

**Annual Report of Nonfinancial Data  
for the year ended August 31, 2017**

**Texas Department of  
Licensing and Regulation**



**Brian Francis  
Executive Director**





# TEXAS DEPARTMENT OF LICENSING AND REGULATION

*Executive Office*

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December 27, 2017

The Honorable Greg Abbott, Governor  
Ursula Parks, Director, Legislative Budget Board  
Lisa Collier, First Assistant State Auditor

Ladies and Gentleman:

We are pleased to submit the Texas Department of Licensing & Regulation *Annual Report of Nonfinancial Data* for the year ended August 31, 2017, in compliance with the TEX. GOV'T CODE ANN. § 2101.0115 and in accordance with the instructions for completing the Annual Report of Nonfinancial Data.

The accompanying report has not been audited and is considered to be independent of the agency's *Annual Financial Report*.

If you have any questions, please contact Jerry Daniels, Director of Financial Services, at (512) 463-3100.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brian Francis".

Brian Francis  
Executive Director

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*Mike Arismendez, Chair – Shallowater, Texas*

*Tom Butler, Vice-Chair – Deer Park, Texas*

*Helen Callier – Kingwood, Texas*

*Rick Figueroa – Brenham, Texas*

*Catherine Rodewald – Frisco, Texas*

*Ravi Shah – Carrollton, Texas*

*Deborah A. Yurco – Austin, Texas*

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**TEXAS DEPARTMENT OF LICENSING AND REGULATION  
SCHEDULE OF SPACE OCCUPIED**

For the Fiscal Year Ended August 31, 2017

Location	Address	Lessor	Lease Number	Type	Usable Sq. Ft.	FTEs	Rental per Month			Comments
							Cost per Sq. Ft.	Cost per Month	Annual Cost	
<b>State-Owned Buildings:</b>										
Austin	920 Colorado				34,005	215.2				
Fort Worth	1501 Circle Dr, Suite 215				1,604	5.0				
Houston	5425 Polk Ave, Suite G80				4,854	7.0				
					<b>40,463</b>	<b>227.2</b>				
<b>Free Space:</b>										
(None)										
<b>Leased Space:</b>										
Austin	1106 Clayton Lane	Omninet Twin Towers, LP	20208							Lease expires 01/31/2021.
	Suites 125E and 325E			Office/Meeting	12,650	18.0	18.83	\$ 19,849.96	\$ 238,200	Suite 125 is the large meeting room used for Commission Meetings, Advisory Boards, Training, etc.
	Suites 130E and 425E			Offices	6,708	32.0	18.84	\$ 10,531.56	\$ 126,379	
	Suite 300E			Offices	6,379	87.0	18.83	\$ 10,009.71	\$ 120,117	
	Suite 105E			Offices	2,233	11.0	20.84	\$ 3,877.98	\$ 46,536	
	Suite 105W			Offices	3,086	15.0	25.84	\$ 6,645.19	\$ 79,742	
					<b>31,056</b>	<b>163.0</b>		<b>\$ 50,914.40</b>	<b>\$ 610,973</b>	

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**TEXAS DEPARTMENT OF LICENSING AND REGULATION (452)**  
**SCHEDULE OF PROFESSIONAL/CONSULTING AND LEGAL SERVICE FEES**  
 For the Fiscal Year Ended August 31, 2017

<u>Name</u>	<u>Type of Service Rendered</u>	<u>Amount</u>
<b>Professional/Consulting Fees</b>		
Paid from Governmental Funds:		
Alliance Work Partners	Services for Employees	\$3,033.85
Ambonare Inc	Web Development Services	\$48,680.00
Carahsoft Technology Corporation	IT Services	\$12,175.56
Deer Oaks EAP Services LLP	Services for Employees	\$7,916.22
Department of Information Resources	Data Consolidation Center	\$728,654.69
Garza/Gonzalez	Internal Auditing	41,939.13
Innosoul Inc	IT Services	26,674.38
Lead by Design	Team Effectiveness Needs Assessment	3,433.87
Legal Files Software	Training and IT Services	8,200.00
Loblolly Consulting LLC	Team Foundation Consulting	49,865.00
Micropact Global Inc	Versa Conversion (DSHS Programs)	443,751.31
Neubus Inc	IT Services	14,616.00
Praeses LLC	Programming for Boiler Program	-88,295.00
Total Paid from Governmental Funds		<u>\$1,300,645.01</u>
<b>Total Professional/Consulting Fees</b>		<u>\$1,300,645.01</u>
<b>Legal Service Fees</b>		
N/A		\$0.00
<b>Total Legal Service Fees</b>		<u>\$0.00</u>
<b>Total Professional/Consulting and Legal Service Fees</b>		<u>\$1,300,645.01</u>

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**STATE AGENCY PROGRESS REPORT**  
 (Source: Texas Government Code, Title 10, Subtitle D, Section 2161.124)

Agency Name: Texas Department of Licensing and Regulation Agency #: 452 Report for Fiscal: 2017

HUB Report Procurement Categories	Fiscal 2016		Fiscal 2017		Fiscal 2018
	Agency-Specific HUB Goal*	% of Dollars Spent w/HUBs**	Agency-Specific HUB Goal*	% of Dollars Spent w/HUBs**	Agency-Specific HUB Goal*
Heavy construction other than building contracts	N/A	N/A	N/A	N/A	N/A
Building construction, including general contractors and operative builders contracts	N/A	N/A	N/A	N/A	N/A
Special trade construction contracts	32.90%	0.00%	32.90%	0.00%	0.00%
Professional services contracts	23.70%	100.00%	75.00%	100.00%	75.00%
Other services contracts	26.00%	5.64%	26.00%	7.35%	8.00%
Commodities contracts	21.10%	37.93%	30.00%	44.39%	40.00%

\* For each of the procurement categories listed, enter your Agency-Specific HUB Goals.

\*\* For each of the procurement categories listed, enter the percentage of dollars the agency spent with HUBs as reflected in the Annual HUB Reports.

The agency will continue efforts to utilize HUB vendors when possible. Also, the agency will continue to participate in HUB functions as it relates to the purchases the agency makes. The HUB program staff for the agency is comprised of three purchasers who spend time seeking HUB vendors to provide commodities and services as well as the Deputy Executive Director who is the HUB Coordinator and provides direction to the purchasing staff.

Prepared By:



Printed Name:

Jerald A. Daniels

Phone Number:

(512) 463-3100

Approved by:



Printed Name:

Brian Francis

Phone Number:

(512) 463-3171

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**TEXAS DEPARTMENT OF LICENSING AND REGULATION (452)**  
**APPROPRIATION ITEM TRANSFER SCHEDULE\***  
 For the Fiscal Year Ended August 31, 2017

**ITEM OF APPROPRIATION**

			<u>Transfers-In</u>	<u>Transfers-Out</u>	<u>Net Transfers</u>
<b>A. Goal: Licensing</b>					
<b>Strategies:</b>					
A.1.1	13004	License/Register/Certify	\$ -	\$ (89,150.00)	\$ (89,150.00)
A.1.2	13023	License Businesses & Facilities	-	-	-
A.1.3	13003	Education and Examinations	-	-	-
A.1.4	13008	Customer Service	<u>19,150.00</u>	<u>-</u>	<u>19,150.00</u>
<b>Total, Goal A: Licensing</b>			<b>\$ <u>19,150.00</u></b>	<b>\$ <u>(89,150.00)</u></b>	<b>\$ <u>(70,000.00)</u></b>
<b>B. Goal: Enforcement</b>					
<b>Strategies:</b>					
B.1.1	13010	Conduct Inspections	\$ -	\$ (576,550.00)	\$ (576,550.00)
B.1.2	13024	Building Plan Reviews	322,000.00	-	322,000.00
B.1.3	13009	Resolve Complaints	426,520.00	-	426,520.00
B.1.4	13025	Investigations	<u>-</u>	<u>(97,450.00)</u>	<u>(97,450.00)</u>
<b>Total, Goal B: Enforcement</b>			<b>\$ <u>748,520.00</u></b>	<b>\$ <u>(674,000.00)</u></b>	<b>\$ <u>74,520.00</u></b>
<b>C. Goal: Indirect Administration</b>					
<b>Strategies:</b>					
C.1.1	13800	Central Administration	\$ 4,910.00	\$ -	\$ 4,910.00
C.2.1	13801	Information Resources	-	(9,430.00)	(9,430.00)
C.3.1	13802	Other Support Services	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total, Goal C: Indirect Administration</b>			<b>\$ <u>4,910.00</u></b>	<b>\$ <u>(9,430.00)</u></b>	<b>\$ <u>(4,520.00)</u></b>
<b>Other</b>					
<b>Article IX Contingency Riders:</b>					
Sec. 18.41	24841	Driver Education and Safety	\$ 20,000.00	\$ -	\$ 20,000.00
Sec. 18.56	24856	Transfer of 7 DSHS Programs	-	(20,000.00)	(20,000.00)
<b>Capital Budget:</b>					
DCC	54003	Data Center Consolidation	-	-	-
SB 202	54202	SB 202 Licensing Transfer Project	<u>-</u>	<u>-</u>	<u>-</u>
			<b>\$ <u>20,000.00</u></b>	<b>\$ <u>(20,000.00)</u></b>	<b>\$ <u>-</u></b>
<b>NET APPROPRIATION ITEM TRANSFERS</b>			<b>\$ <u>792,580.00</u></b>	<b>\$ <u>(792,580.00)</u></b>	<b>\$ <u>-</u></b>

\* This schedule does not include salary increase transfers and benefit replacement pay (BRP) transfers.

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**TEXAS DEPARTMENT OF LICENSING AND REGULATION  
INDIRECT COST SCHEDULE**

For the Fiscal Year Ended August 31, 2017

<b>A. Payroll Related Costs</b>			
	FICA Employer Matching Contribution	\$	1,903,472
	Group Health Insurance		3,414,692
	Retirement		2,271,696
	Unemployment		11,446
	<b>Total Payroll Related Costs</b>	<b>\$</b>	<b>7,601,306</b>
	Workers' Compensation (Indirect)	\$	-
	Benefit Replacement Pay (BRP)		47,992
	<b>Total Workers' Compensation and BRP</b>		<b>47,992</b>
<b>B. Indirect Costs</b>			
	Bond Debt Service Payments	\$	12,120
	<b>Total Indirect Costs</b> (not reported on operating statements)		<b>12,120</b>
<b>C. Indirect Costs - Statewide Full Cost Allocation Plan</b>			
	<b>(Note that these are costs that were provided to the agency during Fiscal Year 2017 based on the FY2016 Statewide Cost Allocation Plan (SWCAP).</b>		
	Building Depreciation	\$	68,033
	CPA Fiscal and ITD		76,451
	CPA Purchasing & Support (TPASS)		8,871
	CPA Rebates		(1,848)
	DPS Capitol Security		1,828
	TFC Planning and Real Estate Mgmt		554,999
	GOV Budget and Planning		528
	Rounding		(1)
	<b>Total Indirect Costs - Statewide Full Cost Allocation Plan</b>		<b>708,861</b>
	<b>TOTAL INDIRECT COSTS</b>	<b>\$</b>	<b>8,370,279</b>

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**TEXAS DEPARTMENT OF LICENSING AND REGULATION (452)**  
**SCHEDULE OF STATE-OWNED VEHICLES USED BY STATE EMPLOYEES**  
 For the Fiscal Year Ended August 31, 2017

The following employees were authorized to use the agency's three state-owned vehicles:

<u>Name</u>	<u>Job Title</u>
Brian Francis	Executive Director
George Ferrie	Director of Compliance
Simon Skedd	Director of Network Services
Sharon Homoya	Director of Human Resources
Lee Parham	Manager
David Gonzales	Manager
David Gunn	Program Manager
Robert Posey	Program Manager
Elizabeth Perez	Program Manager
Eddie Morrison	Network Specialist
Jerry Daniel	Program Specialist
Larry Reichle	Program Specialist
Norman Kieke	Program Specialist
Vicky Miller	Program Specialist
Gus Calderon	Program Specialist
Adam Foster	Hydrologist
Alberto Jimenez	Hydrologist
Ben Delamater	Senior Purchaser
Michael Withrow	Purchaser
Brian Kelly	Purchaser/Property Manager
Mike Henry	Purchaser
Ariel Oubda	Purchaser

The Hydrologists perform statutorily required inspections of water wells throughout the state. The Directors, Managers, Network Specialist, Program Specialists and Purchasers use the agency vehicles to make presentations and to perform supervisory, staff, and administrative functions. When the vehicles are not in use, they are garaged at headquarters. Other individuals may be added to the list with the approval of the Executive Director or Deputy Executive Director.