional item requests.

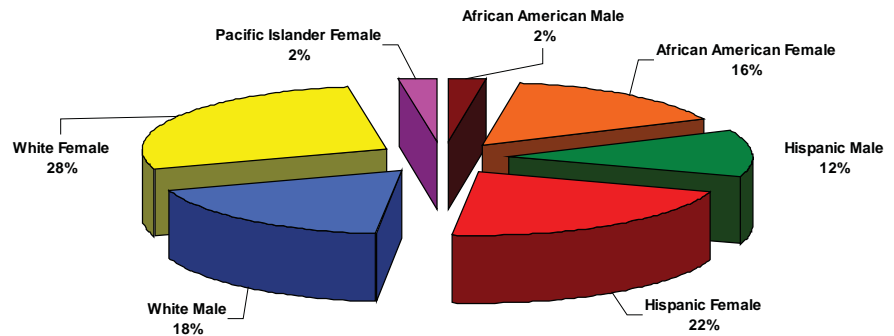
### Commitment to Diversity

Consistent with TDLR's core values of respect and integrity, we meet our commitment to provide equal employment opportunities to all applicants and employees. We are committed to recruiting, selecting, and retaining highly qualified staff that is representative of the state's diverse labor force. The



charts below show the demographic distribution of the forty-eight new employees hired in fiscal year 2007 and the ninety-two hired through the second quarter of fiscal year 2008.

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



In the first quarter of fiscal year 2008, African-Americans and Hispanic-Americans made up sixty-two percent of the agency’s workforce. The following table further shows that diversity, comparing the percentage of African-American, Hispanic-American and female TDLR employees to the statewide civilian workforce, for the time period September 1, 2007 through November 30, 2007.

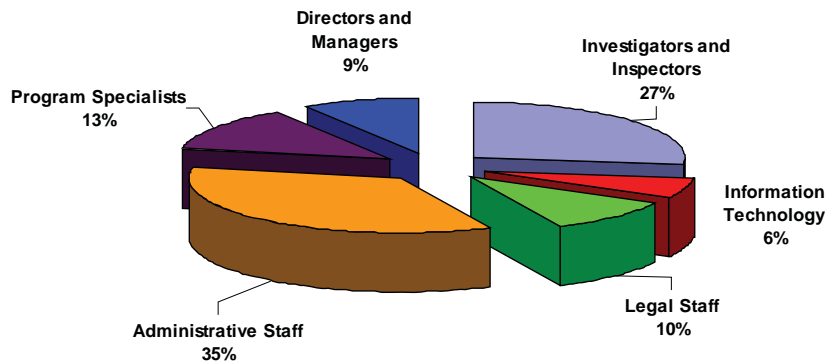
**Agency Workforce Composition**

Job 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	19.5	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	29.7	85.5	88.3

TDLR’s workforce mirrors the aging population, and like most organizations, we are facing the retirement of the “baby boomers.” In preparation, TDLR engages in succession planning and targeted recruitment to minimize the gaps in experience and technical knowledge that may be caused by retirements.

The following chart reflects the percentage of employees by job category eligible for retirement through 2011.

Retirement Eligibility by Job Category (through calendar year 2011)

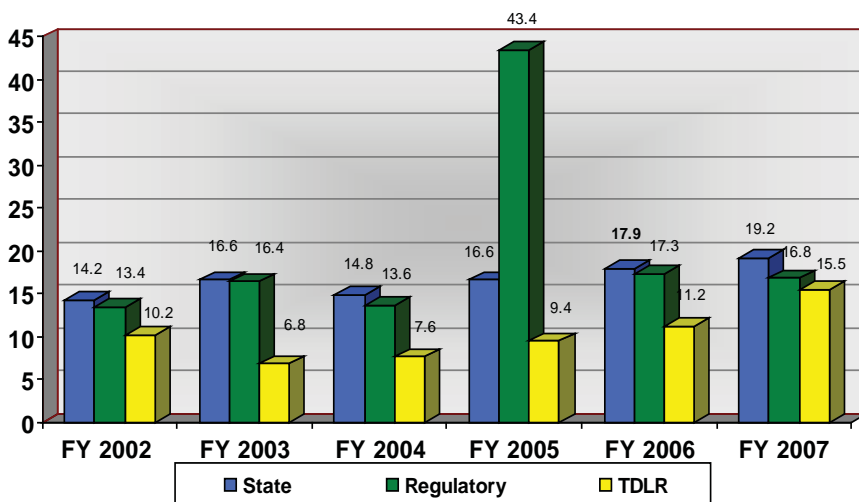


## Employee Turnover and Staff Experience

### Low Turnover

Recruiting and retaining talented and motivated employees in today's competitive business environment is a challenge. Often the most capable employees are pursued by other businesses or agencies, sometimes with offers of higher salaries. TDLR has successfully competed for these employees by creating a satisfying work environment that promotes opportunities for growth. The following graph reflects TDLR's success in employee retention.

Statewide, Regulatory Agencies & TDLR Employee Turnover

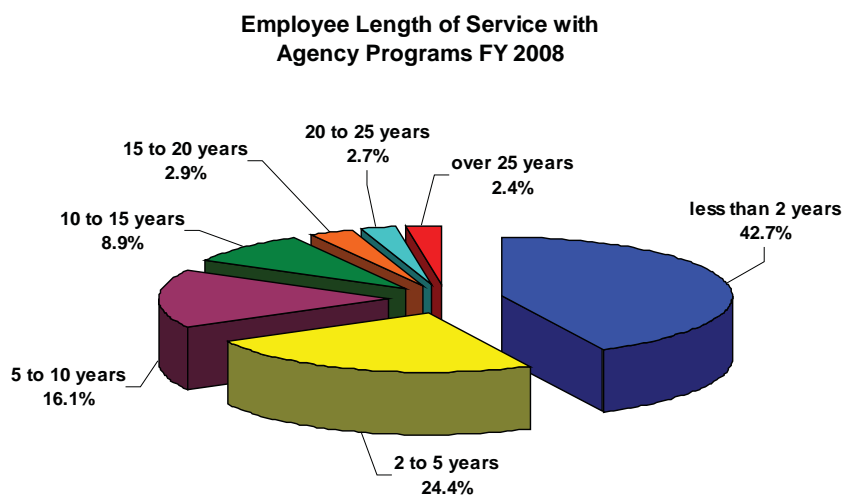


Employees tend to stay with TDLR because of our respect-based culture and our management philosophy that invests staff at all levels with a sense of ownership in the business of the agency. In keeping with our core value of open and free communication, employees are kept informed about events affecting the agency through a variety of means including staff meetings, e-mail notifications, town meetings, and the agency's Intranet. For example, the Human Resources Management Office uses the Intranet to disseminate information relating to insurance, personnel policies, compensation, and benefits to all employees. Our employees also appreciate our employee-friendly management policies that allow a balance of work and personal lives. These policies include flexible or alternative work schedules and our tuition reimbursement policy for employees who choose to pursue job-related education.

While we enjoy a lower than average turnover rate, we continue to monitor the reasons employees leave our agency. When employees resign or retire we ask them to complete a survey regarding their reasons for leaving. We rely on the feedback received to implement changes that will improve the employee experience at TDLR.

### **Highly Qualified Workforce**

TDLR values all its employees – those who have long and rich experience with agency programs and those who bring fresh perspectives from the outside. Approximately seventy percent of our employees have worked with the agency's programs for more than five years. These valued employees provide institutional knowledge and industry expertise, and contribute to the agency's solid customer relationships and strategic planning process. Our newest employees help us see outside ourselves by contributing new ideas that improve our processes and services. Both are essential to the continued vitality of the agency. The chart on the following page shows a breakdown of our employees' length of service.



As the state's umbrella licensing agency, TDLR regulates a variety of businesses and occupations, each with its own specialized body of technical knowledge. We target our recruiting and hiring practices toward individuals whose knowledge, skills and experience are best suited to serve our diverse licensee populations. Through our employment of building design professionals, master electricians, an air conditioning and refrigeration contractor, a meteorologist, and others with technical knowledge and experience in our programs, we are able to effectively regulate these specialized industries. For our enforcement efforts we have been successful in attracting highly qualified investigators and attorneys whose advanced skills allow them to handle cases involving our regulated industries. These include among the investigators a retired FBI agent, a former chief of police, and several former military police investigators. Among the attorneys we employ a former district judge and a former assistant district attorney. For our customer contact needs we have recruited a number of customer service representatives with extensive call center experience from the private sector, including Dell, Sears, Harte-Hanks, Progressive Insurance, and Verizon.

The quality of our workforce is further enhanced by our commitment to training and staff development. We recognize that even the most qualified and experienced employee will benefit from learning new skills or perspectives. Managers are encouraged to maximize training opportunities from sources inside and outside the agency. Agency employees with specialized skills or



knowledge often train other employees. We also take full advantage of other sources of training, such as New Horizons, the Employee Assistance Program, the Attorney General's Office and the Governor's Center for Management Development.

## Fiscal Aspects

### Size of Budget

TDLR's baseline budget for the 2008 – 2009 biennium is \$43,078,180. The 2007 Legislature expanded two existing programs, transferred two programs and added one new program for TDLR to administer. The Air Conditioning and Refrigeration program was expanded by adding the registration of technicians. The Electricians program was expanded to include the licensing and regulation of appliance installers and contractors. The licensing and regulation of tow trucks, tow truck operators, and vehicle storage facilities were transferred to TDLR and the new program added was the registration and regulation of certain Discount Health Care Card programs. The contingent appropriations for operating these programs are included in the chart below.

TDLR APPROPRIATIONS	FY 2008	FY 2009	TOTAL
*Baseline Budget	\$16,766,859	\$16,469,948	\$33,236,807
Article IX, Section 19.02 (Air Conditioning Technicians)	645,092	572,826	1,217,918
Article IX, Section 19.39 (Tow Trucks and Vehicle Storage Facilities)	4,278,047	3,552,857	7,830,904
Article IX, Section 19.41 (Appliance Installers)	223,330	140,605	363,935
Article IX, Section 19.105 (Discount Health Care Card)	226,852	201,764	428,616
Total Appropriations (estimated)	\$22,140,180	\$20,938,000	\$43,078,180

Additionally, House Bill 15, 2007 Legislature, provided \$463,202 in supplemental funds to TDLR that were not a part of the baseline budget, and those funds are reported separately. The funds were provided to settle the remaining debts of the former Cosmetology Commission and the Board of Barber Examiners from the 2004 – 2005 biennium, as well as to cover the unanticipated costs incurred due to the sale of the state-owned building housing the Barber and Cosmetology programs immediately prior to their transfer to TDLR. All former debts have been settled and reported to the Comptroller.

## Method of Finance

Over the course of the 2008 – 2009 biennium, TDLR is required to collect revenues to cover approximately \$40,000,000 in appropriations, the additional contingency requirement of approximately \$2,800,000 and the \$10,400,000 in indirect costs. Indirect costs include items such as the cost for services from other agencies as well as employee medical and retirement benefits. Revenue is generated from fees for license applications and renewals, registrations, plan reviews, inspections and collection of fines. Other sources of revenue, which include appropriated receipts and interagency contracts, contribute approximately \$1,077,000 to the department's biennial revenue.

## Budgetary Limitations

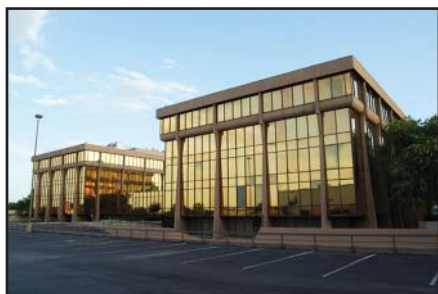
Contingent appropriations for the new and expanded programs awarded to the department in Article IX of the General Appropriations Act (GAA) are shown in the appropriations table above and are subject to concurrence by the Comptroller that the agency will generate sufficient revenue to cover the additional \$1,438,886 of contingent appropriations. This amount must be raised in addition to the \$53,534,087 in revenue required by the GAA for the 2008 – 2009 biennium. The Legislative Budget Board developed contingent appropriations from estimates calculated during the Legislative Session. TDLR's challenge will be to manage expectations should the projected numbers of licensees in new and expanded programs not be consistent with the estimates. For example, the projected number of discount health care card operators will not generate revenue sufficient enough to cover the cost of operating the program.

## Current and Future Budget Needs

### Budgetary Effects of the Continued Expansion of Agency Responsibilities

The department received appropriations for new programs during the 80<sup>th</sup> Legislative Session as well as for additional enforcement and customer service contact center staff. This additional staff, due to the agency's increased responsibilities, has resulted in higher projects costs for:

## Background



leased space will provide plenty of parking for public meetings

- office space;
- furniture;
- electronic equipment; and
- customer service contact center redesign and related software.

Office Space: TDLR's headquarters in the E. O. Thompson building could not accommodate the additional FTEs. In fiscal year 2008, TDLR paid for renovations to the 6<sup>th</sup> floor of the Thompson Building to house the agency's customer service contact center and increased contact center staff. We also paid for the reconfiguration of the Thompson Building to provide space for additional staff. Two office suites were obtained in the Hobby Building but were not sufficient to house all of the additional staff. We were able to secure leased office space in the Twin Towers Building on Clayton Lane to house the remaining staff.

The agency also has field offices in Houston, San Antonio and Fort Worth located in state-owned space. The Houston and San Antonio offices, however, do not have sufficient space for assigned staff. With the current needs, possibility of future growth, and lack of state-owned office space in these areas, TDLR may incur the added expense of open market leases.

Furniture: The increase in staff will require TDLR to purchase some additional furniture and fixtures. We are able to achieve savings by using modular units and furniture as available from State Surplus.

Electronic equipment: Additional desktop and notebook computers will be purchased for new staff as they are hired. Notebook computers are provided to employees required to travel and desktop computers are provided to employees who work in an office. Concurrently with these purchases, the department will continue to "refresh" its inventory of computers consistent with the state's four year schedule.

In addition to equipment for staff, the two new locations also increase the number of network printers/copiers needed to serve remotely located staff. The need for staff training space led to the equipping of two small training rooms in our headquarters building with computers, projectors and related equipment. In addition to Commission and Advisory Board meetings, the larger meeting room at the Twin Towers Building will also house the Architectural

Barriers “Texas Accessibility Academy” and other training seminars with large numbers of attendees.

### **Data Center and Disaster Recovery Services Consolidation**

The cost of the data center and disaster recovery services consolidation has been greater than expected. For fiscal year 2008, the Texas Department of Information Resources’ (DIR) original estimate of TDLR’s cost was \$163,630. Fiscal year 2008 billings through March, only the seventh month of the fiscal year, indicate that the actual cost will be at least 1.5 times the projected cost. Billings to date from DIR for the consolidation have been based on outdated and incorrect information. Each invoice has been carefully analyzed and disputed with corrected amounts forwarded to DIR. This continued lack of current information about project costs will make projections for the 2010 and 2011 Legislative Appropriation Request difficult. This consolidation has also required a greater commitment of time from agency staff than originally planned. In addition to the in-scope contract costs, the agency will incur significantly increased costs for network bandwidth, a direct result of the data center services consolidation.

### **Future Needs and Lessons Learned**

The Texas Legislature continues to assess and consider other licenses and regulatory duties that may be viable candidates for consolidation or transfer to increase efficiency and achieve cost savings. Because TDLR has established a successful record of undertaking such programs, the agency may continue to see additional growth in the upcoming session. TDLR will work closely with the Legislature to ensure that the lessons learned from previous sessions are applied to new programs and program transfers. These lessons include evaluating and providing the necessary resources to address:

- cost of office space;
- cost of data processing with data center consolidation;
- need to increase the out-of-state travel cap;
- retention of skilled staff (workforce initiatives);
- cost and time of database conversions; and
- liabilities such as outstanding court cases or unpaid expenditures from consolidated agencies.

## Background



the E. O. Thompson building is TDLR's headquarters

### Capital and Leased Needs

TDLR's headquarters is in the E.O. Thompson Building, a state-owned building managed by the Texas Facilities Commission (TFC). During fiscal year 2008, the agency incurred additional facility costs because of the increased responsibilities given to it by the 2007 Legislature. As the agency's staff grew, additional space was needed to accommodate them. Although TDLR obtained additional space in the state-owned William Hobby Building, more was needed. Since adequate state-owned facilities were not available, we leased space in the Twin Towers Building, and relocated our Enforcement division there. The Twin Towers Building will also provide a large meeting room that will be used for Commission and Advisory Board meetings and the Architectural Barriers "Texas Accessibility Academy." The building is surrounded by free parking that will make meetings more accessible to the public and our licensees.

Renovations were completed at the Thompson Building, providing appropriate space for the customer service contact center. Additional renovation is underway to accommodate added staff.

The agency leased two 2004 4WD Chevrolet Tahoes and, at the end of the lease in January 2007, took advantage of the \$1.00 per unit bargain purchase option. We will monitor the condition of the vehicles, but current plans are to replace them during fiscal year 2009. There are no plans to lease additional vehicles at this time.

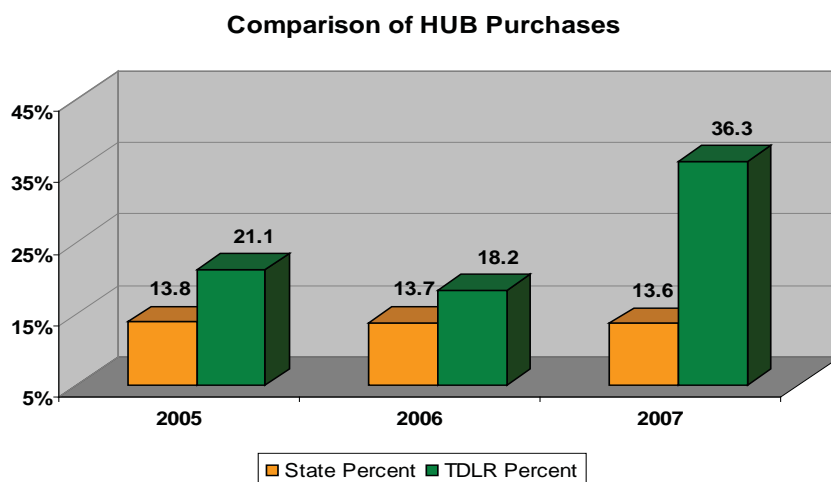
During 2008 and 2009, the increase in staffing will require TDLR to order computers and software licenses to accommodate the new employees. Also, TDLR's four year computer replacement schedule will require the replacement of forty-eight computers during fiscal year 2008; sixteen computers in fiscal year 2009; fifty-five computers in fiscal year 2010 and sixty-six in fiscal year 2011.

The Network Systems and Maintenance section is also considering the purchase of a network access control device to verify and check incoming data to further protect against viruses and intrusions. With an increasing number of staff located outside of agency headquarters, the Austin agency personnel operating from three locations and access by the Team for Texas as part of the data center and disaster recovery services, the security environment must continue to be strengthened.

## Historically Underutilized Businesses

TDLR has consistently exceeded the state averages for purchases and contracts in the areas of professional services, commodity purchasing and other services from historically underutilized businesses (HUBs). Since TDLR's last strategic plan, the agency was recognized by the Texas Association of African American Chambers of Commerce for the number of purchases made and contracts with HUBs. For fiscal year 2007, TDLR's HUB purchasing at 36.3 percent was two and a half times the statewide average of 13.8 percent.

The chart below compares TDLR's performance in HUB purchasing to the statewide HUB purchasing for fiscal years 2005 through 2007.





The **Strategic Plan Assessment** Section is a comprehensive evaluation of TDLR, its performance, and its needs, organized under the following sections/headings:

**Technological Developments** – Impact of technology on our current operations, our current advanced level of automation using technology, our vision for use of future technological advances, and a discussion of the use of future innovative technology.

**Key Organizational Events in Areas of Change** – Discussion of results of management’s deep-rooted belief in innovation, efficiency and excellent customer service: our successes, addition of new/transferred programs, innovative use of technology, success of strategic initiatives from our last plan, license fee reductions, and other opportunities for improvement.

**TDLR Highlights and Accomplishments** – Highlights of agency successes, new responsibilities, increased efficiencies, and organizational and service improvements.

**Self-Evaluation and Opportunities for Improvement** – Results of our focus on being a model state agency through self-assessment and continued improvement. Includes information on staff retention and growth, performance measuring and audits, strategic challenges, customer support and interaction, and our efficient, targeted use of private sector partnerships.

**Service Population Demographics** – How our services benefit Texans, and who we serve.

**Public Perception** – Information on how Texans use our services, and of how changes in Texas’ population will effect and increase the need for services.

**Economic Variables** – An analysis of the effects of changes in the economy and other factors such as natural disasters, and our ability to successfully deal with these factors.

**Effect of Federal Statutes/Regulations** – Outline of federal laws, rules, regulations, court cases and partnerships that affect us, and how we deal with changes these may generate.



**Cooperation with Local, State and Federal Entities** – Discussion of possible effects of State law changes and outstanding court cases, and of our partnerships with local government.

**TDLR Customer Satisfaction** – Summary of customer assessment and public feedback gained from our strategic planning focus groups.

**Strategic Plan Assessment Highlights**

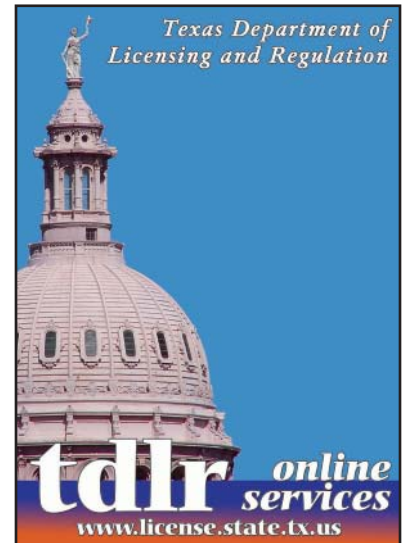
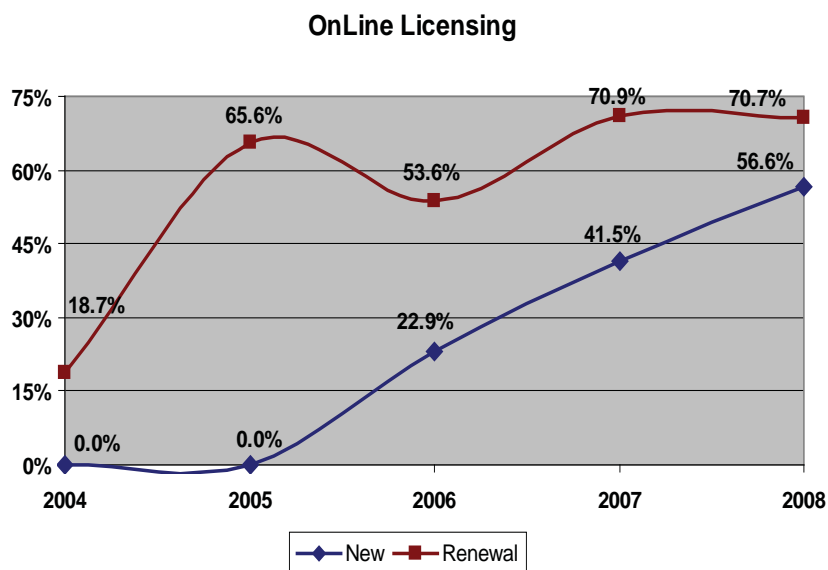
- our innovative and targeted use of technology to increase efficiency
- our strategic and ongoing process review to increase productivity and decrease costs
- inventive software and online services that make compliance with regulatory requirements easier and quicker
- significant improvement in internal and external communication and customer service
- continued growth in the agency as a recognition of the continued success of our common-sense approach to licensing and regulation
- substantial increase in use and usefulness of online services

## Technological Developments

### Impact of Technology on Current Operations

Using technology to its greatest advantage is one of the key building blocks for our success. Agency processes – the work performed to license and administer the programs – are continually reviewed and streamlined for cost-efficiency and delivery of exemplary customer service.

As a charter participant in TexasOnline, TDLR continues to be a leader in the use of new technology. Through our development of multiple integrated systems, we have built a success story that uses technology advances to create advantages of scale which translate to more customer service for a lower cost. TDLR continues to develop efficient online services and market their benefits to licensees. The following chart shows TDLR’s success in developing online applications which have increased from three percent in 2004 to sixty-two percent in 2008, while paper applications have declined from sixty-five percent in 2004 to twenty percent in 2008.



post card notification of impending license expiration encourages online renewals



mobile computing is a great benefit to inspectors and investigators

Private sector partnerships for high-volume repetitive duties free agency staff to devote more time to tasks that require personal attention. An example of such partnerships is TDLR's document imaging service. By working with a private sector company, the agency took advantage of the company's imaging expertise and economies of scale to perform the tasks of scanning and indexing millions of documents into a vast bank of imaged data. As a result of the partnership, TDLR was able to increase efficiency in the review, retrieval, and dissemination of imaged data, and to reduce storage space and paper costs. License status, violations and inspection information are all available online because of these imaged documents.

This approach also helps TDLR maximize its resources when it takes on large licensee populations, such as electricians. By redirecting the massive volume of paperwork to private companies geared to deal with that scale, TDLR is able to better focus on its mission of ensuring compliance with state law and safety to the public.

Connected to the imaging system is TDLR's licensing system, the Texas Umbrella Licensing Information Program (TULIP). Internally developed by TDLR's Information Technology staff, TULIP generates licenses and records digitally, saving paper, storage and maintenance.

TDLR is also moving from desktop computers to mobile computing. The Commission meeting materials are on CD-ROM. Providing Commissioners with network access during meetings saves money and makes the meetings more effective. Key personnel have PDAs, enabling them to connect to e-mail, work on documents and coordinate efforts while on the move in the buildings, away from the office, or out in the field.

PDAs and notebook computers allow investigators and inspectors to write and transmit information from remote areas throughout Texas and reduces the need to visit the home office before filing reports. Information is accessible throughout TDLR in a more timely manner than ever before.

### **Better Communication**

TDLR has improved communication with licensees by using technological advances. TDLR uses online surveys to poll licensees on questions that

affect policies and their implementation. Electronic mailing lists, with over a quarter-million subscribers, keep licensees and the interested public informed of rule and law changes, meeting times and other program events. Updated constantly, the agency web site is the primary point of contact for information on all program types, both for the industries and for the consumers. The agency-only Intranet provides vital information and tools for employees to help them do their jobs efficiently.

### Improving Services

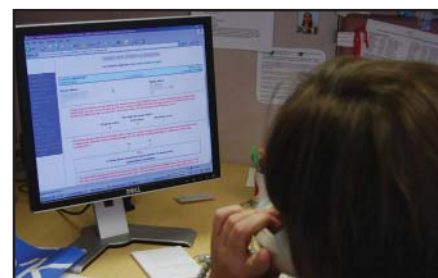
Two recent developments, created internally, are targeted to specific program areas and are great successes. The Student Hours Enrollment Automated Reporting System (SHEARS) is TDLR's web interface for schools offering instruction to barber and cosmetology students. SHEARS enables these schools to file student information directly with TDLR, easing the burden of school reporting and resulting in a more timely and verifiable transfer of records. Students can now access their records and track their progress to course completion, as well as receive notification of updated records and eligibility for examinations.

The Texas Occupations Online Licensing System (TOOLS) was developed to provide a way for towing companies and vehicle storage facilities to electronically submit and track their license information through a secure connection. This shortens the delivery time of information, reduces traditional mail use, and allows the licensees to maintain some of their account information. TOOLS also allows for the real-time updating of insurance information by authorized insurance providers in Texas.

### Impact of Anticipated Technological Advances

As technological advances have occurred, TDLR's culture of process review spurs the agency to develop new ways to turn these advances into advantages. TDLR's workflow will continue to use economies of scale to streamline processes that benefit the public, by expanding its partnering with private entities and developing new strategies internally.

Advances such as Internet-based computer applications, notebook computers, and PDAs means that more employees will be able to work efficiently without



the TOOLS software allows towing and vehicle storage companies to securely submit and track their license information



a kiosk is available in TDLR's lobby to facilitate online licensing and renewals

being attached to a desk in an office. This also means that web services will increase, and that delivery of these web services will need to be compatible with these portable devices in order to maximize this potential.

### **Degree of Department Automation**

TDLR is a highly automated agency. The most visible delivery point of this automation is the agency's web site, which provides access to virtually every service the agency provides. Online licensing and renewal, searchable databases of licensees, equipment and enforcement actions, reporting of violations, and tracking of documents are all available online. Other services and tools on the web site include program forms, laws, and rules; public meeting agendas, minutes, and audio files; contact information and electronic mailing lists.

Internally, there are many more automated components that provide the information and services displayed on the web site. Private sector entities electronically provide information on projects and installations throughout the state, including reporting on boiler inspections and architectural projects.

TDLR's Customer Service section is automating many of its practices, which will result in better deployment of resources and an increase in strategically placed information on the web site. TDLR's imaging system, the licensing systems (TULIP and TOOLS), the SHEARS system, and TDLR's computer network all play important parts in agency automation.

### **Anticipated Need for Automation**

In order to continue our success, TDLR must stay abreast of technological advances and find ways to turn them into advantages. The following are opportunities for automating services:

- investigating the expanded use of remote meeting technologies, to allow for teleconferencing;
- increasing the data sharing between headquarters and remote offices;
- increasing system security for computer networks;
- moving internal agency documents to a paperless format, such as the ending of distributing printed payroll documents;

- adding features such as photographs to license cards to better identify the license holder;
- expanding services that are accessible by wireless devices such as PDAs;
- identifying and implementing other opportunities to use economies of scale in partnerships; and
- converting all license types to TDLR's licensing systems

## Key Organizational Events and Areas of Change

### Success Breeds Challenges, Challenges Breed Opportunities

Our mission to ensure the public's safety and to foster a fair and efficient regulatory environment is realized every day. Management's deep-rooted belief in innovation, efficiency and excellent customer service has enabled us to achieve our vision of becoming a model state agency. As such, the Legislature sees us as an agency with solutions for new or troubled licensing programs and continues to add to our scope of responsibility by placing these programs under TDLR's umbrella. We continue to fine-tune our organization and functional alignment to adapt to the changing and growing demands on our human and financial resources.

Recognizing the agency's efficient structure and common-sense approach to licensing and regulation, the Legislature transferred the duties of two struggling licensing agencies to TDLR. On September 1, 2005, all duties, workloads and liabilities of the Texas Board of Barber Examiners and the Texas Cosmetology Commission were transferred to TDLR. These transfers increased our licensee population by 115 percent, but came with only a thirty-one percent increase in our number of FTEs.

In 2007, the Legislature gave us more responsibilities and additional employees. Two new license types were added to existing programs – technicians under the Air Conditioning program and appliance installers under the Electricians program. The regulation of tow trucks and vehicle storage facilities was transferred to us from the Texas Department of Transportation and the scope of these programs was expanded to include the licensing of tow truck drivers and vehicle storage facility employees. A new licensing program was created for the regulation of discount health care card operators.

#### What are the keys to TDLR's success?

"TDLR has obtained great success by two objectives: Focus on Customers, and Focus on Employees." -- Mike Arismendez, TDLR Commissioner (Shallowater, TX)



in 2007 the Legislature transferred the regulation of tow trucks and vehicle storage facilities to TDLR

### Why is TDLR unique among state agencies?

"TDLR is recognized among Texas legislators, industry leaders and the citizens of Texas as a well managed and effective agency. Proof of this is found in the large number of programs transferred by the 79th and 80th Legislatures."  
-- Lewis Benavides, TDLR Commissioner  
(Oak Point, Texas)

### Interim Charges

Management's philosophy of excellence and its track record of success has earned TDLR a reputation as an organization that can adapt to change, solve problems, and effectively manage a variety of new and existing programs. As the Legislative committees consider their interim charges, they may look to TDLR to provide information on the issues they are studying. For example, the House Committee on Appropriations is charged with examining regulatory agencies and programs to consider aspects such as call center consolidation, strategies to allow greater access to revenue generated, and communication of best practice alternatives across agency lines. The House Committee on Government Reform reviews a wide variety of state agencies with an eye to streamlining state government. The Committee is instructed to recommend the repeal of unnecessary statutory requirements, the deregulation of certain industries if in the public interest, and ways to implement agency efficiency recommendations identified by the Legislative Budget Board, the State Auditor's Office, and the Sunset Advisory Commission. The Senate Business and Commerce Committee studies the number of state business licenses and the need and cost for each license. They estimate the cost and benefits to consumers of licenses and the effect on small, start-up businesses.

The House Licensing and Administrative Procedures Committee examines the current practice of certain occupations and determining whether these occupations pose any significant threat to the health, safety and welfare of the general public to the extent that increased regulation is needed. In previous Legislative Sessions, occupations such as roofing contractors and sheet metal workers have been proposed for inclusion under TDLR's umbrella. The department is in a unique position to provide valuable information to the Committee. TDLR is prepared to lend its expertise to the Committee's evaluation of these interim charges.

The House Committee on Government Reform studies and reviews current laws regarding licensing and regulation of professionals and makes recommendations on limiting and streamlining license requirements. The House Committee on Appropriations evaluates budget structure effectiveness and assesses all performance measures, operating budgets, budget transfers, changes in full-time equivalents, major contracts, litigation, debt financing, and all rider provisions and has oversight of all state agencies.

One of TDLR's major functions involves screening the criminal backgrounds of license applicants for original applications and renewals. Three interim committee charges could have a direct affect on how we perform criminal history checks:

- The Senate Committee on Government Organization examines criminal background check requirements across Texas health and human services, law enforcement and education agencies, as well as other licensed professionals. They also determine best practices, develop cross-agency standards, and make recommendations for reducing costs and streamlining processes.
- The House Committee on Corrections considers new strategies for meeting prisoner re-entry challenges in Texas, including evaluation of programs with documented success. This review should include identifying barriers to finding housing and employment.
- The Senate Committee on Criminal Justice reviews the process for re-entry of criminal offenders into communities. They identify barriers to the successful return to law-abiding behavior, including the absence of employment opportunities created by restrictions on obtaining certain state occupational licenses. They are to provide recommendations for improvements to current statutes governing this matter.

### Growing Leaders

TDLR has consistently benefited from its philosophy of growing leaders from within. Our culture of innovation and core belief in leadership development and team building enables us to respond nimbly to a changing and growing environment. We embrace change and recognize that it presents a valuable opportunity for progress.

TDLR staff are encouraged to take part in shaping the philosophy and operations of the agency through participation in activities such as internal focus groups, Town Hall Meetings, strategic planning, the analysis and implementation of legislation, and employee surveys. This allows non-management staff to develop and showcase their leadership skills, while giving management the opportunity to assess staff members' leadership potential.



### Improving Services Through Technology

TDLR is a leader in the innovative use of technology. Many licenses can be applied for and renewed online and most of our license databases can be accessed by the public and our staff through our web site.

We have created individual web pages for the twenty-six programs administered by TDLR. Program-specific “home pages” on our web site for each of the agency’s programs include extensive information and services, such as:

- basic description of the program and its purpose;
- program laws and rules – adopted and proposed;
- announcements of meetings and other public events;
- links to live and archived broadcasts of Advisory Board and Commission meetings;
- timely and simple online license applications and license renewals;
- printable application forms and instructions;
- database searches for licensees, buildings and equipment;
- online complaint filing;
- information on enforcement actions against licensees; and
- frequently asked questions (FAQs).

With the addition of new and transferred licensing programs, our Information Systems Development staff are faced with a tremendous and time-sensitive workload. Concurrently they are working on conversion projects for licensing programs remaining on our old legacy system. The most recent of these conversions was that of the elevator/escalator certification system, which includes information for over 40,000 pieces of equipment. Staff spent many hours converting and expanding the tow truck and vehicle storage licensing system transferred from the Texas Department of Transportation. The system, referred to as the Texas Occupations Online Licensing System (TOOLS), was up and running at the time of the transfer. The licensees experienced a seamless transfer, with almost no change to their business practices related to existing licensing requirements.

In addition to these accomplishments, the Information Systems Development staff have developed other online services such as:

- new license application for several of the agency's programs;
- license renewal for a growing number of licenses, the use of which is as high as ninety-six percent of those renewing in some programs;
- new *Student Hour and Enrollment Automated Reporting System (SHEARS)*, which allows barber and cosmetology schools to use our web site to add and drop students, post student hours, apply for and print student permits, and enables students to track their hours;
- continuing education course completion data which allows providers to quickly post continuing education credits earned by licensees;
- construction project registration allowing design professionals and building owners to register their construction projects with the Architectural Barriers program, and soon, to pay registration fees by credit card;
- searchable online databases for licensees, Architectural Barriers projects, elevators and escalators, boilers, and online access to imaged inspection records and related documents for the Elevator and Boiler programs;
- sign-up for our automatic e-mail notification system, for all programs;
- online submission and search capability for well drilling and well plugging reports in the Water Well Drillers and Water Well Pump Installers programs, using the State of Texas Well Report Submission and Retrieval System (developed in conjunction with the Texas Water Development Board); and
- boiler inspection report submission by agency and third-party boiler inspectors.

### Opportunities for Improvement

In focus groups and discussions conducted during our strategic planning process, staff and customers identified opportunities for improvement in our licensing, regulatory and enforcement functions. Included in these were changes in law that would provide consistency across TDLR's diverse programs, allowing them to better fit into our functional alignment. These changes will

License	Exp.Date	Name	City	Zip	County
INCL0000111111	04/21/2009	WRIGHT, CHARLES E (CHARLES E WRIGHT)	HOUSTON TX	77096	HARRIS
INCL0000111111	05/12/2009	CONWAY, MAURIE LOVE (H C SERVICES)	SAN MARCOS	78666	HAYS
INCL0000111111	04/27/2009	ANDERSON, ORVILLE J (JON ANDERSON COMPANY)	SUGAR LAND	77479	FORT BEND
INCL0000111111	12/27/2008	HORNAN, JAMES CHESTER (JAMES HORNAN INSPECTIONS)	PASADENA TX	77664	HARRIS
INCL0000111111	05/29/2009	MERINFIELD, ROBERT BRENT (H AIR PLUS)	BUDA TX	78810	HAYS
INCL0000111111	05/14/2009	BRUNNE, DAVID (DAVID BRUNNE AIR CONDITIONING)	LOOHHART TX	78044	CALDWELL
INCL0000111111	06/19/2009	WARR, FRIEDRICH EISENBURG (WARRMAN FONES CLEANING OF DALLAS INC)	Dallas TX	75207	DALLAS
INCL0000111111	04/27/2009	TAYLOR, LARRY PRESTON (LARRY TAYLORS)	AUSTIN TX	78853	TRAVIS
INCL0000111111	04/27/2009	HARSEL, BARRY BRUCE (B H AIR CONDITIONING & HEATING INC)	DE KALB	75839	BOWNE
INCL0000111111	04/29/2009	NICHOLAS, JERRY (JERRY TEMPERATURE CONTROL INC)	HOUSTON TX	77071	HARRIS
INCL0000111111	04/21/2009	HOPKAY, CHARLES E (HOPKAY CONSTRUCTION)	BAYTOWN TX	77629	HARRIS

license data and other information is accessible on TDLR's web site

bring greater efficiency and effectiveness to administration of the programs, helping to harmonize certain functions common to all of them, and providing better protection for consumers.

The following statutory changes would improve enforcement in the agency's programs:

- subpoena authority for all programs;
- cease and desist authority for all programs;
- emergency order authority for all programs;
- creation of license denial standards specific to the Discount Health Care Card program;
- amendment of the Personnel Employment Services law to give TDLR authority to pursue all violations of law and rules, rather than limiting our consumer protection to applicant fee violations.

The following statutory changes apply to all programs and improve licensing services to customers:

- authority to issue temporary licenses;
- authority to issue emergency licenses; and,
- authority to issue "inactive" status licenses.

Additional opportunities for improvement identified by TDLR staff and customers include:

- availability of even more online services;
- removal of the FDA listing requirement for sterilizers in the Barber and Cosmetology programs;
- evaluate the viability and continued regulation of certain licensing programs consistent with the House and Senate interim charges; and
- strengthen and clarify surety and financial bond requirements for certain license programs.

### Fee Reductions

Part of TDLR's vision to be the model state agency is to set the standard for

#### Why is TDLR unique among state agencies?

"Preserving high quality service while lowering fees distinguishes TDLR from other state agencies. Through innovation, leadership, and strong teamwork, TDLR is able to accomplish what others can only attempt."

-- Lillian Norman – Keeney, TDLR Commissioner  
(Taylor Lake Village, TX)

innovation, cost effectiveness and staff efficiency. This vision guides our goal to provide licensees the best services at the least possible cost. Consistent with our statute and as a part of this goal, annually we annually review the costs of administering each program and compare that to the amount of fees collected for the program. Through our functional alignment, constant process review, and subsequent improvement, we have been able to create cost savings for many of our programs. As a result, in fiscal year 2008 the Commission approved lowering licensing fees for seventeen different license types in eight different programs. As stewards of the public trust, we will continue to look for opportunities to reduce costs, ensure strategic use of public resources, and provide the highest level of customer service.

### Changes in Commission Membership

In the two years since our last strategic plan, TDLR's seven member Commission has seen two changes in its membership. Frank Denton, first appointed to the Commission in 2002, was appointed as Chairman of the Commission by Governor Rick Perry in 2006. Chairman Denton is an experienced businessman from Conroe, who is currently President of Denton Investment Corporation. Deborah Yurco is the newest member of the Commission, appointed by Governor Perry in 2007. Commissioner Yurco, an Austin resident, is an attorney licensed in Texas and Florida.

## TDLR Highlights and Accomplishments

### Measure of Success

#### Department Performance

In our last strategic plan, we identified six areas in which we would prioritize our planning efforts for fiscal years 2007 and 2008 – staffing and personnel; technology; complaint resolution; communication; education and examination; and consolidation. Initiatives were identified within each area and tracked to completion. Some examples are:

- **Staffing and Personnel:** *Answer More than Twenty Percent of Incoming Calls* – we are now answering over sixty-five percent of all incoming customer calls.



Frank Denton was appointed as Chairman of TDLR's commission by Governor Rick Perry



in 2007, the Governor appointed Deborah Yurco to TDLR's commission

- **Technology:** *Complete Conversion of Barber and Cosmetology Programs to TULIP* – both programs have successfully integrated into our TULIP system, including all licensing and inspection functions.
- **Complaint Resolution:** *Successfully Process Backlog Complaints from Cosmetology Commission* – over 13,000 complaint cases inherited from the Cosmetology Commission have been closed.
- **Communications:** *Participate in Trade Shows, Conferences and Other Outreach Opportunities* – our staff have conducted more than thirty-two meetings relating to the towing and vehicle storage industries in more than nineteen cities; Electricians and Air Conditioning programs staff conducted construction site visits around the state to assist local building officials and educate industry members on licensing requirements.
- **Education and Examination:** *Employ Technology to Improve Course Completion Submittals; Enhance License Examinations* – continuing education providers now use our web site to report hours earned by licensees; examination subject matter experts met during the past fiscal year to analyze and review all exams, ensuring exams are current and accurate.
- **Consolidation Cleanup:** *Increase Consumer Protection and Improve Overall Effectiveness of Regulation of Barbers and Cosmetologists* – statutory changes made in the 2007 Legislative Session clarified requirements for sterilizers for manicure and pedicure tools; created new license types to minimize regulatory burden on licensees; and gave the agency new authority to issue cease and desist and emergency orders to respond to serious sanitation violations.

TDLR continues to demonstrate its commitment to excellence by meeting sixty-one percent of our key measures in fiscal year 2006 and sixty-three percent in fiscal year 2007. Despite the addition of two new programs and the expansion of an existing program, the agency's staff remained focused on the goal of maintaining TDLR's status as a model agency in state government.

In addition to these key measure achievements, TDLR has been awarded the following recognitions:

- “Highest Percent Participation” in 2007 for the State Employee Charitable Campaign;
- 3<sup>rd</sup> Place in the “Life is in Your Hands 2007 Awards” from the Blood Center of Central Texas for employee participation in blood donations; and
- “Highest Per Capita” award in 2005 for the State Employee Charitable Campaign.

These awards reflect TDLR’s employees’ commitment to service beyond its regulatory duties and to the communities in which they live.

### New Responsibilities from the 2007 Legislative Session

TDLR was once again entrusted with the responsibility of additional programs. The agency was assigned one new licensing program, was the recipient of two transfer programs from another agency, and saw significant expansion of two existing programs.

House Bill 3064 created the licensing and regulation of Discount Health Care Card program operators, new to Texas and TDLR. While health care in general is a new area for TDLR, licensing and regulating new programs is not. By employing the best practices of our licensing model, we have been able to successfully incorporate the new law and program requirements into TDLR.

The licensing of tow trucks and the lots where towed cars are stored was transferred to TDLR from the Texas Department of Transportation (TxDOT). House Bill 2094 transferred the responsibility of these programs from TxDOT to TDLR. The bill significantly expanded the licensure requirements for these industries, creating new licenses for drivers of tow trucks and for employees of vehicle storage facilities. We are excited about applying our expertise in new industries, such as discount health care and tow truck operators. We look forward to providing greater consumer protection to the general public and a higher level of customer service to our licensees.

Our existing Air Conditioning and Refrigeration program was expanded under House Bill 463 to include the registration of air conditioning technicians. Previously, only the contractors were licensed but now those employees who assist with maintenance will be licensed as well.

#### **What is the greatest agency accomplishment since you joined TDLR?**

“The insight and innovation of TDLR leaders to implement the latest technologies for maximum productivity and minimum costs; and, by building teams who never lose focus, who identify internal and external needs, and identify processes to successfully integrate other organizations into TDLR.”  
 – Luann Morgan, TDLR Commissioner  
 (Midland, TX)

Finally, our existing Electricians program was expanded under Senate Bill 1222. Residential Appliance Installers, who often work with large retail home improvement stores, will now be licensed.

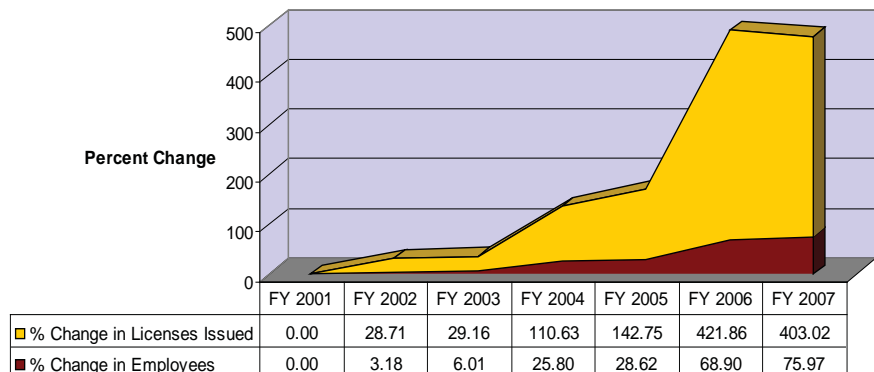
**Increased Efficiencies**

In fiscal year 2006, TDLR successfully consolidated two troubled agencies – the Board of Barber Examiners and the Texas Cosmetology Commission – into our functional alignment model. The net result of consolidations has been improved services to the licensees and general public, including the adoption of stronger sanitation guidelines, decentralized testing locations for students, lowered licensing costs, eliminated backlogs, and increased public outreach.

We also absorbed the new responsibilities associated with the licensing of electricians. TDLR realized significant efficiencies by partnering with a private company to perform manual processes, eliminating routine data entry by TDLR staff. This freed our staff to concentrate on complex analysis rather than manual processes. Another benefit of partnering with the private sector is that the work required to process licenses and renewals can be performed simultaneously by several divisions within TDLR. This reduces the time it takes to issue licenses.

Over the past seven years, TDLR’s innovative techniques for processing applications have allowed us to handle a 477 percent growth in the number of licensees without a proportionate increase in employees. The following chart shows the percentage increase in licensees and employees from the base year of 2001.

**Comparison of Percent Increase in Licensees and Employees From Base Year 2001**



These efficiencies allowed TDLR to lower license fees by \$3,338,085 over the past four years. The act of lowering license fees is unique in government, state and federal.

### **Customer Service Contact Center**

The increase in licensee populations put a strain on our customer service resources. The creation of the statewide electrician license in 2004, followed by the addition of the Barber and Cosmetology programs in 2005, overwhelmed customer service's capacity to answer all phone calls. Staff turnover coupled with the rise in phone calls to 908,000 resulted in less than twenty percent of calls answered in 2007.

To reduce call volume and improve customer service, TDLR initiated an extensive outreach campaign. Inspectors distributed flyers to licensees, the agency answered frequently asked questions on the web site, staff encouraged licensees to contact us by e-mail, and staff attended trade shows and held Town Hall Meetings for licensees throughout the state. Staff also studied the best practices of call centers.

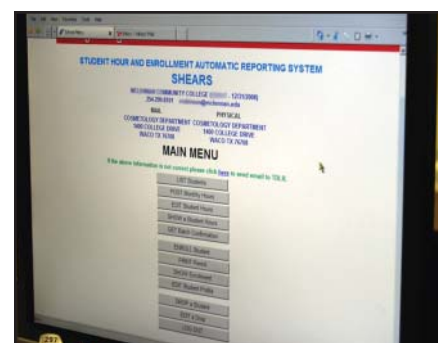
Only after taking these steps did TDLR request and receive additional appropriations for its customer service contact center in 2007. Our new contact center which opened in February 2008 was designed to encourage peer-to-peer assistance among call center employees and to give supervisors the ability to instantly check the status of any call. TDLR's phone system allowed us to see that a significant number of calls were coming in after hours. In March 2008, the contact center's hours were extended from the traditional 8 AM to 5 PM, to 7 AM to 6 PM. These additional two hours per day will allow us to answer approximately 13,000 more calls each year.

### **Student Hour and Enrollment Automated Reporting System (SHEARS)**

TDLR immediately implemented efficiencies upon the transfer of the Barber and Cosmetology programs. Decentralizing testing centers and providing for exam sites throughout the state helped streamline the licensing process. Plans were made to convert and computerize the old paper-based system that was used to enroll more than 20,000 students annually and track their progress.



the agency's new customer contact center opened in February 2008



the SHEARS program was developed by TDLR to allow barber and cosmetology schools to post student information and to enable students to track their school hours



TDLR created SHEARS, the Student Hour and Enrollment Automated Reporting System. With SHEARS, a school logs on using its unique access number and PIN code to update students' records. The school may enroll students, print permits and report class hours earned. Under the old system, each of these actions required different forms that were filled out by hand, mailed to Austin, data-entered by staff, and returned to the school. Even the most minor change could take days, but with SHEARS, changes take seconds. In addition to saving time, SHEARS helps minimize errors by reducing the number of persons required to fill out forms and enter data. When a school posts hours earned for a particular student, the student receives an e-mail message, allowing the student to assure work is accurately reported.

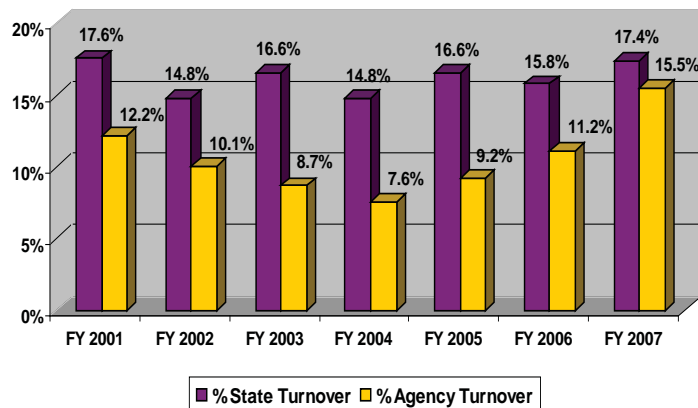
### Self-Evaluation and Opportunities for Improvement

TDLR is always focused on being a model state agency. To gauge our success in this effort and to look for opportunities for improvement, executive management analyzes a number of criteria. These include employee turnover and overtime, key performance measure attainment, and audit findings.

#### Employee Turnover

One measure of agency health is the rate of employee turnover. TDLR employee turnover remains lower than other state agencies but has been increasing since 2004. The growth of the agency and its added responsibilities are reasons for this rise.

Agency To State Employee Turnover Comparison

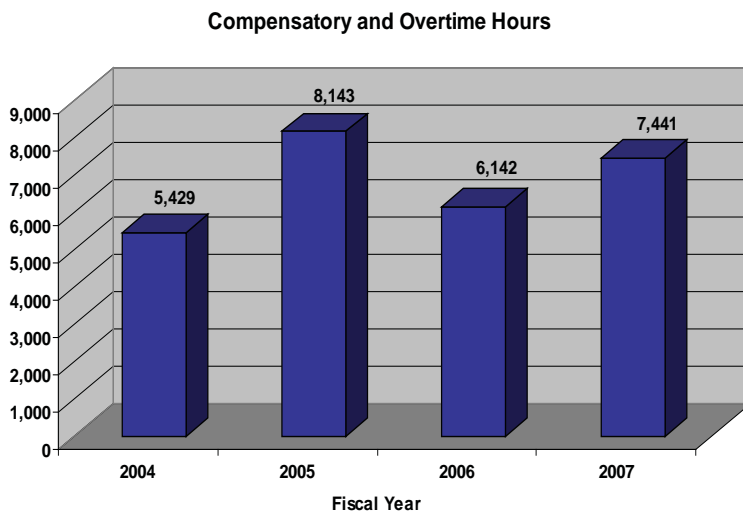


Although TDLR’s employee turnover rate increased from 7.6 percent to 9.2 percent from fiscal year 2004 to 2005, it remained seven percentage points below the statewide rate. This increase occurred while new programs, particularly the Electricians program, were added to TDLR’s regulatory responsibilities by the Legislature in 2003.

Another increase in turnover rate occurred after the 2005 Legislature transferred the responsibility of regulating barbers and cosmetologists to TDLR. TDLR grew by eighty-eight FTEs and underwent a major reorganization to absorb the new programs and manage the increased size of the agency. The transition and growing pains caused increased turnover but TDLR’s rate continued to be below the statewide average.

Based on the data available for fiscal year 2008, we are projecting the turnover rate for the fiscal year to be 7.4 percent, the lowest in the past nine years. This would mean the turnover rate for the fiscal year would drop below the level in fiscal year 2004.

**Employee Overtime**



The growth of the agency’s responsibilities has also resulted in more overtime opportunities for TDLR employees. The increased workload in fiscal years

TDLR “identifies and prevents individuals with serious criminal convictions from obtaining professional licenses.”

- 2006 State Auditor’s Office report

2004 and 2005, caused by the new Electricians program, was justification for overtime and compensatory hours in the Licensing and Enforcement divisions. Despite the increased compensatory and overtime hours, in fiscal years 2006 and 2007, resulting from the transfer of the Barber and Cosmetology programs into TDLR, employee hours were lower than the peak of fiscal year 2005.

### **Audits of TDLR**

While reports by the State Auditor’s Office (SAO) and TDLR’s internal auditor have been positive the last two years, improvements have been proposed and TDLR has used those findings to further streamline our operations.

### **State Auditor’s Office Report on TDLR**

In August 2006 the SAO issued an audit report on three of our programs: Air Conditioning and Refrigeration, Electricians, and Legal Service Contracts. The auditor found that TDLR has licensing procedures that result in qualified licensees and that TDLR does an effective job of protecting internal information systems resources. TDLR implemented the following recommendations from the SAO report:

- improve the consistency of licensing procedures to ensure that all applicants meet eligibility requirements;
- ensure that all license applicants’ information is provided to the Office of the Attorney General (for child support enforcement) and the Texas Guaranteed Student Loan Corporation, as required by law; and
- update information systems policies and procedures.

### **State Auditor’s Office Reports on Criminal Background Checks**

In July 2006 the SAO reported on the use of criminal history records by six state agencies, including TDLR. SAO reported that TDLR complies with the law in using criminal history to evaluate new and renewal license applicants, and found that TDLR “identifies and prevents individuals with serious criminal convictions from obtaining professional licenses.” Of the six agencies audited, TDLR was the only one for whom the SAO had no recommendations to improve performance and use of criminal history checks.

A rider in the General Appropriations Act for fiscal year 2008 – 2009 directed SAO to conduct a review of procedures used to check criminal histories at all state agencies. The rider directed TDLR, along with the Department of Public Safety and the Legislative Budget Board, to assist in conducting the review. The SAO consulted TDLR staff in developing the methodology for the review. The SAO issued its report in March 2008. Out of thirty-two agencies, TDLR was one of only seven agencies that the SAO identified as having policies and procedures addressing seventy percent or more of elements in the SAO’s best practices model for procedures to review criminal histories.

### **Internal Auditor Report on TDLR’s Electricians Program**

Chapter 2102, Government Code requires TDLR to have a program of internal auditing, which includes periodic audits of the agency’s major systems and controls. TDLR contracts with a certified public accounting firm, selected through a competitive solicitation process, to be the agency’s internal auditor. In August 2007 the internal auditor issued a report on TDLR’s Electricians program. The conclusion was that TDLR “has adequate controls and procedures in place to provide reasonable assurance that the Electricians program is effectively established” and adheres to the electricians statute and rules.

The report recommended that TDLR take steps to consistently notify all parties to a complaint of the status of the investigation. In response, TDLR established a process to ensure that notices are consistently sent to all parties in complaint investigations.

### **Agency Characteristics Requiring Improvement**

One of TDLR’s most effective tools for gathering information from its customers is the use of external focus groups. On March 31, 2008, twelve external focus group meetings were conducted in Austin with representatives of regulated industries. The meetings helped TDLR learn what was working well, what changes were needed, and what trends could be forecast for the next five years.

Focus group participants identified opportunities for improvement in the regulation of their industries. Attendees expressed the need for tighter



one of TDLR’s most effective tools is the use of external focus groups

regulation in several of TDLR's health and safety programs. Participants of the Barber and Cosmetology focus groups recommended statutory clarification on the sterilization equipment and those providing manicure and pedicure services. Several of the focus groups recommended an increase in the frequency of inspections. The Boiler focus group recommended the adoption of a version of ASME-CSDI for control and safety devices and participants from both the Air Conditioning and Refrigeration and Electricians groups expressed the need for licensing of state inspectors to ensure that standards are uniformly applied statewide.

There were many common topics of discussion in the focus groups. Some of the topics were agency communication efforts, our customer service call center, and the need for more online services. We learned that customers want to be able to use TDLR's web site to:

- file new and renewal applications;
- pay fees and fines by credit card;
- update address and license information;
- request and retrieve open records information;
- file inspection reports;
- track the status of complaints filed; and
- select the language in which information is communicated.

A knowledgeable and responsive Customer Service section is another key aspect of the agency's communication with customers. TDLR views each person we serve as deserving of our best efforts. We pride ourselves on courteous and timely delivery of services, getting the job done right the first time, exceeding customers' expectations, and making services easily accessible. During fiscal year 2008 additional staff members have been hired for our Customer Service section to further assist with timely responses.

We constantly refine our materials and processes and look for innovative ways to enhance our delivery of services. The agency actively participates in industry trade shows where information booths are set up to answer questions and provide attendees with the latest information. We have also upgraded our online services for customers.



a key aspect of the agency's communication with customers is a knowledgeable and responsive customer service section

## Strategic Challenges

The Texas Commission of Licensing and Regulation, composed solely of public members with no financial interest in any of the occupations regulated by TDLR, relies heavily on technical input from its Advisory Boards for the administration of its programs. The Board members play a vital role in advising the Commission on matters relating to health and safety issues, technical standards, rules, examination content, and continuing education requirements. The statewide elimination of Advisory Board travel reimbursement has had an adverse effect on the attendance of these volunteer members, the frequency of meetings, and the timeliness of input. The lack of travel reimbursement creates an impediment to active participation of these non-paid appointees. We believe that the interest of the state is best served by providing travel reimbursements to Advisory Board members, as well as including public members on each of the Advisory Boards.

TDLR prides itself on providing excellent customer service. Consistent with the department's culture of innovation and its track record of problem-solving, the agency finds creative ways of managing and responding to the rising number of phone calls and e-mails. We have conducted on-site evaluations and reviews of public and private sector call centers and participated in a multi-agency customer service focus group to identify the best practices that can assist us in more effectively handling large volumes of phone calls.

## Leveraging Community Resources to Address Agency Goals

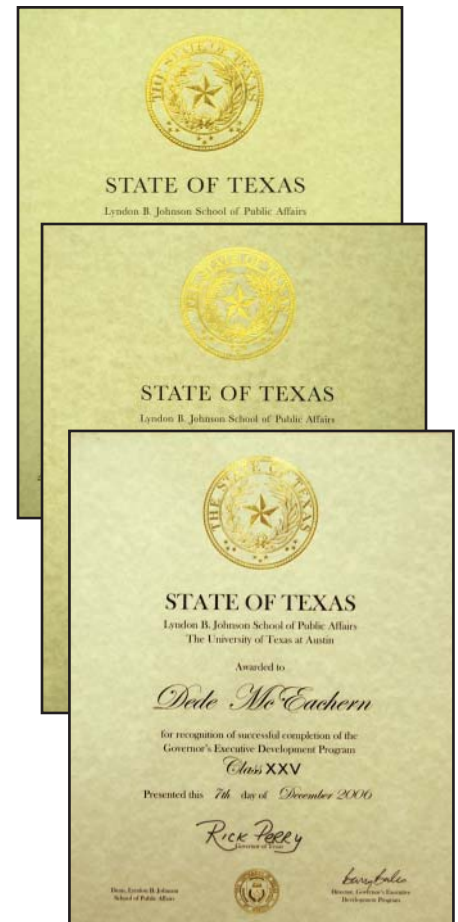
TDLR grows leaders from within the agency. Staff members are encouraged to participate in the planning, development, and implementation of the services we provide. In addition to utilizing in-house expertise, TDLR also uses other sources to accomplish its mission and goals.

**Training:** TDLR takes advantage of low cost and free training offered by other state agencies to expand training opportunities for its staff beyond those that the agency could otherwise afford. TDLR utilizes valuable training offered by the Office of the Attorney General, Texas Department of Agriculture, State Office of Risk Management, and the Employee Assistance Program (EAP), which significantly enhances staff development and effectiveness.

## Assessment



TDLR relies heavily on technical input from its Advisory Boards, such as the Architectural Barriers Advisory Committee



staff are encouraged to participate in training and development programs



agency staff participate in industry conferences, trade shows and other events

**Information Exchange Among Peers:** TDLR seeks opportunities for peer-to-peer interaction and exchange of information. Staff participate in a number of activities that go well beyond simple networking. The executive director participates in leadership programs, making presentations at the LBJ School of Public Affairs and at forums hosted by other state and local organizations. The personnel attorney is a member of the mediation/dispute resolution roundtable and works with peers in other agencies to discuss and compare policies, procedures and practices in the workplace.

Executive management and division directors have taken advantage of the Governor's Executive Development Program by cultivating strategic relationships with key personnel at other state agencies. Collaborative relationships are also developed with staff from other state agencies to facilitate the sharing of tools, processes and ideas.

**Community Resources:** TDLR's licensees seek the agency's participation and support at community level events. For example, staff frequently participates in industry conferences, trade shows and meetings, local panel discussions, enforcement task force meetings, university presentations, and other community events. TDLR's ability to access and use these resources helps keep the agency abreast of emerging developments in the occupational areas it regulates and fosters its common-sense approach to regulation.

TDLR also recognizes the opportunity to assist other state agencies in providing guidance and examples of successes achieved. For example, the agency has been called on by the Governor's Office to assist the Texas Commission on Fire Protection with their strategic planning process. Sharing our model state agency vision and goal while providing problem-solving assistance has made TDLR more efficient, thereby showing the Legislative community our commitment to excellence in government.

Innovative partnering with local, state and federal entities has been key to the department's success in the efficient and effective licensing and regulation of twenty-six occupations and industries.

### **Local Partnerships**

The department enhances the effectiveness of its regulatory efforts by working with local law enforcement, building officials, building inspectors,

code enforcement officers, fire marshals, county health departments, licensing authorities, and ground water conservation districts, in programs such as:

- Air Conditioning and Refrigeration
- Architectural Barriers
- Barbers
- Boilers
- Cosmetology
- Electricians
- Elevators and Escalators
- Industrialized Housing and Buildings
- Tow Trucks and Vehicle Storage Facilities
- Water Well Drillers and Water Well Pump Installers
- Weather Modification

We will continue working closely with local officials and their affected populations by providing training and informational seminars relating to these programs. One of the best examples of these partnerships is our annual participation in the Building Professional Institute (BPI), an annual education conference that is attended by thousands of building, construction, and design professionals.

The department has also cultivated partnerships with local chapters of business and advocacy organizations such as the Building Owners and Managers Association (BOMA), Coalitions of Texans with Disabilities, and occupational/trade organizations such as the Independent Electrical Contractors (IEC) of Texas, National Electrical Contractors Association (NECA), the Valley Building Officials Association (VBOA), the International Brotherhood of Electrical Workers (IBEW), the Consumer Health Alliance (CHA), the Lonestar Cosmetology Association, the Texas Association of Tonsorial Artists (TAOTA), the Texas Towing and Storage Association (TTSA), Southwest Tow Operators Association (STOA), and the Texas Groundwater Association (TGWA). These partnerships are instrumental in ensuring greater compliance with TDLR program requirements.

These partnerships have also provided networking opportunities with appraisal districts, local law enforcement, and municipal and county offices, including county health departments and elected officials. Their assistance is valuable





Architectural Barriers staff worked with the Texas Historical Commission to ensure accessibility of historic county courthouses, such as this one in Lampasas

to TDLR in pursuing compliance. The continued cooperation of local code enforcement officials is paramount to TDLR's enforcement successes that include multi-jurisdictional "sting" operations aimed at preventing unlicensed and unsafe activities. County health departments assist the agency in identifying sanitation problems in barber and cosmetology establishments, particularly those that provide manicure and pedicure services. Finally, TDLR continues to build and enhance our cooperative efforts with local municipal and regional licensing authorities in administering the Electrical, Air Conditioning, Towing, and Vehicle Storage Acts.

### Technical Assistance Partnerships

Our expert staff provide technical assistance to interested groups. For example, Architectural Barriers staff work with the Texas Historical Commission to ensure accessibility of historic county courthouses. Our chief elevator inspector has provided technical guidance for renovation of the Governor's mansion. Outreach efforts to state educational institutions about requirements of the Architectural Barriers, Boiler, and Elevator Safety programs have benefited Texas A&M University, Texas State University, Baylor University, Southern Methodist University, the University of Texas, and other state institutions.

The Water Well Drillers and Water Well Pump Installers programs, through coordination with local groundwater conservation districts and river authorities, help to protect water quality by ensuring proper placement and construction of wells and plugging of abandoned wells. As a permanent member of the Texas Groundwater Protection Committee (TGPC), our well drilling experts contribute to the development of the state's water policies, especially those affecting water wells, groundwater protection issues, public outreach, and educational activities. The program also administers an online abandoned well referral system which allows the Texas Commission on Environmental Quality, groundwater conservation districts, and the public to submit a complaint concerning an abandoned well and to check the status of the complaint.

Weather Modification program staff also work with groundwater conservation districts, aquifer authorities, county commissions, as well as federal authorities and water management agencies in other states, to assess the impact of cloud

seeding technologies.

### Interagency Partnerships

The department has interagency agreements with the Texas Department of State Health Services, Texas Commission on Fire Protection, Texas Department of Insurance (TDI), and the State Board of Plumbing Examiners. These agencies' inspectors, marshals or investigators report to TDLR unsafe or unregistered boilers discovered in the course of their regulatory or safety activities. In turn, we assist TDI and the Office of the State Fire Marshal with investigations of possible electrical fires and we report unlicensed plumbing activity to the Board of Plumbing Examiners. Department representatives are also members of the Central Texas Call Center Association, a multi-agency customer service focus group. The group of state agencies include: TDI, Office of the Attorney General, Public Utilities Commission, Texas Commission on Environmental Quality, and the Comptroller of Public Accounts. The group meets to discuss "best practices" and topics of interest concerning the services provided to the public.

TDI informs us of insolvent insurance companies, including risk retention groups, providing financial security for service contract providers. The agency participates in a workgroup with the Attorney General and TDI to address concerns with discount health care card operators. TDLR submits all individual license applicants to the Texas Department of Public Safety (DPS) for criminal history checks. DPS, also for a fee, performs FBI criminal history checks on the controlling persons of staff leasing services applicants.

Other TDLR partnerships with state agencies include:

- Governor's Committee on Persons with Disabilities – to award "Access for All" decals to accessible newly constructed buildings/facilities;
- Texas Facilities Commission – inspection of state leases; review and inspection of state construction projects;
- Texas Commission on Jail Standards – inspection of detention and correction facilities using portions of proposed federal accessibility standards specific to correction facilities;
- Texas Department of Transportation (TxDOT) – agreement to facilitate



several other agencies have agreements with TDLR regarding the inspection and reporting of boilers in Texas



"Access for All" decal awarded to accessible newly-constructed buildings

expedited reviews and inspections for TxDOT construction projects and to use portions of proposed federal accessibility standards that are specific to construction in the public right-of-way;

- Office of the Secretary of State – agreement to provide state and county voting officials with technical assistance about the accessibility of polling places, as well as assisting in addressing requirements of the federal Help America Vote Act (HAVA);
- Texas Historical Commission - Memorandum of Understanding to provide single point of contact at TDLR for expedited plan reviews and streamlined variance determinations for Historic Courthouse projects; and
- Texas Commission on Environmental Quality and the Texas Water Development Board – groundwater data management project.

### Federal Partnerships

To assist in effectively administering state regulatory requirements and better serve our customers, TDLR monitors federal activities that may have an effect on the programs we regulate. The department keeps the public informed of federal regulatory requirements affecting the trades, professions and industries we regulate and works with federal agencies in implementing any necessary changes.

TDLR partners with federal agencies and organizations to keep up with current and future developments so that we may be more responsive to the industries under our jurisdiction. In addition to the relationships established with the federal agencies mentioned under “Federal Statutes and Regulations,” TDLR has developed partnerships in connection with the following programs:

1. *Combative Sports* – TDLR works closely with United States Citizenship & Immigration Services concerning athletic visas; Fight Fax, which is the federally-designated record keeper for the national boxer database; United States, Canadian, Puerto Rican and United States Virgin Island boxing/athletic commissions on contestants who fight in Texas; and the USA Boxing Organization, which is the national governing body of amateur boxing in the United States.
2. *Staff Leasing Services* – TDLR works with the Federal Bureau of Investigation



TDLR works with federal agencies and organizations so that we may be more responsive to the industries under our jurisdiction

(FBI), in addition to the Texas Department of Public Safety, to perform criminal history checks on controlling persons of staff leasing services applicants.

## Private Sector Partnerships

### Current Partnerships

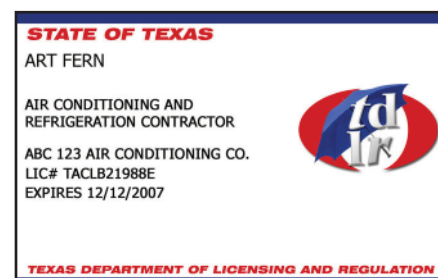
TDLR uses private sector partners to obtain specialized skills not available within the agency and contracts with outside vendors to provide cost-effective services. These partnerships allow us to focus on our core strengths and expand the expertise and perspective available to the agency.

These partnerships also fill a critical role when a project demands an objective third-party perspective such as the internal audit function. TDLR contracts with a certified public accounting firm to perform internal auditing functions required of state agencies under Chapter 2102 of the Government Code. For this service, use of a partnership is cost-effective, as the organization is not large enough to justify a full-time internal auditor.

TDLR uses private sector partners to create efficiencies, improve customer service and save taxpayer dollars. Currently, we are contracting for courier services, copier leases, call center software, printing, and the employee assistance plan.

Other partnerships provide direct benefits and enhance services to our customers. Examples are contracts to develop, maintain and deliver examinations; perform specialty inspection services; provide online licensure and renewal; and print and mail plastic license cards. A notable example of how TDLR has collaborated for services to create efficiencies, lower costs and improve customer service is its contract for document imaging. TDLR chose to use Neubus for its digital imaging processes and systems rather than develop an internal system. TDLR's decision to select Neubus as a cost-effective solution was affirmed by the Texas Council on Competitive Government when Neubus was identified as the statewide vendor for digital imaging services.

With the consolidation of the Barber and Cosmetology programs into TDLR,



private sector partnerships, such as the one for the printing and mailing of license cards, give direct benefits and enhanced services to TDLR's customers

### How would you describe TDLR's culture?

"The TDLR culture has an air of excellence that encourages its employees to strive to achieve while rewarding those same employees with positive encouragement and inner growth within the organization in a supportive environment."

-- Deborah Yurco, TDLR Commissioner  
(Austin, TX)

the agency inherited two high-cost and inefficient contracts for data services associated with their legacy licensing systems. We acted swiftly to cancel the high-cost and inefficient data services contract and moved those operations to our in-house licensing system.

### Future Partnerships

TDLR will continue to use private sector partnerships that add value to our operations and leverage our ability to achieve savings for our licensees. We will continue to rely on the services of a digital imaging vendor for records storage and retrieval and expand the type of documents imaged for customer viewing online.

In fiscal year 2006, consistent with TDLR's examination model for other programs, TDLR selected a vendor to deliver the examinations for the Barber and Cosmetology programs. We will likely contract for examination development and delivery for future programs transferred to the agency. We are exploring an expansion of the services provided by the examination vendor to include license issuance onsite upon passing the examination.

TDLR has determined that the data center consolidation project administered by the Department of Information Resources (DIR) is yielding significantly higher costs while providing lower than projected services as compared to our previous in-house operations.

We have demonstrated a commitment to increasing the use of TexasOnline for license renewals and initial license applications, and will continue to do so. The benefits to the customer are ease and convenience in applying for or renewing a license and quicker turn-around time to receive their licenses. The use of TexasOnline decreases staff time spent opening mail and processing applications.

### **Employee Satisfaction and Recommendations for Improvement**

TDLR recognizes the importance and resourcefulness of its employees. The department believes a motivated and valued workforce contributes to its success. TDLR launched a random sample survey of its employees to uncover the attitudes and satisfaction level throughout our organization as well as

conducted internal focus group sessions for all of its employees.

The random survey included sixty-two employees who were selected through the following process:

- an employee list was provided by Human Resources;
- individuals at the executive management and those conducting the survey were extracted from the list;
- only the employee ID number was used in the random selection process;
- a blind selection process was used per page within each division to gather the targeted number of employees by percentage; and
- of the sixty-two employees randomly sampled, forty-two responded, which is a return rate of sixty-eight percent.

In some of the key questions, employees overwhelmingly viewed themselves as valuable players of our team, saw customer service as a priority, and believed supervisors have confidence in their ability to do their job.

In addition to the high level of satisfaction experienced by TDLR employees, they also provided the department with a number of recommendations for improvement. These recommendations were gathered through the internal focus group process held in March 2008. This process garnered hundreds of comments and recommendations. The following is a summary of some of the key recommendations:

### **Training Issues**

- Need to better understand the information gathering process to recognize the validity of the individual's account, and then use the initial information.
- Need for job-specific software training.
- Need for external technology training opportunities.

### **Communication**

- Need for an integrated team concerning investigations.
- Need for up-to-date information to be shared within and between

divisions.

- Need for processes, procedures, and software documentation to be created and updated regularly.

### **Technology**

- Need for an independent and thorough analysis of database software and systems.
- Need for manageable processes and systems throughout the agency (currently paper-based).
- Need to expand web site capabilities.

The employees also provided specific recommendations for bringing on new programs:

- provide the necessary tools to successfully complete work assignments;
- offer flexible training/learning opportunities;
- train supervisors and managers in coaching skills;
- identify and retain key employees in the consolidated agencies;
- continue TDLR Town Hall Meetings;
- initiate a suggestion box and reward suggestions acted upon (such as, “You Can Count on Me”); and
- involve employees in decision making and planning for the future (in between Strategic Planning Process).

## **Service Population Demographics**

### **Benefits to Those We Serve**

TDLR’s services affect virtually every Texan. Anyone engaging in the following activities, for example, benefits from what we do:

- Entering a public building (Architectural Barriers and Industrialized Housing and Buildings programs) ;
- Turning on lights (Electricians program);
- Using an elevator or escalator (Elevator Safety program);

- Getting a shave (Barbering program);
- Drinking a cold beverage or enjoying air conditioning (Air Conditioning and Refrigeration program);
- Seeking help with a disabled vehicle (Tow Trucks program);
- Using a laundromat (Boilers program);
- Getting a pedicure (Cosmetology program); or
- Drinking well water (Water Well Drillers and Water Well Pump Installers programs).

Texans benefit when they attend, or participate, in an auction or boxing event, get help from a staff leasing company, hire a property tax consultant, buy an extended warranty or a vehicle protection product, or use a licensed interpreter during a court proceeding.

### Whom We Serve

The people we serve – the licensees and those who interact with them – continue to grow in number and encompass nearly every demographic category. This population has been evolving ever since the agency was established originally as the Bureau of Labor Statistics in 1909. In recent years, the Texas Legislature has re-directed TDLR’s focus from labor-related matters to occupational licensing and consumer protection. The agency’s responsibilities have consistently increased as a result of the Legislature’s confidence in TDLR’s ability to successfully administer new, complex and troubled programs. This success has contributed to TDLR’s growing reputation as a model state agency. The trend will likely continue as the Legislature studies and identifies additional programs to assign to the department.

### Where We Serve Them

TDLR serves Texans statewide, but there is a marked concentration of our population in the area bounded to the northwest by Wichita Falls, the northeast by Texarkana, the southeast by Houston, and the southwest by San Antonio. It is home to roughly seventy percent of the state’s population. Not only does it house more than seventeen million Texans, but this area also contains most

#### How would you describe TDLR’s culture?

“It is focused on outcomes and its mission of service.”

-- Fred Moses, TDLR Commissioner  
(Plano, TX)



of the state's twenty-five Standard Metropolitan Statistical Areas and accounts for eighty-five percent of Texas' total gross service sales.

## Customer Profile

### Texas' Changing Population

Texas' growing and increasingly diverse population will present new challenges to the state's social, economic, and service structures. The state's population is projected to more than double to fifty million people within the next thirty years.

With the non-English speaking population expanding, TDLR will need to provide more services in other languages. By 2040, the ethnic make up of Texas will have shifted. For example, the Hispanic population will have increased by some nineteen million to be, overwhelmingly, the majority ethnicity in the state. At the same time, the state population's average age will have increased by over six years to thirty-eight. The number of people sixty-five or older will have increased twice as rapidly as for the population as a whole. These dramatic trends in diversification and aging of Texas' population will intensify the demands on professions (barbers, cosmetologists, air-conditioning contractors, tow truck businesses, electricians, and licensed court interpreters) that serve the non-English or "English as a second language" speaking sectors of the economy.

As Texas' population grows older and further diversifies, markets for goods and services will change accordingly. TDLR will strengthen its regulatory protection in areas such as auctioneering, barbering, cosmetology, discount health care cards, legal service contracts, loss damage waivers in rental purchase agreements, personnel employment services, staff leasing services, talent agencies, and temporary common worker employers.

The increase in population will trigger demand for more housing and consumer goods. To ensure that Texans have the proper level of safety and consumer protection, TDLR will enhance its regulatory services in the areas of service contracts, air conditioning, electrical, maintenance agreements, and warranties.

The aging population means more Texans will experience physical challenges.

TDLR, through its Architectural Barriers and Elevator Safety programs, will meet those needs for improved accessibility in buildings and facilities. Additionally, TDLR will find ways to better identify and prosecute fraudulent activities, particularly those targeting older Texans that rely on the services of our licensees.

More Texans will heighten demand for water, so TDLR will continue to work closely with property owners and water conservation districts to help address this challenge. The need for more water will intensify the stress, especially during periods of severe drought, on the services offered by TDLR's Water Well Drillers, Water Well Pump Installers, and Weather Modification programs.

## **Economic Variables**

The key factors affecting TDLR and the businesses, industries, general trades and occupations it regulates include Gross State Product (GSP) as a measure of economic output, employment trends, and construction activity. Other factors having an impact are natural disasters (like hurricanes Katrina and Rita) which cause damage and displacement.

### **Gross State Product**

Texas' economy will grow over the next five years. Its GSP, with a projected annual growth rate consistent with the Gross Domestic Product, is forecast to expand at an average annual rate of 3.1 percent. This growth, along with an annual growth rate in the inflation adjusted Texas Real Gross Product of 5.3 percent, means more services will be provided by businesses regulated by TDLR. This is especially true for service contracts and vehicle protection product warranties.

### **Employment Trends**

As a recipient of the Governor's Cup, a national recognition for having the highest rate of job creation, Texas continues to increase its share of total U.S. employment (now surpassing seven percent of the national total). Two sectors of the state economy, professional and business services and construction, led the way in the employment growth rate. If these trends continue, TDLR will



the pace of construction is expected to build over the next five years



TDLR's timely response to the destruction and displacement of people due to natural disasters allowed many workers to operate in Texas on a temporary basis

see an increase in its regulated population and the associated licensing and complaint resolution demands.

Employment in Texas is projected to continue growing, on average, at a 4.9 percent rate each year from 2013 to 2017, with a slightly higher percentage anticipated for metropolitan statistical areas. This means the demand for services offered by Personnel Employment Services, Staff Leasing Companies, and Temporary Common Worker Employers will accelerate.

### Pace of Construction

Despite a slowing of all types of construction (residential, commercial, and public works) in recent months, the pace is expected to build over the next five years. Residential housing starts are predicted to average 188,000 per year for the period 2013 – 2017. The amount of commercial construction is expected to increase over the five year period by 8.6 million, to 186 million square feet, and public works activity will gain strength as well. These trends will place a greater demand upon many of TDLR's programs: Air Conditioning and Refrigeration, Architectural Barriers, Electricians, Elevators, Boilers, Industrialized Housing and Buildings, Temporary Common Worker Employers, Water Well Driller, and Water Well Pump Installers.

### Displacement and Damage

Unforeseen natural and weather-related events will affect TDLR's population of licensees, sometimes for years to come. For instance, hurricanes Katrina and Rita (2005) led to the permanent displacement of thousands of residents from other Gulf Coast states into interior regions of Texas. The decision of these evacuees to stay in Texas and find permanent employment imposed additional licensing and regulatory responsibilities on TDLR. The agency's timely response to these disasters, including the emergency adoption of rules, allowed many displaced workers, such as barbers, cosmetologists, and electricians, to obtain a basic, temporary, or emergency license to operate in Texas.

The impact of natural disasters on TDLR's workload extends well beyond efforts to ensure a displaced population is afforded a means of making a living. Events like severe storms often deprive residents of shelter, electricity, water,

or other basic services. Recovery efforts then focus on repair work for air conditioning, electrical services, elevators, boilers, architectural barriers, water wells, and industrialized housing and buildings, which in turn require attention from TDLR staff. Evacuation and recovery efforts require the services of towing operators to clear routes and remove stranded vehicles. The need of displaced residents for modular housing and building units means the review, inspection, and certification workload of TDLR's Industrialized Housing and Buildings program is increased proportionately.

The rush to aid those adversely affected by natural disasters invariably leads to the proliferation of unskilled and unlicensed individuals offering to do repairs for home and business owners. TDLR reminds owners of damaged homes and businesses that contracting with unlicensed individuals for air conditioning and electrical repairs can be hazardous and costly. In the wake of these episodes, TDLR must respond to an influx of complaints filed by home and business owners who were scammed.

## Effect of Federal Activities on State Regulatory Functions

### Federal Statutes and Regulations

Federal statutes and regulations have had a minimal impact on the department's operations, but industries regulated by the department are affected by several federal laws and agencies (see Appendix I).

- The Americans with Disabilities Act of 1990 (ADA)
- Interstate Commerce Act
- Liability Risk Retention Act of 1986
- Magnuson-Moss Warranty Act
- Professional Boxing Safety Act
- Titles XVIII and XIX of the Social Security Act - Medicare and Medicaid
- Clean Air Act
- National Appliance Energy Conservation Act (NAECA) of 1987
- Help America Vote Act of 2002 (HAVA)



the effect of natural disasters on TDLR's workload extends well beyond temporary licensing

## Federal Legislation, Regulations, and Court Cases

To better serve its customers through timely recognition of and appropriate responses to changes in federal requirements, TDLR staff monitor federal activities, including legislation, regulations, and court cases.

### Legislation

The following federal legislation, which was introduced in the most recent Congressional session (110<sup>th</sup> Congress, 2007 – 2008), may affect the following TDLR programs:

*1. Combative Sports – Senate Bill 84 and House Resolution 4031 establish a national boxing commission and provide for the licensing and registration of boxing personnel, which could require greater interaction between federal and state regulators.*

*2. Staff Leasing – House Resolution 2657 amends the Employee Retirement Income Security Act of 1974 (ERISA) to prohibit employers from disqualifying employees from benefits under their pension and welfare plans by misclassifying or reclassifying employees as temporary employees, part-time employees, leased employees, agency employees, staffing firm employees, or independent contractors. Senate Bill 1111 implements standards clarifying when employee leasing companies can be held liable for their clients' federal employment taxes. House Resolution 141 requires site-controlling employers to keep a site log for all recordable injuries and illnesses of employees on the particular site, whether such employees are employed directly by the site-controlling employer or are employed by contractors or temporary help or employee leasing services.*

*3. Loss Damage Waivers – House Resolution 1767, Senate Bill 1530 and Senate Bill 1012 amend the Consumer Credit Protection Act (15 U.S.C. §§1601 et seq.) to add a new title concerning consumer protections for rental-purchase agreements and transactions. Rental-purchase agreements that include loss damage waivers must be approved by TDLR.*

*4. Weather Modification – Senate Bill 1807 and House Resolution 3445 create the Weather Mitigation Advisory and Research Board within the National Science Foundation (NSF) to establish and coordinate the national*

research and development program on weather mitigation. This legislation authorizes the Board to establish a grant program for the awarding of grants to eligible entities including state agencies for research and development projects that pertain to weather mitigation.

5. *Cosmetology* – House Resolution 3016 requires employers of cosmetologists to report income and tips of their cosmetologist employees and to provide income and tip information to self-employed cosmetologists to whom they pay more than \$600 in the taxable year. This resolution imposes similar reporting requirements upon individuals who rent chairs to cosmetologists.

6. *Architectural Barriers* – House Resolution 3195 and Senate Bill 1881 establish the Americans with Disabilities Act Restoration Act (ADARA), which would expand the definition of “disability” under the ADA in response to U.S. Supreme Court rulings that have narrowly interpreted the definition.

7. *Licensed Court Interpreters* – Senate Bill 702 and House Resolution 1645 authorize the U.S. Department of Justice to award grants to state courts to develop and implement state court interpreter programs.

8. *Boilers* – House Resolutions 6, 2556, 3236, and 3238 and Senate Bills 1115, 1321 and 1419 update the efficiency standards for residential boilers manufactured on or after September 1, 2012.

9. *Air Conditioning and Refrigeration* – House Resolution 3236 allows the Department of Energy (DOE) to establish regional standards for space heating and air conditioning products, other than window unit air conditioners and portable space heaters. For each product, the DOE may establish a national minimum standard.

## Regulations

The following proposed federal regulation will affect the following TDLR program:

*Architectural Barriers* - The United States Architectural and Transportation Barriers Compliance Board has completed its recommended revisions to

the Americans with Disabilities Act Accessibility Guidelines and is awaiting final approval of them by the U.S. Department of Justice (DOJ). TDLR is poised to revise its rules affecting architectural barriers as soon as the DOJ approves the proposed federal changes. Harmonizing rules between state and federal governments simplifies compliance for building design and construction professionals and building owners while maintaining consistency in the application of accessibility standards.

### **Court Cases**

While there are no current federal cases pending that involve TDLR as a party or would affect TDLR, the Office of the General Counsel has identified the following issue that may affect the Service Contract Providers program over the next five years. TDLR licenses and regulates service contract providers, which are required to back their service contracts with financial security such as a reimbursement insurance policy. In many cases, these reimbursement insurance policies are issued by risk retention groups. Federal law limits the ability of states to regulate risk retention groups, and there is a split among the federal appeals courts about whether a state may specifically exclude risk retention groups from providing financial security for service contracts. The 5th Circuit Court of Appeals has not ruled on the matter. TDLR is watching for any resolution of this issue in the federal courts because it could affect the future course of regulation in the Service Contract Providers program. TDLR does not currently interpret the service contract law to exclude risk retention groups or to establish any different requirements for risk retention groups than for other types of insurers. However, resolution of this issue in the federal courts could affect the ability of the Texas Legislature to target future regulation of risk retention groups.

## **Cooperation with Local, State, and Federal Entities**

### **Effect of Anticipated State Statutory Changes**

TDLR expects future Legislative Sessions to assign more programs to the department. These additions will also need Program Integration Teams as new or transferred license programs will require significant analysis and planning to ensure effective and seamless integration into TDLR.

Emerging technologies in the air conditioning and refrigeration industry are more complex, and have higher educational requirements. These higher

educational requirements may result in licensure of some currently exempt maintenance personnel. TDLR anticipates that amendments may be proposed in 2009 to remove the exemption for maintenance personnel from the Texas Occupations Code Chapter 1302. This will require them to become registered or licensed.

The scientific community continues to study and issue reports on Indoor Air Quality (IAQ) standards. TDLR anticipates amendments to the National Appliance Energy Conservation Act (NAECA) that may increase minimum energy efficiencies. Changes to the IAQ standards and the NAECA may require more regulatory resources for TDLR.

### Effect of Outstanding Court Cases

TDLR's strategy is to manage litigation to achieve the most equitable result. TDLR's Office of the 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 (see Appendix J).

#### 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.*

##### 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, 353<sup>rd</sup> Judicial District.*

##### 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, 353<sup>rd</sup> Judicial District.*



## 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.*

*Carolyn K. McCollum v. Texas Cosmetology Commission, Cause No. 2005-CI-20075, Bexar County District Court, 224th Judicial District.*

### Effect of Cooperation with Local Entities

Adoption of the 2003 International Building Code (IBC) as the state building code for commercial buildings will have a big impact on TDLR's building and mechanical programs. As municipalities move forward with implementing the IBC, their activities will require TDLR to increase coordination with municipalities, builders, design professionals and owners to resolve any differences between building code requirements at the state and municipal levels. Affected programs will include Architectural Barriers, Air Conditioning, Electricians, Elevator Safety, and Industrialized Housing and Buildings.

House Bill 1886 requires inspection of all portable modular buildings used as school buildings, regardless of whether the building is an industrialized building. By definition, an industrialized building is constructed in one or more modules at a location other than the installation site. While statutory authority for this bill falls under the authority of the Texas Education Agency (TEA), TDLR is responding to TEA's request for technical assistance on its proposed rules for inspecting these buildings.

## TDLR Customer Satisfaction

### Customer Assessment of TDLR's Services

In order to gather direct feedback from our customers, we conducted outreach efforts using three different methods. Licensees and industry representatives were invited to participate in focus group sessions or to respond in writing if they were not able to attend these sessions.

Twelve focus group sessions were held in Austin on March 31, 2008. The public was invited to provide input on each of TDLR’s twenty-six statutes. Questions posed to each focus group and related information were also posted on TDLR’s web site so that anyone could provide feedback via regular mail and e-mail. These surveys allowed for two different completion options – a paper version returnable by mail and an electronic web-based version.

These methods resulted in TDLR having our highest level of participation in the history of its strategic planning process.

Five questions were posed to those who attended the focus groups and those who responded in writing:

- What are we doing well?
- What can we do better?
- If you could change one service that we provide, what would it be and how would you change it?
- If you could eliminate or amend any provision of TDLR’s statutes or rules, which one would it be and why?
- What major changes will occur over the next five years that will impact the way you do business and the services we provide?

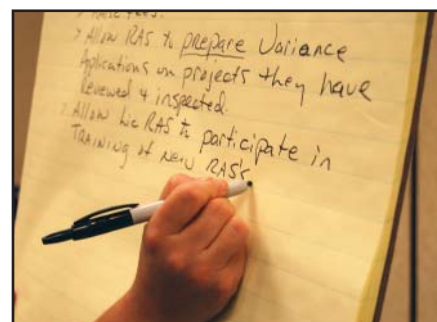
Feedback gathered from focus group attendees and comments received in writing are all available on TDLR’s web site at [www.license.state.tx.us](http://www.license.state.tx.us), at the link “About TDLR” which can be found in the upper left corner of the page. Comments common to many of the programs included:

(1) *What is TDLR doing well?*

Licenses were pleased with the way TDLR listens to and communicates with them, our staff’s responsiveness, and our willingness to find solutions to their concerns. We were also complimented on the amount and range of information available on our web site and its ease of navigation. The availability of online services such as license renewals, application forms, filing complaints, and submitting continuing education and school hours, was mentioned as something TDLR does well. Respondents also liked the ability to search our web site for information on licensees, the use of automatic e-mail notifications to communicate with interested parties, and the ability for customer service staff to respond to e-mails as



Strategic Planning focus group sessions were held in Austin to seek input from the public on each statute regulated by TDLR



responses from the groups were recorded

### How do you describe the agency's approach to customer service?

"TDLR's core value of respect enables the agency to honor the public's trust and effectively administer the regulatory programs."

-- Bill Kuntz, TDLR Executive Director

well as telephone calls. Many complimented the agency on its increased complaint resolution and identification of unlicensed activity in the Air Conditioning, Auctioneer, Barber, Cosmetology, and Electricians programs.

(2) *What could TDLR do better?*

One repeated concern was that we are still not answering all incoming calls. Other concerns were stopping unlicensed activity and ensuring that enforcement is fair, effective and consistent. While online applications and renewals are available for some license types, requests were made to make them available for all license types. Some suggested that we offer all of our services online or by e-mail. Several also expressed a desire for more inspectors and inspections to improve public safety.

(3) *If you could change one service that TDLR provides, what would it be and how would you change it?*

In addition to increasing the ability to renew licenses online, many suggested that we send license renewal reminders via e-mail. There were requests for TDLR to conduct more enforcement stings and place even more emphasis on eliminating unlicensed activity. Many suggested that we perform more audits of continuing education (CE) providers and courses. A few recommended that TDLR, rather than third-parties, control CE course content and delivery.

(4) *If you could eliminate or amend one of TDLR's statutes or rules, what would it be and why?*

Requests were made for "apprentice" or "intern" systems in certain programs, allowing newer licensees to learn their trade as they become licensed. A reduction in the number of CE hours required to renew licenses was mentioned, as was adding CE requirements for some license types. In those programs that include Advisory Boards, participants suggested that funds be authorized to pay travel expenses for Board members.

(5) *What major changes will occur over the next five years?*

Predictions ranged from the effect of changing technology on certain industries, to the increased numbers of licensees and incidents of unlicensed activity. Some predicted a drop in licensee populations and a shortage of trained people in technical professions, due to fewer new

applicants and the retirement of current licensees. Others noted that our services will be affected by significant growth in and the aging of Texas' population. Climate change and its effects, such as drought and severe storms, will also have an impact.



The **Strategic Initiatives** Section is a discussion of the agency's most critical needs in the next biennium, to enable us to remain the State's model for occupational licensing.

With input from Commissioners, employees, Advisory Boards, external focus groups, consumers, and licensees, executive leadership has prioritized our strategic planning initiatives to the areas of staffing and resources, technology, complaint resolution, licensing, interim charge, and Advisory Board. Specifically:

- *Staffing and Resources* – As we will likely receive additional responsibilities, we will need to attract and retain knowledgeable staff who excel in process analysis/redesign and critical thinking, possibly hire staff with specialized skills, and plan for more office space to accommodate additional staff.
- *Technology* – Our continued success with innovative and streamlined web services for information and licensing issues will require additional resources in the area of software developers, software, and database conversion costs.
- *Complaint Resolution* – We have identified five statutory changes that would ensure the continued effectiveness of our fair and consistent complaint resolution process.
- *Licensing* – Law changes to allow for temporary, emergency, and “inactive” status licenses in all of the agency's programs, would improve our licensing services.
- *Interim Charge* – Consistent with Senate and House interim charges focusing on streamlining, deregulation, and process improvement, we have identified three changes.
- *Advisory Board* – Travel reimbursement and inclusion of public members on each Advisory Board would enhance the important services these 15 volunteer Board's provide our Commission, staff, and licensees.

### Strategic Planning Initiatives Highlights

- TDLR has taken on new responsibilities with each recent Legislative Session
- TDLR will likely receive additional responsibilities from the Legislature

## Initiatives

- Our agency has learned that successful consolidations depend upon an appropriate level of staff and resources
- Additional highly skilled employees will help us efficiently integrate new programs into our effective and successful business model
- Increased use of cutting-edge technology and development and use of new streamlined processes will be possible with additional technology resources

## Prioritization of Strategic Planning Initiatives

With each recent Legislative Session TDLR has taken on new responsibilities. The agency's successful track record of incubating new agencies, merging existing agencies into TDLR, and implementing new programs has increased the Legislature's confidence in the effectiveness of our functional business model.

With the combined input from Commissioners, employees, Advisory Board members, external focus group participants, consumers, and licensees, executive leadership has prioritized our strategic planning initiatives to the areas of staffing, resources, technology, complaint resolution, licensing, interim charge, and Advisory Board.

### Staffing and Resource Initiatives

As the Legislature finds more cost-effective ways to do business, TDLR will likely receive additional responsibilities. Our agency has learned that successful consolidations depend upon appropriate levels of staff and resources. The specific staffing and resource needs will be determined by the statutory objectives of the programs or agencies transferred and by the ease with which the programs can be incorporated into the TDLR business model. For example, if TDLR is given responsibility for programs that have a greater law enforcement component, the agency will need to hire Texas Commission on Law Enforcement Officer Standards and Education certified investigators. Additionally, the agency will continue to monitor the need for an Elevator Inspector and Commissioned Boiler Inspectors to ensure the safety of Texans.

TDLR will need to attract and retain additional knowledgeable employees who are able to adapt in the areas of process analysis and redesign, critical thinking, and communication. These highly adaptable employees will enable TDLR to efficiently integrate new programs into our business model. TDLR will plan for office space to accommodate additional personnel associated with transferred programs.



### Technology Initiatives

TDLR has been on the cutting-edge of technological advances and continues to lead in the development and use of new processes. We continue to streamline processes to benefit the public. TDLR's web services are a crucial point of contact for information and licensing issues. Development of web services compatible with portable devices will not only enable field employees to be more efficient, but will also provide better service to the public. We will continue to transition to a paperless format and expand the use of teleconferencing. To accomplish these initiatives, TDLR will need additional software developers, software, and database conversion costs. We need greater certainty for costs of services from the Texas Department of Information Resource's data center consolidation.

### Complaint Resolution Initiatives

TDLR remains committed to the resolution of complaints in a fair and consistent manner and will continue to give priority to improving the timeliness and impartiality of the complaint resolution process. The following statutory changes would ensure the continued effectiveness of TDLR's complaint resolution process:

- subpoena authority for all programs;
- cease and desist authority for all programs;
- emergency order authority for all programs;
- creation of license denial standards specific to the Discount Health Care Card program;
- amendment of the Personnel Employment Services law to give TDLR authority to pursue all violations of law and rules, as opposed to limiting our consumer protection to applicant fee violations.

### Licensing Initiatives

To ensure that the department can issue licenses quickly and respond to emergency situations, the department's statutes would need to be amended to allow for temporary and emergency licenses for all of its programs. Additionally the statute should be amended to create an "inactive" license status for all of our programs, similar to that enjoyed by real estate brokers and other professionals.

### Interim Charge Initiatives

Consistent with the Senate and House interim charges focusing on streamlining, deregulation, and process improvement, the agency has identified the following changes:

- simplify requirements for sterilizers in the Barber and Cosmetology programs by removing the FDA listing requirement;
- evaluate the viability and continued regulation of certain licensing programs; and
- strengthen and clarify surety and financial bond requirements for certain license programs.

### Advisory Board Initiatives

The Texas Commission of Licensing and Regulation, composed solely of public members with no financial interest in any of the occupations regulated by TDLR, relies heavily on technical input from its Advisory Boards for the administration of its programs. The members play a vital role in advising the Commission on matters relating to health and safety issues, technical standards, rules, examination content, and continuing education requirements. The statewide elimination of Advisory Board travel reimbursement has adversely affected the attendance of these volunteer members, the frequency of meetings and the timeliness of input. The lack of travel reimbursement creates an impediment to active participation of these non-paid appointees. We believe that the interest of the state is best served by providing travel reimbursements to Advisory Board members, as well as including public members on each of the Advisory Boards.

## Goals

## Texas Department of Licensing and Regulation's Goals, Objectives, Strategies and Measures

### **A. Goal: LICENSING**

To effectively serve the public by licensing, certifying, and registering qualified individuals and businesses, and provide information concerning the regulated industries.

### **B. Goal: ENFORCEMENT**

To protect the public by enforcing laws administered by the agency.

### **C. Goal: INDIRECT ADMINISTRATION**

Indirect administration.

### **Objectives and Outcome Measures**

#### **Objective 1:**

To effectively regulate all applicable individuals and facilities in accordance with the laws administered by the agency, such that ninety-five percent of all applications are processed within established time frames through 2011.

#### **Outcome (Results / Impact):**

- Percent of Licensees with No Recent Violations
- Percent of Licensees Who Renew Online
- Percent of New Individual Licenses Issued Online

#### **Objective 2:**

To enforce provisions of laws administered by the agency to achieve full compliance in regulated industries and occupations annually through 2011.

#### **Outcome (Results/Impact):**

- Percent of Complaints Resulting in Disciplinary Action
- Percent of Documented Complaints Resolved within Six Months
- Percent of Architectural Barrier Building Plan Reviews Completed within Thirty Days
- Recidivism Rate of Those Receiving Disciplinary Action

Inspection Coverage Rate  
Percentage of Boilers Inspected for Certification within Appropriate Timelines

### Strategies and Output, Efficiency and Explanatory Measures

#### A.1.1. Strategy: LICENSE, REGISTER AND CERTIFY

Issue licenses, registrations and certificates to qualified applicants.

##### Output:

Number of New Licenses Issued to Individuals  
Number of Licenses Renewed (Individuals)

##### Efficiencies:

Average Licensing Cost Per Individual License Issued  
Percentage of New Individual Licenses Issued within Ten Days  
Percentage of Individual License Renewals Issued within Seven Days

##### Explanatory:

Total Number of Individuals Licensed

#### A.1.2. Strategy: LICENSE BUSINESSES AND FACILITIES

Issue licenses to qualified businesses and facilities.

##### Efficiency:

Average Licensing Cost Per Facility License Issued

##### Explanatory:

Total Number of Business Facilities Licensed

#### A.1.3. Strategy: EXAMINATIONS

Administer exams to applicants.

##### Output:

Number of Examinations Administered

**Efficiency:**

Average Cost Per Exam Administered

**Explanatory:**

Pass Rate

**A.1.4. Strategy:** CONTINUING EDUCATION / CUSTOMER SERVICE

Develop continuing education and provide customer service.

**Output:**

Number of Information Requests Filled

**Efficiency:**

Average Cost Per Information Request Filled

**Explanatory:**

Number of Individuals Receiving Training/Education

Number of Training/Education Sessions Conducted

**A.1.5. Strategy:** TEXASONLINE

Provide for the processing of occupational license, registrations, or permit fees through TexasOnline. Estimated and nontransferable.

**B.1.1. Strategy:** CONDUCT INSPECTIONS

Enforce laws by conducting routine, complex, and special inspections.

**Output:**

Total Number of Architectural Barrier Inspections Completed by Agency and Third Party Inspectors

**Efficiencies:**

Average Cost Per Inspection by Agency Staff

Average Number of Months to Complete Architectural Barrier Inspections by Agency Staff

**Explanatory:**

Number of Buildings or Facilities to Be Inspected for Architectural Barriers by Agency Staff

Total Number of Inspections Completed

Total Number of Boiler Certification and Elevator, Escalator, and Related Equipment Inspections Due

**B.1.2. Strategy: BUILDING PLAN REVIEWS**

Perform building plan reviews.

**Output:**

Total Number of Architectural Barrier Building Plans Reviewed by Agency and Third Party Plan Reviewers

Total Number of Plan Reviews Completed by Agency and Third Parties

**Efficiencies:**

Average Cost Per Architectural Barrier Building Plan Reviewed

Average Number of Days to Complete Building Plan Reviews for Architectural Barriers by Agency Staff

**B.1.3. Strategy: RESOLVE COMPLAINTS**

Enforce compliance through timely case settlements and prosecutions, administrative penalties, and sanctions.

**Output:**

Number of Complaints Resolved

**Efficiencies:**

Average Cost Per Complaint Resolved

Average Time for Consumer Complaint Resolution (Days)

**B.1.4. Strategy: INVESTIGATION**

Investigate complaints.

**Explanatory:**

Number of Jurisdictional Complaints Received

**C.I.1. Strategy:** CENTRAL ADMINISTRATION

**C.I.2. Strategy:** INFORMATION RESOURCES

**C.I.3. Strategy:** OTHER SUPPORT SERVICES





## 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](http://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

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

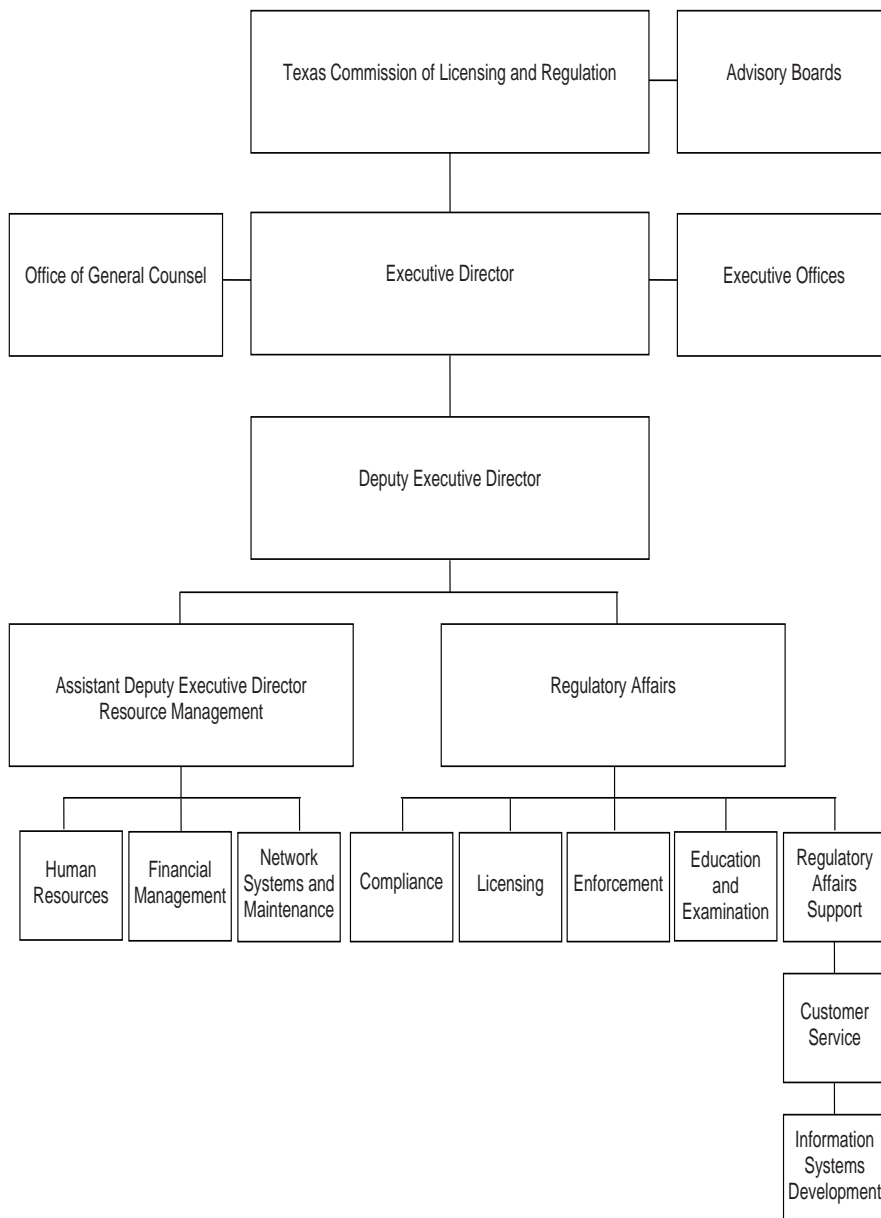
Travis II Room – State Agencies

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

<b>A. GOAL: LICENSING</b> License, certify, and register qualified individuals and businesses.		
<b>OUTCOME MEASURES</b>		
<b>01-01-01 PERCENT OF LICENSEES WITH NO RECENT VIOLATIONS (KEY)</b>		
<b>SHORT DEFINITION</b> 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.		
<b>PURPOSE/IMPORTANCE</b> 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.		
<b>SOURCE/COLLECTION OF DATA</b> 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.		
<b>METHOD OF CALCULATION</b> 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.		
<b>DATA LIMITATIONS</b> 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.		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Non-cumulative	No	Higher than target
<b>01-01-02 PERCENT OF LICENSEES WHO RENEW ONLINE (KEY)</b>		
<b>SHORT DEFINITION</b> The percent of the total number of licensed, registered, or certified individuals that renewed their license, registration, or certification online during the reporting period.		
<b>PURPOSE/IMPORTANCE</b> To track the use of online license renewal technology by the licensee population.		
<b>SOURCE/COLLECTION OF DATA</b> 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.		



<p><b>METHOD OF CALCULATION</b> 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><b>DATA LIMITATIONS</b> External Factors: General market and economic conditions, statutory changes, changes in the number of individuals who choose to remain in the industry &amp; the number of those licensees with access to both the internet &amp; credit cards. Those factors are beyond TDLR's control.</p>		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Cumulative	No	Higher than target
<p><b>A. GOAL: LICENSING</b> License, certify, and register qualified individuals and businesses. <b>OUTCOME MEASURES</b></p>		
<p><b>01-01-03 PERCENT OF NEW INDIVIDUAL LICENSES ISSUED ONLINE (KEY)</b></p>		
<p><b>SHORT DEFINITION</b> The percent of all new licenses, registrations, or certifications issued online to individuals during the reporting period.</p>		
<p><b>PURPOSE/IMPORTANCE</b> To track use of online license issuance technology by the licensee population.</p>		
<p><b>SOURCE/COLLECTION OF DATA</b> 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><b>METHOD OF CALCULATION</b> 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><b>DATA LIMITATIONS</b> 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 &amp; credit cards. Those factors are beyond TDLR's control.</p>		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Cumulative	No	Higher than target
<p><b>A.1.1 STRATEGY: LICENSE, REGISTER AND CERTIFY</b> Issue licenses, registrations, and certificates to qualified individuals. <b>OUTPUT MEASURES</b></p>		
<p><b>01-01-01-01 NUMBER OF NEW LICENSES ISSUED TO INDIVIDUALS (KEY)</b></p>		
<p><b>SHORT DEFINITION</b> The number of licenses, registrations and certificates issued to previously unlicensed, unregistered or uncertified individuals during the reporting period.</p>		
<p><b>PURPOSE/IMPORTANCE</b> 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>		

<p><b>SOURCE/COLLECTION OF DATA</b> 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><b>METHOD OF CALCULATION</b> Add the number of new licenses, registrations and certifications issued to individuals during the reporting period.</p>		
<p><b>DATA LIMITATIONS</b> 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>		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Cumulative	No	Higher than target
<p><b>01-01-01-02 NUMBER OF LICENSES RENEWED (INDIVIDUALS) (KEY)</b></p>		
<p><b>SHORT DEFINITION</b> 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><b>PURPOSE/IMPORTANCE</b> 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><b>SOURCE/COLLECTION OF DATA</b> 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><b>METHOD OF CALCULATION</b> Add the number of licenses, registrations and certifications renewed to individuals during the reporting period.</p>		
<p><b>DATA LIMITATIONS</b> 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>		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Cumulative	No	Higher than target
<p><b>A.1.1 STRATEGY: LICENSE, REGISTER AND CERTIFY</b> Issue licenses, registrations, and certificates to qualified individuals. <b>EFFICIENCY MEASURES</b></p>		
<p><b>01-01-01-01 PERCENTAGE OF NEW INDIVIDUAL LICENSES ISSUED WITHIN 10 DAYS</b></p>		
<p><b>SHORT DEFINITION</b> 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><b>PURPOSE/IMPORTANCE</b> This measure indicates the ability of TDLR to process new applications in a timely and efficient manner.</p>		

<b>SOURCE/COLLECTION OF DATA</b>		
Boiler - Excel spreadsheet; IHB – Access database maintained by IHB; Licensing – “PERFORGLIC” from the Texas Umbrella Licensing Information Project (TULIP).		
<b>COLLECTION OF DATA</b>		
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.		
<b>DATA LIMITATIONS</b>		
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.		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Non-cumulative	No	Higher than target
<b>01-01-01-03 PERCENT OF INDIVIDUAL LICENSE RENEWALS ISSUED WITHIN 7 DAYS</b>		
<b>SHORT DEFINITION</b>		
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.		
<b>PURPOSE/IMPORTANCE</b>		
This is a measure of TDLR’s ability to process renewal applications in a timely and efficient manner.		
<b>SOURCE/COLLECTION OF DATA</b>		
Boiler - Excel spreadsheet; IHB – Access database maintained by IHB program; Licensing – “PERFRENLIC” from the Texas Umbrella Licensing Information Project (TULIP).		
<b>METHOD OF CALCULATION</b>		
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.		
<b>DATA LIMITATIONS</b>		
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.		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Non-cumulative	No	Higher than target
<b>A.1.1 STRATEGY: LICENSE, REGISTER AND CERTIFY</b> Issue licenses, registrations, and certificates to qualified individuals.		
<b>EXPLANATORY MEASURE</b>		
<b>01-01-01-01 TOTAL NUMBER OF INDIVIDUALS LICENSED (KEY)</b>		
<b>SHORT DEFINITION</b>		
Total number of individuals licensed, registered or certified at the end of the reporting period.		
<b>PURPOSE/IMPORTANCE</b>		
This measure indicates the total licensee, certificate holder and registrant population.		

<b>SOURCE/COLLECTION OF DATA</b> 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).		
<b>METHOD OF CALCULATION</b> Add the number of individuals holding licenses, registrations or certificates.		
<b>DATA LIMITATIONS</b> 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.		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Non-cumulative	No	Higher than target
<b>A.1.2 STRATEGY: LICENSE BUSINESSES AND FACILITIES</b> License, certify and register qualified individuals and businesses. <b>EXPLANATORY MEASURE</b>		
<b>01-01-02-01 TOTAL NUMBER OF BUSINESS FACILITIES LICENSED (KEY)</b>		
<b>SHORT DEFINITION</b> The unduplicated number of businesses, facilities, or pieces of equipment licensed, registered or certified by the agency at the end of the reporting period.		
<b>PURPOSE/IMPORTANCE</b> This measure indicates the total business, facility construction project and equipment population.		
<b>SOURCE/COLLECTION OF DATA</b> 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).		
<b>METHOD OF CALCULATION</b> Add the total number of businesses, facilities, construction projects and equipment licensed, registered or certified.		
<b>DATA LIMITATIONS</b> 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.		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Non-cumulative	No	Higher than target
<b>A.1.4 STRATEGY: CONTINUING EDUCATION/CUSTOMER SERVICE</b> Develop continuing education and provide customer service. <b>OUTPUT MEASURE</b>		
<b>01-01-04-01 NUMBER OF INFORMATION REQUESTS FILLED</b>		

<b>SHORT DEFINITION</b>		
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.		
<b>PURPOSE/IMPORTANCE</b>		
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.		
<b>SOURCE/COLLECTION OF DATA</b>		
Data is derived from traffic log analysis tools utilized by TDLR's web site, Access database for Open Records Request.		
<b>METHOD OF CALCULATION</b>		
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.		
<b>DATA LIMITATIONS</b>		
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.		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Cumulative	No	Higher than target
<b>A.1.4 STRATEGY: CONTINUING EDUCATION/CUSTOMER SERVICE</b>		
Develop continuing education and provide customer service.		
<b>EXPLANATORY MEASURES</b>		
<b>01-01-04-01 NUMBER OF INDIVIDUALS RECEIVING TRAINING/ EDUCATION</b>		
<b>SHORT DEFINITION</b>		
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.		
<b>PURPOSE/IMPORTANCE</b>		
This measure indicates the number of individuals benefiting from TDLR's training/ education efforts. The measure is not a standard measure for licensing agencies.		
<b>SOURCE/COLLECTION OF DATA</b>		
TDLR form 013ALL		
<b>METHOD OF CALCULATION</b>		
Count the number of attendees for training/education sessions provided by TDLR.		
<b>DATA LIMITATIONS</b>		
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.		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Cumulative	No	Lower than target
<b>01-01-04-02 NUMBER OF TRAINING/EDUCATION SESSIONS CONDUCTED</b>		
<b>SHORT DEFINITION</b>		
Number of sessions conducted by agency staff to non-agency staff to impart knowledge of laws, rules and/or standards for regulated industries.		
<b>PURPOSE/IMPORTANCE</b>		
This measure indicates TDLR's efforts at training/educating its public. This measure is not a standard licensing agency measure.		

<b>SOURCE/COLLECTION OF DATA</b> TDLR form 013ALL.		
<b>METHOD OF CALCULATION</b> Add the number of training/education sessions held.		
<b>DATA LIMITATIONS</b> 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.		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Cumulative	No	Lower than target
<b>B. GOAL: ENFORCEMENT</b> Protect the public by enforcing laws administered by the agency.		
<b>OUTCOME MEASURES</b>		
<b>02-01-01 PERCENT OF COMPLAINTS RESULTING IN DISCIPLINARY ACTION</b>		
<b>SHORT DEFINITION</b> Percent of complaints that were resolved during the reporting period that resulted in disciplinary action.		
<b>PURPOSE/IMPORTANCE</b> This measure indicates the effectiveness of complaint resolution processes by TDLR.		
<b>SOURCE/COLLECTION OF DATA</b> 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.		
<b>METHOD OF CALCULATION</b> 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.		
<b>DATA LIMITATIONS</b> 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.		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Non-cumulative	No	Higher than target
<b>02-01-02 PERCENT OF DOCUMENTED COMPLAINTS RESOLVED WITHIN SIX MONTHS (KEY)</b>		
<b>SHORT DEFINITION</b> 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.		
<b>PURPOSE/IMPORTANCE</b> This measure indicates the effectiveness of complaint resolution processes by TDLR.		

<p><b>SOURCE/COLLECTION OF DATA</b>                  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><b>METHOD OF CALCULATION</b>                  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><b>DATA LIMITATIONS</b>                  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>		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Non-cumulative	No	Higher than target
<p><b>02-01-03 PERCENT OF ARCHITECTURAL BARRIER BUILDING PLAN REVIEWS COMPLETED WITHIN THIRTY DAYS (KEY)</b></p>		
<p><b>SHORT DEFINITION</b>                  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><b>PURPOSE/IMPORTANCE</b>                  This measure indicates the effectiveness of TDLR's Architectural Barrier plan review process.</p>		
<p><b>SOURCE/COLLECTION OF DATA</b>                  Information services retrieves information from HP3000 to create report "Completed Reviews".</p>		
<p><b>METHOD OF CALCULATION</b>                  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><b>DATA LIMITATIONS</b>                  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>		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Non-cumulative	No	Higher than target
<p><b>02-01-04 RECIDIVISM RATE OF THOSE RECEIVING DISCIPLINARY ACTION</b></p>		
<p><b>SHORT DEFINITION</b>                  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><b>PURPOSE/IMPORTANCE</b>                  This measure shows how effectively the agency educates its regulated industries and enforces its regulatory requirements.</p>		

<b>SOURCE/COLLECTION OF DATA</b>		
Final Order Log (an Excel file) maintained by the Legal Assistant to the Prosecutor.		
<b>METHOD OF CALCULATION</b>		
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.		
<b>DATA LIMITATIONS</b>		
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.		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Non-cumulative	No	Lower than target
<b>02-01-05 INSPECTION COVERAGE RATE (KEY)</b>		
<b>SHORT DEFINITION</b>		
The total number of inspections completed by agency and third party inspectors divided by the total number of inspections required.		
<b>PURPOSE/IMPORTANCE</b>		
This measure indicates the effectiveness of TDLR's inspection process.		
<b>SOURCE/COLLECTION OF DATA</b>		
Explanatory performance measure 02-01-01-02, Total Number of Inspections Completed.		
<b>METHOD OF CALCULATION</b>		
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.		
<b>DATA LIMITATIONS</b>		
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.		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Non-cumulative	No	Higher than target
<b>02-01-06 PERCENT OF BOILERS INSPECTED FOR CERTIFICATION WITHIN APPROPRIATE TIMELINES (KEY)</b>		
<b>SHORT DEFINITION</b>		
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.		
<b>PURPOSE/IMPORTANCE</b>		
This measure indicates the effectiveness of TDLR's Boiler inspection process. This is not a standard licensing performance measure.		
<b>SOURCE/COLLECTION OF DATA</b>		
HP3000 BSAUDIT3 report.		



<p><b>METHOD OF CALCULATION</b> 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><b>DATA LIMITATIONS</b> 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>		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Non-cumulative	No	Higher than target
<p><b>B.1.1 STRATEGY: CONDUCT INSPECTIONS</b> Enforce laws by conducting routine, complex and special inspections. <b>OUTPUT MEASURE</b></p>		
<p><b>02-01-01-01 TOTAL NUMBER OF ARCHITECTURAL BARRIERS INSPECTIONS COMPLETED BY AGENCY &amp; THIRD PARTY INSPECTORS (KEY)</b></p>		
<p><b>SHORT DEFINITION</b> The total number of Architectural Barrier inspections completed by agency and third party inspectors during the reporting period.</p>		
<p><b>PURPOSE/IMPORTANCE</b> This performance measure shows the number of Architectural Barrier inspections completed.</p>		
<p><b>SOURCE/COLLECTION OF DATA</b> Information Services retrieves information from HP3000 to create report – Number of Days to Complete Inspection and RAS/ICP Performance Measure Report.</p>		
<p><b>METHOD OF CALCULATION</b> Add the total number of Architectural Barriers inspections completed for the reporting period.</p>		
<p><b>DATA LIMITATIONS</b> 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>		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Cumulative	No	Higher than target
<p><b>B.1.1 STRATEGY: CONDUCT INSPECTIONS</b> Enforce laws by conducting routine, complex and special inspections. <b>EFFICIENCY MEASURES</b></p>		
<p><b>02-01-01-01 AVERAGE NUMBER OF MONTHS TO COMPLETE ARCHITECTURAL BARRIER INSPECTIONS (KEY)</b></p>		
<p><b>SHORT DEFINITION</b> The average number of months to complete an Architectural Barrier inspection by agency staff during the reporting period.</p>		
<p><b>PURPOSE/IMPORTANCE</b> This measure shows how efficient TDLR is in scheduling and performing Architectural Barrier inspections.</p>		

<b>SOURCE/COLLECTION OF DATA</b>		
Information Services retrieves information from HP3000 to create report.		
<b>METHOD OF CALCULATION</b>		
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.		
<b>DATA LIMITATIONS</b>		
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.		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Non-cumulative	No	Lower than target
<b>B.1.1 STRATEGY: CONDUCT INSPECTIONS</b>		
Enforce laws by conducting routine, complex and special inspections.		
<b>EXPLANATORY MEASURES</b>		
<b>02-01-01-01 NUMBER OF BUILDINGS OR FACILITIES INSPECTED FOR ARCHITECTURAL BARRIERS</b>		
<b>SHORT DEFINITION</b>		
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.		
<b>PURPOSE/IMPORTANCE</b>		
This shows the work in process in Architectural Barrier inspections.		
<b>SOURCE/COLLECTION OF DATA</b>		
Information Services retrieves information from HP3000 to create report.		
<b>METHOD OF CALCULATION</b>		
The HP3000 system totals Architectural Barrier inspections due based on the requests received for inspections that have not been performed.		
<b>DATA LIMITATIONS</b>		
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.		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Non-cumulative	No	Lower than target
<b>02-01-01-02 TOTAL NUMBER OF INSPECTIONS COMPLETED (KEY)</b>		
<b>SHORT DEFINITION</b>		
The total number of inspections, for all regulated industries, completed by agency and third party inspectors.		
<b>PURPOSE/IMPORTANCE</b>		
This measure indicates the number of inspections completed by agency and third parties.		
<b>SOURCE/COLLECTION OF DATA</b>		
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.		

<b>METHOD OF CALCULATION</b> Add the number of inspections from all sources.		
<b>DATA LIMITATIONS</b> 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.		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Non-cumulative	No	Higher than target
<b>02-01-01-03 TOTAL NUMBER OF EQUIPMENT INSPECTIONS DUE</b>		
<b>SHORT DEFINITION</b> The total number of boiler certification and elevator, escalator and related equipment inspections due.		
<b>PURPOSE/IMPORTANCE</b> 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.		
<b>SOURCE/COLLECTION OF DATA</b> HP3000 report - BSRP0190 and Elevator system database.		
<b>METHOD OF CALCULATION</b> The total boilers and equipment in the HP3000 and the Elevator system database with an expiration date within the parameters.		
<b>DATA LIMITATIONS</b> 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.		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Cumulative	No	Lower than target
<b>B.1.2 STRATEGY: BUILDING PLAN REVIEWS</b> Perform building plan reviews. <b>OUTPUT MEASURES</b>		
<b>02-01-02-01 TOTAL NUMBER OF ARCHITECTURAL BARRIER BUILDING PLANS REVIEWED BY AGENCY AND THIRD PARTY PLAN REVIEWERS</b>		
<b>SHORT DEFINITION</b> 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.		
<b>PURPOSE/IMPORTANCE</b> This performance measure shows the total number of plan reviews completed for the Architectural Barriers program.		
<b>SOURCE/COLLECTION OF DATA</b> Information Services retrieves information from HP3000 to create the needed report.		
<b>METHOD OF CALCULATION</b> Add the number of plan reviews from the Information Services reports for the current reporting period.		

<b>DATA LIMITATIONS</b>		
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.		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Cumulative	No	Higher than target
<b>02-01-02-02 TOTAL NUMBER OF PLAN REVIEWS COMPLETED BY AGENCY AND THIRD PARTIES (AB &amp; IHB)</b>		
<b>SHORT DEFINITION</b>		
The total number of construction/engineering documents reviewed by agency and third party plan reviewers for compliance with applicable standards.		
<b>PURPOSE/IMPORTANCE</b>		
This measure indicates the number of plan reviews completed by agency and third parties.		
<b>SOURCE/COLLECTION OF DATA</b>		
Information Services retrieves information from HP3000 to create the needed report; IHB – Access database maintained by IHB Program.		
<b>METHOD OF CALCULATION</b>		
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”.		
<b>DATA LIMITATIONS</b>		
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.		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Cumulative	No	Higher than target
<b>B.1.2 STRATEGY: BUILDING PLAN REVIEWS</b>		
Perform building plan reviews.		
<b>EFFICIENCY MEASURES</b>		
<b>02-01-02-01 AVERAGE NUMBER OF DAYS TO COMPLETE ARCHITECTURAL BARRIER BUILDING PLAN REVIEWS BY AGENCY STAFF</b>		
<b>SHORT DEFINITION</b>		
The average number of days to complete an Architectural Barrier building plan review by agency staff during the reporting period.		
<b>PURPOSE/IMPORTANCE</b>		
This measure shows how efficient TDLR is in reviewing construction/engineering documents.		
<b>SOURCE/COLLECTION OF DATA</b>		
Information Services retrieves information from HP3000 to create report.		
<b>METHOD OF CALCULATION</b>		
Total the number of days it takes to complete each plan review and divide by the total number of plan reviews completed.		

<p><b>DATA LIMITATIONS</b>                  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>		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Non-cumulative	No	Lower than target
<p><b>B.1.3 STRATEGY: RESOLVE COMPLAINTS</b>                  Enforce compliance by settlement, prosecution, penalty and sanction.  <b>OUTPUT MEASURE</b></p>		
<p><b>02-01-03-01 NUMBER OF COMPLAINTS RESOLVED (KEY)</b></p>		
<p><b>SHORT DEFINITION</b>                  The total number of jurisdictional complaints closed during the reporting period.</p>		
<p><b>PURPOSE/IMPORTANCE</b>                  This measure reflects the efforts of TDLR's enforcement activities to resolve complaints.</p>		
<p><b>SOURCE/COLLECTION OF DATA</b>                  Crystal report of extracted data from the Complaint Intake Monitoring System (CIMS).</p>		
<p><b>METHOD OF CALCULATION</b>                  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><b>DATA LIMITATIONS</b>                  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>		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Non-cumulative	No	Higher than target
<p><b>B.1.3 STRATEGY: RESOLVE COMPLAINTS</b>                  Enforce compliance by settlement, prosecution, penalty and sanction.  <b>EFFICIENCY MEASURES</b></p>		
<p><b>02-01-03-01 AVERAGE TIME FOR CONSUMER COMPLAINT RESOLUTION (DAYS) (KEY)</b></p>		
<p><b>SHORT DEFINITION</b>                  The average length of time to resolve a complaint, for all complaints closed during the reporting period.</p>		
<p><b>PURPOSE/IMPORTANCE</b>                  This measure indicates the effectiveness of investigative and complaint resolution processes by TDLR.</p>		
<p><b>SOURCE/COLLECTION OF DATA</b>                  Crystal report of extracted data from the Complaint Intake Monitoring System (CIMS).</p>		
<p><b>METHOD OF CALCULATION</b>                  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>		

<b>DATA LIMITATIONS</b>		
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.		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
Non-cumulative	No	Lower than target
<b>B.1.4 STRATEGY: INVESTIGATION</b>		
Investigate complaints.		
<b>EXPLANATORY MEASURE</b>		
<b>02-01-04-01 NUMBER OF JURISDICTIONAL COMPLAINTS RECEIVED (KEY)</b>		
<b>SHORT DEFINITION</b>		
The total number of complaints opened for investigation during the reporting period that are within the agency's statutory jurisdiction.		
<b>PURPOSE/IMPORTANCE</b>		
This measure indicates the case workload of TDLR.		
<b>SOURCE/COLLECTION OF DATA</b>		
Crystal report of extracted data from the Complaint Intake Monitoring System (CIMS) reports.		
<b>METHOD OF CALCULATION</b>		
The number of jurisdiction complaints opened for investigation during the reporting period.		
<b>DATA LIMITATIONS</b>		
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.		
<b>CALCULATION TYPE</b>	<b>NEW MEASURE</b>	<b>DESIRED PERFORMANCE</b>
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-five<sup>1</sup> 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*

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<sup>1</sup> *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 71<sup>st</sup> 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

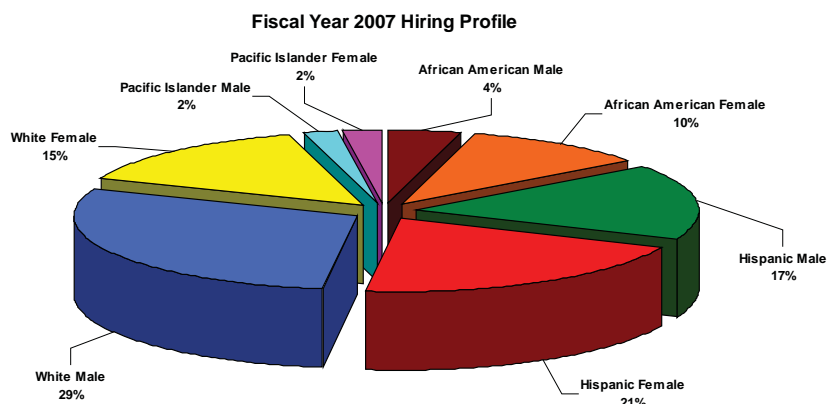
of services. Currently, TDLR has 379.5 appropriated full-time equivalent positions (FTEs), a fifty-one percent increase from the 251 FTEs during fiscal year 2007. While the majority of TDLR employees are located in Austin, there are seventy-one employees working in the field, allowing the agency to better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

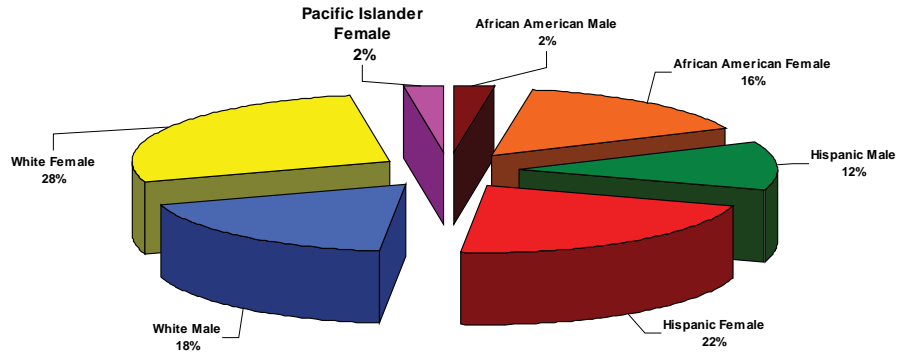
Commitment to Employing a Qualified and Diverse Workforce

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.

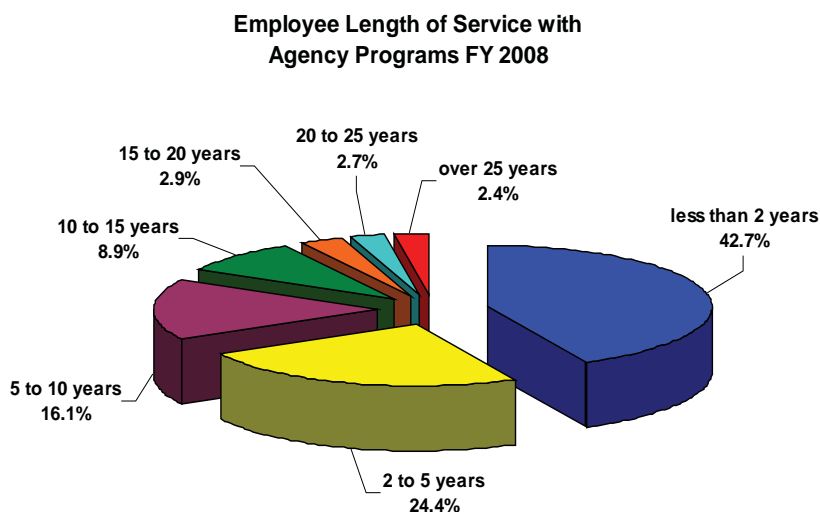
Agency Workforce Composition

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

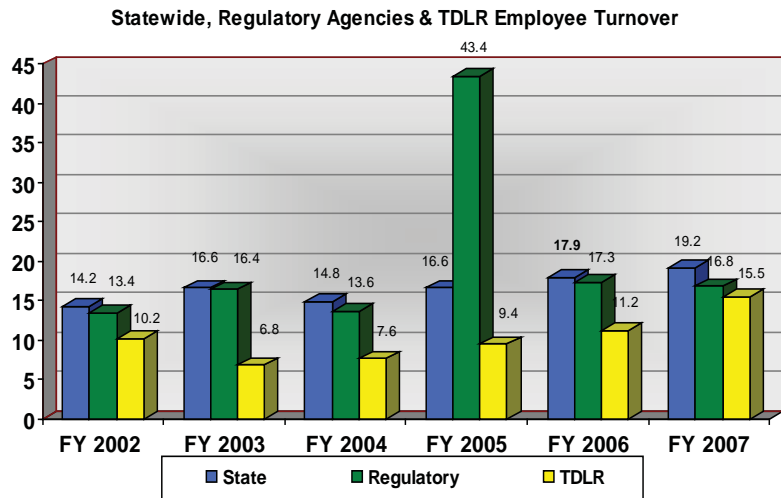
Meeting the demands of today’s changing business environment requires building and retaining a dependable and motivated staff. Finding and keeping quality employees can pose a challenge since they are also in high demand by the private sector. To meet this challenge, TDLR provides stimulating work, opportunities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

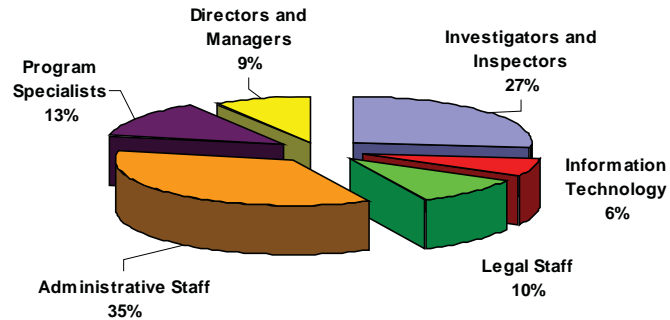
Organizational changes and our focus on leadership, communication, employee development, and work environment are important factors in our high retention rate. The results of an internal survey are being reviewed and analyzed so the data may be used for continuous organizational improvement. TDLR's success 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):

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Agree</b>	<b>Strongly Agree</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>

**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><b>Survey Ranking: 1 = Strongly Disagree 2 = Disagree 3 = Agree 4 = Strongly Agree</b></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 80<sup>th</sup> 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, 353<sup>rd</sup> 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, 353<sup>rd</sup> 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.

