

TDLR Strategic Plan

for the fiscal years 2011-2015

by the

Texas Commission of Licensing and Regulation

and the

Texas Department of Licensing and Regulation

submitted June 18, 2010



The Nation's Premier State Agency

STRATEGIC PLAN
FOR THE FISCAL YEARS 2011 – 2015

BY THE

Texas Commission of Licensing and Regulation

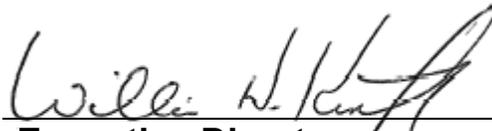
and the

Texas Department of Licensing and Regulation

Commission Member	Term	Hometown
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Mike Arismendez, <i>Vice-Chair</i>	02/01/15	Shallowater
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Submitted June 18, 2010

Signed:



Executive Director

Approved:

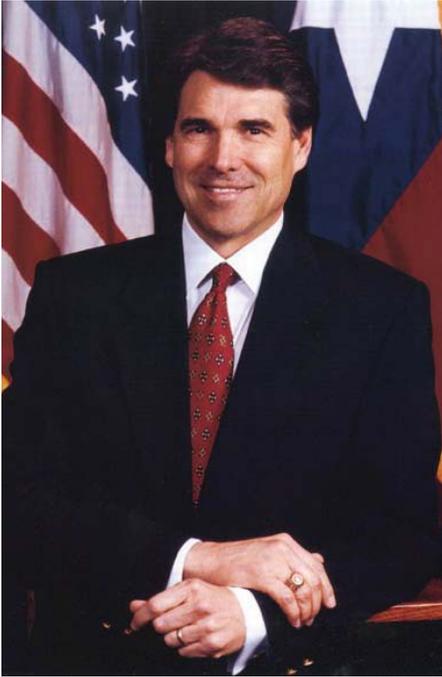


Commission Chair

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The Vision, Mission and Philosophy of Texas State

Government

Governor Rick Perry's Vision for Texas

We must critically reexamine the role of state government by identifying the core programs and activities necessary for the long-term economic health of our state, while eliminating outdated and inefficient functions. We must set clear priorities that will help maintain our position as a national leader now and in the future by:

Ensuring the economic competitiveness of our state by adhering to principles of fiscal discipline, setting clear budget priorities, living within our means, and limiting the growth of government;

Investing in critical water, energy, and transportation infrastructure needs to meet the demands of our rapidly growing state;

Ensuring excellence and accountability in public schools and institutions of higher education as we invest in the future of this state and ensure Texans are prepared to compete in the global marketplace;
 Defending Texans by safeguarding our neighborhoods and protecting our international border; and

Increasing transparency and efficiency at all levels of government to guard against waste, fraud, and abuse, ensuring that Texas taxpayers keep more of their hard-earned money to keep our economy and our families strong.

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. That 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

Priority 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

- Percentage of state professional licensee population with no documented violations
- Percentage of new professional licensees as compared to the existing population
- Percentage of documented complaints to professional licensing agencies resolved within six months
- Percentage of individuals given a test for professional licensure who received a passing score
- Percentage of new and renewed professional licenses issued via Internet
- Number of new business permits issued online
- Percentage increase in utilization of the state business portal

Economic Development

Priority Goal

To provide an attractive economic climate for current and emerging industries that fosters economic opportunity, job creation, capital investment, and infrastructure development by:

- Promoting a favorable business climate.

Benchmarks

- Number of new small businesses created
- Per capita gross state product
- State and local taxes as a percentage of personal income
- Number of Texans receiving job training services

Natural Resources

Priority 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;
- To maintain Texas' status as a leader in agriculture; and
- Encouraging responsible, sustainable economic development.

Benchmarks

- Percentage of Texas waters that meet or exceed safe water quality standards.

General Government

Priority 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.

Benchmarks

- Total state taxes per capita
- Total state spending per capita
- Number of state employees per 10,000 population
- Number of state services accessible by Internet
- Total savings realized in state spending by making reports/documents/processes available on the Internet and accepting information in electronic format

Currently, we administer 29 statutes with 142 license types and over 620,000 licensees. These statutes are listed below by year of enactment.

Vehicle Towing and Booting (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)

Boilers (Chapter 755, Health and Safety Code) (1937)

Personnel Employment Services (Chapter 2501, Occupations Code) (1949)

Water Well Drillers (Chapter 1901, Occupations Code) (1961)

Weather Modification (Chapters 301 and 302, Agriculture Code) (1967)

Architectural Barriers (Chapter 469, Government Code) (1969)

Polygraph Examiners (Chapter 1703, Occupations Code) (1969)

Vehicle Storage Facilities (Chapter 2303, Occupations Code) (1971)

Auctioneers (Chapter 1802, Occupations Code) (1975)

The Vision, Mission and Philosophy of TDLR

TDLR's Vision

To be the nation's premier state agency, an example for others to follow.

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; provide the highest level of customer service; serve the citizens of Texas with maximum efficiency and fairness; value the dignity and worth of our employees; grow leaders that embody a culture of change and innovation; and ensure wise and strategic use of public resources.

Overview of Agency Scope and Function

Statutory Basis

Chapter 51 of the Texas Occupations Code establishes the Texas Department of Licensing and Regulation (TDLR) and its general responsibilities. The Texas Commission of Licensing and Regulation (Commission) is TDLR's governing body with seven public members who are appointed by the Governor with the consent of the Senate. Commission duties:

- select and supervise the executive director
- set policy for TDLR
- approve TDLR's strategic plan, operating budget report, and requests for funding
- adopt rules to implement the laws administered by TDLR
- impose fines and sanctions for violations of laws, rules, and orders
- set fees to cover the cost of TDLR's programs

Executive director duties:

- administer TDLR's programs
- issue licenses
- approve complaint settlements
- issue cease and desist orders

- refer cases to the Texas Attorney General to get injunctions or collect fines

TDLR's History

In 2009, TDLR celebrated its 100th year of service to Texas. The agency began as the Bureau of Labor Statistics in 1909, enforcing labor laws and collecting labor data. It became the Texas Department of Labor and Standards in 1973. In 1989, the Legislature changed the agency's name to the Texas Department of Licensing and Regulation and shifted its focus to licensing and regulating a variety of businesses, industries, and occupations.

The Legislature continues to entrust TDLR with additional responsibilities, making it the state's premier licensing agency. Recent additions include:

- statewide regulation of electricians in 2003
- transfer of the responsibilities from the former Board of Barber Examiners and the former Texas Cosmetology Commission to TDLR in 2005
- transfer of the regulation of towing and vehicle storage facilities to TDLR from the Texas Department of Transportation in 2007
- transfer of the responsibilities from the former Polygraph Examiners Board and the former Board of Tax Professional Examiners in 2009
- statewide regulation of vehicle booting operators, used automotive parts recyclers, and identity recovery service contract providers in 2009

Main Functions

The scope of TDLR's regulatory work is unmatched in state government, covering a wide variety of businesses, industries, trades, and occupations – from boxing and electricians to manicure salons and tow trucks. The department oversees 29 diverse statutes with 142 license types and a licensee population of more than 620,000. TDLR has organized its operations into six functional areas to maximize efficiency and effectiveness:

- Administrative – provides expertise in executive management, legal counsel, human resources, information technology, financial services, government relations, and Commission and advisory board support;
- Compliance – performs inspections and plan reviews, provides industry and technical expertise, and monitors third-party inspectors and plan reviewers;
- Customer Service – helps licensees and the public by answering questions received on the telephone, by email, and from face to face contacts;
- Education and Examination – reviews and approves education courses and providers, and manages

examination functions;

- Enforcement – opens and investigates complaints and criminal convictions, and prosecutes violators; and
- Licensing – processes applications and issues licenses to qualified individuals, equipment, and businesses.

Organizational Aspects

Texas Commission of Licensing and Regulation

The Texas Commission of Licensing and Regulation (Commission) is the governing board and policy-making arm of TDLR. Each of the seven public members of the Commission is appointed by the Governor with the consent of the Senate to a staggered 6-year term. As private citizens, Commission members cannot engage in any of the businesses or trades regulated by TDLR. The Commissioners bring insight that comes with having been successful in a variety of professional pursuits—insight that complements, and contributes to TDLR's common-sense and fiscally conservative approach to regulation and efficiency.

Philosophy of Governance and Duties of the Commission

The Commission directs the agency's common-sense approach to efficient, effective, and cost-conscious regulation. Before rules are adopted, the Commission considers any negative impact the new rules might have on consumers, businesses, and licensees. This intentionally balanced approach serves the public by protecting its interests and ensuring the regulatory process is not burdensome. Commissioners routinely receive training on the importance of open government.

Commission duties include:

- guiding the development of the agency's strategic plan and approving the agency's budget report and request for funding,
- providing policy direction for agency operations,
- reviewing the appropriateness of existing rules and adopting new rules as needed,
- issuing final orders in contested cases, and
- hiring, supervising, evaluating, and setting the salary for the executive director.

Commission members know every dollar matters, so they work hard to make sure agency funds are budgeted wisely and frugally. While safeguarding the public, the Commission looks for ways to cut costs and reduce license fees. In the past four years, the Commission has reduced total fees assessed to consumers and licensees by more than \$14 million.

The Commission promotes transparency in the agency's interactions with consumers and regulated industries. TDLR makes full use of new technology so the public can stay informed of and participate in the agency's activities. Through email notifications licensees and the public are kept informed of scheduled Commission and advisory board meetings, as well as brainstorming sessions. The Internet is used to provide live audio and video feeds of all Commission and advisory board meetings. The use of laptop computers enhances the Commissioners' ability to respond to the public's needs in a more efficient way.

Value of Advisory Boards to the Commission

There are advisory boards for 19 of the programs regulated by TDLR. The advisory board members' knowledge and expertise are key to helping Commissioners set policy for the agency. Input from advisory boards help make the agency more effective in carrying out its mission and improving the customer service levels to our licensees. These boards meet several times a year to review and make recommendations to the Commission on rules and technical standards, examination content, continuing education requirements, and other areas impacting these regulated industries. Advisory board

Property Tax Professionals (Chapter 1151, Occupations Code) (1977)

Air Conditioning and Refrigeration (Chapter 1302, Occupations Code) (1983)

Industrialized Housing and Buildings (Chapter 1202, Occupations Code) (1985)

Talent Agencies (Chapter 2105, Occupations Code) (1989)

Property Tax Consultants (Chapter 1152, Occupations Code) (1991)

Temporary Common Worker Employers (Chapter 92, Labor Code) (1991)

Elevators, Escalators and Related Equipment (Chapter 754, Health and Safety Code) (1993)

Water Well Pump Installers (Chapter 1902, Occupations Code) (1991)

Staff Leasing Services (Chapter 91, Labor Code) (1993)

Service Contract Providers (Chapter 1304, Occupations Code) (1999)

Licensed Court Interpreters (Chapter 57, Government Code) (2001)

Vehicle Protection Product Warrantors (Chapter 2306, Occupations Code) (2001)

Electricians (Chapter 1305, Occupations Code) (2003)

For-Profit Legal Services Contracts (Chapter 953, Occupations Code) (2003)

Loss Damage Waivers (Chapter 35, Business and Commerce Code) (2003)

Identity Recovery Service Contract Providers and Administrators (Chapter 1306, Occupations Code) (2009)

Used Automotive Parts Recyclers (Chapter 2309, Occupations Code) (2009)

recommendations are carefully considered by Commission members before the Commission sets agency policy. Advisory board members serve staggered ranging from two to six year terms and are appointed by the Commission Chairman with the Commission's approval.

To promote a better understanding of the industries and occupations regulated by the agency, the Commission designates one of its members to serve as a liaison between the Commission and each of its advisory boards. The liaison's interaction with industry members and their activities ensures that input provided by the advisory board is fully understood and considered during Commission deliberations. Chairman Denton has charged each advisory board with conducting a comprehensive review of their rules for the purpose of eliminating unnecessary rules (see Appendix K to view the letter).

In its quest to ensure that each advisory board has considerable diversity, the Commission appoints persons representing a wide range of both geographical and occupation interests.

Compliance

The Compliance division provides technical oversight and expertise, and training for our 29 statutes through three sections – Building and Mechanical, Business and Occupations, and Field Operations. The division is the point of contact for technical questions and concerns regarding compliance with regulations. It also helps 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. They reach out to stakeholders by providing information, education programs, and guidance.

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 implements state and local mechanical and energy codes; attends meetings of licensees, industry professionals, municipal and regional licensing authorities, and consumers; and evaluates applicants' qualifications.

The Architectural Barriers Program works to ensure that persons with disabilities may access 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; oversees third-party Registered Accessibility Specialists (RAS); and provides training for design professionals, building owners, local building officials, and other interested parties.

The Boiler Safety Program works to ensure proper installation, safe operation, and ongoing safety inspections of over 54,000 registered boilers used in places such as power plants, schools, hospitals, nursing homes, office buildings, and apartments. This program also provides valuable 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 department presence at meetings of licensees, industry professionals, municipal and regional licensing authorities, and consumers.

The Elevator Safety Program works to secure the safety of those who ride the more than 44,000 registered elevators, escalators, moving walks, and wheel chair lifts through oversight of inspections and certifications, and interpretation of safety standards. This section provides outreach services and education programs to registered third-party Qualified Elevator Inspectors, registered elevator contractors, building owners, and facility managers on compliance and safety issues.

The Industrialized Housing and Buildings Program works to ensure modular buildings and portable classrooms in Texas meet minimum construction standards. 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 Occupations Section

The Business and Occupations section provides expertise and customer support for such varied professions as barbers; combative sports; cosmetologists; polygraph examiners; property tax consultants; property tax professionals; vehicle protection plans; vehicle towing, storage and booting; water well drilling; employment services; 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. Program staff work closely with state and county health and medical experts to develop sanitation standards for more than 21,000 barbers, barber students, 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 provide oversight to third-party inspectors and licensees including: ringside physicians, judges, referees, and amateur combative sports associations. In 2010, TDLR staff supervised and monitored compliance of state laws and rules during the highly visible Top Rank Event at Cowboys Stadium, including the WBO Welterweight Championship title fight between Manny Pacquiao and Joshua Clottey.

The Cosmetology Program regulates over 225,000 individuals and businesses including operators, hair braiders, manicurists, and schools. Program staff coordinate with state and county health officials to develop sanitation standards and monitor health and safety issues to protect clients and employees. They also conduct informal and educational programs for licensees and business operators to ensure services are provided in a safe and sanitary manner.

The Tax, Polygraph, Employment Services, and Vehicle Group work to ensure consumer protection and safety by regulation of tow trucks, booting companies, vehicle storage facilities, polygraph examiners, property tax professionals, property tax consultants, licensed court interpreters, auctioneers, service contract providers, vehicle protection product warrantors, legal service contract providers, loss damage waiver providers, identity recovery service providers, personnel employment services, talent agencies, staff leasing services, temporary common worker employers, and used automotive parts recyclers. This group also provides expertise related to insurance, bonding, and net worth requirements for regulated businesses.

The Water Well Driller and Pump Installer Programs work to protect the quality of groundwater resources and the safety of the public water supply. Staff administer 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, specialists, and the public to ensure the application of safe rain enhancement (cloud seeding) and hail suppression techniques. Our expert staff play a key role in the evaluation of license and permit applications, the preparation of grant proposals, the 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 inspections and education, services for our programs, and

hands-on assistance to licensees, businesses, and industry professionals to ensure compliance with state laws and rules. Our field operations staff are geographically located to provide TDLR a statewide presence, lower travel costs, and increase efficiency. Field operations staff capably perform inspections for the architectural barriers, barber, cosmetology, towing, booting, vehicle storage facilities, and used automotive parts recyclers programs.

Customer Service

TDLR's Customer Service section is the agency's foundation for providing outstanding service to the public for our 25 programs. Customer service agents use a variety of methods to assist our customers including a state-of-the-art telephone system to respond to over 1,500 calls per day, emails to correspond to over 160 emails per day, and friendly in-person contacts to assist over 30 walk-in customers per day. The phone system uses language-based call routing that provides and enables efficient call routing to appropriate customer service representatives. The goal – one call solution – means an answer to customers' questions and concerns in a single exchange.

Education and Examination

The Education and Examination division helps license and renewal applicants meet requirements and complete required continuing education hours for each renewal period.

Enforcement

The Enforcement division opens, investigates, negotiates, and resolves complaints received from consumers, industry, and TDLR staff for the 25 programs we regulate.

“TDLR is committed to its mission of providing the public a safe and trusted environment for the industries they regulate through licensing and enforcement.”

--Fred Moses, TDLR Commissioner

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;
- conducts audits of courses, schools, and providers;
- manages TDLR’s online course completion database; and
- develops and maintains education information on TDLR’s website.

CONTINUING EDUCATION HOURS POPULATION	HOURS	POPULATION SUBJECT TO CE (06/01/2010)
Air Conditioning and Refrigeration Contractors	8	13,524
Auctioneers	6	2,351
Cosmetology Operators and Instructors	6	113,152
Cosmetology Specialty	6	49,548
Electricians	4	103,704
Licensed Court Interpreters	8	543
Property Tax Consultants	12	1,613
Property Tax Professionals	15	4,038
Registered Accessibility Specialists	8	434
Water Well Drillers and Pump Installers	4	2,462

Examination

The examination section oversees the development and administration of TDLR’s examination activities for the 12 programs that require passing a test to demonstrate industry knowledge and competence to obtain a license. This section also:

- coordinates reviewing and updating examination content in collaboration with vendor, subject matter experts, and advisory board members;
- works with the examination vendor to assess examination effectiveness and the need for changes; and
- provides information to schools and instructors regarding the examination process, including pass rate data.

PROGRAM	EXAMINATIONS ADMINISTERED FY 2009
Air Conditioning and Refrigeration Contractors	2,084
Auctioneers	139
Barbers	2,235
Boiler Inspectors	8
Cosmetologists	32,895
Electricians	8,014
Licensed Court Interpreters	151
Polygraph Examiners*	0
Property Tax Consultants	38
Property Tax Professionals*	0
Registered Accessibility Specialists	72
Well Drillers and Pump Installers	408

*program added September 2009

The structure of the division promotes an effective process for fair and efficient management and resolution of complaints. Enforcement is made up of three sections:

- The Intake section confirms the agency’s jurisdiction, performs initial research, and recommends whether an investigation should be opened on each complaint filed.
- The Investigation section develops a detailed account of facts including witness interviews, research, on-site investigations and prepares a written report when the investigation is completed. They also conduct sting operations to curb unlicensed activity.
- The Prosecution section includes prosecutors, legal assistants, and legal support. The prosecutors and legal assistants ensure proper resolution of each case, pursuing penalties or sanctions where violations are found and issuing closing letters when the evidence does not support seeking penalties or sanctions. When a case cannot be resolved by agreement and the respondent requests a hearing before the State Office of Administrative Hearings before going on to the Texas Commission of Licensing and Regulation, the prosecutor represents the department. Legal Support tracks final orders, collects penalties, and assures compliance with Commission-ordered probation requirements. They perform the initial screening of background checks received from the department of Public Safety and review reports for crimes that may be the basis to deny or revoke a license.

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, program penalty matrices, and criminal offense evaluation guidelines were developed for consistency. Enforcement periodically reviews and revises these documents and submits them to the Commission for approval.

Executive

The Executive Office provides leadership and motivation to meet TDLR’s vision and mission. It manages day-to-day operations of the agency and directs the department’s resources to successfully meet our strategic goals. The success of the Executive Office is attributed to their respect-based management philosophy, an enduring commitment to open

communication with all employees and customers, and adherence to transparency and efficiency in government.

The executive director and his staff perform the following functions:

- carry out Commission policy priorities;
- recommend fee changes and budgets to the Commission;
- develop and implement strategic planning initiatives;
- review advisory board applications for recommendation to the Chairman of the Commission;
- assess administrative sanctions (denial, suspension, revocation, and probation of a license) and penalties;
- issue cease and desist orders;
- issue subpoenas;
- review and draft rules;
- represent the agency and provide testimony before the Legislature;
- support 19 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 TDLR’s contact with governmental bodies and industry organizations;
- supervise streaming and archiving of agency meetings;
- administer the agency’s internal and external websites;
- provide open and free access to agency documents online;
- administer a cost-effective email notification system;
- issue press releases and respond to media inquiries about the department’s activities; and
- invite employee suggestions and implement ideas consistent with the core values and strategic plan.

The Executive Office actively practices the department’s core values of integrity, accountability, customer service, open and free communication, innovation, teamwork, and respect. The Executive Office “walks the talk” which fosters a sense of trust and reliability among the TDLR family, state lawmakers, and the citizens of Texas.

Financial Services

Financial Services manages the agency’s fiscal resources in compliance with state and federal requirements. Financial services is organized into the following cross-trained teams: revenues, expenditures, purchasing, budgeting, analysis, and mail.

Financial services ensures the agency stays within statutory spending limits. 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, transparency, innovation, and fiscal responsibility, key duties of the division are:

- accounting;
- budgeting;
- cash receipt processing;
- expenditure and payment processing;
- revenue recognition and 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.

Office of the General Counsel

The Office of the General Counsel applies a common-sense approach to the development of contracts, and policy-making activities. This approach protects the public, 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;
- drafting contracts and legal opinions for the agency, and;
- working 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.

The general counsel serves as the advisor to the Commissioners, Executive Office, and agency staff concerning pending hearings and cases, bills and new laws affecting the agency, ethics questions, and sensitive legal matters. The general counsel is also TDLR's Chief Audit Executive and Ethics Officer.

The Office of the General Counsel has improved consistency among the agency's 25 programs since the beginning of the 2010 fiscal year by:

- repealing 141 rules;
- drafting and revising more than 163 rules adopted by the Commission; and
- coordinating responses to more than 356 open records requests.

Human Resources

Human Resources supports TDLR's vision and mission by promoting a healthy working environment to attract, develop, and retain qualified, dedicated employees. Human resources offers valuable benefits and services 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;
- promoting wellness;
- 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 team designs and develops custom software to meet specific needs of the agency. The Texas Umbrella Licensing Information Project (TULIP) software system forms the framework for the licensing system and accommodates multiple license types, expanding easily to meet the agency's changing needs.

The TOOLS (Texas Occupations Online Licensing System) software program was integrated into TDLR's Internet-based system with the transfer of the Towing and Vehicle Storage Facility programs by the 80th Legislature. This program facilitates a self-service concept, allowing insurance companies to update insurance coverage information, inspectors to post inspection reports, and applicants to complete and submit applications online. This self-service concept has resulted in increased efficiencies and a reduction in administrative costs.

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

Licensing

The Licensing division's primary responsibility is to review applications and issue licenses to qualified applicants. This division has extensive knowledge of licensing requirements and is responsible for applying the provisions of 29 statutes and the administrative rules needed to issue 142 license types for more than 620,000 licensees.

The division's license application evaluation process includes:

- criminal history checks;
- required education and credential confirmation;
- on-the-job experience review; and
- financial security analysis.

The strength of teamwork seen in licensing is a reflection of TDLR's core values. All licensing teams are cross-trained in order to assist other teams when seasonal licensing spikes occur. During extreme peak

times the entire division allots a portion of its day to process the high volume of applications received.

Network Services

Network Services supports the agency's vision by planning for growth, installing new systems, and maintaining agency software and hardware systems. The section also monitors the agency's information network, manages TDLR's Help Desk, and is the departments primary contact for the Data Center Services (DCS) partnership. Our cross-trained specialists oversee a hardware replacement schedule and provide customer satisfaction and rapid response time.

Network services provides on-site support to TDLR's Austin-based facilities and remote support to numerous field locations across the state. Through inter-agency contracts the section also assists the Firefighters' Pension Commission and the Texas Commission on the Arts with their network operations.

Leadership Style

TDLR's success is due to a respect-based style of leadership that fosters innovation and flexibility giving employees a real voice in shaping the organization. The agency encourages open and positive communication between management and staff so information flows freely from both directions. Decision-making is accomplished through an open and inclusive process, with input and suggestions encouraged from all levels of the organization. Management knows that the agency's success depends upon the commitment of all its employees, and that the best ideas often come from the "people in the trenches" actually doing the work. This leadership style is clearly reflected in TDLR's new eSuggestion box program for gathering ideas and implementing changes based upon feedback from those closest to the problem.

Management Philosophy

Three basic principles form the foundation of TDLR's management philosophy: (1) functional alignment, (2) core values, and (3) a clear focus on the regulatory mission of the agency.

Functional Alignment

In administering 29 diverse statutes, TDLR achieves exceptional levels of efficiency through the functional alignment of its staff. Employees are organized into work groups by task or function, rather than by statutory program. Each work group has clearly-defined responsibilities, and performs those duties for all of the statutory programs administered by the agency. Employees are trained in the concept of functional alignment and are encouraged to understand how the divisions rely on each other and work together.

Core Values

TDLR's core values set the standard for its employees and reflect what is truly important to the agency as a whole. The core values are integrity, accountability, customer service, open and free communication, innovation, teamwork, and respect. These values fuel the agency culture and establish a foundation for employees' interactions with all customers, both internal and external. Management emphasizes the core values through training and ongoing dialogue, and encourages recognition of employees who demonstrate core values in action.

Focus on the Mission

The mission of TDLR is to "honor the public trust, ensure the public's safety and foster a fair and efficient regulatory environment." Managers keep employees focused on the mission at all times, because it represents why TDLR exists and why we work to exceed expectations in the daily performance of our jobs. By keeping the message simple and consistent, we are empowered with a greater sense of purpose and ownership in the success of the organization.

Policies and Operating Characteristics

The three principles outlined above make up the foundation upon which everything else at TDLR is built. The agency is constantly looking for and implementing new and better ways to complete tasks and accomplish the agency's goals. An understood philosophy at TDLR is to reach beyond the status quo, leaving no room for sentiments such as "this is the way we have always done it."

TDLR's leaders encourage open lines of communication and a positive rapport between management and staff, with information flowing freely in both directions. Employees are kept informed about events and priorities at the leadership level through methods such as town meetings conducted by agency executives, directors' sharing of information from director meetings, and announcements on the agency's intranet. In addition, input and suggestions are encouraged from employees at all levels of the organization.

The agency has undertaken a number of quality improvement initiatives as a direct result of feedback from employees. Perhaps the most notable is the plain talk initiative, an agency-wide effort to improve forms and other documents by using clear language and eliminating "government-speak." The result makes TDLR more accessible to our regulated industries and the public and increases efficiency and transparency. The plain talk initiative has simplified numerous agency documents and has created other improvements. An example is the creation of Vietnamese and Spanish language phone lines for enforcement cases, by which customers who are

more comfortable speaking these languages may communicate with the agency.

In TDLR's environment of growth and rapid change, leadership skills are necessary for all employees whether in management positions or not. TDLR's management is committed to the concept of "growing leaders." Introducing staff to new challenges and increasing responsibilities allows them to develop critical leadership skills and see the agency in a broader perspective. These emergent leaders use those skills to help refine existing processes and meet the challenges of regulating many diverse industries.

The agency's personnel policies promote employee success and satisfaction. Many employees are afforded the opportunity to work flexible or compressed schedules maximizing the quality of their time spent at and outside of work. Telecommuting is also encouraged, to the extent an employee's job requirements permit. Through a wellness program, employees are provided opportunities to participate in yoga, Zumba, and other exercise classes as well as the Texas Round-Up.

TDLR is committed to employee development and pursues many training opportunities. Examples include the programs offered by the Governor's Center for Management Development, the Dewitt Jones "For the Love of It" program, the Dale Carnegie "Team Building" program, and online training through MindLeaders. On a regular basis the human resources section sets up short, targeted in-house training sessions on a variety of topics, including customer service, personal wellness, employee benefits, and specific employee skills. The agency also offers a tuition reimbursement program for employees pursuing external job-related education.

Under the leadership of the executive director the agency recognizes and rewards employees who demonstrate outstanding performance. As permitted by the budget, high performers are recognized with merit increases to salary or with payments of one-time merit awards, similar to a bonus. Length of service awards are presented at five-year intervals to recognize employees who have longevity with the agency. The "You Can Count on Me" program allows each TDLR employee to identify a co-worker who deserves recognition for extra effort and teamwork. The employee who is recognized receives a voucher worth four hours of administrative leave.

TDLR's Employee Recognition Team (ERT) is a volunteer group of employees that organizes and hosts two employee luncheons each year to recognize the value of TDLR's employees. By holding fundraising activities throughout the year the ERT raises money to pay for the luncheon.

Agency Locations

TDLR operations are headquartered in the E.O. Thompson Building in downtown Austin. Since 2008 TDLR has leased space to accommodate agency growth through transferred programs and additional responsibilities. This "north campus", located at the Twin Towers Office Building on Clayton Lane houses the compliance building and mechanical section, the enforcement division, a large fully-equipped training room, and the public meeting room where the Commission meets. The public meeting room is also used for training groups that exceed 25 participants, such as the Architectural Barriers Academy held six times per year, for education summits, public meetings, and strategic planning brainstorming sessions and for advisory board, council, and committee meetings. The public meeting room has both streaming audio and video equipment that allows meetings to be broadcast over the Internet for industry constituents and interested parties.

The Clayton Lane lease through the Texas Facilities Commission, can be expanded if additional office space is needed over the next five years. TDLR would first look to workplace initiatives such as increased telecommuting and workspace sharing in order to maximize office space without incurring additional cost.

The agency has three field offices in Houston, San Antonio, and Fort Worth located in state-owned space. Many compliance and enforcement field staff work from home and are able to use these offices. While the Fort Worth and Houston field offices currently have sufficient space, TDLR has requested additional space in San Antonio from the Texas Facilities Commission. Future growth may result in the need to consider open market lease space in the regional areas.

Capital Assets

Capital asset expenditures generally fall into two categories: staff support (space, furniture, fixtures, etc.) and electronic equipment needs for staff. The agency did receive additional staff during the 81st Legislative Session both to implement new programs and to enhance the quality and speed of the work. Strategically, the agency will prepare for continued growth even in the current economically stressed environment. TDLR's success with integrating new and transferred programs makes it an ideal candidate for consideration in further consolidations of programs that align with its current responsibilities in the regulatory field.

Capital asset and improvement considerations include:

- The consolidation of data center and disaster recovery services contracted to IBM's consortium,

Team for Texas (TFT) is partially funded as a capital project by the Legislative Budget Board (LBB). Consequently, funding and reporting for a significant portion of those expenditures will be treated as capital expenditures. It was anticipated that transforming TDLR's servers to the data center would be completed in fiscal year 2009 and services would not decline. The servers have not been transformed, services have declined, and costs associated with the contract have continued to increase. Outdated agency servers combined with agency growth has created a need for additional servers as well as upgraded server equipment. TDLR projects even higher costs for this project.

- Computer purchases continue on pace with the agency's four-year refresh schedule and to serve additional staff needs. These purchases are funded in the agency capital budget. Replacement of network equipment is on a five-year refresh schedule. If equipment has not become obsolete due to technology advances and continues to function effectively, that schedule is frequently extended on a case by case basis.
- Replacing the north campus outdated telephone system within the next two years will be necessary.

Other pertinent organizational aspects affecting the agency:

- Commission and advisory board meetings are held in the public meeting room at the north campus located in the Twin Towers Building on Clayton Lane in Austin. Streaming video has been added to the audio function to make those meetings open and accessible to the industries and the public.
- Leased space at TDLR's north campus was expanded to house the building and mechanical section of the compliance division in addition to the enforcement division already in residence. Building management configured the space to suit the needs of the compliance staff. TDLR recently completed minor renovations to the enforcement space to increase efficiency for prosecutors, legal assistants, and legal support. Based on those successful results, the agency is considering some additional minor remodeling in the remainder of the enforcement division for better use of space by the enforcement intake and investigation section.
- The eighth floor of the E. O. Thompson Building was reconfigured for the financial services division, including the administrative team that distributes mail. Other reconfigurations on the second and fourth floors to accommodate increases in staff in the General Counsel's office and the licensing divisions were also completed. Working with the Texas Facilities Commission kept the costs very reasonable.
- Furniture and fixture purchases serve only to fill in where furniture is insufficient.
- Field staff are equipped with laptop computers and other electronic tools such as smartphone communication devices. The smartphones are used for

telephone and email communication, wireless devices for laptop computers, and cameras for documenting inspection violations. The agency continues to explore and research new technology initiatives that could increase productivity for field operations.

- Providing the Commissioners with laptop computers for agency business, receiving updates, and using online meeting materials has reduced the amount of printed documents and the staff time to prepare them. Commission and advisory board meeting preparation is a more streamlined process benefiting staff, Commission, and advisory board members. Laptop computers from the north campus training room are available to advisory board members for use during their meetings. All meeting materials are prepared in an electronic format.
- The hosted contact center management and reporting system has been extremely successful in increasing productivity in the center. The future addition of an Interactive Voice Response (IVR) system will increase the information delivery options for persons calling the agency while reducing phone traffic.
- TDLR expanded its use of Internet technology with an internally developed web video on elevator safety that is available for viewing on the agency website. Plans for video conferencing between home and field offices for staff training and development are under consideration as well as interactive webinars for public meetings and forums.
- TDLR has approval for a fleet of three agency vehicles. TDLR replaced two vehicles in fiscal year 2010 used mainly by the water well drillers and pump installers program. The agency's third 2004 vehicle is used for transporting staff, files, and supplies between the E. O. Thompson Building and the north campus. Given the amount of miles on this third vehicle, the agency will consider purchasing a replacement vehicle in the future.

Agency Make-up and Commitment to a Diverse Workforce

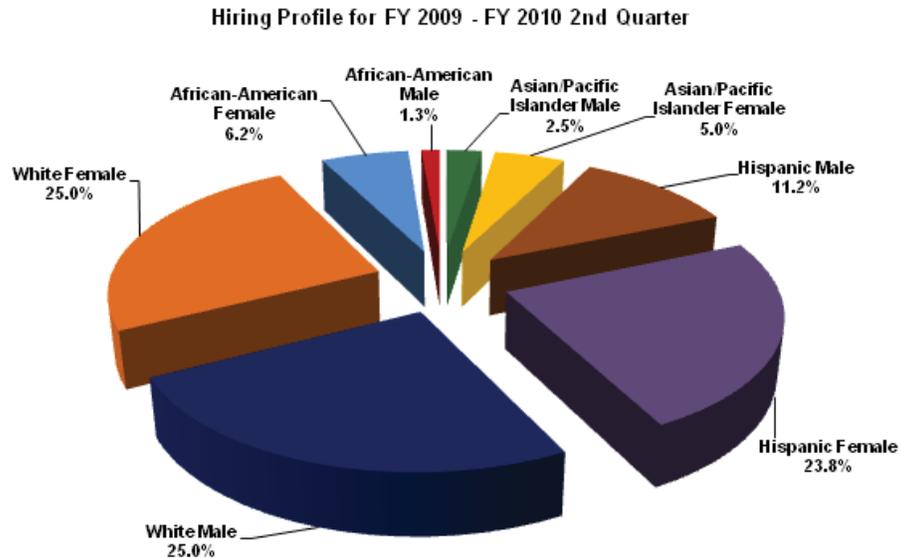
Size and Composition of Workforce

Agency Make-up

TDLR’s dedicated and knowledgeable staff administer 25 diverse programs. For the 2010 – 2011 biennium the agency has an authorized workforce of 401.7 full-time equivalent positions (FTEs), a 5.8 percent increase over the last biennium. The new FTEs have come as a result of new responsibilities assigned to TDLR by the 81st Legislature, including the regulation of Property Tax Professionals, Polygraph Examiners, Vehicle Booting, and Used Automotive Parts Recyclers. Of the 401.7 FTEs, 327.7 are located in the Austin headquarters and 74 work in field locations around the state.

Commitment to Diversity

Consistent with TDLR’s core values of respect and integrity, we meet our commitment to provide equal employment opportunities to all employees and applicants. We retain and recruit a highly qualified workforce that reflects the diversity of Texas. The charts below show the demographic distribution of the 57 new employees hired in fiscal year 2009 and the 23 hired in fiscal year 2010 through the second quarter.



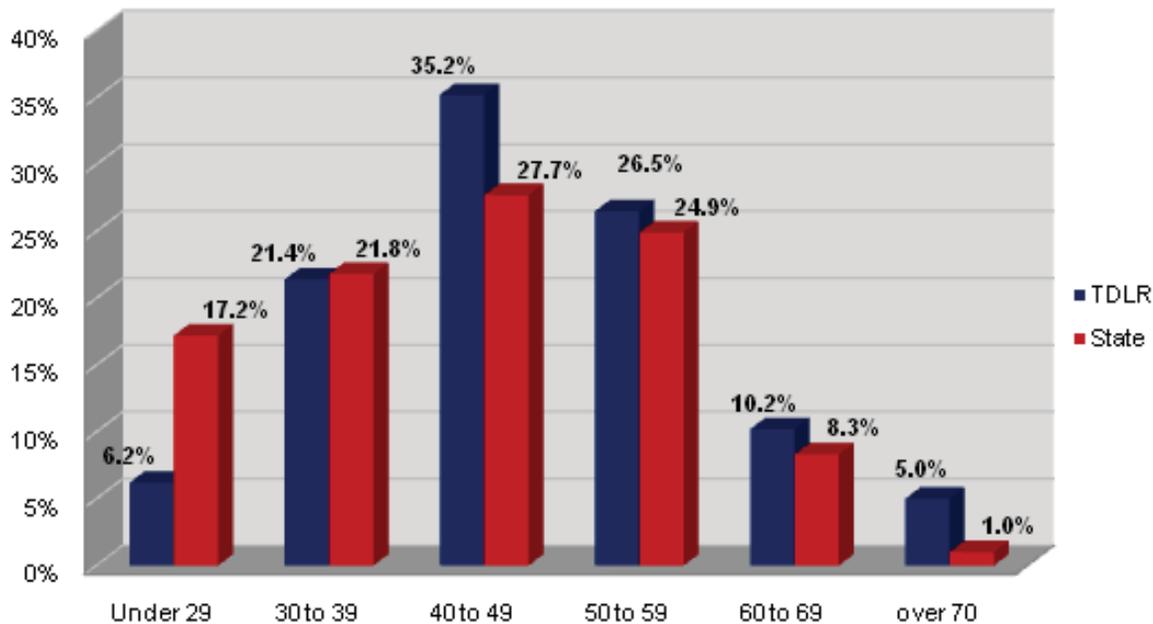
TDLR’s workforce was 29 percent Hispanic-American, 17 percent African-American, and 4 percent Asian-American in the second quarter of fiscal year 2010. More than half of the workforce was female. The following table further illustrates that diversity, comparing the percentage of African-American, Hispanic-American, Asian-American, and female TDLR employees to the statewide civilian workforce, thru that same time period.

Agency Workforce Composition

JOB CATEGORY	AFRICAN-AMERICAN		HISPANIC-AMERICAN		FEMALE	
	TDLR %	STATE %	TDLR %	STATE %	TDLR %	STATE %
Officials/Administrators	16.7	10.3	5.6	14.6	29.0	45.9
Professionals	16.25	16.0	22.5	20.7	53.0	54.1
Paraprofessionals	9.4	19.8	34.0	30.2	80.0	77.0
Technicians	9.4	12.9	26.4	25.5	37.3	47.7
Administrative Support	24.4	18.8	37.0	31.4	85.6	88.0

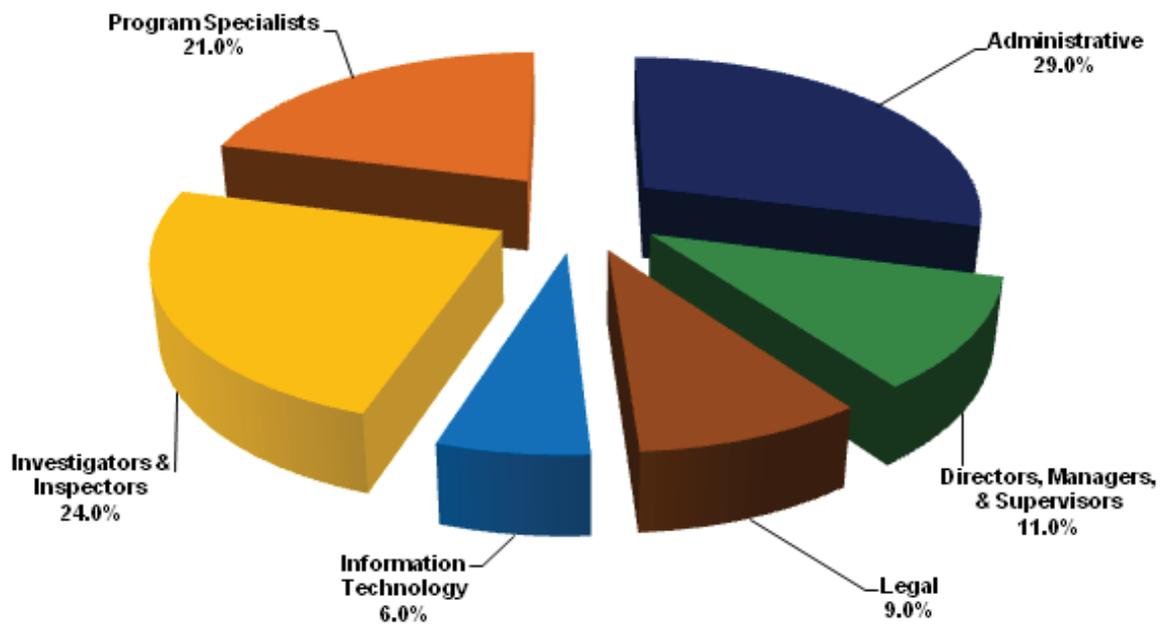
TDLR's workforce mirrors an aging population. As shown in the bar chart below, most of our employees are between the ages of 30 and 59. Because we serve a wide range of industries, we have a unique need for employees with the experience and technical knowledge necessary to understand industry issues. The chart below shows the age distribution of TDLR's workforce as compared with the statewide workforce, for fiscal year 2010 (second quarter).

**TDLR and State of Texas Age of Workforce
2nd Quarter - Fiscal Year 2010**



We are facing the retirement of the “baby boomers.” To address this impending retirement the agency is growing leaders and targeting its recruitment for anticipated needs in highly technical areas. The following chart reflects the percentage of employees eligible for retirement by job category.

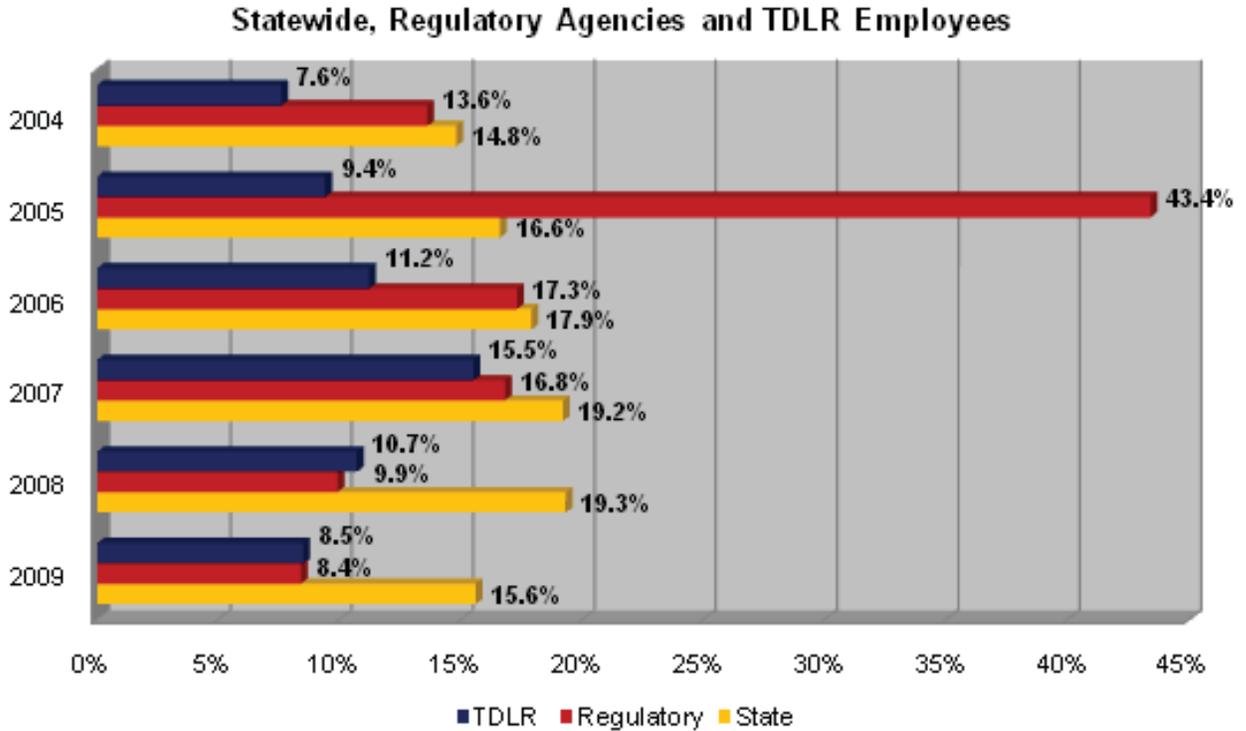
**Retirement Eligibility by Job Category
(through calendar year 2015)**



Employee Turnover and Staff Experience

Low Turnover

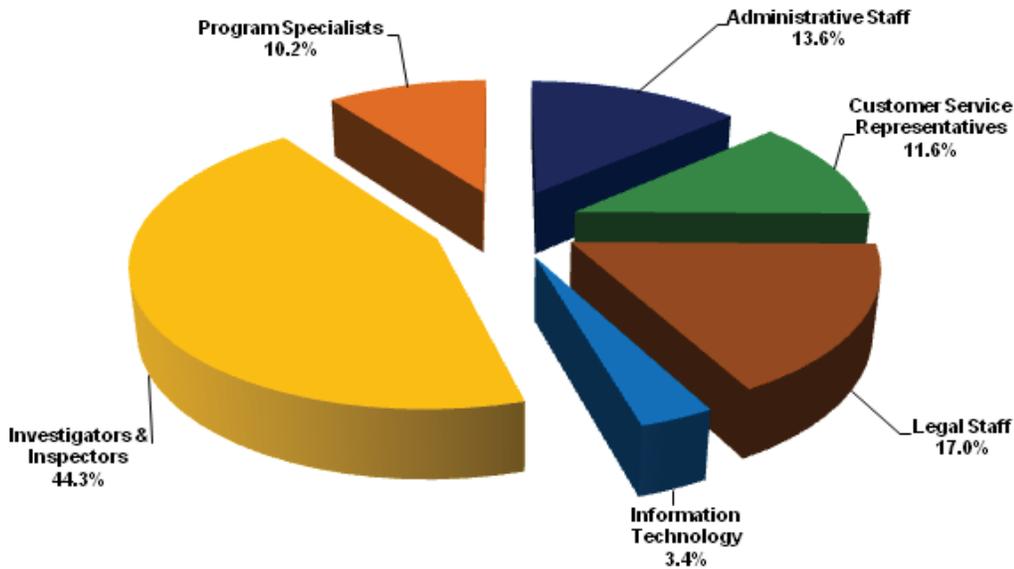
TDLR has successfully competed for and retained highly skilled employees by creating and developing a rewarding and fulfilling work environment that promotes opportunities for growth and a feeling of accomplishment. The following graph reflects the desire of TDLR’s employees to continue with the agency.



Employees stay with TDLR because of our agency’s core values and culture. Our management philosophy gives staff at all levels a sense of ownership in the agency’s success. TDLR’s core value of open and free communication enables us to keep our employees informed about events affecting the agency through a variety of means such as regular staff meetings, town hall meetings, the agency’s intranet, and email notifications. Human resources uses the intranet to keep employees informed about health insurance, personnel policies, compensation, benefits, wellness activities, and training opportunities. Our staff also benefit from employee-friendly personnel policies that allow a balance of work and personal life. These include flexible or compressed work schedules, and our tuition reimbursement policy for employees who choose to pursue job-related professional development.

While our turnover rate has remained lower than the state average for nearly a decade, we still look for ways to improve the work experience by monitoring the reasons employees leave. When they resign or retire we ask them to complete a survey sharing their reasons for leaving. We analyze their responses to develop and make changes that will further improve the environment for employees at TDLR. The following graph illustrates turnover rates by job category for fiscal year 2009.

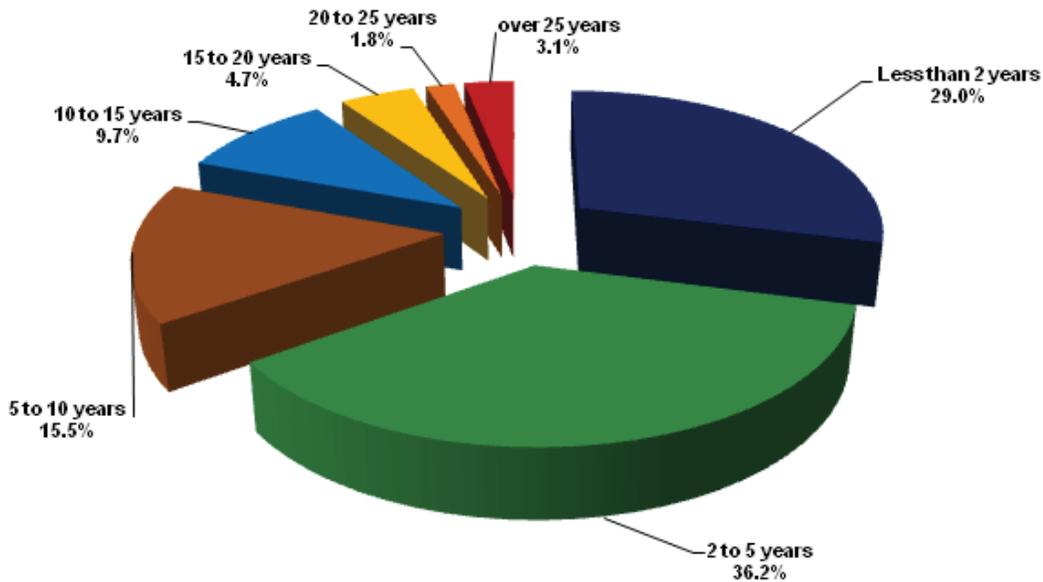
Turnover by Job Category FY 2009



Highly Qualified Workforce

TDLR values all of its employees – those who have long and valuable experience with agency programs, as well as new additions to the team who bring innovative ideas from outside sources. Nearly 35 percent of our employees have five or more years of experience with agency programs. These employees provide knowledge and industry expertise and contribute to the agency’s positive customer relationships and strategic planning process. Newer employees contribute new ideas that improve our planning, processes, and services. Both are essential to the continued growth and success of the agency. The following chart shows a breakdown of our employees’ length of service with agency programs.

Employee Length of Service With Agency Programs FY 2009



TDLR regulates an increasing range of businesses and occupations, each with its own specialized body of knowledge and needs. We recruit and hire individuals with the knowledge, skills, and experience to best support these diverse licensee populations. We are able to effectively regulate these many specialized and often technical industries by employing a registered architect, a master and journeyman electrician, an air conditioning and refrigeration contractor, an elevator inspector, barbers, cosmetologists, teachers and instructors, a water well pump installer, a meteorologist, and others with technical knowledge and experience related to our programs.

We have successfully attracted highly qualified investigators and attorneys to our enforcement division with the advanced skills to handle cases involving our wide range of regulated industries. The investigators include a retired FBI agent, a retired Department of Public Safety Commander, a former chief of police, and several former military police investigators. Prior experience of our prosecuting attorneys includes service as an Assistant District Attorney, County Attorney, Assistant City Attorney, Municipal Judge, and Administrative Law Judge.

Our general counsel staff include attorneys with experience as a district judge, criminal prosecutor, director of enforcement for another state agency, and director of the legal and enforcement division for still another state agency. Another attorney in our general counsel staff was formerly with the National Association of Insurance Commissioners in Washington D.C. and brings a wealth of knowledge to our insurance-related programs, such as service contract providers. Attorneys in our general counsel office also have extensive experience in administrative law and in handling major rulemaking matters and enforcement cases.

For our customer contact needs we have recruited customer service representatives with extensive contact center experience from the private sector, including Dell, Sears, Harte-Hanks, Progressive Insurance, and Verizon. In addition, we are able to serve a larger percentage of our licensees and the public with the addition of staff also fluent in languages such as Spanish, Vietnamese, Mandarin, Tagalog (Philippines), and French. We have also enlisted the services of Language Line, an on-call interpretation service, for languages not familiar to staff.

The quality of our workforce is enhanced by our commitment to training, employee development, and wellness. We recognize that even the most knowledgeable and experienced employee benefits from learning new skills and gaining new perspectives. Managers are encouraged to maximize training opportunities from sources inside and outside the agency, including many free or very low cost options. Agency employees with specialized skills, experience, or knowledge often train other employees. For example, senior inspectors in our compliance field operations train and mentor new and experienced field inspectors, and experienced customer service representatives provide ongoing training on agency programs and customer service skills for new staff. We also take full advantage of other external sources for training, like online offerings such as New Horizons and MindLeaders, and face-to-face resources such as the Employee Assistance Program and the Governor's Center for Management Development.

Training not only hones work skills and increases productivity but also enriches employees' lives.

Agency opportunities include:

- wellness seminars;
- health and dietary training;
- participation in the Texas Round-up's Governor's Challenge;
- defensive driving courses;
- fire safety training; and
- financial planning and budgeting training.

Employees also participate in cultural, community, and charitable activities such as the State Employee Charitable Campaign, TDLR's Employee Recognition Team, blood drives, relief efforts for victims of the Haiti earthquake, and celebrations and educational presentations for Black History Month and Cinco de Mayo.

Fiscal Aspects

Size of Budget

During the 81st Legislative Session the agency's growth trend continued with three transferred programs, expanded duties for two existing programs, and two newly created programs for TDLR to administer. The Board of Tax Professional Examiners and the Polygraph Examiners Board were abolished and their respective functions were transferred to TDLR; regulation of used automotive parts recyclers was transferred to TDLR from The Texas Department of Transportation; and the towing program was expanded by the creation of a dual license for towing and vehicle storage facilities as well as a training license for towing operators. The Legislature also added the regulation of vehicle booting by private entities in parking facilities to the towing law. Identity recovery, a new program, was given to TDLR and the scope of work allowed under the existing residential appliance installer license was expanded to include the electrical maintenance work on residential pools and spas.

Other legislative actions included the transfer of the discount health program to the Texas Department of Insurance, the addition of public members to six of the department's advisory boards, and the authorization with no appropriations to reimburse advisory board travel subject to the availability of funds. The department also received unexpended balance authority for the initial year of each biennium.

TDLR's baseline budget for the 2010-2011 biennium is \$44,687,222. The contingent appropriations for the new, transferred, and expanded programs awarded to the department are shown in the chart below.

Additionally, H.B. 4586, 81st Legislative Session

TDLR APPROPRIATIONS	FY 2010	FY 2011	TOTAL
Baseline Budget	\$ 22,420,249	\$ 22,266,973	\$ 44,687,222
81st Leg., HB 2447, Tax Professional Examiners (2011/Trf2010)	\$ 192,763	\$ 192,763	\$ 385,526
81st Leg., SB 2153, Vehicle Booting (2010-2011)	\$ 265,490	\$ 224,990	\$ 490,480
81st Leg., SB 1095, Used Automotive Parts Recyclers (2010-2011)	\$ 193,380	\$ 166,780	\$ 260,160
81st Leg., HB 2310, Chapter 51 (2010-2011)	\$ 763,097	\$ 684,897	\$ 1,447,994
Tow Study (HB 2571)	-	\$ 100,000	\$ 100,000
GR Dedicated Operator & Chauffeurs Lic., Acct. No. 099 (2011/Trf2010)	\$ 106,041	\$ 106,040	\$ 212,081
Total Baseline Appropriations (Estimated)	\$ 23,941,020	\$ 23,742,443	\$ 47,683,463
Mandated Budget Reduction (February 2010-August 2011)	-	-	(\$ 2,386,673)

awarded \$956,000 in supplemental funds to TDLR, which are available across the biennium.

The budget reduction in general revenue and dedicated general revenue funding mandated by state leadership took effect mid-February 2010 and continues through the 2011 fiscal year. Funds were transferred to a Comptroller of Public Accounts fund and will be swept into the state general revenue fund on August 31, 2010. While the reduction will adversely affect TDLR's performance in the areas of inspections and complaint resolution, it will not hinder our ability to renew and issue licenses.

Method of Finance

TDLR is required to collect revenues of \$62,551,340 during the biennium. The agency must collect additional revenues to cover \$1,855,321 in contingency rider appropriations. These revenues cover appropriations for each year, additional contingency rider requirements, and annual indirect costs. Indirect costs include items such as our share of costs for services from other agencies and employee medical and retirement benefits. Revenue is generated from fees for license applications and renewals, registrations, plan reviews, inspections, and collection of administrative penalties. Appropriated receipts, interagency contracts, and interest earned from the Auctioneer Education and Recovery Fund continue to contribute approximately \$1,077,268 to the department's biennial revenue as well. The Commission shares the Governor's vision for fiscal discipline and annually reviews our fees and expenses to ensure we operate within our means and Texas taxpayers keep more of their hard earned money.

Budgetary Limitations

Eliminate Unnecessary Performance Measures

When an agency is consolidated into TDLR, the agency's performance measures should not be

transferred. Instead, the transferred agency's performance measures should be eliminated and TDLR's performance measure targets should be adjusted to include the new programs. For example, the transfer of the polygraph examiner and property tax professional programs to TDLR increased our performance measure reporting from 29 measures to 51. By transferring unnecessary and redundant performance measures, the administrative and operational efficiencies sought by consolidation are lost.

Architectural Barriers Appropriations Rider

In response to the call for a five percent budget reduction and due to the downturn in construction, the staff responsible for inspections of buildings and facilities to determine compliance with the Texas Accessibility Standards was reduced. The target for the key measure "AB Inspections Completed by agency and Third Party Inspectors" is 20,920 for fiscal year 2010. Only 8,146 inspections have been completed during the first half of the fiscal year. The rider threshold of \$4,624,050 should be reduced to reflect the current volume of construction projects. An adjusted threshold of \$3,576,600 will allow TDLR to apply increased resources to the architectural barriers program to keep pace with the economic recovery and not limit business expansion.

Economic Benefit from Mega Combative Sports Events

In March 2010 a world championship boxing event generated \$6,175,850 in ticket sales and \$185,275 in gross receipts tax. This event was held at the Cowboys Stadium in Arlington, Texas and drew over 40,000 spectators. TDLR's funding of the combative sports program does not contemplate the staffing of events of this size and complexity. TDLR augments its six person combative sports program staff with contract inspectors to properly manage large scale events like this one. This additional staff of inspectors is needed both before and during the event. The promoter and the Cowboys Stadium

management have indicated their intention to hold similar mega events in the future. To properly staff future mega events TDLR needs additional appropriation authority. The most cost effective method of funding the mega events is to provide an appropriations rider to provide funding for “Event Response Staffing” for the large events. The cost benefit to the state for “Event Response Staffing” is significant.

Data Center Consolidation Costs

TDLR’s costs for participation in the Data Center Conversion continue to escalate. To date only 3 of the 11 TDLR servers have been migrated to the Data Center. Appropriations for 2010 and 2011 respectively are \$330,635 and \$266,853. The appropriations were to cover the interagency contract with DIR for the Data Center and Disaster Recovery Services and bandwidth. Billings for the first five months of fiscal year 2010 totaled \$177,058 and are projected to be in excess of \$425,000 for the year. This number does not include the bandwidth cost that will be incurred once all the servers are converted to the Data Center. Additional appropriations will be needed to cover these costs.

Current and Future Budget Needs

Budgetary Effects of the Continued Expansion of Agency Responsibilities

During the 81st Legislative Session the agency’s growth trend continued with three transferred programs, expanded duties for two existing programs, and two newly created programs for TDLR to administer. The increased responsibilities brought 21.7 additional staff positions to TDLR requiring office space, furniture, and electronic equipment.

Office Space: Minor remodeling of the second, third, fourth, and eighth floors of the E. O. Thompson Building improved the use of space for the executive and general counsel offices and the licensing and financial services divisions. Leased offices in the Twin Towers Building (north campus) now house the building and mechanical section of the compliance division, the enforcement division, and a technically-equipped training room with a large public meeting space. Revisions at north campus were completed to prepare the training and public meeting spaces and one-third of the enforcement space was reconfigured to accommodate additional staff within the same space. The agency has a long term plan to adapt the remaining enforcement space to streamline the remainder of that suite and allow more adequate workspace.

The Houston field office moved to a larger space in the same state-owned building. Workspace remains

adequate in the Fort Worth office. The San Antonio office, while crowded, is still a workable space. TDLR has requested that the Texas Facilities Commission consider placing San Antonio agency staff in a larger space should one become available. Out-stationed enforcement and compliance staff work from home, but they are able to use the field offices as a “work-base” when necessary. The offices are fully equipped and are located in state-owned space.

Furniture: The agency continues its philosophy of using existing furniture and fixtures to the extent possible when accommodating new or remodeled space.

Electronic equipment: Desktop computers, laptop computers, and smartphones are purchased for new staff when appropriate. Laptop computers are provided for those employees whose positions require inspection or complaint related travel and desktop computers for those employees that work in an office setting. Smartphones are provided for staff that travel and allow wireless Internet access for their laptop computers. These purchases are in addition to the agency’s current four year computer “refresh” schedule.

The contact center software used for customer service has been extremely successful in addressing the volume and improving the quality of telephone services provided to our regulated industries and interested parties. The agency is looking at other opportunities to harness web technology to provide relief for internal programming resources without unnecessary investments in hardware and software. TDLR has contracted for a web-based, off-the-shelf, case management system to support enforcement activity. The program will remove the need for paper files and will cover the processes beginning with opening a case through case resolution. The agency currently takes advantage of Skype technology allowing staff from one location to communicate “face to face” with staff elsewhere. Future electronic solutions may include expanded teleconferencing through agency owned equipment or executing memorandums of understanding with other agencies that have already invested in the technology and using theirs. Solutions to improve outbound communications such as press releases, newsletters, media campaigns, or listserv notices linked to the agency website are another avenue under discussion for possible outsourcing.

The training rooms in both the E. O. Thompson Building and the north campus are well equipped and include computers, projectors, and related equipment. The agency has added the technology to webcast video and audio of Commission and advisory board meetings. Our media equipment allows for the development of internal training modules and

video for dissemination on the web. The agency's initial project, a training module on elevator safety, is available on the TDLR website for the general public as well as department licensees. The architectural barriers program's Accessibility Academy is offered six times a year at the north campus in Austin. The education and examination division also hosts annual industry examination development sessions in the north campus meeting room.

Data Center and Disaster Recovery Services Consolidation

The consolidation of data center and disaster recovery services for the 27 affected agencies, including TDLR, is on-going. Continuing problems with the performance of contracted services have resulted in:

- Department of Information Resource's hiring of another consultant,
- new plans to reconfigure the contracted services,
- delays in the agency servers' migration to the data center,
- monthly increases of costs to TDLR, and
- increased agency staff time to monitor and perform contracted services.

Future Needs

A mandated five percent reduction in appropriations was required of state agencies for the period February 16, 2010 through August 31, 2011. TDLR has deposited the funds into a specified account with the Texas Comptroller, and the funds will be swept on August 31, 2010. The Legislature will face the challenge of a significant budget shortfall during the 82nd Legislative Session. As the House and Senate evaluate cost-saving measures to address the shortfall, including consolidation of agencies, TDLR stands ready to offer its expertise and to be part of the solution. The agency sets the standard for limited government by performing its tasks effectively, fairly, and responsibly.

Based upon TDLR's experience, the consolidation and transfer of other agencies, programs, and duties to increase efficiency and reduce costs works best when appropriations are provided for:

- retention of skilled staff,
- office space and equipment,
- travel,
- database and program conversions,
- data processing and maintenance under the state data center consolidation,
- pending liabilities such as outstanding court cases, and
- unpaid expenditures.

Capital and/or Leased Needs

TDLR currently occupies space in two Austin locations, the E.O. Thompson building, a state-owned

building managed by the Texas Facilities Commission (TFC) and leased space in the Twin Towers building on Clayton Lane in Austin (referred to internally as the "north campus"). In addition to space for the compliance building and mechanical section and the enforcement division, the north campus location provides a large public meeting room, a well-equipped training room, and a media room. Public meetings, forums, education summits, Architectural Barriers Training Academies, and strategic planning meetings are held in the public meeting room and ample, free parking allows increased constituent, industry, and general public participation. Commission and advisory board meetings as well as public hearings are available in both video and audio over the Internet.

To house the additional staff positions provided for in legislation from the 81st Legislative Session, minor renovation during fiscal year 2009 at the E. O. Thompson building provided space for additional staff in the general counsel office and the financial services division. The executive office moved to the fourth floor, freeing up space on the second floor for staff in public affairs and licensing. Human resources relocated to the first floor, a move designed to make their services more available to job seekers and to staff. To accommodate increased staff in the enforcement division at the north campus, some partial remodeling was done affecting about one-third of the third floor office suite. Additional reconfiguration is needed for efficient use of space for that division.

TDLR has authorization under the state fleet plan for three vehicles. The agency purchased two new vehicles in early fiscal year 2010. A 2004 vehicle was in relatively good condition and was retained for transport of staff and supplies between the north campus and the E. O. Thompson building.

TDLR will order laptop computers, desktop computers, monitors, and software licenses to accommodate new staff hired in 2010 and 2011. Although the agency is approved for 401.7 employees, TDLR suspended the hiring of positions due to the five percent mandated budget reduction for the biennium. TDLR's computers are refreshed on a four year schedule. Smartphones are replaced every two to three years and the agency receives a discounted price as outdated models are recycled. These devices provide wireless connectivity for laptop computers, cameras to record inspection or investigation violations, access to email and agency website, and mapping services for staff members who travel.

The network services division purchased security hardware and software that blocks incoming malware and viruses. These purchases are prudent due to the significant number of staff working from their homes, two Austin locations, three field offices, and

access by the Team for Texas (TfT) personnel as part of the data center and disaster recovery services.

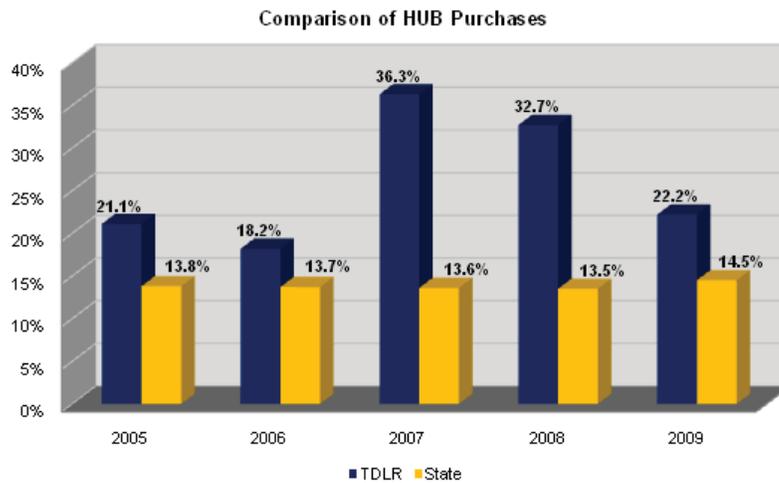
The agency purchased three new servers, all located in the Austin Data Center, managed under the IBM Data Center Services contract. The costs for those servers will become part of the contract hardware services charge and may increase capital costs of the contract in the future. The Department of Information Resources’ contract funding model distinguishes operational costs from capital expenditures.

Additionally the department is considering the purchase of a new telephone system for the north campus to replace an older one “inherited” from another state agency.

Historically Underutilized Businesses

TDLR consistently exceeds the state averages for purchases and contracts for professional services, commodity purchasing, and other services from historically underutilized businesses (HUBs).

The chart below compares TDLR’s performance in HUB purchasing to the statewide HUB purchasing for fiscal years 2005 through 2009.



In addition to our overall success in the percent of expenditures with HUBs, the department ranked fourth out of the 33 Article VIII Regulatory agencies in fiscal year 2009 in total dollars spent with HUBs (\$530,933).

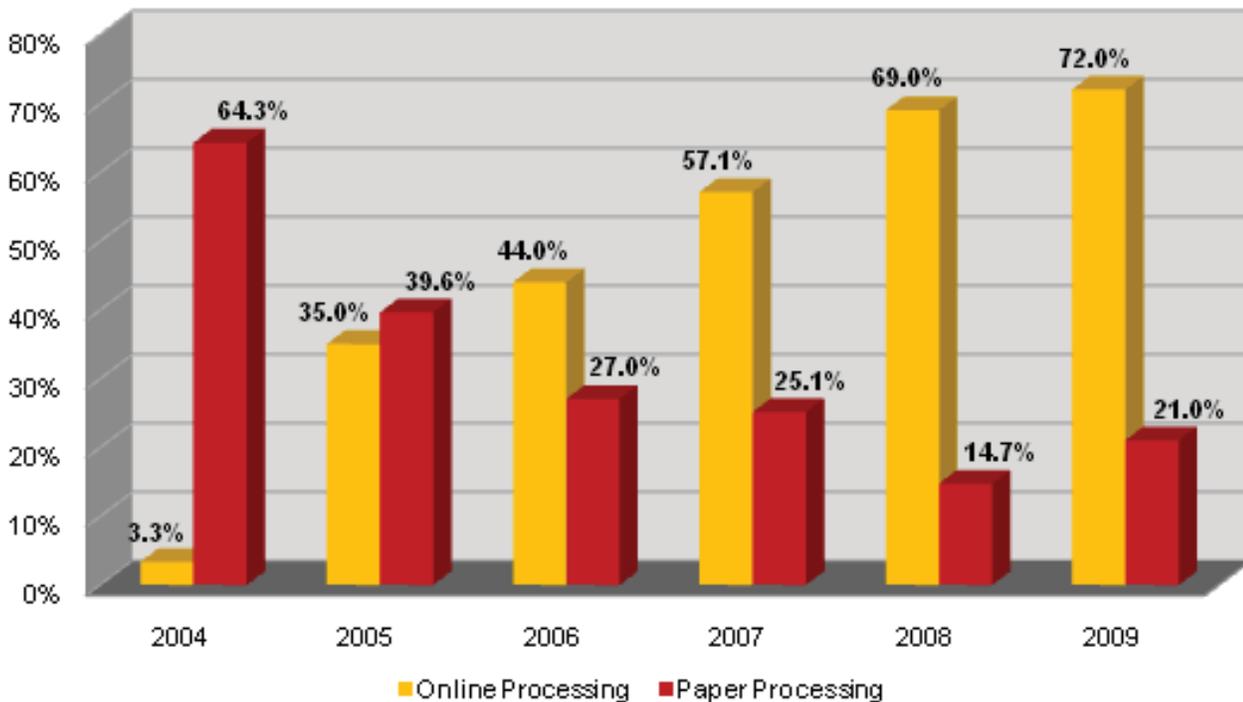
Technological Developments

Impact of Technology on Current Operations

TDLR uses technology to provide superior service to the public. The work performed to license and regulate our programs is regularly reviewed to lower costs, improve customer service, and complete tasks in the most productive and efficient manner.

As a charter participant in TexasOnline, TDLR continues to be a leader in the use of new technology. Our integrated systems provide seamless access to our services online. The following chart shows the increased use of online license applications which increased from three percent in 2004 to 72 percent in 2009, while paper applications have declined from 65 percent in 2004 to 21 percent in 2009.

Transition From Paper to Online Processing



Assessment

We use private sector partners to perform high-volume repetitive tasks. This enables agency staff to devote more time to their core duties. An example of such a partnership is TDLR's document imaging service. We partner with a professional imaging company to take advantage of their ability to scan and index millions of documents into a vast bank of imaged data. As a result, TDLR has improved the review, retrieval, and dissemination of imaged data, by reducing storage space and paper costs.

Key partnerships help us maximize resources with our large licensee populations. By redirecting the considerable amount of paperwork to a private company geared to deal with such a high volume, we are able to eliminate out-dated and inefficient functions and focus on being fiscally responsible.

TDLR's licensing system, the Texas Umbrella Licensing Information Project (TULIP) is linked to the imaging system. TULIP, developed by TDLR's information systems development staff with input from other divisions, generates licenses and records digitally, saving paper and storage. Additionally, we use the Internet to enable around-the-clock access to our records and services. Through TexasOnline, we leverage the convenience of online processing systems by making credit card payments available online to most of our licensing customers.

TDLR provides laptop computers to staff who travel to perform their duties, those who must attend meetings offsite, and individuals approved to telecommute. Commission and advisory board meeting materials

are provided on CD-ROM to Commissioners and advisory board members. The use of laptop computers during the meetings has eliminated the need for assembling meeting notebooks, reducing staff time and excessive paper usage. Key personnel have smartphones, allowing them to connect to email and Internet databases, work on documents, and coordinate efforts while away from their offices.

Smartphones and laptop computers allow investigators and inspectors to exchange information from remote areas throughout Texas and reduce the need to visit home offices to file reports.

Better Communication

Email notifications, with over a 600,000 subscribers, keep licensees and the interested public informed of rule and law changes, meeting times, and other agency events. The agency website is the primary information resource for all programs and is updated frequently. TDLR uses online questionnaires to survey licensees. Our agency-only intranet provides vital information and tools for our employees to help them do their jobs efficiently and effectively.

Improvement in Services

- Teleconferencing is available using video cameras and Skype conferencing software.
- Dedicated training rooms are available in both Austin offices. They include dedicated, networked computer workstations, as well as projectors and screens. These three rooms accommodate 6 to 20 users.
- Online Help Desk system offers agency staff the ability to report computer related issues. Staff can then track the status of that issue through its resolution. Since September 2008, we have recorded and resolved over 10,000 new requests for help.
- Email defense has been enhanced with a product called MX Logic by McAfee. This new service scans each piece of incoming email and filters out malicious mail. Approximately 50,000 emails are blocked from TDLR mailboxes each month.
- IronPort Web Security has been installed to control, monitor, and report agency web activity. It blocks malicious sites or those considered inappropriate by agency policy.
- Online processing of applications and renewals has increased through TexasOnline.

Impact of Anticipated Technological Advances

TDLR continues to look for new ways to use technology to improve the way we do business and reduce costs. TDLR's functional workflow continues to streamline processes, expand partnering with private entities, develop new strategies internally, and

improve customer service. Internet-based services, laptop computers, and smartphones, will allow even more employees to work effectively away from their offices.

Degree of Department Automation

TDLR is highly automated. The agency's website provides access to nearly every service the agency offers:

- license renewals;
- filing complaints;
- original license application;
- email notifications;
- cosmetology and barber student enrollment and hours posting;
- core education class completion posting and inquiry;
- continuing education posting and inquiry;
- check license status; and
- purchase of barber and cosmetology law and rule books.

Other information and tools on the website include: program forms, laws, and rules; public meeting agendas, minutes, and audio files; and contact information and electronic mailing lists.

TDLR's customer service division has automated most of its processes, resulting in more efficient use of resources. Customer service representatives now have dual monitors which allow them to be more organized and productive in providing information. The new Automated Call Distribution software used in the contact center has expanded our ability to take more Vietnamese, Mandarin, and Spanish language calls.

TDLR's imaging system, the licensing systems (TULIP and TOOLS), the SHEARS system, and TDLR's website are key in sustaining current efficiencies and harnessing future technological advances to improve delivery of services and reduce costs.

Anticipated Need for Automation

TDLR is dependent on technological advances to continue our success and find new and innovative ways to meet state government priorities. The following are opportunities for using technology:

- greater use of teleconferencing;
- minimizing the energy use of existing technology;
- automated records disposal;
- disaster recovery to avoid a single point of failure where our servers and ultimately our applications systems are hosted;
- identifying partnership opportunities;
- converting all TDLR license types to one licensing system;
- increasing the data sharing between headquarters and remote offices;

- expanding services that are accessible by wireless devices such as smartphones;
- payment of penalties through TexasOnline; and
- electronic reporting to reduce paper consumption.

Key Organizational Events and Areas of Change and Impact on Organization

Success Breeds Challenges, Challenges Breed Opportunities

Our mission to honor the public trust, ensure the public's safety, and foster a fair and efficient regulatory environment defines how we do business. This along with management's demonstrated skills in innovation, cost-effectiveness, and excellent customer service has enabled us to succeed and build toward our vision of being the nation's premier state agency. The Legislature recognizes TDLR as an agency with solutions for new licensing programs and for existing or struggling licensing programs. They continue to add to our wide-ranging responsibilities by sending programs to us. We remain ready to succeed in this charge through ongoing analysis and fine-tuning of our organization and functional alignment. This allows us to easily adapt to the continually changing and growing demand on our human and financial resources.

The 81st Legislature, continuing to recognize the agency's efficient organizational structure and common-sense approach to licensing and regulation, transferred the duties of three existing licensing programs to TDLR, and sent two new programs to us. In 2009, all duties and responsibilities of the Texas Board of Tax Professional Examiners and the Texas Polygraph Examiners Board were transferred to TDLR. Regulation of used automotive parts recyclers was transferred from the Texas Department of Transportation to TDLR. These transferred programs added over 8,400 additional licensees and three advisory boards to the agency's workload. The Legislature also created regulation of identity recovery service contract providers. Finally, the existing tow truck statute was expanded to create licensing and regulation of individuals and companies that place vehicle immobilization devices or "boots" on illegally parked automobiles.

The Legislature also added new license types to two existing TDLR programs – a dual operator license for the tow truck and the vehicle storage facilities programs, and a training license for the tow truck program. In addition, the Electrical Safety and Licensing Act was amended to expand the scope of the existing

residential appliance installer electrical licenses to include individuals and companies performing pool and spa related electrical maintenance work.

The Legislature transferred the regulation of discount health care cards to the Texas Department of Insurance.

As a result of the 20 percent increase in the number of programs administered by the agency and the many duties associated with implementing and administering these additional programs, the agency gained 15 new staff positions. These positions were distributed throughout the functional areas of the agency. The integration of new programs was aided by internal "bill implementation teams" made up of staff from different divisions, a standard agency practice. The accomplishments of these teams make it possible for the agency to continue its efficient and economical operations and provide the best customer service at the lowest cost for its licensees.

During fiscal year 2010, the agency also used an implementation team to reorganize and streamline functions performed in the boiler program and to take advantage of the efficiencies inherent in our functional alignment. Compliance and licensing personnel, along with the main duties of the boiler program were reallocated to functional areas.

The recent recession has affected the agency and its more than 620,000 licensees. Specifically, the architectural barriers program is impacted by the decrease in commercial construction, resulting in a substantial decrease in revenue for that program. Some of our occupational licensing programs have actually experienced a growth in population as individuals from states harder hit by the recession have come to Texas seeking employment.

Interim Charges

Management's philosophy of excellence and its track record of success has earned TDLR a reputation as an organization that provides excellent customer service and expertise in a wide variety of professions, and that effectively manage a variety of new and existing programs. As the Legislative committees take up their interim charges, they may look to TDLR to provide information on the issues they are studying.

The House Committee on Licensing and Administrative Procedures is studying all existing occupational licensing programs to determine their impact on consumers, competition, and the costs of service, and is reviewing and exploring the extent to which new licensing programs are necessary. TDLR has a history of reducing licensing fees and, therefore, its costs of services. The Commission has a core philosophy of minimizing the impact the agency's

regulation has on competition, and on the consumers of the services offered by our licensees.

The House Committee on Appropriations is monitoring the Department of Information Resources' ongoing implementation of data center services consolidation and the TexasOnline program. TDLR has aggressively pursued participation in the TexasOnline program. The agency can also provide considerable data and other input regarding its unsatisfactory experience with the data center services consolidation project.

For example, the Senate Committee on Government Organization is studying online services provided by the state and comparing those to online services provided by other states, to determine how Texas' online services can be improved. TDLR has championed online services and is currently revamping its website in order to improve the information and ease of access to our services.

The Senate Committee on Natural Resources is studying the need for the state to regulate drilling of new wells within prescribed depths and distances of Texas rivers, in order to prevent draining of surface water from alluvial plains of river basins. The House Committee on Natural Resources is evaluating groundwater regulations and permitting processes throughout the state, including the role of state agencies in groundwater management, the development of desired future conditions, and the adoption of groundwater management plans in relation to regional and state water planning. The agency's water well drillers program licenses and regulates water well drillers and well drilling. The program also develops and enforces well drilling standards.

The House Committee on Ways and Means is studying methods for improving the quality and uniformity of, and communications to taxpayers about, property tax appraisals. The Committee is also charged with monitoring the implementation of property tax appraisal and alternative valuation appeal reforms enacted by the 81st Legislature. Expertise in property tax appraisal is a key element of the educational efforts that are a part of the property tax professionals program. In addition, licensees in our property tax consultants program represent property owners in appraisal matters and must be well versed in appraisal methods.

Growing Leaders

TDLR benefits from its philosophy of growing leaders from within the agency. Our culture of innovation and core belief in leadership development and team building enable us to respond quickly and effectively to a changing environment. We welcome change and recognize that it presents a valuable opportunity for

progress, both for our agency and for our people. We encourage our staff to participate in training that will prepare them for leadership. Staff are provided the opportunity to benefit from such management training programs as the LBJ School of Public Affairs' Governor's Executive Development Program, the Governor's Management Development Program, the Executive Leadership in Information Technology Excellence Program, and the Executive Women in Texas Government Professional Development Conference.

TDLR employees help shape the philosophy and operations of the agency through participation in activities such as internal brainstorming sessions, town hall meetings, strategic planning, analysis and implementation of legislation, employee surveys (such as the Survey of Organizational Excellence), and participation in program integration teams. Our employees analyze new, transferred, and existing licensing programs to determine the best way to integrate them into TDLR's functional alignment. These opportunities allow staff not currently involved in management to develop and showcase their leadership skills, and give management the opportunity to evaluate our staff's leadership potential.

Technology

TDLR remains focused on being a leader in the innovative use of technology for delivery of services by updating and adding to our online services. An increasing number of new license applications, most renewal applications, and building project registrations can be submitted and paid for online. Most of our license databases and many inspection documents can be accessed by the public and staff through our website.

We have also created program specific "home pages" on our website for each of the agency's programs, which include extensive information and services, such as:

- basic description of the program and its purpose;
- program laws and rules, including proposed rules;
- announcements of meetings;
- links to live and archived web broadcasts of Commission and advisory board meetings;
- information in Spanish and Vietnamese;
- easy to use online license applications and license renewals;
- printable application forms and instructions;
- database lookups for licensees, buildings, or equipment;
- information on enforcement actions and most common violations;
- frequently asked questions (FAQs); and
- technical bulletins for several of the agency's programs.

Our software development staff continue to tackle an increased workload created by the addition of new, transferred, and expanded licensing programs. They are working to convert the last few licensing programs remaining on our legacy systems to our internally developed TULIP (Texas Umbrella Licensing Information Project) system. The most recent conversion was the boiler certification system, which includes critical inspection and certification information for more than 54,000 boilers in Texas. With the transfer of the property tax professionals, polygraph examiners, and used auto parts recycler programs to TDLR, the addition of two new programs, and expansion of licensing requirements in several existing programs, IT staff spent many hours converting and expanding TULIP to provide licensing and database services in time for the rollout of those programs. Licensees experienced a seamless transfer, with almost no change to their business practices related to licensing requirements.

In addition to these accomplishments, IT staff developed numerous other online services, such as:

- new license applications for a number of the agency's programs;
- license renewal for a growing number of license types;
- posting of continuing education course completion data, allowing providers to quickly post continuing education credits earned by licensees;
- payment of construction project registration fees, allowing design professionals and building owners to register their construction projects, and pay registration fees by credit card;
- reporting of inspections of elevators, escalators, and related equipment by elevator inspectors;
- electronic submission of boiler inspection reports by agency and third-party boiler inspectors;
- database search for licensees, architectural barriers projects, elevators and escalators, boilers, tow companies, tow trucks, and vehicle storage facilities, and access to imaged inspection related documents for the boiler and elevator programs;
- signup for our email notification system, for all programs; and
- submission and search capability for well drilling and well plugging reports for the water well driller/pump installer program, using the State of Texas Well Report Submission and Retrieval System (developed in conjunction with the Texas Water Development Board).

Opportunities for Improvement

In brainstorming sessions and discussions conducted during our strategic planning process, agency staff and customers identified opportunities for improvement in our licensing, regulatory, and enforcement functions. TDLR has identified several statutory changes that we believe will simplify the licensing

process, streamline regulation, and strengthen consumer protection:

- clarify and enhance surety and financial bond requirements for certain licensing programs;
- simplify requirements for sterilizers in the barber and cosmetology programs by removing the FDA listing requirement;
- evaluate the viability of creating alternative paths to licensing;
 - licensed cosmetologists to become barbers – after completing additional coursework at a barber school, and successfully passing a written and practical examination;
 - individuals to be licensed as cosmetologists or barbers after completing an apprenticeship program as a separate path or as part of their education requirements; and
 - becoming a barber teacher or instructor.
- consider eliminating outdated and unnecessary licensing requirements to open a barber or cosmetology school, including those provisions that prohibit specialty schools;
- consider eliminating outdated and unnecessary licensing provisions relating to booth rental licenses;
- consider adding provisions for “mini salons”;
- clarify the statutory requirements allowing barbering to be taught in public schools;
- consider allowing early testing of cosmetology and barber students;
- evaluate the viability and continued regulation of certain licensing programs; and
- undertake a review of the towing and booting and vehicle storage facilities statutes for the purpose of removing unnecessary requirements.

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

- availability of even more online services;
- removal of FDA listing for sterilizers in the barber and cosmetology programs; and
- strengthening and clarification of requirements for bonds required in some programs.

Fee Reductions

As part of TDLR's vision to be the nation's premier state agency, we set the standard for limited, efficient, and completely accountable state government. This vision drives us to provide effective and efficient licensing and regulatory services at the lowest possible cost. Just as Texas families review their budgets, TDLR annually reviews the cost of administering each program and compares that to the amount of fees collected specifically for that program. Our Commission lowered licensing fees for 17 different license types in 2008, allowing Texans to keep more of their hard-earned money. In the past four years, the Commission has reduced total fees assessed to consumers and licensees by more than \$14 million. We have also been able to create cost savings

for many of our programs through our functional alignment and continuous process improvement. As stewards of the public trust, we continue to look for opportunities to reduce licensing costs and ensure prudent use of public resources, while providing the highest level of customer service.

Budget Reductions

As Texans tighten their budgets during the recession, so too must Texas government. At the request of the Governor, Lieutenant Governor, and Speaker of the House, TDLR reduced its fiscal year 2010 and 2011 budgets by five percent. Since the majority of the costs of operating a regulatory agency are salaries, much of the reduction in expenditures was accomplished by not filling vacant staff positions. Unfortunately, this negatively impacts our ability to fully accomplish vital responsibilities such as periodic safety inspections of barber shops, cosmetology and nail salons, tow trucks, and vehicle storage facilities. It may also limit enforcement resources crucial to the public safety and consumer protection the agency provides.

To ensure that no taxpayer dollars pay for the services TDLR provides, we are required to collect sufficient fees from our licensees to cover the costs of operations. Through the innovative use of technology and resources, TDLR continues to streamline and improve its services, allowing us to operate in a fiscally responsible manner while reducing the fees our licensees pay. In order to live up to our reputation as responsible stewards of the public trust, the agency believes that restoration of our full funding for these vacant positions is necessary.

Changes in Commission Membership

Since our last strategic plan, Commissioner Mike Arismendez was elected to be the vice-chairman of TDLR's seven member Commission. First appointed to the Commission in 2005, vice-chairman Arismendez is Assistant to the Mayor and City Council for the City of Lubbock, and former Mayor of Shallowater, Texas.

TDLR Highlights and Accomplishments

Measuring Our Success

In our last strategic plan we identified areas which received priority status in our planning over the next four years. When establishing our six strategic goals, we created initiatives to help us achieve these goals and tracked our accomplishments throughout the process. These initiatives were not developed in a vacuum but were the direct result of input from our Commissioners, employees, licensees, advisory board members, and consumers.

The six goals are described below, with the initiatives identified to show how we succeeded in achieving them:

• **Staffing and Personnel:** Attract and retain knowledgeable staff and secure more office space to accommodate them – TDLR’s success is due to its workforce. The men and women of our organization embrace core values that reflect what is most important to us as public servants, with each of us being personally responsible to the people of Texas. Our agency executives communicate essential information to all of TDLR’s employees, through regular “town hall meetings”, which fosters a spirit of togetherness. Additionally the agency uses email and our internal website to keep employees informed.

- Recently the agency hired the first-ever, agency-wide project manager to carry out process-change suggestions, including the use of plain talk. We also hired a management analyst to perform critical data analysis to help us refine and improve our processes and a second webmaster to bolster our internal and external electronic communication efforts;

- Upon assuming the duties of the former Board of Tax Professional Examiners and the Board of Polygraph Examiners, we gave a first-priority interview to employees of those agencies and retained most of them on staff;

- Upon receiving new responsibilities from the 81st Legislature, additional workspace was obtained at a second office location in north Austin to house one-third of our Austin-based workforce. The new space eased the strain on limited resources including parking at our primary location downtown; and

- To gain skill in handling a greater variety of work responsibilities, our staff were afforded on-line training accessible to them at any time during the work-day. We have also encouraged and provided training for managers and supervisors as well as technical and program related training for employees.

• **Technology:** Use innovative and streamlined web services for information and licensing issues

- We increased our staff to develop and apply new software to make our operations more transparent and accessible to the public.

- We developed web services compatible with smartphones;

- We increased the number of new and renewal

applications to be submitted and processed online;

- We made all Commission and advisory board meetings available through live video broadcasting on our website and we archive past meetings for viewing at a later date; and

- We closely monitored and regularly disputed the cost of services from the Texas Department of Information Resources data center. We continue to evaluate and share our insight with key policy-making offices about the impact of the data center consolidation.

• **Complaint Resolution:** Incorporate statutory changes to ensure continued effectiveness – Investigating and resolving complaints is one of our most critical responsibilities. Following the 81st Legislative Session we immediately used the additional enforcement authority granted to subpoena and issue cease and desist and emergency orders.

• **Licensing:** Allowances for temporary, emergency, and “inactive” status licenses – TDLR began implementing these license types in phases starting with licenses that require continuing education.

• **Interim Charge:** Focus on streamlining, deregulation, and process improvement – We began evaluating the viability of various licensing programs, and made progress on specific process improvements. We simplified requirements for sterilizers in the barber and cosmetology programs and improved surety and financial bond requirements for certain programs.

• **Advisory Board:** Inclusion of public members on advisory boards and allocation of travel reimbursement – Public members were added to advisory boards and TDLR was given the authority with no appropriations to reimburse travel expenses for advisory board members.

TDLR’s employees are committed to go the extra mile in serving the communities in which they reside.

TDLR received the following recognitions:

- 3rd Place in the “Life is in Your Hands 2009 Awards” from the Blood Center of Central Texas for employee participation in blood donations;
- Assistance to Earthquake Victims in China from the Chinese American Association
- State Employee Charitable Campaign
- Acknowledged on the House Floor with HR 1476 for 100 Years of Service

Upon receiving several new programs, including the functions of two agencies that were dissolved during the 2009 legislative session, the staff kept its focus on retaining TDLR’s reputation as a model agency for state government. TDLR demonstrated its commitment to excellence by meeting our key measures in fiscal year 2008 and 2009. Like any business organization that has acquired new responsibilities, TDLR has experienced a dip in its performance levels from prior years. Since we have been given new programs consistently over the last three sessions this phenomenon has been further compounded. To address this issue in the future we will work closely with legislative leadership to ensure that unnecessary and performance dragging measures are not transferred to TDLR.

New Responsibilities from the 2009 Legislative Session

As in previous legislative sessions, TDLR was entrusted by the 81st Texas Legislature with several new programs and two programs that were transferred from other state agencies.

Senate Bill 1095 created a new program at TDLR to license used automotive parts recyclers, including certain businesses and employees who buy and sell used automotive parts. Senate Bill 2153 gave TDLR the role to license and regulate businesses and individuals who install or remove boots (immobilization devices) from vehicles. While these are new areas for TDLR, applying the best practices of our business model has allowed us to incorporate the new laws and program requirements with relative ease.

Senate Bill 1005 gave TDLR authority to issue licenses to polygraph examiners, a responsibility previously handled by the Polygraph Examiners Board, which the legislation dissolved in 2009. The registration of property tax professionals was another responsibility transferred to TDLR from the abolished Board of Tax Professional Examiners by House Bill 2447. Aligning these new licensing functions within our business model provides greater consumer protection to the public and offers a higher level of customer service to polygraph examiners, property tax appraisers and tax assessor/collectors in Texas.

SB 702 created the dual license for towing and vehicle storage facility employees. Our existing service contract providers program was expanded under SB 778 to issue licenses to providers of identity theft prevention and recovery services. With the frequency of identity theft soaring, we are excited about applying our expertise in this area to promote a greater level of consumer protection.

Increased Efficiencies

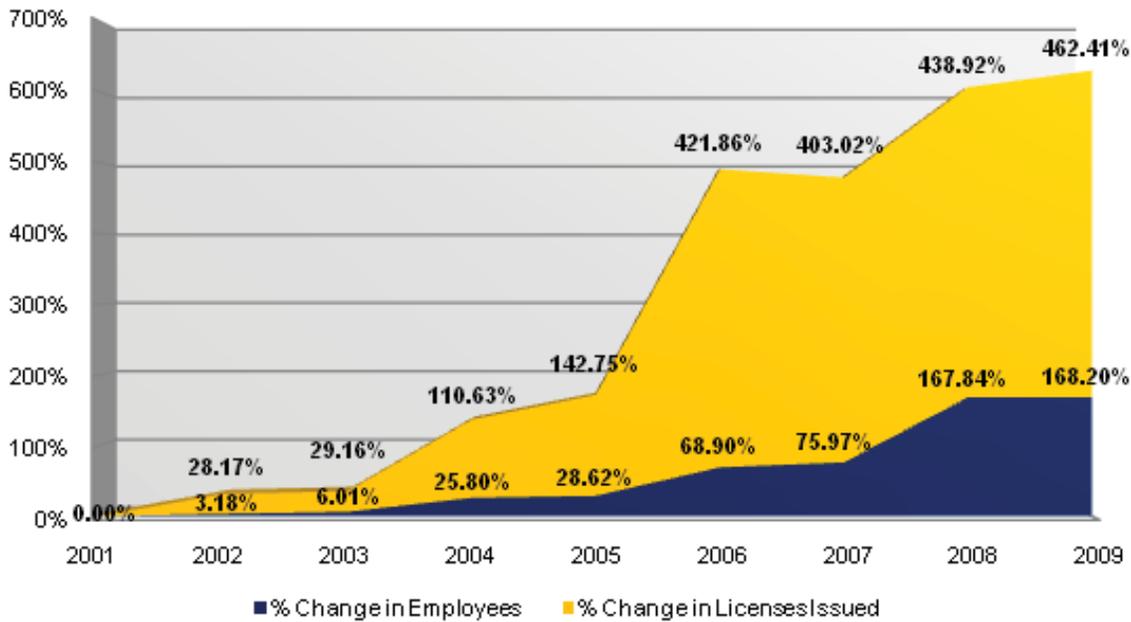
In fiscal year 2009 TDLR successfully absorbed the functions of a troubled agency – the Board of Polygraph Examiners – into our functional alignment model. We adopted a new approach in testing candidates for polygraph licenses by using subject-matter experts to help design the content of examinations that are now offered throughout the state. We partnered with a private company to administer the tests, freeing staff from proctoring, and eliminating the old practice of board members grading the examination. The net result of this consolidation is improved services to the polygraph industry and general public, including the use of more objective testing procedures, decentralized testing locations, eliminated backlogs, and increased public outreach.

By partnering with the private sector, staff are able to focus on complex analysis rather than manual processes. Another benefit is that the work required to process licenses and renewals can be performed by several divisions within TDLR. This saves time and money for both state government and licensees.

Within the past decade, TDLR’s innovative approach for processing applications allowed us to excel while handling a 582 percent growth in the number of licensees without a proportional increase in employees. The following chart shows the percentage increase in licensees and employees from the base year of 2001.

These efficiencies allowed TDLR to achieve what is unique in today’s government – reducing license fees in the past four years by more than \$14 million.

Comparison of % Increase in Licensees and Employees



We launched the Plain Talk Initiative in 2009 to help inform consumers of what they need to know in ways that are more clear and understandable. We rewrote and formatted documents, forms, and web pages to make them more readable, tailoring them to meet the needs of specific audiences.

TDLR's boiler staff were reorganized to allow a better fit of the boiler program activities within the agency's functional business model. This freed the chief boiler inspector from administrative tasks and allowed him to focus on technical issues. It also led to an accelerated follow-up with Authorized Inspection Agencies (AIA) and substantially decreased the number of overdue boiler inspections by 37 percent.

Customer Service

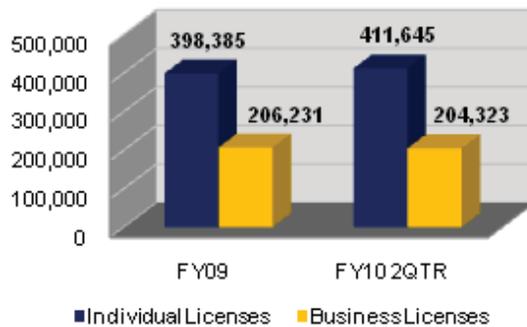
As TDLR's licensee population continues to increase, our customer service contact center maintains a high level of efficiency in its response to the public. Now in its third year, our contact center affords supervisors the capability of instantly checking the quality and status of incoming calls. The contact center's hours now extend from 7:00 a.m. to 6:00 p.m., allowing us to respond to more callers at times convenient for them.

To improve our ability to respond to the public's need for information – and help us reduce call volume – TDLR has an extensive outreach effort. We now encourage consumers and licensees to contact us by telephone and email. We provide common questions and answers for all of our licensed programs on our website. Inspectors distribute fliers to licensees, and staff participate in trade shows and town hall meetings throughout the state. We continue to study the best practices of contact centers.

Self-Evaluation and Opportunities for Improvement

TDLR’s vision is to be the nation’s premier state agency. Our executive management analyzes key criteria such as performance measures attainment, customer service, and internal program audits to assess our programs and identify opportunities for improvement.

Mid Fiscal Year 2010 Performance of Core Licensing Functions on Track to Exceed Expectations



Key Performance Measure Attainment

One key measure of agency health is how well we perform our core mission of issuing licenses to individuals and businesses while protecting consumers’ health and safety. Data shows that TDLR performs this core mission well.

In fiscal year 2009, TDLR issued 398,385 licenses to individuals across the state. In the first two quarters of fiscal year 2010, the number of individual licenses issued grew by 13,260 for a total of 411,645 individual licenses issued.

The number of business licenses issued through the second quarter of fiscal year 2010 nearly surpassed the total number of business licenses issued during fiscal year 2009. At the current pace the number of individual and business licenses issued in fiscal year 2010 will substantially exceed those issued in fiscal year 2009. While TDLR is on track to exceed fiscal year 2010 licensing expectations, we continue to increase operating efficiencies. We process 99.2 percent of licensing renewals within 7 days and have lowered costs to licensees.

Customer Service

The increase in licensee population strains our customer service resources. In response to increased calls and emails, TDLR surveyed large and small contact centers to identify contact center best practices. Some of the best practices we implemented

include: established a command and control center to proactively manage call flow; installed new contact center phone software to automate call distribution; developed a new ombudsman/team lead approach to problem solving; created Vietnamese and Spanish speaking call queues; and installed dual computer monitors to help customer service agents quickly access licensing records.

These enhancements immediately resulted in increased customer service and contact center efficiencies – reduced average talk time, 98 percent of calls answered, and automatic routing of calls to contact center agents who have developed expertise in specific programs.

Internal Audit

TDLR contracts with a CPA firm for internal audit services for both operational and program activities. The programs to be audited are selected based upon an annual risk assessment. As the agency has grown, so has the number of hours and the budget for the internal audit function. The independent CPA firm looks at TDLR’s processes and programs and provides valuable information to the Commission and management about what we are doing well and what we can improve.

Agency Characteristics Requiring Improvement

TDLR knows that the best ideas for improvement come from the individuals and businesses that are most affected by our services. TDLR actively seeks input from our customers by conducting external brainstorming meetings and offering an online survey. In March of 2010 more than 2,000 TDLR customers participated in the agency’s information gathering efforts. The meetings and online survey responses helped TDLR identify what works well, what needs changing, and what to expect over the next five years.

For example, online survey participants expressed the need for tighter regulation, more field inspectors, and greater frequency of inspections. Architectural barriers participants indicated the need to fill out all required forms online. Several cosmetology and barber responses recommended the creation of an apprenticeship program. There were many common topics addressed in the online survey. Some of the topics were agency communication efforts, our customer service contact center, lower continuing education hours required, and more variety and higher quality continuing education courses. We also learned that customers want TDLR’s website:

- to be able to accept all fee and fine payments by

credit card;

- to be more clear and user friendly; and
- to accept more inspection reports.

Strategic Challenges

TDLR eliminated travel reimbursements for its advisory board members as part of the five percent budget reduction. Since TDLR's Commissioners are prohibited by law from having a financial interest in the programs we oversee, they rely heavily on technical input from advisory boards for the administration of those programs. These advisory board members play a vital role in assisting the Commission on health and safety issues, technical standards, rules, examination content, and continuing education requirements.

The elimination of the travel reimbursement will adversely affect the frequency of meetings and the timeliness of their valuable input. The lack of funds for travel reimbursement impedes participation of these unpaid volunteers. We believe that the interest of the state is best served by restoring TDLR's five percent reduction including funds for travel reimbursements to advisory board members.

Opportunities

TDLR's commitment to growing leaders from within is reflected in management's encouragement of all employees to participate in the planning, development, and implementation of service improvements.

Training: TDLR takes advantage of low-cost and free training offered by private providers and other state agencies. TDLR staff are encouraged to participate in valuable training and development programs offered by MindLeaders, 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.

Information Exchange Among Peers: The agency seeks opportunities for peer-to-peer interaction and exchange of information with other state agencies. Staff participate in a number of activities that go well beyond simple networking. The executive director is a regular presenter in leadership programs 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 resources and ideas.

Community Resources: TDLR actively participates in and supports local community events. For example, staff frequently participate in industry conferences, trade shows and meetings, local panel discussions, enforcement task force meetings, university presentations, and other community events. TDLR's ability to participate in these events allows the agency to keep abreast of developments in the areas it regulates.

TDLR shares best practices with other state agencies in achieving legislative initiatives. For example, the agency has successfully worked with the Texas Department of Insurance (TDI) in the transfer of the discount health care card program to TDI, the Comptroller of Public Accounts in assuming our regulatory authority of property tax professionals, and the Department of Public Safety in the transfer of polygraph examiners to TDLR. Working in collaboration with these agencies has made TDLR more effective and shows the Legislature our unwavering commitment to excellence in government.

Working with Local, State, and Federal Entities to Achieve Success

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 25 occupations and industries.

Agency staff regularly participate in industry conferences, trade shows, and other events. The department enhances the effectiveness of its regulatory efforts by working with local law enforcement, building officials and inspectors, taxing authorities, 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;
- Property Tax Professionals;
- Tow Trucks and Vehicle Storage Facilities;
- Vehicle Booting Operators;
- Used Automotive Parts Recyclers;
- Water Well Drillers and Water Well Pump Installers; and
- Weather Modification.

We continue to work closely with local officials 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, an education conference that is attended by hundreds of building, construction, and design professionals. The department has also cultivated partnerships with local chapters of businesses and organizations such as the Building Owners and Managers Association, Coalitions of Texans with Disabilities, and occupational/trade organizations such as the Independent Electrical Contractors of Texas, National Electrical Contractors Association, The North Texas Fire Protection Association, the International Union of Elevator Constructors, the Valley Building Officials Association, the International Brotherhood of Electrical Workers, Air Conditioning Contractors Association, the Lonestar Cosmetology Association, the Texas Cosmetology Association, the Vietnamese American Nail, Hair, and Facial Association, the Texas Association of Tonsorial Artists, Lone Star Barbers, the Texas Towing and Storage Association, Southwest Tow Operators Association, the Texas Groundwater Association, Texas Auctioneers Association, Refrigeration Service Engineers Society, and the Certified Fraud Investigators Association. These partnerships are instrumental in providing TDLR a better understanding of business and industry practices while ensuring greater compliance with program requirements. These partnerships also provide networking opportunities with appraisal districts, local law enforcement, and municipal and county offices, including health departments and elected officials. Their assistance is invaluable to TDLR in pursuing compliance.

The continued cooperation of local code enforcement officials is paramount to TDLR's successes in conducting "license sweeps" and multi-jurisdictional stings aimed at preventing unlicensed and unsafe activities. County health departments assist the agency in resolving sanitation problems in barber and cosmetology establishments.

Technical Assistance Partnerships

Our staff are always available to anyone with technical questions. For example, architectural barriers staff work with the Texas Historical Commission to ensure accessibility of historic county courthouses. Architectural barriers staff also assisted the General Land Office with development of their Beach Accessibility Guidelines. Our chief elevator inspector and architectural barriers program manager provide technical guidance for the renovation of the Governor's mansion. Outreach efforts to 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, Texas Tech University, and others. Staff from our compliance and enforcement divisions have provided training for Department of Public Safety troopers and local law enforcement on the technical requirements of the tow truck and vehicle storage facility programs.

Water well driller and water well pump installer staff help local groundwater conservation districts and river authorities properly manage wells and protect water quality. As a permanent member of the Texas Groundwater Protection Committee, our well drilling experts contribute to the development of the state's water policies. 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 and monitor the status of abandoned well complaints. Weather modification program staff also work with groundwater conservation districts, aquifer authorities, county commissions, federal authorities, and water management agencies in other states to assess the impact of cloud seeding and rain enhancement technologies.

Interagency Partnerships

The department has interagency agreements with the Texas Department of State Health Services, Fire Fighters' Pension Commission, Texas Department of Insurance (TDI), and the State Board of Plumbing Examiners. These agencies report unsafe or unregistered boilers discovered in the course of their regulatory activities to TDLR. In turn, we assist TDI and the Office of the State Fire Marshal with investigations of possible electrical fires and report unlicensed plumbing activity to the Board of Plumbing Examiners. Department representatives are also members of the Central Texas Contact center Association (CTCCA), a multi-agency customer service focus group which includes TDI, Office of the Attorney General, Public Utilities Commission, Texas Commission on Environmental Quality, and the Comptroller of Public Accounts. CTCCA meets to discuss "best practices" and topics of interest concerning the improvement of contact center services. TDI informs us of insolvent insurance companies, including risk retention groups that provide financial security for service contract providers. TDLR submits all individual license applicants to the Texas Department of Public Safety (DPS) which, for a fee, performs criminal history checks and FBI fingerprint checks on the controlling persons of staff leasing services applicants.

Other partners include:

- Governor's Committee on Persons with Disabilities – to award "Access for All" decals to newly constructed buildings and facilities meeting accessibility

requirements;

- Texas Facilities Commission – inspection of state leases; review and inspection of state construction projects;
- Texas Commission on Jail Standards – inspection of detention and correctional facilities using proposed federal accessibility standards specific to correction facilities;
- Texas Comptroller of Public Accounts – transfer of the property tax professionals program to TDLR and the approval of education for the property tax professional certifications;
- Texas Department of Public Safety – transfer of the polygraph examiners program to TDLR;
- Texas Department of Transportation (TxDOT) – agreement to expedite accessibility reviews and inspections for TxDOT construction projects and to use 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 local election officials with technical assistance about the accessibility of polling places and assisting in addressing requirements of the federal Help America Vote Act (HAVA);
- Texas Department of Insurance – transfer of the discount health care card program to TDI;
- 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 the public, TDLR partners with federal agencies and monitors federal activities that may impact the programs we regulate. The department keeps its licensees informed of federal regulatory requirements affecting the trades, professions, and industries we regulate and works with federal agencies in implementing any necessary changes. 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:

Combative Sports – TDLR works closely with Fight Fax, the federally-designated record keeper for the national boxer database; the Boxing Athletic Commission of the United States, Canada, Puerto Rico, and United States Virgin Islands for contestants who fight in Texas; and the USA Boxing Organization, the national governing body of amateur boxing in the United States.

Staff Leasing Services – TDLR works with the Federal

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

Current Consultant and Contractor Use

TDLR contracts with vendors to provide services that result in cost-savings while maintaining the high quality of service that TDLR’s customers have come to expect. In addition, outsourcing allows TDLR to focus on its core competencies and expands the expertise and perspective available to the agency.

In the 80th and 81st legislative sessions, TDLR received funds to conduct two separate fee studies in the towing program. TDLR followed the required bidding process and awarded both contracts to Morningside Research and Consulting. The information provided by this consulting firm will be used to help TDLR’s Commissioners establish maximum fees that towing companies can charge around the state for private property tows.

Consultants also fill a critical role when a project demands an objective, third-party perspective such as the internal audit function. TDLR uses Monday N. Rufus, P.C., Certified Public Accountants and Consultants, to perform internal auditing functions required of state agencies under Chapter 2102 of the Government Code. Use of a consultant also saves money since the agency is not large enough to justify a full-time internal auditor.

TDLR’s uses outside contractors to create efficiencies, improve customer service, and save taxpayer dollars. Contracted services in the current biennium provide the agency with courier services, copier/printer leases, communications, and the employee assistance program.

TDLR has partnered with Aastra Intecom to create an independent contact center. The company offers a web-based service that includes management of calls and automated call distribution to customer service agents and supervisors without the addition of hardware or software. This virtual contact center gives the agency the ability to perform the following functions:

- intelligent network automated call distribution,
- skills-based routing,
- sophisticated interactive voice response,
- consolidated, real-time and historical statistical reporting,
- digital call recording and storage, and
- quality control assurance.

Examples of other contracts that provide a direct benefit to customers are ones to develop, refresh, and/or deliver examinations; perform specialty

NAME OF CONSULTANT/CONTRACTOR	SERVICES PERFORMED
Pitney Bowes	Postage
Ampco System Parking	Parking garage spaces for employees
Investment Properties Management, Inc.	Parking garage spaces for employees
Automatic Funds Transfer Services	Print and mail postcard renewal notices
Monday H. Rufus, P.C.	Internal audit services
Sprint	Smartphone service and equipment
NIC, Inc.	Process TexasOnline credit card payments
Twin Towers	North campus building lease
Time Warner Telecom	Voice and data service
Legal Files	Electronic case file system for enforcement
Docucon Imaging Services	Convert microfilm records to digital images
Kyocera Mita	Copier/printer leasing and maintenance
PE S Enterprises dba Austin Hot Shot	Courier services
Alliance Work Partners	Employee assistance program
UPS Mail Innovations	Postal sorting and mailing
Aastra Intecom	Internet-based contact center management tool
Morningside Research and Consulting	Towing fees study
Signature Card, Inc.	Print and mail plastic license card
PSI Services, LLC.	Examination development and delivery

inspection services; provide online licensure and renewal; and print and mail postcard renewal notices and plastic license cards. The contract for document imaging is a prime example of how TDLR has contracted for services to create efficiencies, lower costs, and improve customer service. TDLR chose 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.

The table below lists some of TDLR’s consultants and contractors used in fiscal year 2010 along with the services each perform.

Future Consultant and Contractor Use

TDLR will continue exploring the use of consultants as long as such use remains cost-effective, customer-oriented, and responsive to agency priorities. TDLR will continue using the services of an Internet-based contact center management tool and a digital imaging vendor for records storage and retrieval. The agency will increase the types of documents imaged for customer viewing and retrieval via the Internet.

TDLR will increase use of TexasOnline for license renewal and initial license applications. The benefits to the customer are the ease and convenience in applying for or renewing a license with a quicker turn-around time to receive their license. This will also benefit staff in decreased time spent processing applications. Similarly, the use of plastic license

cards rather than paper licenses will be expanded to include additional license types.

Key Human and Community Resources

TDLR takes advantage of available resources to provide premier services to its employees and licensees.

Training: Training offered by state agencies or private organizations is an excellent resource for TDLR’s employees. Training from agencies such as the Department of Agriculture, the Texas Commission on Environmental Quality, the State Office of Risk Management, the Office of the Attorney General, the Department of Information Resources, and the Employee Assistance Program provide valuable assistance either for free or at a very low cost. An online training service, MindLeaders, is available to staff in our ongoing effort to create a culture of learning at TDLR. This self-paced curriculum offers a wide array of business and personal development courses to enhance employee performance.

Information Exchange among Peers: TDLR partners with several state agencies to share information. We work closely with:

- Texas Department of State Health Services on sanitation issues related to barbering and cosmetology;
- Texas Water Development Board and Texas Commission on Environmental Quality on issues related to water well drillers and pump installers;
- Texas Workforce Commission on questions related to the staff leasing services program and on education for license qualifications on various TDLR

programs;

- Texas Comptroller of Public Accounts on issues related to education for the property tax professionals and background checks for staff leasing services applicants;
- Legislative Budget Board on performance measure and budgeting issues;
- Texas Facilities Commission on issues related to accessibility in state leases;
- State Auditor's Office and the Department of Public Safety about criminal history checks for license applicants; and
- Office of the Attorney General for legal issues.

Many TDLR staff members take part in leadership programs and make presentations at meetings, seminars, and other forums at the request of other organizations. Our 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 best practices in the workplace.

The directors of the information systems development and the network services divisions have served as advisors to TexasOnline and continue to participate in other related projects. Both directors and other agency staff have participated in the Data Center Consolidation Project.

Community Resources: TDLR's licensees seek the agency's participation and support at community events. Staff readily participate in industry conferences, trade shows and meetings, local panel discussions, enforcement task force meetings, university presentations, and other community events.

Our ability to work with the community keeps the agency abreast of emerging developments in the occupational areas it regulates and fosters our common-sense approach to regulation.

Employee Attitude Regarding TDLR and Recommendations for Improvement

More than 1,800 comments were recorded during TDLR's internal brainstorming sessions. "Pride in a job well done" was the feeling echoed time and again by TDLR employees. Our staff voiced pride in their successes in delivering services to more than 620,000 licensees and the public. They take pride in their individual divisions; the jobs their teams successfully perform; and the praise they received from our customers. The department's core value of teamwork was identified as instrumental to the success of the agency – communication and cooperation among divisions achieved the ultimate goal of a job well done. As stated by one pleased employee, "We do it right and it shows."

Employees applauded the way executive management stays in touch with staff (top to bottom communication) through video broadcasts, the agency intranet, town hall meetings, and maintaining an open door policy.

TDLR appreciates the diversity, importance, and resourcefulness of its employees. Employees enjoy the family-like atmosphere and believe TDLR is a great place to work. Employees who have been with the agency for certain time periods are recognized at town hall meetings for their service. The peer-to-peer "You Can Count on Me" program allows employees to recognize each other for a job well done. The Employee Recognition Team holds fundraisers throughout the year to sponsor two employee luncheons and an employee gift each year. The department recognizes the importance of maintaining healthy employees and provides opportunities for low-cost exercise classes and wellness activities. TDLR encourages employees to share their solutions and ideas through the new eSuggestion Box, team meetings, and internal brainstorming sessions.

Employees identified opportunities for future growth and recommended solutions. Better communication within and between divisions is one opportunity. A proposed solution was to hold more meetings between functional areas.

Technology was identified as an area for improvement. The primary issues brought to light were to simplify the existing software tools and provide reliable access for field employees. More software training for employees to improve accuracy was also suggested.

TDLR employees created an "if I could have one wish . . ." list. At the top of the list is (1) higher pay and (2) increased use of telecommuting. Lastly, employees want additional opportunities to expand their career and personal skills. TDLR is dedicated to remaining open to new learning prospects.

The People We Serve

Benefits to Those We Serve

- Texans doing any of the following benefit from the services TDLR provides:
- getting a haircut (barbering program) or a pedicure (cosmetology program);
 - using an elevator or escalator (elevator safety program);
 - entering a building (architectural barriers and industrialized housing and buildings programs);
 - seeking help with a disabled vehicle (tow trucks program);
 - using a laundromat (boilers program);
 - attending a boxing event (combative sports program);
 - drinking well water (water well drillers and water well pump installers program);
 - turning on a light (electricians program);
 - attending an auction (auctioneers program);
 - drinking a cold beverage or enjoying air conditioning (air conditioning and refrigeration program); and,
 - taking a polygraph test (polygraph examiners program).

Texans also benefit from TDLR when they 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.

Who We Serve

Since TDLR was originally established as the Bureau of Labor Statistics more than a century ago, those who are licensed and those who interact with them have continued to grow in number and diversity. TDLR's exceptional service has kept pace with the growing needs of our customers. In recent years, the Texas Legislature has changed TDLR's focus from labor-related activities to occupational licensing and consumer protection. The Legislature's confidence in TDLR is seen in the number of new, complex, and sometimes troubled programs sent to the agency to administer. By meeting these challenging responsibilities, TDLR has enhanced its reputation as a model state agency. We believe the Legislature's reliance on TDLR will be evident as more programs are entrusted to us in the future.

Where We Serve Them

While TDLR serves all Texans, the majority of those impacted by TDLR's efforts are concentrated within that sector of the state bounded by the Red River (Texas-Oklahoma border) on the north, Interstate Highway 35 on the west, Interstate 10 on the south, and the Sabine River (Texas-Louisiana border) on the east. This region is home to nearly 20 million people – or almost three-fourths of the state's population – as well as the vast majority of the state's 25 Standard Metropolitan Statistical Areas. It is home for about 85 percent of Texas' total gross service sales.

Texas' Growing Population

Texas is among the fastest growing states in the nation. Since 2000, the state's population has increased nearly 13 percent, which is double the rate

of the nation as a whole. Texas, with over 25 million people today, is anticipated to grow to more than 28 million people by 2015. Our growing population is becoming older, less rural, and more diverse. The size, diversity, and age of the population will create new and significant challenges to the state's social, economic, and service structures, including TDLR's capacity to regulate.

The growth in the non-English speaking population has created a need for TDLR to provide services in other languages. The ethnic makeup of the state's population will look markedly different 30 years from now. The ethnicity with the greatest population by 2040 will be Hispanic, numbering some 19 million. People age 65, or older, will have increased twice as rapidly as the population in general and will comprise 20 percent of the total population by 2040. Consequently, the skills of TDLR's employees and its licensees will need to adapt to these dramatic shifts, especially for those professions (cosmetology, electricians, air conditioning contractors, tow truck businesses, barbers, licensed court interpreters) that serve both the non-English speaking and "English as a second language" communities.

Metropolitan areas are likely to grow much more than their rural counterparts which means that markets for goods and services will be altered. TDLR will need to strengthen its regulatory efforts in many areas, including auctioneering, barbering, cosmetology, legal service contracts, loss damage waivers in rental purchase agreements, personnel employment services, staff leasing services, talent agencies, temporary common worker employers, towing companies, and vehicle storage facilities.

The growing population will heighten demand for housing and consumer goods. To ensure that Texans are afforded proper safety and consumer protection, TDLR will step up its enforcement efforts in the areas of service contracts, air conditioning, electrical, maintenance agreements, and other areas indicating the need for increased services.

More people will also place greater stress on available water supplies, so TDLR's water well drillers, water well pump installers, and weather modification programs will work even closer with property owners, water conservation districts, and county commissions. This cooperation will be especially critical during times of severe drought, an ever-present threat to Texans, especially in the semi-arid western portion of the state.

An aging population means more Texans will experience physical challenges, requiring TDLR, through its architectural barriers and elevator safety programs, to meet an increased demand for expanded accessibility in buildings and facilities. TDLR will also find more innovative ways to identify, investigate, and prosecute illegal activities that target older Texans.

Economic Variables

The state's Gross State Product (GSP) is a key indicator of economic output, employment trends, and construction activity that impact TDLR and the businesses, industries, general trades, and occupations it regulates.

Gross State Product

The Texas economy will continue growing. The state's GSP, with an anticipated annual growth rate greater than the nation's Gross Domestic Product, is forecast to expand at an average annual rate of 3.0 to 5.3 percent. This growth, along with a nearly-equivalent annual growth rate in the inflation-adjusted Texas Real Gross Product, translates into more services being provided by businesses regulated by TDLR.

Employment Trends

Texas leads the nation in job creation which is projected to be between two and three percent over the next five years. Additionally, the state's unemployment rate, now several points below the national rate, is expected to decline to about 5.4 percent by 2015.

Steady increases in job creation and declines in unemployment rates mean an increase in the professional/business service and construction sectors of the state economy, so TDLR will see an increase in

its regulated population and the associated licensing and complaint-resolution demands.

Pace of Construction

Although the recession has led to a slowing of all types of construction in Texas in recent months, the pace is expected to accelerate over the next five years. New home construction is forecast to average nearly 200,000 per year for the period 2011-2015. Commercial construction and public works activity will gain strength as well. These trends will intensify the demand on many of our programs, including air conditioning and refrigeration, architectural barriers, boilers, electricians, elevators, industrialized housing and buildings, temporary common worker employers, water well drillers, and water well pump installers.

Displacement and Damage

While we cannot know when or how natural disasters and weather related events will affect Texans in the future, the recent past suggests they will impact the way TDLR serves the public. For instance, hurricanes Katrina and Rita (2005) and Ike (2008), produced permanent displacement of thousands of people within Texas and from other Gulf Coast states into Texas. In the event such a displacement recurs, TDLR is prepared to respond as we did five years ago when the agency adopted rules, on an emergency basis, allowing workers such as barbers, cosmetologists, and electricians to obtain a basic, temporary, or emergency license to operate in Texas. TDLR learned from these experiences and requested, and was granted, authority by the 81st Legislature to offer temporary or emergency licenses across all programs.

Our response to natural disasters extends far beyond efforts to ensure that a displaced population is afforded a means of making a living. Severe storms often deprive residents of shelter, electricity, water, or other basic services. Recovery efforts center on repair work for air conditioning, architectural barriers, boilers, electrical services, elevators, industrialized housing and buildings, and water wells, all of which require action from TDLR staff and licensees. Evacuation and recovery efforts require the services of towing operators to clear routes and remove stranded vehicles. Displaced persons' need for modular housing and building units means the review, inspection, and certification workload of TDLR's industrialized housing and buildings program is increased proportionally.

In the aftermath of a natural disaster, the rush to aid victims invariably leads to an increase of many unskilled, unlicensed, and uninsured individuals soliciting to do repairs for home and business

owners. We step up our efforts to remind Texans that allowing unlicensed individuals to perform air conditioning and electrical repairs can be hazardous and costly. As in the past, TDLR will receive and process an influx of complaints filed by home and business owners who were scammed.

Impact of Federal Activities on State Regulatory Functions

Federal Statutes

Federal statutes and regulations generally have a limited effect on TDLR's operations, but the following federal laws impact the department's regulation of certain industries (see Appendix G for a more complete listing and description):

- 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
- Energy Policy and Conservation Act
- Help America Vote Act of 2002 (HAVA)

Federal Regulations

Pending changes in federal regulations would significantly impact TDLR's architectural barriers program. The United States Access Board completed its recommended revisions to the Americans with Disabilities Act Accessibility Guidelines (ADAAG) in 2004, and the revised ADAAG awaits final approval by the U.S. Department of Justice (DOJ). DOJ proposed adoption of the revised ADAAG but later withdrew the proposed regulations in January 2009 for review. TDLR is poised to revise its rules and harmonize its standards with the approved federal guidelines. This will simplify compliance for building design professionals, construction companies, and building owners while maintaining consistency in the application of accessibility standards.

Cooperation with Local, State, and Federal Entities

Impact of Anticipated State Statutory Changes

As a result of our successful integration of programs, TDLR anticipates the Legislature will assign more programs to the department in the future. These additions will require Program Integration Teams

as new or transferred license programs will demand significant analysis for seamless integration to TDLR.

Effect of Outstanding Court Cases

TDLR's goal is to protect the public interest and we strive to manage litigation to achieve fair results. 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 outcome of the following court cases may affect TDLR's regulatory and related functions.

A. William H. Kuntz, Jr., in his official capacity as Executive Director of the Texas Department of Licensing and Regulation, et al. v. Reema Khan, d/b/a Salon Rupa - Shapes Brow Bar (arising from No. D-1-GN-09-001983, consolidated with D-1-GN-09-003354, in the 419th Judicial District Court of Travis County, Texas) No. 03-10—CV.

B. Ashish Patel v. Texas Department of Licensing and Regulation et al., in the Travis County District Court, 345th Judicial District, Cause No. D-1-GN-09-004118.

The outcome of these cases could determine whether the service of threading (a technique using thread to act as tweezers) falls under the definition of cosmetology and whether TDLR has the authority to regulate this method of hair removal.

Roosters MGC, LLC and Sylver Magnolia, LLC v. Texas Department of Licensing and Regulation and William H. Kuntz, Jr. Executive Director, On appeal from the 261st Judicial District Court of Travis County, Texas.

The outcome of this case could determine whether licensed cosmetologists may use safety razors on customers' mustaches and beards, an activity determined by TDLR as outside the scope of cosmetology and within the scope of barbers.

Effect of Cooperation with Local Entities

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

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 new wells, and safe plugging of abandoned wells.

The growing population in Texas will increase demand for water, so TDLR will continue working closely with property owners and local water conservation districts to 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.

Architectural barriers staff work with the Texas Historical Commission to ensure accessibility of historic county courthouses.

The electrical program benefits from continued cooperation with local entities. Our close coordination with them earns TDLR help and support from local electrical inspectors who serve as subject matter experts in the development of our Texas Electrical examination.

Because Houston administers its own elevator program, our chief elevator inspector works closely with its officials to ensure consistency in applying the state elevator law. He also works with local fire marshals to resolve potential conflicts between state elevator code and local building code requirements.

The department strengthens its regulatory efforts by working with local law enforcement, building officials, building inspectors, participating in industry conferences, trade shows, and other events, 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
- Used Automotive Parts Recyclers
- Water Well Drillers and Water Well Pump Installers
- Weather Modification

“As our number of programs continues to grow so do the skills and efficiencies of our employees.

Getting the job done faster, more efficiently, and more customer-friendly have become trademarks of our agency.

I am proud of the job each of them do.”

--Frank S. Denton, TDLR Commission Chairman

TDLR Customer Satisfaction

Customer Assessment of TDLR's Services

At TDLR, we want our customers to tell us what they think. While our doors, phone lines, and email boxes are always open, the Strategic Plan Process provides a specific opportunity to solicit and collect feedback to questions we think are important, and to improve the way we do business.

In 2010 we provided our customers two avenues to give input – live brainstorming sessions and an online survey.

Historically our efforts have shown that live, person-to-person brainstorming sessions provide the most fertile ground for sharing constructive criticism and offering recommendations for improvement. From March 22 – 24, we held 11 brainstorming sessions at our north campus location in Austin where 83 customers answered the following:

- What are we doing well?
- What can we do better?
- If you could change one service or eliminate or amend one law or rule, what change would you like to see?
- Provide any predictions about your industry over the next five years.

See Appendix A for a detailed schedule of brainstorming sessions.

Knowing not everyone could attend the live sessions, an online survey was provided to licensees and other interested persons. The link to the survey was emailed to them and we received 2,530 responses.

The online survey allowed us to ask more specific questions about TDLR's services and provided space for participants to answer the same questions asked during the live sessions. (A complete list of each question asked on the online survey is found in Appendix L).

When asked what TDLR was doing well, brainstorming participants offered kind words about the agency. In addition to praise for our customer service responsiveness and access to staff, several people thanked the agency for holding the brainstorming sessions in the first place. They stated that TDLR was the only agency they knew of which held such meetings and appreciated the opportunity to speak directly with executive staff. They also appreciated the agency's customer service department and its services to licensees, as well as the availability of information on the agency's website.

The survey and brainstorming participants expressed

an interest in seeing the department take stronger enforcement actions against persons operating without a license, particularly in the air conditioning, electrical, towing, and vehicle storage facility industries. The towing industry expressed a desire to see more warnings issued in cases of minor violations and penalties lowered when they are assessed.

Responses from barbers and cosmetologists identified a need for change in the way students earn hours toward their required coursework. A desire was expressed to create apprenticeship opportunities for barber and cosmetology students giving them "real world" experience while completing their required coursework. Recommendations were also made to allow students to pick their course of study based on the services they want to perform. For example, in cosmetology one cannot currently pursue a license just for cutting hair – other aspects of cosmetology must also be studied.

Some participants stated they want to make any necessary payments to TDLR over the phone with a credit card.

Other responses included requests to apply for and renew all license types online and to make continuing education courses more relevant. Many expressed the concern that current continuing education courses are elementary and boring. One suggestion included enhancing the education content with topics on running a small business, since many licensees are also small business owners.



Prioritization of Strategic

Planning Initiatives

TDLR received thousands of recommendations for improvement through the combined efforts of its Commissioners, employees, advisory board members, participants in our external brainstorming sessions and online survey, consumers, and licensees. After careful review and evaluation of these comments, TDLR has developed and prioritized its strategic planning initiatives in the following areas.

Staffing and Personnel Initiatives

TDLR's employees are its greatest asset. It is only with motivated, trained, and skilled employees that we will succeed and we strive to grow leaders from within. The greatest compliment to executive staff is when current employees earn promotions. We know that today's administrative assistant can, with the proper support, become tomorrow's division director and we do everything possible to provide that support.

The agency must continue to attract and retain these highly qualified employees. We will fine-tune our compensation package to offer more competitive salaries, increased benefits, professional development, and training. The agency will work closely with the Legislative Budget Board, State Auditor's Office, and House Appropriations and Senate Finance committees to identify opportunities to enhance compensation for certain positions. TDLR will also increase the use of soft-dollar incentives such as flexible work hours, wellness activities, employee recognition awards, opportunities for advancement, and telecommuting.

The agency will continue to increase the availability of online training for its employees. We will also work with the LBJ School of Public Affairs to find ways of qualifying more of our managers for participation in the Governor's Executive Development Program (GEDP). Currently, the eligibility criteria for agencies of our size limits the number of staff we can send to the GEDP. We believe that if the criteria factored in TDLR's business model of managing 29 different statutes, which is equivalent to 29 stand alone agencies, the department would be able to enroll more employees.

Regulatory Response Riders Initiatives

In order to effectively manage increased activities in its combative sports and architectural barriers programs, TDLR will need greater budget flexibility to ensure we have the necessary appropriations over the next five years. The agency will work with the

Legislative Budget Board, the House Appropriations and Senate Finance Committees, and the Governor's Office of Budget and Planning to develop a regulatory response rider to allow the agency to coordinate resources necessary to safely and effectively manage "Mega" Combative Sport events (those that are televised and have more than one million dollars in ticket sales) such as the world title boxing event held at Cowboys Stadium on March 13, 2010. With the growing popularity of the Ultimate Fighting Championship (UFC) events, we expect more of these mega events in the future. These mega events not only showcase our great state to the world but also provide significant revenue to the state's general revenue fund (three percent tax on ticket sales and television rights) and to the local community hosting the event (sales tax and hotel and motel tax).

The agency will also seek to modify the current Architectural Barriers Reappropriation Rider by lowering the dollar threshold to reflect the downturn in statewide construction. The effect of the drop in construction is reflected in the agency's five percent budget reduction plan, which froze the hiring of nine positions responsible for performing and monitoring inspections. This adjustment will align the threshold with the state's economic challenges, while maintaining the agency's ability to respond with the necessary resources to perform construction project plan reviews and inspections as the economy recovers.

Streamlining Regulations Initiatives

TDLR has identified several statutory changes that we believe will simplify the licensing process, streamline regulation, and strengthen consumer protection:

- clarify and enhance surety and financial bond requirements for certain licensing programs;
- simplify requirements for sterilizers in the barber and cosmetology programs by removing the FDA listing requirement;
- evaluate the viability of creating alternative paths to licensing;
 - licensed cosmetologists to become barbers – after completing additional coursework at a barber school, and successfully passing a written and practical examination;
 - individuals to be licensed as cosmetologists or barbers after completing an apprenticeship program as a separate path or as part of their education requirements; and
 - becoming a barber teacher or instructor.
- consider eliminating outdated and unnecessary licensing requirements to open a barber or cosmetology school, including those provisions that prohibit specialty schools;
- consider eliminating outdated and unnecessary licensing provisions relating to booth rental licenses;
- consider adding provisions for "mini salons";

- clarify the statutory requirements allowing barbering to be taught in public schools;
- consider allowing early testing of cosmetology and barber students;
- evaluate the viability and continued regulation of certain licensing programs; and
- undertake a review of the towing and booting and vehicle storage facilities statutes for the purpose of removing unnecessary requirements.

Communication Initiatives

TDLR is undertaking a comprehensive redesign of its website to make it easier to navigate and use. The agency will add options for consumers to choose the frequency and type of information they receive from our automatic email notifications. We will increase the use of online surveys for gathering information from our more than 600,000 email subscribers. We will continue to increase the online services we offer, including license application and renewal, penalty payments, database searches, changes of address, and other services identified by our licensees.

We will also expand our customer outreach to interact with our licensees through social media. As we move forward with extending our customer outreach through these media, we will need to develop internal protocols and recruit employees with social media skills.

Cyber Investigation Initiative

The department will evaluate best practices for creating a specialized enforcement unit to expand our consumer protection by combating program violations occurring online. This unit will require employees who possess a blend of traditional investigative skills and Internet expertise. The department may seek additional employees to staff this new unit and address this rapidly growing area of fraudulent and illegal activity.

Technology Initiatives

TDLR will evaluate and implement the use of smartphones and other technology to allow our inspection staff to schedule, conduct, and report inspections electronically. TDLR will continue to expand its use of imaging for document management to all programs for the benefit of internal and external customers.

Consolidation and Sunset Contingencies

As the Legislature explores consolidation as a part of the answer to the projected budget shortfall, we are ready to help Texas recover. When we receive additional licensing responsibilities, we will need employees with program knowledge and the ability to adapt

in the areas of process analysis and redesign, critical thinking, and communication. These highly qualified employees will enable TDLR to efficiently integrate new programs into our business model. As new programs and agencies are added to TDLR, we will work closely with the Office of the Governor and Legislative leadership to identify statutory changes that will increase consumer protection, ease the transfer of programs, and improve the overall effectiveness and efficiency of program regulation.

Additionally, the department will need the following for a successful consolidation:

- program and administrative support staff,
- elimination of unnecessary performance measures,
- adjustment to out-of-state travel caps,
- funds for computer conversions,
- office furniture and equipment, and
- rent or additional state office space.

Interim Charges

In response to the House Licensing and Administrative Procedures Committee's interim charge number three, the department will conduct a comprehensive review of all of its statutes to determine their impact on consumers, competition, and the cost of services. We will share our findings with the Committee along with any proposed changes.

Texas is in the midst of dramatic change. TDLR stands ready to work with the leadership of the state to help them solve the problems facing Texas.

--Mike Arismendez, TDLR Commission Vice-Chairman

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 law administered by the agency.

C. Goal: INDIRECT ADMINISTRATION

Indirect administration.

Objectives and Outcome Measures

Objective 1: REGULATE INDIVIDUALS AND FACILITIES

To effectively regulate all applicable individuals and facilities in accordance with the laws administered by the agency, such that 95 percent of all applications are processed within established time frames through 2013.

Outcome Measures (Results/Impact):

Percent of Licensees With No Recent Violations

Percent of Licensees Who Renew Online

Percent of New Individual Licenses Issued Online

Number of Approved Courses Offered: Tax Professionals

Percent of Complaints Resulting in Disciplinary Action: Tax Professionals

Objective 2: ENFORCE LAWS

Enforce provisions of laws administered by the agency to achieve full compliance in regulated industries and occupations annually through 2013.

Outcome Measures (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

Percent of Polygraph Licenses With No Recent Violations

Strategies and Output, Efficiency and Explanatory Measures

A.1.1. Strategy: LICENSE, REGISTER AND CERTIFY

Issue licenses, registrations, and certificates to qualified individuals.

Output:

Number of New Licenses Issued to Individuals

Number of Licenses Renewed (Individuals)

Number of Persons Certified/Recertified: Tax Professionals

Number of Course, Sponsor, and Instructor Applications Processed: Tax Professionals

Efficiencies:

Percent of New Individual Licenses Issued Within 10 Days

Percent of Individual License Renewals Issued Within 7 Days

Average Licensing Cost Per Individual License Issued: Tax Professionals

Explanatory:

Total Number of Individuals Licensed
Average Time for Individual License Issuance: Tax Professionals
Average Time for Individual License Renewal: Tax Professionals
Number of New Internship Licenses Issued: Polygraph Examiners

- A.1.2. Strategy: LICENSE BUSINESSES AND FACILITIES
License businesses and facilities.

Explanatory:

Total Number of Business Facilities Licensed

- A.1.3. Strategy: EXAMINATIONS
Administer exams to applicants.

Output:

Number of Projects Graded: Tax Professionals
Number of Individuals Examined: Tax Professionals
Number of Written Responses to Ethics Questions: Tax Professionals
Number of Evaluation Reports Reviewed: Tax Professionals

Efficiency:

Average Cost per Exam Administered: Tax Professionals

Explanatory:

Pass Rate: Tax Professionals
Number of Sponsors Approved: Tax Professionals
Licensing Examination Pass Rate: Polygraph Examiners

- A.1.4. Strategy: CONTINUING EDUCATION/CUSTOMER SERVICE
Develop continuing education and provide customer service.

Output:

Number of Information Requests Filled
Number of Continuing Education Activities Approved: Tax Professionals

Efficiency:

Average Cost per Approved Course: Tax Professionals

Explanatory:

Number of Individuals Receiving Training/Education
Number of Training/Education Sessions Conducted
Number of Courses Approved: Tax Professionals
Number of Instructors Approved: Tax Professionals

- A.1.5. Strategy: TEXASONLINE
Provide for the processing of occupational licenses, 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
Number of Examination Sessions Conducted: Polygraph Examiners

Efficiency:

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 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

Efficiency:

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

B.1.3. Strategy: RESOLVE COMPLAINTS
Enforce compliance by settlement, prosecution, penalty and sanction.

Output:

Number of Complaints Resolved

Efficiencies:

Average Time for Consumer Complaint Resolution
Average Cost per Complaint Resolved: Tax Professionals

B.1.4. Strategy: INVESTIGATION
Investigate complaints.

Output:

Number of Investigations Conducted: Polygraph Examiners

Efficiency:

Average Time for Consumer Complaint Resolution (Days)

Explanatory:

Number of Jurisdictional Complaints Received

C.1.1. Strategy: CENTRAL ADMINISTRATION

C.1.2. Strategy: INFORMATION RESOURCES

C.1.3. Strategy: OTHER SUPPORT SERVICES

APPENDIX A

Description of TDLR's Strategic Planning Process

Our agency's entire strategic planning process involves a broad cross-section of TDLR's employees and customers. We began this process in January 2010 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's Strategic Plan Drafting and Editing Teams.

Drafting Team (13 employees) – Bill Kuntz, Executive Director; Brian Francis, Deputy Executive Director; Dianne Casey, Assistant Deputy Director; George Bomar, Compliance Program Specialist; Brad Bowman, General Counsel; George Ferrie, Director of Compliance; Charles Johnson, Assistant General Counsel; Christina Kaiser, Director of Enforcement; Kay Mahan, Executive Assistant; Dede McEachern, Director of Licensing; Randy Nesbitt, Project Coordinator; Lee Parham, Business & Occupations Section Manager; and Susan Stanford, Public Information Officer.

Group Editing Team (16 employees) – Bill Kuntz, Executive Director; Brian Francis, Deputy Executive Director; George Bomar, Compliance Program Specialist; Stephen Bruno, Government Relations Officer; Jeff Copas, Licensing and Permit Specialist; George Ferrie, Director of Compliance; Ron Foster, Prosecutor; Tanya Gauthreaux, Licensing Program Supervisor; David Gonzales, Building & Mechanical Section Manager; Christina Guzman, Executive Assistant; Della Lindquist, Assistant General Counsel; Dede McEachern, Director of Licensing; Charlotte Melder, Lead Prosecutor; Randy Nesbitt, Project Coordinator; Debra Savage, Customer Service Representative and Terry Westrum, Web Administrator.

Draft Editing Team (14 employees) – Susan Bonnell, Executive Assistant; Glen Bridge, Director Information Systems Development; Jerry Daniel, Electrical Occupations & Code Specialist; Abraham Delgado, Compliance Inspector; Haregeweyn Demoz, Enforcement Lead Investigator; Nancy Foster, Education & Examination Program Specialist; Adriana Gonzalez, Licensing and Permit Specialist; Linda Gracey, Enforcement Investigator; Lynn Latombe, Assistant General Counsel; Shawn O'Neal, Compliance Inspector; Elizabeth Perez, Barber and Cosmetology

Program Manager; Jeff Rinard, Enforcement Investigations Manager; Russ Taulli, TPECS Program Specialist; and Kim Whitt, Education & Examination Program Specialist.

Final Editing Team (13 employees) – Beth Clare, Building & Mechanical Administrative Assistant; Chrissy Hartwick, Boiler Certification Team Leader; Debbie Jahns, Architectural Barriers Team Lead; Paula Killingsworth, Compliance Inspector; Marinela LaFleur, Education & Examination Program Specialist; Donna Lipke, Engineer Specialist; Kay Mahan, Executive Assistant; Monica McKenzie, Licensing and Permit Specialist; Morgan Okeefe, Compliance Inspector; Melissa Ramirez, Lead Legal Assistant-Intake; Dawn Robinson, Customer Service Representative; Mona Skillingberg, Legal Assistant; and Lawrence Taylor, Chief Elevator Inspector.

On April 6, 2010, the Commission received an overview of TDLR's strategic planning process. Invitations to participate in TDLR's external brainstorming sessions were posted on the agency's website and sent to TDLR's email notification subscribers (see Addendum 2). The invitation offered two ways to participate – attend a live brainstorming session or complete an online survey.

The agency scheduled 11 external brainstorming sessions. Participation was an overwhelming success with over 80 people attending the external brainstorming sessions and more than 2,000 participants responding to the online survey. This outreach gave participants an opportunity to discuss the quality of services the agency provides and to identify areas for improvement. Participants also gave 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. The suggestions and ideas generated by our stakeholders drive TDLR's strategic planning process and are included throughout this plan.

We dedicated a section of our website to the Strategic Plan to inform the public and ask for their input. This section includes the invitation to participate in the planning process, the date of the external brainstorming sessions, summaries of each session and will include the Strategic Plan. You may view all of the comments on our website at www.license.state.tx.us.

The agency also held similar sessions for all of its employees. They were given the same questions asked of the public. Information and opinions gathered from our employees are vital to TDLR's strategic planning process and have resulted in numerous service improvements and cost savings.

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. At its June 2-3, 2010 meeting, the Commission accepted the 2011 – 2015 Strategic Plan.

Addendum 1 – TDLR’s Strategic Planning Timeline 2011 – 2015

January 15 – February 19, 2010

Development of Strategic Planning Tool

February 22, 2010

Kick-off Strategic Plan Meeting (Disseminate Drafting and Editing Assignments)

Drafting Assignments:

Bill Kuntz, Brian Francis, Dianne Casey, George Bomar, Brad Bowman, George Ferrie, Charles Johnson, Christina Kaiser, Kay Mahan, Dede McEachern, Randy Nesbitt, Lee Parham, Susan Stanford

February 22, 2010

Send Strategic Planning Documents to the Commissioners and Publish on the Lrnet

March 2010

Estimated Release of Instructions for Preparing and Submitting Agency Strategic Plan for 2011 - 2015

March 1, 2010

Town Meeting to Discuss Strategic Planning Process

March 1, 2010

Disseminate Invitations to Participate in TDLR’s Customer Satisfaction Information Gathering Process (External Brainstorming Sessions) and Publish Invitation and Schedule Online

March 2, 2010

Strategic Visioning Session

March 10 – 31, 2010

Survey Online

March 13, 2010

Strategic Planning Presentation to the Strategic Plan Oversight Workgroup (Chairman Denton, Vice-Chair Arismendez, and Commissioner Morgan)

March 16 – April 2, 2010

Conduct Internal Brainstorming Sessions

March 22 – 24, 2010

Conduct External Brainstorming Sessions at the North Campus

March 26, 2010

Presentation of Revisions to Performance Measures and Budget Structure to Executive

April 2010

Estimated Release of Instructions for Preparing and Submitting Agency Requests for Legislative Appropriations for 2010 – 2011 to be Issued by the Governor’s Office

April 1, 2010

Estimated Due Date for Revisions to Performance Measure and Budget Structures

April 6, 2010

Commission Meeting – Overview of Strategic Planning Process

FACILITATOR(S)	MARCH 22, 2010	LOCATIO N	SCRIBE /BACKUP
8:30 a.m. – 11:00 a.m.			
Bill Kuntz	COS	NC Meeting Room	Kay Mahan/Bebe Perez
Brian Francis	BAR	NC Training Room	Christina Guzman/Margie Weaver
12:30 p.m. – 3:00 p.m.			
Bill Kuntz/Brian Francis	TOW, VSF, BOO T, APR	NC Meeting Room	Christina Guzman
Lee Parham	WWD/PI, WXM	NC Training Room	George Ferrie/Susy Bonnell
3:30 p.m. – 6:00 p.m.			
Bill Kuntz/Brian Francis	AB, BLR, ELE, IHB	NC Meeting Room	Christina Guzman/Bob Posey
FACILITATOR(S)	MARCH 23, 2010	LOCATIO N	SCRIBE /BACKUP
8:30 a.m. – 11:00 a.m.			
Bill Kuntz	ACR, ELC	NC Meeting Room	Kay Mahan/Tamala Fletcher
Brian Francis	POL	NC Training Room	Christina Guzman
12:30 p.m. – 3:00 p.m.			
Bill Kuntz/Brian Francis	PTC, P TP	NC Meeting Room	Christina Guzman
Don Dudley/George Ferrie	AU C, LCI, TAL, B OX	NC Training Room	Ray Pizarro/Susan Stanford
3:30 p.m. – 6:00 p.m.			
Bill Kuntz/Brian Francis	IDR, LDW, LSC, SCP, VPP	NC Meeting Room	Christina Guzman/Bob Posey
FACILITATOR(S)	MARCH 24, 2010	LOCATIO N	SCRIBE /BACKUP
8:30 a.m. – 11:00 a.m.			
Bill Kuntz/Brian Francis	PE S, SLS, TCW	NC Meeting Room	Christina Guzman/LeeAnn Darn

April 7 – May 19, 2010

Strategic Plan Development and Editing Process

April 9, 2010

Presentation of Internal Brainstorming Session Summaries to Executive

April 12, 2010

Internal Brainstorming Session Comments Posted to Lrnet

April 15, 2010

Presentation of Survey Result and External Brainstorming Session Summaries to Executive

April 19, 2010

Survey Result and External Brainstorming Session Summaries Mailed to Commission Members for Review/Comment

April 20, 2010

Email External Brainstorming Comments, Agency Wide Survey Results, Program Specific Survey Results,

and Survey Comments to Advisory Board Members

April 23, 2010

Survey Result and External Brainstorming Session Summaries Posted on Website

April 28, 2010

Meet with Commission Strategic Plan Oversight Workgroup

May 21, 2010

Draft of Strategic Plan Forwarded to Commissioners and Final Editors and Mike Fickel for Formatting

May 25, 2010

Commission Members and Final Editor Comments Due

May 28, 2010

Meet with Commission Strategic Plan Oversight Workgroup via Conference Call

June 1, 2010

Strategic Plan Customer Service Report Due

June 2 - 3, 2010

Commission Meeting to Present Revised Strategic Plan to Commission Members

June 16, 2010

Final Version of Strategic Plan Complete

June 17, 2010

Mail Final Version of Strategic Plan to Commission Members

June 18, 2010

Target Submission of Strategic Plan to Governor's Office, LBB, etc.

June 18, 2010

Estimated Due Date for Completion of ABEST Entry of Performance Measure Definitions

June 21, 2010

Post Strategic Plan on Web and Send Listserv

August 2010

Agencies Submit Legislative Appropriations Requests for the 2012 – 2013 Biennium

August 2010

Joint Governor's Office of Budget and Planning and Legislative Budget Board Budget Hearings Begin on Agency Legislative Appropriations Requests for the 2012 - 2013 Biennium

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

Be a Part of TDLR’s Strategic Planning Process

The Texas Department of Licensing and Regulation (TDLR) invites you to help plan our future by being part of our strategic planning process. Our strategic planning will only be as good as the input we receive from those who interact with us. We would greatly appreciate you taking time to answer some questions and tell us how to improve our services.

We have developed two ways for you to participate in the 2010 strategic planning process:

1. Strategic Planning Brainstorming Sessions – Attend a live meeting in Austin led by TDLR employees in which you and others in your industry will share your thoughts and provide answers to TDLR’s strategic planning questions.
2. Online Survey – The address for the online survey was emailed to everyone who has signed up for our email lists, allowing them to rate your experiences with us. The survey closed March 31, 2010.

This strategic planning process is your chance to share your thoughts and ideas on how TDLR can improve the way we do business. Whichever way you choose to participate, we want to hear from you, and we encourage you to take advantage of this opportunity to help TDLR shape its future success.

We look forward to seeing you at one of the strategic planning brainstorming sessions or receiving your survey response. If you have any questions about the strategic planning process, please email us.

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

Schedule of Strategic Plan Brainstorming Sessions

When: March 22-24, 2010

Where: TDLR’s North Campus (Room 125E), 1106 Clayton Lane, in Austin.

March 22

- **8:30 a.m. - 11:00 a.m.**
 - o Cosmetologists - Public meeting room
 - o Barbering - 125E - Training room
- **12:30 p.m. - 3:00 p.m.**
 - o Towing, Vehicle Storage Facilities and Booting, Used Automotive Parts Recyclers - Public meeting room
 - o Water Well Drillers and Pump Installers, Weather Modification - Training room
- **3:30 p.m. - 6:00 p.m.**
 - o Boilers, Elevators and Escalators, Industrialized Housing and Buildings, Elimination of Architectural Barriers - Public meeting room

March 23

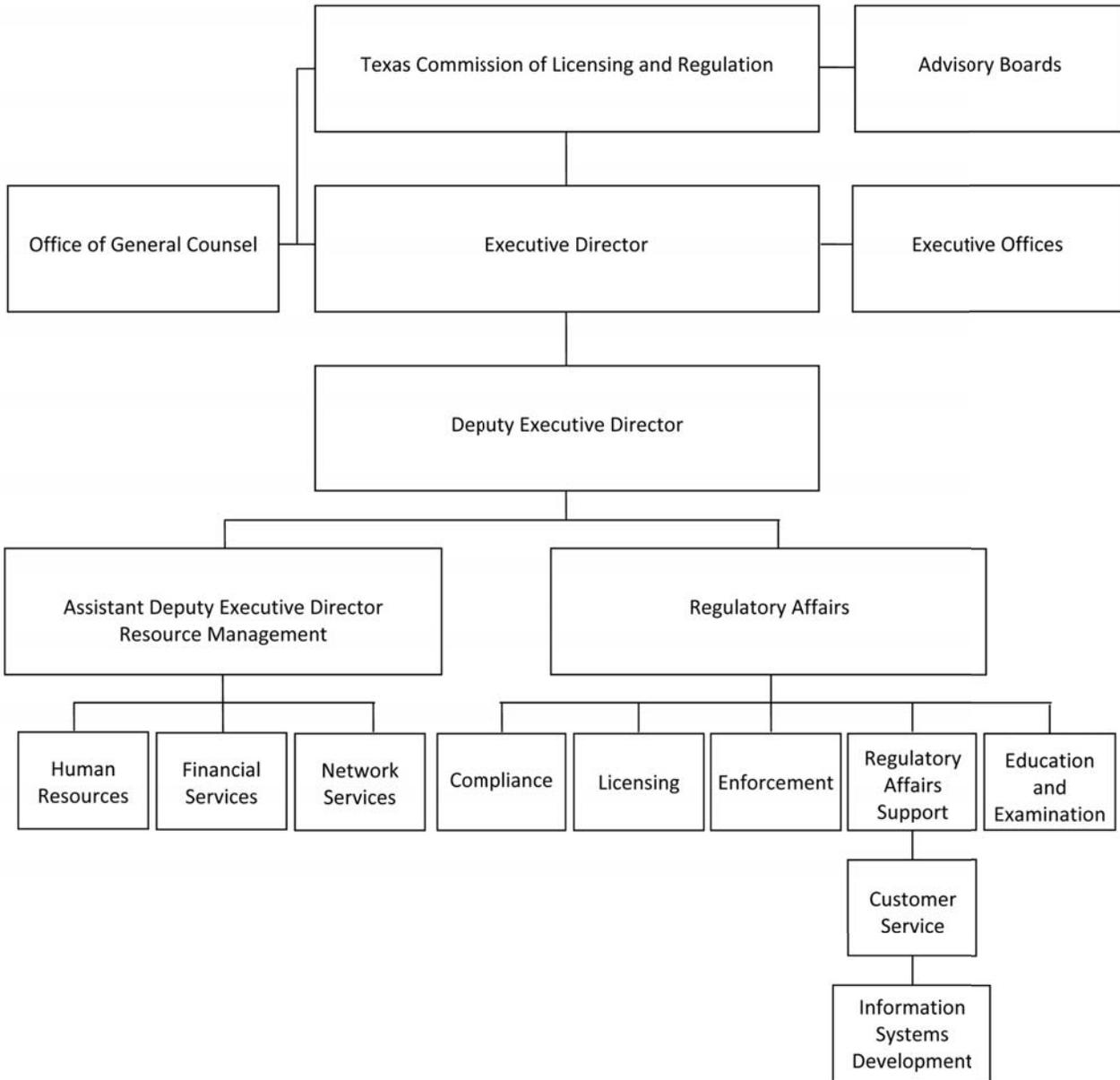
- **8:30 a.m. - 11:00 a.m.**
 - o Air Conditioning and Refrigeration, Electricians - Public meeting room
 - o Polygraph Examiners - Training room
- **12:30 p.m. - 3:00 p.m.**
 - o Property Tax Consultants, Property Tax Professionals - Public meeting room
 - o Auctioneers, Licensed Court Interpreters, Talent Agencies, Combative Sports - Training room
- **3:30 p.m. - 6:00 p.m.**
 - o Identity Recovery Service Contract Providers and Administrators, Loss Damage Waivers, Legal Service Contracts, Service Contract Providers, Vehicle Protection Product Warrantors - Public meeting room

March 24

- **8:30 a.m. - 11:00 a.m.**
 - o Personnel Employment Services, Staff Leasing Services, Temporary Common Worker Employers - Public meeting room

APPENDIX B

Texas Department of Licensing and Regulation Organizational Chart



APPENDIX C

Projected Outcomes - Fiscal Years 2011 - 2015

OUTCOME MEASURES	2011	2012	2013	2014	2015
Percent of Licensees With No Recent Violations	99%	99%	99%	99%	99%
Percent of Licensees Who Renew Online	83%	84%	84%	85%	85%
Percent of New Individual Licenses Issued Online	62%	62%	63%	63%	63%
Number of Approved Courses Offered: Tax Professionals	100	100	100	N/A	N/A
Percent of Complaints Resulting in Disciplinary Action: Tax Professionals	1%	1%	2%	2%	2%
Percent of Complaints Resulting in Disciplinary Action	30%	31%	31%	33%	33%
Percent of Documented Complaints Resolved within Six Months	51%	57%	59%	66%	71%
Percent of AB Building Plan Reviews Completed w/in 30 Days	98%	98%	98%	98%	98%
Recidivism Rate of Those Receiving Disciplinary Action	3.7%	3.9%	4.0%	4.0%	4.1%
Inspection Coverage Rate	86.81%	87.34%	87.44%	87.24%	87.45%
Percent of Boilers Inspected for Certification within Appropriate Timelines	68%	70%	73%	76%	76%
Percent of Polygraph Licensees With No Recent Violations	99%	99%	99%	99%	99%

APPENDIX D

Performance Measure Definitions

A. GOAL: LICENSING. License, certify and register qualified individuals and businesses.

OUTCOME MEASURES

01-01-01 PERCENT OF LICENSEES WITH NO RECENT VIOLATIONS - KEY

SHORT DEFINITION

The percent of the total number of licensed, registered, or certified individuals at the end of the reporting period who have not incurred a violation within the last thirty-six months.

PURPOSE/IMPORTANCE

This measure provides an indication of the job TDLR is doing to educate licensees, registrants and certificants about the agency's statutes and rules and of the necessity for enforcement activities resulting from violations.

SOURCE/COLLECTION OF DATA

The total number of licensed individuals from the report "LICENSECNT" generated from the Texas Umbrella Licensing Information Project (TULIP); the number of individuals licensed/registered/certified - performance measure EX 01-01-01-02; licensees with Final Orders during the 36 month period prior to the end of the reporting period - Enforcement Access Database for Final Orders.

METHOD OF CALCULATION

This measure is calculated by subtracting the total number of licensees, registrants and certificants with violations during the three-year period from the total number of licensees, registrants and certificants at the end of the reporting period. The result is divided by the total number of licensees, registrants and certificants and multiplied by 100 to achieve a percentage.

DATA LIMITATIONS

External Factors: General market and economic conditions, statutory changes, and changes in the number of persons licensed are key variables that impact the measure that are beyond the control of TDLR.

CALCULATION TYPE: Non-cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

01-01-02 PERCENT OF LICENSEES WHO RENEW ONLINE - KEY

SHORT DEFINITION

The percent of the total number of licensed, registered, or certified individuals who may renew online that did renew their license, registration, or certification online during the reporting period.

PURPOSE/IMPORTANCE

To track use of online license renewal technology by the licensee population.

SOURCE/COLLECTION OF DATA

The number of licenses, registrations, or certifications renewed online from the report "PERFRENLIC" from the Texas Umbrella Licensing Information Project (TULIP) divided by the total number of renewed licenses, registrations, or certifications issued to individuals for whom online renewal is available during the reporting period from the performance measure OP 01-01-01-02.

METHOD OF CALCULATION

The total number of individual licenses, registrations, or certifications renewed online divided by the total number of individual licenses, registrations, or certifications renewed during the reporting period for whom online renewal was available. The result is multiplied by 100 to achieve a percentage.

DATA LIMITATIONS

External Factors: General market and economic conditions, statutory changes, changes in the number of individuals who choose to remain in the industry & the number of those licensees with access to both the Internet & credit cards. Those factors are beyond TDLR's control.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

01-01-03 PERCENT OF NEW INDIVIDUAL LICENSES ISSUED ONLINE - KEY**SHORT DEFINITION**

The percent of all new licenses, registrations, or certifications issued online to individuals for whom online application was available during the reporting period.

PURPOSE/IMPORTANCE

To track use of online license issuance technology by the licensee population.

SOURCE/COLLECTION OF DATA

The number of new licenses, registrations, or certifications issued online to individuals from the report "PERFORGLIC" from the Texas Umbrella Licensing Information Project (TULIP) divided by the total number of new licenses, registrations or certifications issued to individuals for whom online application was available during the reporting period from performance measure OP 01-01-01.

METHOD OF CALCULATION

The total number of new licenses, registrations, or certifications issued to individuals online divided by the total number of new licenses, registrations, or certifications issued to individuals for whom online application was available during the reporting period. The result is multiplied by 100 to achieve a percentage.

DATA LIMITATIONS

External Factors: General market and economic conditions, statutory changes, changes in the number of individuals who choose to remain in the industry and the number of those licensees with access to both the Internet & credit cards. Those factors are beyond TDLR's control.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

A.1.1. Strategy: License, register and certify. Issue licenses, registrations & certificates to qualified individuals and businesses.

OUTPUT MEASURES**01-01-01-01 NUMBER OF NEW LICENSES ISSUED TO INDIVIDUALS - KEY****SHORT DEFINITION**

The number of licenses, registrations and certificates issued to previously unlicensed, unregistered or uncertified individuals during the reporting period.

PURPOSE/IMPORTANCE

This measure provides data relating to the number of individuals desiring to be initially licensed, registered or certified under the statutes regulated by TDLR.

SOURCE/COLLECTION OF DATA

Boiler - Excel spreadsheet and Boiler Certification Report from the HP3000; IHB - Access database maintained by IHB program; Licensing - "PERFORGLIC" from the Texas Umbrella Licensing Information Project (TULIP).

METHOD OF CALCULATION

Add the number of new licenses, registrations and certifications issued to individuals during the reporting period.

DATA LIMITATIONS

External Factors: General market and economic conditions, statutory changes, the addition or removal of programs and the number of persons desiring to enter industries regulated by TDLR are key variables that impact the measure that are beyond the control of TDLR.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

01-01-01-02 NUMBER OF LICENSES RENEWED (INDIVIDUALS) - KEY

SHORT DEFINITION

The number of licensed, registered or certified individuals who held licenses, registrations or certificates previously and renewed their license, registration or certificate during the current reporting period.

PURPOSE/IMPORTANCE

This measure provides data relating to the number of individuals desiring to remain licensed, registered or certified under the statutes regulated by TDLR.

SOURCE/COLLECTION OF DATA

Boiler - Excel spreadsheet and Boiler Certification Report for the HP3000; IHB - Access database maintained by IHB program; Licensing - "PERFRENLIC" from the Texas Umbrella Licensing Information Project (TULIP).

METHOD OF CALCULATION

Add the number of licenses, registrations and certifications renewed to individuals during the reporting period.

DATA LIMITATIONS

External Factors: General market and economic conditions, statutory changes in the criteria for renewing, and the number of persons desiring to renew are key variables that impact the measure that are beyond the control of TDLR.

Internal Factors: Rule changes and fee changes may also impact the measure.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

01-01-01-03 NUMBER OF PERSONS CERTIFIED/RECERTIFIED: TAX PROFESSIONALS - KEY

SHORT DEFINITION

Number indicates the number of registrants that have completed the certification program and /or maintained their certification in good standing and completed the recertification requirements. The RTS Statistics Reports (number of registrants certified and number of registrants recertified) will generate the number certified for a specific period. Fiscal Year statistics spreadsheet contains these reports. Cumulative.

PURPOSE/IMPORTANCE

Indicates success rate of education program.

SOURCE/COLLECTION OF DATA

Registrant Tracking System AND Fiscal Year statistical data spreadsheet.

METHOD OF CALCULATION

Manual computation.

DATA LIMITATIONS

Dependent on registrant community remaining actively engaged and completing requirements.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

**01-01-01-04 NUMBER OF COURSE, SPONSOR, AND INSTRUCTOR APPLICATIONS PROCESSED:
TAX PROFESSIONALS - KEY**

SHORT DEFINITION

Total number of course applications, sponsor applications and instructor applications processed during the reporting period. Data is maintained in the education spreadsheet. Cumulative.

PURPOSE/IMPORTANCE

Indicates activity to be qualified as instructor or course sponsor.

SOURCE/COLLECTION OF DATA

Education Spreadsheet, Instructor Spreadsheet and education program files.

METHOD OF CALCULATION

Manual computation.

DATA LIMITATIONS

None.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

EFFICIENCY MEASURES

01-01-01-01 PERCENTAGE OF NEW INDIVIDUAL LICENSES ISSUED WITHIN 10 DAYS

SHORT DEFINITION

The percentage of initial individual license, registration and certification applications that were processed during the reporting period within 10 days measured from the time in days elapsed from receipt of the initial completed application until the license, registration or certification is mailed.

PURPOSE/IMPORTANCE

This measure indicates the ability of TDLR to process new applications in a timely and efficient manner.

SOURCE/COLLECTION OF DATA

Boiler – Excel spreadsheet; IHB – Access database maintained by IHB; Licensing – “PERFORGLIC” from the Texas Umbrella Licensing Information Project (TULIP).

METHOD OF CALCULATION

This measure is calculated by dividing the number of individual licenses, registrations and certificates issued within 10 days during the reporting period by the total number of individual licenses, registrations and certificates issued during the reporting period. The result is multiplied by 100 to achieve a percentage.

DATA LIMITATIONS

External Factors: General market and economic conditions, statutory changes and the number of persons desiring to become licensed, registered or certified are key variables that impact the measure that are beyond TDLR's control.

Internal Factors: Turnover in the staff that process licenses, registrations, and certifications may also impact the measure.

CALCULATION TYPE: Non-cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

01-01-01-02 PERCENT OF INDIVIDUAL LICENSE RENEWALS ISSUED WITHIN 7 DAYS

SHORT DEFINITION

The percentage of individual license, registration or certification renewal applications that were processed during the reporting period within 7 days of receipt, measured from the time (in calendar days) elapsed from

receipt of the renewal application until the date the renewal license, registration or certificate is mailed.

PURPOSE/IMPORTANCE

This is a measure of TDLR's ability to process renewal applications in a timely and efficient manner.

SOURCE/COLLECTION OF DATA

Boiler – Excel spreadsheet; IHB – Access database maintained by IHB program; Licensing – “PERFRENLIC” from the Texas Umbrella Licensing Information Project (TULIP).

METHOD OF CALCULATION

This measure is calculated by dividing the number of individual licenses, registrations and certificates renewed within 7 days during the reporting period by the total number of individual licenses; registrations and certificates renewed during the reporting period. The result is multiplied by 100 to achieve a percentage.

DATA LIMITATIONS

External Factors: General market and economic conditions, statutory changes and the number of persons desiring to renew licenses, registrations or certifications are key variables that impact the measure that are beyond TDLR's control.

Internal Factors: Turnover in the staff that process renewals of licenses, registrations and certifications may also impact the measure.

CALCULATION TYPE: Non-cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

01-01-01-03 AVERAGE LICENSING COST PER INDIVIDUAL LICENSE ISSUED: TAX PROFESSIONALS - KEY

SHORT DEFINITION

Total funds expended and encumbered during the reporting period for the registration and certification strategy divided by the total number of active licenses during the reporting period. Total funds are determined by the appropriations for the Certification strategy. Number of active licenses during the reporting period is number of active licenses as of the first day of the reporting period plus any licenses that were added during the reporting period and can be determined from Fiscal Year statistics spreadsheet. Non-cumulative.

PURPOSE/IMPORTANCE

Indicate cost of maintaining licensing function.

SOURCE/COLLECTION OF DATA

Registrant Tracking System database and accounting records held by Comptroller of Public Accounts.

METHOD OF CALCULATION

Manual computation.

DATA LIMITATIONS

None.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

EXPLANATORY MEASURES

01-01-01-01 TOTAL NUMBER OF INDIVIDUALS LICENSED - KEY

SHORT DEFINITION

Total number of individuals licensed, registered or certified at the end of the reporting period.

PURPOSE/IMPORTANCE

This measure indicates the total licensee, certificate holder and registrant population.

SOURCE/COLLECTION OF DATA

Boiler – Paradox report maintained in the Boiler section; IHB – Access database maintained by IHB program; Licensing- “LICENSECNT” report from the Texas Umbrella Licensing Information Project (TULIP).

METHOD OF CALCULATION

Add the number of individuals holding licenses, registrations or certificates.

DATA LIMITATIONS

External Factors: General market and economic conditions, statutory changes and the number of persons desiring to renew or become licensed, registered or certified are key variables that impact the measure that are beyond TDLR's control. Internal Factors: Fee changes, rule changes and staff turnover are variables that may also impact the measure.

CALCULATION TYPE: Non-cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

01-01-01-02 AVERAGE TIME FOR INDIVIDUAL LICENSE ISSUANCE: TAX PROFESSIONALS

SHORT DEFINITION

The average number of working days to issue a new license. The time to issue a license is the number of working days from the Application Date in the registrant tracking system database to the date the ID Card was printed (License Issuance Date). ID Card report has information for ID Card printing. The sum of times for issuance of all new licenses during the reporting period divided by the total number of new licenses issued during the reporting period. Non-cumulative.

PURPOSE/IMPORTANCE

Indicates efficiency of Board for issuing a license.

SOURCE/COLLECTION OF DATA

Registrant Tracking System database and ID Card report.

METHOD OF CALCULATION

Manual computation.

DATA LIMITATIONS

None.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

01-01-01-03 AVERAGE TIME FOR INDIVIDUAL LICENSE RENEWAL: TAX PROFESSIONALS

SHORT DEFINITION

The number of days per renewal application, summed for all renewal applications, that elapsed from receipt of the individual renewal application (License Renewal Date) by the agency until the date the renewed license is renewed (License renewal issuance date) divided by the total number of renewal licenses issued to individuals during the period. Random sample of at least 10 percent of actual renewals will be utilized due to the large number of renewals received during the renewal period. Normal renewal period is December 1st thru January 31st, late renewals are accepted until March 1st, after which time a new application is required. Only 2nd and 3rd quarters of the fiscal year will normally have data for computing this measure. Non-cumulative.

PURPOSE/IMPORTANCE

Indicates efficiency of Board for renewing licenses.

SOURCE/COLLECTION OF DATA

Receipt log contains the license renewal date and the ID card report contains the renewal issuance date. Registrant Tracking System database and individual renewal forms.

METHOD OF CALCULATION

Manual computation.

DATA LIMITATIONS

None.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

01-01-01-04 NUMBER OF NEW INTERNSHIP LICENSES ISSUED: POLY EXAM

SHORT DEFINITION

The total number of new internship licenses issued during the reporting period.

PURPOSE/IMPORTANCE

The measure shows the total number of internship licenses issued during the reporting period can be used to track potential licensees.

SOURCE/COLLECTION OF DATA

The executive officer will keep a running database of new internships issued. This database will be kept in the internship logbook at the Board office. Every time a new internship license is issued, the licensee's name and internship license number will be recorded in the logbook.

METHOD OF CALCULATION

The total number of individuals issued or in possession of an internship license at the end of the reporting period.

DATA LIMITATIONS

Only qualified persons will be issued an internship.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

A.1.2 Strategy: License businesses and facilities.

EXPLANATORY MEASURE

01-01-02-01 TOTAL NUMBER OF BUSINESS FACILITIES LICENSED

SHORT DEFINITION

The unduplicated number of businesses, facilities, construction projects or pieces of equipment licensed, registered or certified by the agency at the end of the reporting period.

PURPOSE/IMPORTANCE

This measure indicates the total business, facility construction project and equipment population.

SOURCE/COLLECTION OF DATA

AB - HP3000 LCEABLOGD report from the AB program; Boiler - Excel spreadsheet in the Boiler area and HP3000 report from the Boiler Certification System; Elevator - certification report Database Statistics to Date, maintained in the Elevators section; IHB - Access database maintained by the IHB program; Licensing - "LICENSECNT" report from the Texas Umbrella Licensing Information Project (TULIP).

METHOD OF CALCULATION

Add the total number of businesses, facilities, construction projects and equipment licensed, registered or certified.

DATA LIMITATIONS

External Factors: General market and economic conditions, statutory changes and the number of facilities that renew or become licensed, registered or certified are key variables that impact the measure that are beyond TDLR's control.

Internal Factors: Fee changes, rule changes and staff turnover are variables that may also impact the measure.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

A.1.3. Strategy: Examinations. Administer exams to applicants.

OUTPUT MEASURES

01-01-03-01 NUMBER OF PROJECTS GRADED: TAX PROFESSIONALS

SHORT DEFINITION

Each registrant in the appraisal field may either complete an appraisal analysis course or submit a comprehensive demonstration appraisal (or a sample of previous appraisals). This requirement must receive a passing grade before the registrant may be certified as a Registered Professional Appraiser (RPA). All individuals receiving their initial certification as an RPA records will be electronically annotated for the success completion of this requirement. A list of initial certification registrants is generated by the registrants certified report, this list compared to the electronic record will determine the number of projects graded during the reporting period. Data for initial certifications maintained on annual statistics spreadsheet. Cumulative.

PURPOSE/IMPORTANCE

Indicates number of registrants completing demonstration appraisal as part of the curriculum.

SOURCE/COLLECTION OF DATA

Consolidated exam report and registrant tracking database.

METHOD OF CALCULATION

Manual computation.

DATA LIMITATIONS

Dependent on number of registrants completing appraisal curriculum.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

01-01-03-02 NUMBER OF INDIVIDUALS EXAMINED: TAX PROFESSIONALS

SHORT DEFINITION

The number of individuals to whom state examinations were administered during the reporting period. Data is maintained in the "Consolidated Exam Report" spreadsheet. Cumulative.

PURPOSE/IMPORTANCE

Indicates degree individuals are progressing through the certification program.

SOURCE/COLLECTION OF DATA

Consolidated exam report and exam rosters.

METHOD OF CALCULATION

Manual computation.

DATA LIMITATIONS

Dependent on registrant completing prerequisite for exam and maintaining active registration status.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

01-01-03-03 NUMBER OF WRITTEN RESPONSES TO ETHICS QUESTIONS: TAX PROFESSIONALS

SHORT DEFINITION

The total number of written and verbal responses to registrants and non-registrants ethic questions. List of ethic replies maintained in complaint spreadsheet. Cumulative.

PURPOSE/IMPORTANCE

Indicates degree registrant community is unsure of ethical conduct policy of the Board.

SOURCE/COLLECTION OF DATA

Complaint spreadsheet

METHOD OF CALCULATION

Manual computation.

DATA LIMITATIONS

Dependent on individuals requesting information.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

01-01-03-04 NUMBER OF EVALUATION REPORTS REVIEWED: TAX PROFESSIONALS

SHORT DEFINITION

Total number of evaluations reviewed during the reporting period. Cumulative

PURPOSE/IMPORTANCE

Indicates amount of feedback board receives on the education program.

SOURCE/COLLECTION OF DATA

Course end of course evaluations submitted by the course providers. Data maintained on completed courses spreadsheet.

METHOD OF CALCULATION

Manual computation.

DATA LIMITATIONS

Dependent on sponsor submitting student evaluations on courses conducted by the sponsor.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

EFFICIENCY MEASURE

01-01-03-01 AVERAGE COST PER EXAM ADMINISTERED: TAX PROFESSIONALS

SHORT DEFINITION

Total funds expended and encumbered during the reporting period for the administration of examinations divided by the number of individuals to whom the examinations were administered during the reporting period. Costs include the following categories: salaries; supplies; travel expense; postage; and scantron cost, grading cost, other costs directly related to examination administration including exam room and grading of exam. Indirect costs are excluded from this calculation. Non-cumulative.

PURPOSE/IMPORTANCE

Indicates the cost of administering exam function of the Board.

SOURCE/COLLECTION OF DATA

Consolidated exam report and financial records.

METHOD OF CALCULATION

Manual computation.

DATA LIMITATIONS

Difficult to determine actual costs due to overlapping responsibilities of staff and resources. If facility where exam is being administered is not an expense, the cost is artificially reduced. Thompson Conference Center average cost is \$400 per day, which is a reasonable fee for an examination facility.

CALCULATION TYPE: Cumulative
than target

NEW MEASURE: No

DESIRED PERFORMANCE: Lower

EXPLANATORY MEASURES

01-01-03-01 PASS RATE: TAX PROFESSIONALS

SHORT DEFINITION

The percent of examinees that receive a passing grade during the reporting period. The number passing the examination is divided by the total number of individuals taking the examinations. Data is maintained in the "Consolidated Exam Report" spreadsheet. Non-cumulative.

PURPOSE/IMPORTANCE

Indicates success rate for state exams.

SOURCE/COLLECTION OF DATA

Consolidate exam report.

METHOD OF CALCULATION

Manual computation.

DATA LIMITATIONS

None.

CALCULATION TYPE: Cumulative
than target

NEW MEASURE: No

DESIRED PERFORMANCE: Lower

01-01-03-02 NUMBER OF SPONSORS APPROVED: TAX PROFESSIONALS

SHORT DEFINITION

The number of sponsors approved to provide education courses during the reporting period. Approved sponsors are the only entity authorized to provide board approved education courses. Once the list of sponsors was approved, it becomes a matter of adding new sponsors annually. Measure is dependent on participation of sponsors, and beyond the control of the board. Data is maintained in the education spreadsheet. Sponsor applications are maintained on file. Cumulative.

PURPOSE/IMPORTANCE

Indicates interest in sponsoring Board approved courses.

SOURCE/COLLECTION OF DATA

Education spreadsheet.

METHOD OF CALCULATION

Manual computation.

DATA LIMITATIONS

Measure is dependent on increased participation of more sponsors, and beyond the control of the Board.

CALCULATION TYPE: Cumulative
than target

NEW MEASURE: No

DESIRED PERFORMANCE: Lower

01-01-03-03 LICENSING EXAMINATION PASS RATE: POLYGRAPH EXAMINERS

SHORT DEFINITION

The percent of individuals to whom a whole examination, or segments of a multipart examination were administered during the reporting period who received a passing score.

PURPOSE/IMPORTANCE

The measure shows the rate at which those examined passed. This is an important step in the licensing process and a low pass rate may represent unnecessarily restrictive licensure requirements or inadequate preparation by licensure applicants.

SOURCE/COLLECTION OF DATA

The executive officer will keep a running database of the number of persons taking each examination session and the number of those passing and failing will be recorded. This data will be kept at the board office in the Pass/Fail Record Book.

METHOD OF CALCULATION

The total number of individuals who passed the examination (numerator) is divided by the total number of individuals examined (denominator). The result should be multiplied by 100 to achieve a percentage. If two exams were given in the same reporting period, the total number of individuals passing the exam during the reporting period is divided by the total number of persons taking the exam during the reporting period. Persons taking the exam multiple times are counted each time they take the exam.

DATA LIMITATIONS

Only qualified individuals will be examined.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

A.1.4. Strategy: Continuing Education/Customer Service. Develop continuing education and provide customer service.

01-01-04-01 NUMBER OF INFORMATION REQUESTS FILLED

SHORT DEFINITION

This figure reflects requests received through the downloading of information from TDLR's website, written open records requests, and written requests for information packets.

PURPOSE/IMPORTANCE

This measure indicates the number of electronic and written requests for information regarding the statutes regulated by TDLR. This is not a standard licensing agency measure.

SOURCE/COLLECTION OF DATA

Data is derived from traffic log analysis tools utilized by TDLR's website, Access database for Open Records Request.

METHOD OF CALCULATION

Add the number of requests received through the downloading of information from TDLR's website, written open records requests, and written requests for information packets.

DATA LIMITATIONS

External Factors: Requests for information packets and the use of electronic dissemination of information are key variables that impact the measure that are beyond the control of TDLR.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

01-01-04-02 NUMBER OF CONTINUING EDUCATION ACTIVITIES APPROVED: TAX PROFESSIONALS

SHORT DEFINITION

Continuing education activities include conferences, workshops, seminars, symposiums and other educational activities. Sponsor of the activity will submit a request for approval of continuing education units (CEUs). The Board's Executive Director replies with an approval letter informing the sponsor of the number of CEUs that can be awarded for the activity. The request and letter are filed in a Continuing Education approval file. An education spreadsheet is also utilized to track this approval process. All Board approved curriculum courses are considered approved for continuing education purposes without the sponsor submitting a request. This measure is totally dependent on outside sponsors of continuing education activities. The number of approved activities for the reporting period. Cumulative.

PURPOSE/IMPORTANCE

Indicate availability / activity of educational opportunities.

SOURCE/COLLECTION OF DATA

Education spreadsheet and course completion spreadsheet.

METHOD OF CALCULATION

Manual computation.

DATA LIMITATIONS

Dependent on outside provider sponsoring educational activity.

CALCULATION TYPE: Cumulative
than target

NEW MEASURE: No

DESIRED PERFORMANCE: Lower

EFFICIENCY MEASURE

01-01-04-01 AVERAGE COST PER APPROVED COURSE: TAX PROFESSIONALS

SHORT DEFINITION

Total funds expended during the reporting period for the education strategy divided by the number of Board approved certification curriculum courses. Funds for the Education strategy are determined by the appropriations bill. Indirect costs are excluded from this calculation. Non-cumulative.

PURPOSE/IMPORTANCE

Indicates cost of education program.

SOURCE/COLLECTION OF DATA

Education spreadsheet and PTEC reports.

METHOD OF CALCULATION

Manual computation.

DATA LIMITATIONS

None.

CALCULATION TYPE: Cumulative
than target

NEW MEASURE: No

DESIRED PERFORMANCE: Lower

EXPLANATORY MEASURES

01-01-04-01 NUMBER OF INDIVIDUALS RECEIVING TRAINING/EDUCATION

SHORT DEFINITION

The total number of non-agency individuals receiving training/education provided by the agency to impart

knowledge of laws, rules and/or standards of regulated industries.

PURPOSE/IMPORTANCE

This measure indicates the number of individuals benefiting from TDLR's training/education efforts. The measure is not a standard measure for licensing agencies.

SOURCE/COLLECTION OF DATA

TDLR form 013ALL

METHOD OF CALCULATION

Count the number of attendees for training/education sessions provided by TDLR.

DATA LIMITATIONS

External Factors: The number of persons requesting or needing training and the use of electronic resources to access information are key variables that impact the measure that are beyond the control of TDLR.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

01-01-04-02 NUMBER OF TRAINING/EDUCATION SESSIONS CONDUCTED

SHORT DEFINITION

Number of sessions conducted by agency staff to non-agency staff to impart knowledge of laws, rules and/or standards for regulated industries.

PURPOSE/IMPORTANCE

This measure indicates TDLR's efforts at training/educating its public. This measure is not a standard licensing agency measure.

SOURCE/COLLECTION OF DATA

TDLR form 013ALL

METHOD OF CALCULATION

Add the number of training/education sessions held.

DATA LIMITATIONS

External Factors: The number of persons requesting or needing training, and the use of electronic resources to access information are key variables that impact the measure that are beyond the control of TDLR.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

01-01-04-03 NUMBER OF COURSES APPROVED: TAX PROFESSIONALS

SHORT DEFINITION

Total number of courses approved by the Board to be available for instruction as a part of the curriculum for certification by the Board during the reporting period. Cumulative.

PURPOSE/IMPORTANCE

Indicates total number of approved courses.

SOURCE/COLLECTION OF DATA

Education spreadsheet and PTEC report.

METHOD OF CALCULATION

Manual computation.

DATA LIMITATIONS

None.

CALCULATION TYPE: Cumulative
than target

NEW MEASURE: No

DESIRED PERFORMANCE: Lower

01-01-04-04 NUMBER OF INSTRUCTORS APPROVED: TAX PROFESSIONALS

SHORT DEFINITION

The number of instructors approved to instruct authorized board courses during the reporting period. All new instructor applicants that were approved to instruct, this includes instructors that were previously approved to instruct and requested approval for authorization to instruct a different course that the instructor had not been previously authorized to instruct. Measure is dependent on increased participation of more instructors, and beyond the control of the board. Data is maintained in the education spreadsheet. Instructor applications are maintained on file. Cumulative.

PURPOSE/IMPORTANCE

Indicates size of instructor core.

SOURCE/COLLECTION OF DATA

Education spreadsheet and instructor list.

METHOD OF CALCULATION

Manual computation.

DATA LIMITATIONS

Measure is dependent on increased participation of more instructors, and beyond the control of the board.

CALCULATION TYPE: Cumulative
than target

NEW MEASURE: No

DESIRED PERFORMANCE: Lower

B. GOAL: ENFORCEMENT. Protect the public by enforcing laws administered by the agency.

OUTCOME MEASURES

02-01-01 PERCENT OF COMPLAINTS RESULTING IN DISCIPLINARY ACTION

SHORT DEFINITION

Percent of complaints that were resolved during the reporting period that resulted in disciplinary action.

PURPOSE/IMPORTANCE

This measure indicates the effectiveness of complaint resolution processes by TDLR.

SOURCE/COLLECTION OF DATA

Reports generated from Final Orders Database (in Access) showing disciplinary actions taken during the reporting period and the Crystal Report generated from a data extraction from CIMS showing the number of jurisdictional complaints closed.

METHOD OF CALCULATION

The number of disciplinary actions divided by the total number of complaints resolved minus "L" type cases during the reporting period. The result is multiplied by 100 to achieve a percentage. Disciplinary action includes agreed orders, written reprimands, suspensions, probations, revocations, restitutions ordered, and/or fines assessed on which the commission or the Executive Director has acted.

DATA LIMITATIONS

External Factors: General market and economic conditions and the complexity and severity of the complaint filed are key variables that impact the measure that are beyond the control of TDLR.

Internal Factors: Turnover in staff that is associated with the complaint resolution process may also impact the measure.

CALCULATION TYPE: Non-cumulative
than target

NEW MEASURE: No

DESIRED PERFORMANCE: Higher

02-01-02 PERCENT OF DOCUMENTED COMPLAINTS RESOLVED WITHIN SIX MONTHS - KEY

SHORT DEFINITION

The percent of complaints resolved during the reporting period, that were resolved within a six month period from the time they were opened for investigation by the agency.

PURPOSE/IMPORTANCE

This measure indicates the effectiveness of complaint resolution processes by TDLR.

SOURCE/COLLECTION OF DATA

Crystal Report of extracted data from the Complaint Intake Monitoring Systems (CIMS). Automatically calculated by the Complaint Intake Monitoring System (CIMS). Crystal Report "CIMS stats.rpt" generated from a data extract from CIMS showing the percent of complaints closed in six months.

METHOD OF CALCULATION

The number of complaints resolved within six months from the date opened in CIMS divided by the number of complaints resolved during the reporting period. The result is multiplied by 100 to achieve a percentage.

DATA LIMITATIONS

External Factors: General market and economic conditions and the complexity and severity of the complaint filed are key variables that impact the measure that are beyond the control of TDLR.

Internal Factors: Turnover in staff that is associated with the complaint resolution process may also impact the measure.

CALCULATION TYPE: Non-cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

02-01-03 PERCENT OF ARCHITECTURAL BARRIER BUILDING PLAN REVIEWS COMPLETED - KEY

SHORT DEFINITION

The percent of construction/engineering documents reviewed for compliance with Architectural Barrier standards during the current reporting period that were reviewed within 30 days of receipt of complete submittal by agency plan reviewers.

PURPOSE/IMPORTANCE

This measure indicates the effectiveness of TDLR's Architectural Barrier plan review process.

SOURCE/COLLECTION OF DATA

Information services retrieves information from HP 3000 to create report "Completed Reviews".

METHOD OF CALCULATION

The numerator for this measure is calculated by subtracting the total number of AB plan reviews not completed within thirty days from the total number of AB plan reviews completed, during the reporting period. The denominator is the total number of AB plan reviews completed during the reporting period. The result is multiplied by 100 to achieve a percentage.

DATA LIMITATIONS

External Factors: General market and economic conditions, construction trends, statutory changes and the number of registered accessibility specialists are key variables that impact the measure that are beyond the control of TDLR.

Internal Factors: Turnover in plan reviewers and other AB personnel, rule changes, enforcement action and changes to the plan review process may also impact the measure.

CALCULATION TYPE: Non-cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

02-01-04 RECIDIVISM RATE OF THOSE RECEIVING DISCIPLINARY ACTION

SHORT DEFINITION

The number of repeat offenders at the end of the reporting period as a percentage of all disciplinary actions during the reporting period.

PURPOSE/IMPORTANCE

This measure shows how effectively the agency educates its regulated industries and enforces its regulatory requirements.

SOURCE/COLLECTION OF DATA

Final Order Log (an Excel file) maintained by the Legal Assistant to the Prosecutor.

METHOD OF CALCULATION

The total number of individuals with a disciplinary action for the reporting fiscal year as well as at least one additional disciplinary action in the reporting fiscal year or the two preceding fiscal years divided by the total number of individuals receiving disciplinary actions in the reporting fiscal year. The result is multiplied by 100 to achieve a percentage.

DATA LIMITATIONS

External Factors: General market and economic conditions and the complexity and severity of the complaint filed are key variables that impact the measure that are beyond the control of TDLR.

CALCULATION TYPE: Non-cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

02-01-05 INSPECTION COVERAGE RATE - KEY

SHORT DEFINITION

The total number of inspections completed by agency and third party inspectors divided by the total number of inspections required.

PURPOSE/IMPORTANCE

This measure indicates the effectiveness of TDLR's inspection process.

SOURCE/COLLECTION OF DATA

Explanatory Performance measure 02-01-01-02, Total Number of Inspections Completed.

METHOD OF CALCULATION

Inspections required is defined as the number of inspections projected, in all regulated industries, forwarded (carried over) from previous period, plus the number of new inspections coming due during the current reporting period. The numerator for this measure is the total number of required inspections completed, during the reporting period. The denominator is the total number of inspections required, during the reporting period. The result is multiplied by 100 to achieve a percentage.

DATA LIMITATIONS

External Factors: General market and economic conditions, construction trends, statutory changes and the number of registered accessibility specialists are key variables that impact the measure that are beyond the control of TDLR.

Internal Factors: Turnover in inspectors, inspection backlog, rule changes, enforcement action and changes to the inspection process may also impact the measure.

CALCULATION TYPE: Non-cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

02-01-06 PERCENT OF BOILERS INSPECTED FOR CERTIFICATION WITHIN APPROPRIATE TIMELINES - KEY

SHORT DEFINITION

The percent of Boiler certificate inspections performed by agency and third party inspectors during the

reporting period that were inspected within thirty days after the certificate expiration date.

PURPOSE/IMPORTANCE

This measure indicates the effectiveness of TDLR's Boiler inspection process. This is not a standard licensing performance measure.

SOURCE/COLLECTION OF DATA

HP3000 BSAUDIT3 report.

METHOD OF CALCULATION

The HP3000 program takes the total number of inspections completed within 30 days after the certificate of expiration date divided by the total number of inspections due. The result is multiplied by 100 to achieve a percentage.

DATA LIMITATIONS

External Factors: The number of boilers due for inspection, the number of boilers manufactured and general market and economic conditions are key variables that impact the measure that are beyond the control of TDLR.

Internal Factors: Turnover in inspectors also impacts the measure.

CALCULATION TYPE: Non-cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

02-01-07 PERCENT OF POLYGRAPH LICENSES WITH NO RECENT VIOLATIONS

SHORT DEFINITION

Percent of complaints which were resolved during the reporting period that resulted in disciplinary action.

PURPOSE/IMPORTANCE

The measure is intended to show the extent to which the agency exercised its disciplinary authority in proportion to the number of complaints received. It is important that both the public and licenses have an expectation that the agency will work to ensure fair and effective enforcement of the act and this measure sees to indicate agency responsiveness to this expectation.

SOURCE/COLLECTION OF DATA

The executive officer will keep a running database of disciplinary action taken from year to year. This data will be kept at the Board office and can be found in the complaint file log book.

METHOD OF CALCULATION

The total number of complaints resolved during the reporting period that resulted in disciplinary action (numerator) is divided by the total number of complaints resolved during the reporting period (denominator). The result should be multiplied by 100 to achieve a percentage. Disciplinary action includes agreed orders, reprimands, warnings, suspensions, probation, revocation, restitution, and/or fines on which the board/commission has acted.

DATA LIMITATIONS

Only documented complaints can be considered.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

B.1.1. Strategy: Conduct Inspections. Enforce laws by conducting routine, complex and special inspections.

OUTPUT MEASURES

02-01-01-01 TOTAL NUMBER OF ARCHITECTURAL BARRIER INSPECTIONS COMPLETED BY AGENCY AND THIRD PARTY INSPECTORS - KEY

SHORT DEFINITION

The total number of Architectural Barrier inspections completed by agency and third party inspectors during the reporting period.

PURPOSE/IMPORTANCE

This performance measure shows the number of Architectural Barrier inspections completed.

SOURCE/COLLECTION OF DATA

Information Services retrieves information from HP 3000 to create report - Number of Days to Complete Inspection and RAS/ICP Performance Measure Report.

METHOD OF CALCULATION

Add the total number of Architectural Barriers inspections completed for the reporting period.

DATA LIMITATIONS

External Factors: General market and economic conditions, construction trends, statutory changes and the number of registered accessibility specialists are key variables that impact the measure that are beyond the control of TDLR.

Internal Factors: Turnover in inspectors, inspection backlog, rule changes, enforcement actions and changes to the inspection process may also impact the measure.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

02-01-01-02 NUMBER OF EXAMINATION SESSION CONDUCTED: POLYGRAPH EXAMINERS - KEY

SHORT DEFINITION

The number of examination sessions conducted during the reporting period. This is also including special examination sessions and the relicensing examinations.

PURPOSE/IMPORTANCE

The measure shows the workload associated with administering the licensing examination in full or in part.

SOURCE/COLLECTION OF DATA

The executive officer will keep a running database on examination sessions conducted at the board office, every time an examination is conducted. The name of the individual being examined will be logged as well as the date of the examination and the portion of the examination administered.

METHOD OF CALCULATION

The total number of examination sessions conducted during the reporting period will be counted. An examination session is defined as any time the executive officer or board administers a licensing examination, regardless of how many applicants are tested or what portion of the examination is administered.

DATA LIMITATIONS

Only qualified persons will be examined.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

EFFICIENCY MEASURE

02-01-01-01 AVERAGE NUMBER OF MONTHS TO COMPLETE ARCHITECTURAL BARRIER INSPECTIONS - KEY

SHORT DEFINITION

The average number of months to complete an Architectural Barrier inspection by agency staff during the reporting period.

PURPOSE/IMPORTANCE

This measure shows how efficient TDLR is in scheduling and performing Architectural Barrier inspections.

SOURCE/COLLECTION OF DATA

Information Services retrieves information from HP 3000 to create report.

METHOD OF CALCULATION

Total the number of days it takes to complete each inspection and divide this total by the number of inspections completed, which is then converted into months.

DATA LIMITATIONS

External Factors: General market and economic conditions, construction trends, statutory changes, building owners/managers schedules and the number of third party Registered Accessibility Specialists are key variables that impact the measure that are beyond the control of TDLR.

Internal Factors: Turnover in inspectors, inspection backlog, rule changes, enforcement action and changes to the inspection process may also impact the measure.

CALCULATION TYPE: Non-cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

EXPLANATORY MEASURES

02-01-01-01 NUMBER OF BUILDINGS OR FACILITIES INSPECTED FOR ARCHITECTURAL BARRIERS

SHORT DEFINITION

The total number of subject buildings or facilities for which an inspection request has been received by TDLR and inspection has not yet been done, and the total number of buildings or facilities leased or occupied by the state, under any lease or rental agreement, that is ready for occupancy, and inspection has not yet been done.

PURPOSE/IMPORTANCE

This shows the work in process in Architectural Barrier inspections.

SOURCE/COLLECTION OF DATA

Information Services retrieves information from HP 3000 to create report.

METHOD OF CALCULATION

The HP3000 system totals Architectural Barrier inspections due based on the requests received for inspections that have not been performed.

DATA LIMITATIONS

External Factors: General market and economic conditions, construction trends, and statutory changes are key variables that impact the measure that are beyond the control of TDLR.

CALCULATION TYPE: Non-cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

02-01-01-02 TOTAL NUMBER OF INSPECTIONS COMPLETED - KEY

SHORT DEFINITION

The total number of inspections, for all regulated industries, completed by agency and third party inspectors.

PURPOSE/IMPORTANCE

This measure indicates the number of inspections completed by agency and third parties.

SOURCE/COLLECTION OF DATA

AB - Information Services retrieves information from HP3000 to create report; Boiler - HP3000 reports BLR-RPT2 (Third Party Inspections) and BSRP0185 from the TRS (TDLR inspectors); Boxing - List of inspection events provided by the Boxing program; IHB - Access database maintained by IHB program; Elevators - individual inspectors records; WWD - Word database maintained by Program Manager.

METHOD OF CALCULATION

Add the number of inspections from all sources.

DATA LIMITATIONS

External Factors: General market and economic conditions, construction trends, statutory changes and the number of third party providers or registered accessibility specialists are key variables that impact the measure that are beyond the control of TDLR.

Internal Factors: Turnover in inspectors, inspection backlog, rule changes, enforcement action and changes to the inspection process may also impact the measure.

CALCULATION TYPE: Non-cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

02-01-01-03 TOTAL NUMBER OF EQUIPMENT INSPECTIONS DUE

SHORT DEFINITION

The total number of boiler certification and elevator, escalator and related equipment inspections due.

PURPOSE/IMPORTANCE

This shows the workload universe of boilers and elevators, escalators, and related equipment due for inspection. This is not a standard measure for licensing agencies.

SOURCE/COLLECTION OF DATA

HP3000 report - BSRPo190 and Elevator system database.

METHOD OF CALCULATION

The total boilers and equipment in the HP3000 and the Elevator system database with an expiration date within the parameters.

DATA LIMITATIONS

External Factors: General market and economic conditions, type of boiler, manufacturing trends, construction trends, number of Qualified Elevator Inspectors and Boiler Inspectors and statutory changes are key variables that impact the measure that are beyond the control of TDLR.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

B.1.2. Strategy: Building Plan Reviews. Perform building plan reviews.

OUTPUT MEASURES**02-01-02-01 TOTAL NUMBER OF ARCHITECTURAL BARRIER BUILDING PLANS REVIEWED BY AGENCY AND THIRD PARTY PLAN REVIEWERS**

SHORT DEFINITION

The total number of construction/engineering documents reviewed for compliance with Architectural Barriers standards by agency and third party plan reviewers during the reporting period.

PURPOSE/IMPORTANCE

This performance measure shows the total number of plan reviews completed for the Architectural Barriers program.

SOURCE/COLLECTION OF DATA

Information Services retrieves information from HP 3000 to create the needed report.

METHOD OF CALCULATION

Add the number of plan reviews from the Information Services reports for the current reporting period.

DATA LIMITATIONS

External Factors: General market and economic conditions, construction trends, statutory changes and the number of registered accessibility specialists are key variables that impact the measure that are beyond the control of TDLR.

Internal Factors: Turnover in plan reviewers, rule changes, enforcement action and changes to the plan review process may also impact the measure.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

02-01-02-02 TOTAL NUMBER OF PLAN REVIEWS COMPLETED BY AGENCY AND THIRD PARTIES (AB & IHB)

SHORT DEFINITION

The total number of construction/engineering documents reviewed by agency and third party plan reviewers for compliance with applicable standards.

PURPOSE/IMPORTANCE

This measure indicates the number of plan reviews completed by agency and third parties.

SOURCE/COLLECTION OF DATA

Information Services retrieves information from HP 3000 to create the needed report. IHB - Access database maintained by IHB Program.

METHOD OF CALCULATION

Add the number of plan reviews from the Information Services reports for the current reporting period; access database located in H:\data\engineer\IHB.mdb.access table name "Plans Log".

DATA LIMITATIONS

External Factors: General market and economic conditions, construction trends, statutory changes and the number of registered accessibility specialists are key variables that impact the measure that are beyond the control of TDLR.

Internal Factors: Turnover in plan reviewers, rule changes, enforcement action and changes to the plan review process may also impact the measure.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Higher than target

EFFICIENCY MEASURE

02-01-02-01 AVERAGE NUMBER OF DAYS TO COMPLETE ARCHITECTURAL BARRIER BUILDING PLAN REVIEWS BY AGENCY STAFF

SHORT DEFINITION

The average number of days to complete an Architectural Barrier building plan review by agency staff during the reporting period.

PURPOSE/IMPORTANCE

This measure shows how efficient TDLR is in reviewing construction/engineering documents.

SOURCE/COLLECTION OF DATA

Information Services retrieves information from HP 3000 to create report.

METHOD OF CALCULATION

Total the number of days it takes to complete each plan review and divide by the total number of plan reviews completed.

DATA LIMITATIONS

External Factors: General market and economic conditions, construction trends, statutory changes and the

number of third party providers or Registered Accessibility Specialists are key variables that impact the measure that are beyond the control of TDLR.

Internal Factors: Turnover in plan reviewers, rule changes, enforcement action and changes to the plan review process may also impact the measure.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

B.1.3. Strategy: Resolve Complaints. Enforce compliance by settlement, prosecution, penalty and sanction.

OUTPUT MEASURE

02-01-03-01 NUMBER OF COMPLAINTS RESOLVED - KEY

SHORT DEFINITION

The total number of jurisdictional complaints closed during the reporting period.

PURPOSE/IMPORTANCE

This measure reflects the efforts of TDLR's enforcement activities to resolve complaints.

SOURCE/COLLECTION OF DATA

Crystal report of extracted data from the Complaint Intake Monitoring System (CIMS).

METHOD OF CALCULATION

The number of complaints closed in CIMS during the reporting period minus cases closed for lack of jurisdiction during the same reporting period.

DATA LIMITATIONS

External Factors: General market and economic conditions and the complexity and severity of the complaint filed are key variables that impact the measure that are beyond the control of TDLR.

Internal Factors: Turnover in staff that are associated with the complaint resolution process may also impact the measure.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

EFFICIENCY MEASURES

02-01-03-01 AVERAGE TIME FOR CONSUMER COMPLAINT RESOLUTION (DAYS) - KEY

SHORT DEFINITION

The average length of time to resolve a complaint, for all complaints closed during the reporting period.

PURPOSE/IMPORTANCE

This measure indicates the effectiveness of investigative and complaint resolution processes by TDLR.

SOURCE/COLLECTION OF DATA

Crystal report of extracted data from the Complaint Intake Monitoring System (CIMS).

METHOD OF CALCULATION

The cumulative sum of the number of days it took to close each jurisdictional complaint in the reporting period and divide by the total number of complaints closed in the reporting period.

DATA LIMITATIONS

External Factors: General market and economic conditions and the complexity and severity of the complaint filed are key variables that impact the measure that are beyond the control of TDLR.

Internal Factors: Turnover in staff that is associated with the complaint resolution process may also impact the measure.

CALCULATION TYPE: Non-cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

02-01-03-02 AVERAGE COST PER COMPLAINT RESOLVED: TAX PROFESSIONALS

SHORT DEFINITION

The total funds expended and encumbered during the reporting period for the adjudication strategy/goal divided by the number of resolved complaints. Funds for the Adjudication strategy/goal are determined by the appropriations bill. A resolved complaint is a complaint which had final action taken by the whole board, in the form of disciplinary action or dismissal of complaint for no violation of Board rules or statute. Indirect costs are excluded from this calculation. Non-cumulative.

PURPOSE/IMPORTANCE

Indicates cost of adjudication program.

SOURCE/COLLECTION OF DATA

Complaint spreadsheet and complaint files.

METHOD OF CALCULATION

Manual computation.

DATA LIMITATIONS

None.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

B.1.4. Strategy: Investigations. Investigate complaints.

OUTPUT MEASURE

02-01-04-01 NUMBER OF INVESTIGATIONS CONDUCTED: POLYGRAPH EXAMINERS

SHORT DEFINITION

The number of investigations completed during the reporting period. This is to include investigations on complaints, consumer concerns, issuance/monitoring of internship and licensing.

PURPOSE/IMPORTANCE

The measure shows the workload associated with conducting required investigations.

SOURCE/COLLECTION OF DATA

The executive officer will keep a running database on investigations conducted on complaints, consumer concerns, intership and licensing of others. Investigations associated with complaints and consumer concerns will have their own log books. Investigations conducted to determine whether an applicant qualifies for internship or licensing under reciprocity will be kept in those individuals internship file or licensing file which will be kept at the board office.

METHOD OF CALCULATION

The total number of investigations conducted during the reporting period.

DATA LIMITATIONS

Only documented events can be considered.

CALCULATION TYPE: Cumulative NEW MEASURE: No DESIRED PERFORMANCE: Lower than target

EXPLANATORY MEASURE

02-01-04-01 NUMBER OF JURISDICTIONAL COMPLAINTS RECEIVED - KEY

SHORT DEFINITION

The total number of complaints opened for investigation during the reporting period that are within the agency's statutory jurisdiction.

PURPOSE/IMPORTANCE

This measure indicates the case workload of TDLR.

SOURCE/COLLECTION OF DATA

Crystal report of extracted data from the Complaint Intake Monitoring System (CIMS).

METHOD OF CALCULATION

The number of jurisdictional complaints opened for investigation during the reporting period.

DATA LIMITATIONS

External Factors: General market and economic conditions, the number of transactions or business activities involving an industry or business regulated by TDLR are key variables that impact the measure and are beyond the control of TDLR.

CALCULATION TYPE: Cumulative
than target

NEW MEASURE: No

DESIRED PERFORMANCE: Lower

APPENDIX E

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 28 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 departments 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; and
 - e. supports the agency goal to include HUBs in at least 28 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 F

Texas Department of Licensing and Regulation Workforce Plan

Agency Overview

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

In 1989, the 71st Legislature changed the agency's name to the Texas Department of Licensing and Regulation, charging it with oversight of certain businesses, industries, general trades, and occupations. TDLR emerged 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.

During the 81st Legislative Session the agency's growth trend continued with three transferred programs, expanded duties for two existing programs, and two newly created programs for TDLR to administer. The Board of Tax Professional Examiners and the Polygraph Examiners Board were abolished and their respective functions were transferred to TDLR; regulation of used automotive parts recyclers was transferred to TDLR from The Texas Department of Transportation; and the towing program was expanded by the creation of a dual license for towing and vehicle storage facilities as well as a training license for towing operators. The Legislature also added the regulation of vehicle booting by private entities in parking facilities to the towing law. Identity recovery, a new program, was given to TDLR and the scope of work allowed under the existing residential appliance installer license was expanded to include the electrical maintenance work on residential pools and spas.

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, tow truck companies, 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 six years, additional responsibilities in the electricians, air conditioning and refrigeration, property tax professionals, polygraph examiners, combative sports, barbers, cosmetologists, tow truck, vehicle storage facilities, and vehicle booting programs have been added to our regulatory responsibilities and our workforce has nearly tripled.

A. AGENCY VISION, MISSION AND PHILOSOPHY

Our vision is to be the nation's premier state agency.

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 and 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: LICENSING

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

Strategies:

- Minimize costs of issuing and renewing licenses.
- Issue and renew licenses in a timely manner, ensuring licensees are competent and qualified.
- Share information about regulated industries.

Goal: ENFORCEMENT

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

Strategies:

- Conduct inspections.
- Investigate and prosecute unlawful activity.
- Minimize costs of complaint resolution.

Goal: CUSTOMER SERVICE

Objective: Maintain a customer-focused agency culture by improving the quality of services we provide.

Strategies:

- Increase the timeliness and usefulness of information.
- Improve the delivery, accuracy, and dissemination of information.
- Continuously improve the quality, efficiency, and accessibility of services and information with the help of third-party vendors as appropriate.

Goal: SKILLS

Objective: Attract, develop, and retain a skilled workforce committed to outstanding performance.

Strategies:

- Identify training needs and determine cost-effective methods of delivery.
- Provide essential training by function, division, and section.
- Use retention bonuses, merit pay increases, and flexible working hours to reward staff.

Goal: LEADERS

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

Strategies:

- Evaluate the functions and duties of positions.
- Identify and create developmental opportunities such as cross-training and mentoring.
- Identify and cultivate the skills of potential organizational leaders.

C. REGULATORY FUNCTIONS

The scope of TDLR's regulatory work is unmatched in state government, covering a wide variety of businesses, industries, trades, and occupations – from boxing and electricians to manicure salons and tow trucks. The department oversees 29 diverse statutes with 142 license types and a licensee population of more than 620,000. TDLR has organized its operations into six functional areas to maximize efficiency and effectiveness:

- Administrative – provides expertise in executive management, legal counsel, human resources, information technology, financial services, government relations, and Commission and advisory board support;
- Compliance – performs inspections and plan reviews, provides industry and technical expertise, and monitors third-party inspectors and plan reviewers;
- Customer Service – helps licensees and the public by answering questions received on the telephone, by email, and from face to face contacts;
- Education and Examination – reviews and approves education courses and providers, and manages

examination functions;

- Enforcement – opens and investigates complaints and criminal convictions, and prosecutes violators; and
- Licensing – processes applications and issues licenses to qualified individuals, equipment, and businesses.

D. ANTICIPATED CHANGES TO MISSION, STRATEGIES AND GOALS

TDLR’s core mission, strategies, and goals remain the same. However, we anticipate the following considerations for our workforce:

- As TDLR relies more and more on technology to deliver our services, we will need to provide our staff with additional cost-effective training and make sure employees improve their knowledge and skills in using these tools.

The agency’s continued level of excellence will result in additional responsibilities, FTEs, and adjustments in our processes to maintain and increase productivity.

TDLR’s Current Workforce Profile

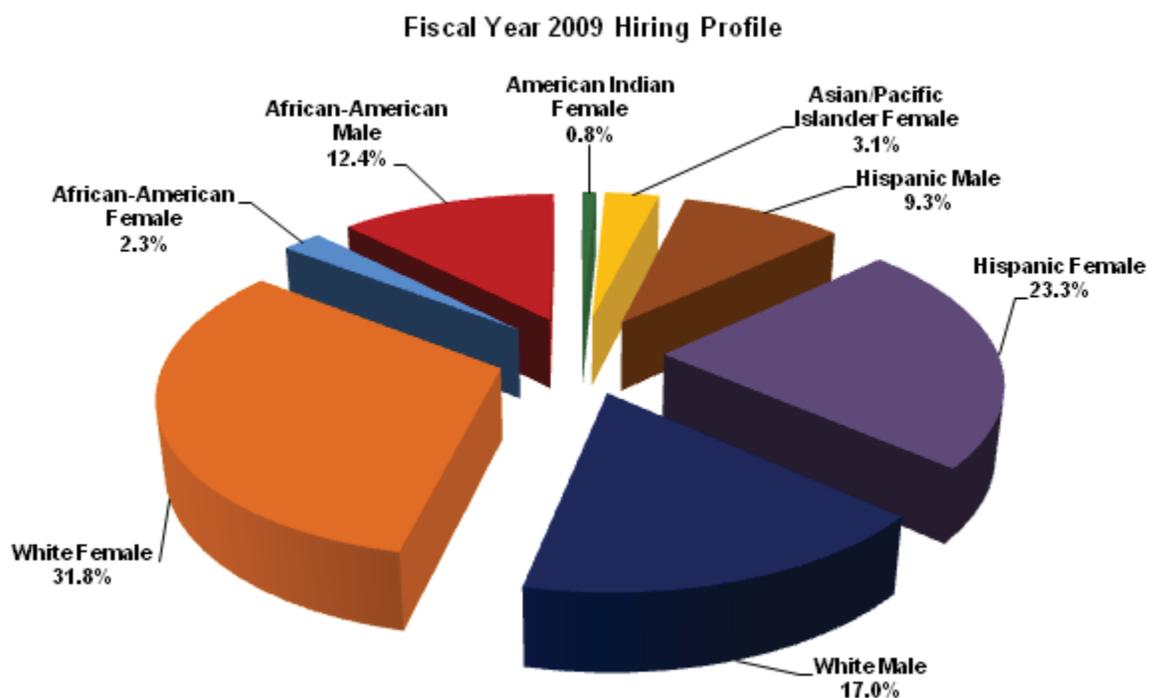
A. WORKFORCE DEMOGRAPHICS

TDLR’s dedicated and knowledgeable staff administer 25 diverse programs. For the 2010 – 2011 biennium the agency has an authorized workforce of 401.7 full-time equivalent positions (FTEs), a 5.8 percent increase over the last biennium. The new FTEs have come as a result of new responsibilities assigned to TDLR by the 81st Legislature, including the regulation of Property Tax Professionals, Polygraph Examiners, Vehicle Booting, and Used Automotive Parts Recyclers. Of the 401.7 FTEs, 327.7 are located in the Austin headquarters and 74 work in field locations around the state.

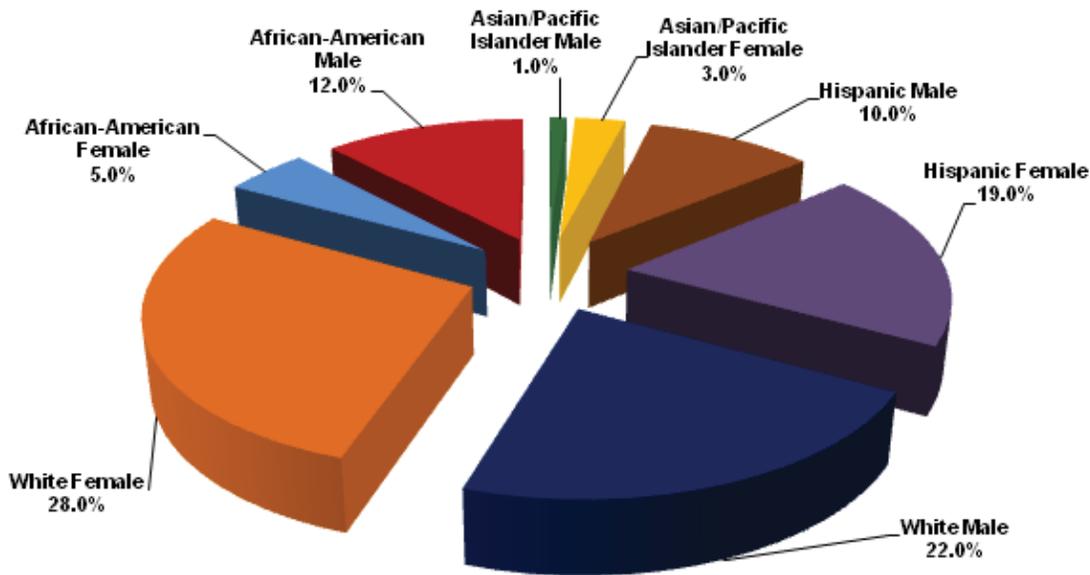
Commitment to Employing a Qualified and Diverse Workforce

Consistent with TDLR’s core values of respect and integrity, we meet our commitment to provide equal employment opportunities to all employees and applicants. We retain and recruit a highly qualified workforce that reflects the diversity of Texas. The charts below show the demographic distribution of the 57 new employees hired in fiscal year 2009 and the 23 hired in fiscal year 2010 through the second quarter.

The charts below show the agency’s demographic hiring profile for fiscal year 2009 (57 new employees hired) and the agency’s demographic organizational profile for fiscal year 2010 through the 2nd quarter (384 FTEs).



**Fiscal Year 2010 Organization Profile
(through 2nd Quarter)**



TDLR’s workforce was 29 percent Hispanic-American, 17 percent African-American, and 4 percent Asian-American in the second quarter of fiscal year 2010. More than half of the workforce was female. The following table further illustrates that diversity, comparing the percentage of African-American, Hispanic-American, Asian-American, and female TDLRemployees to the statewide civilian workforce, thru that same time period.

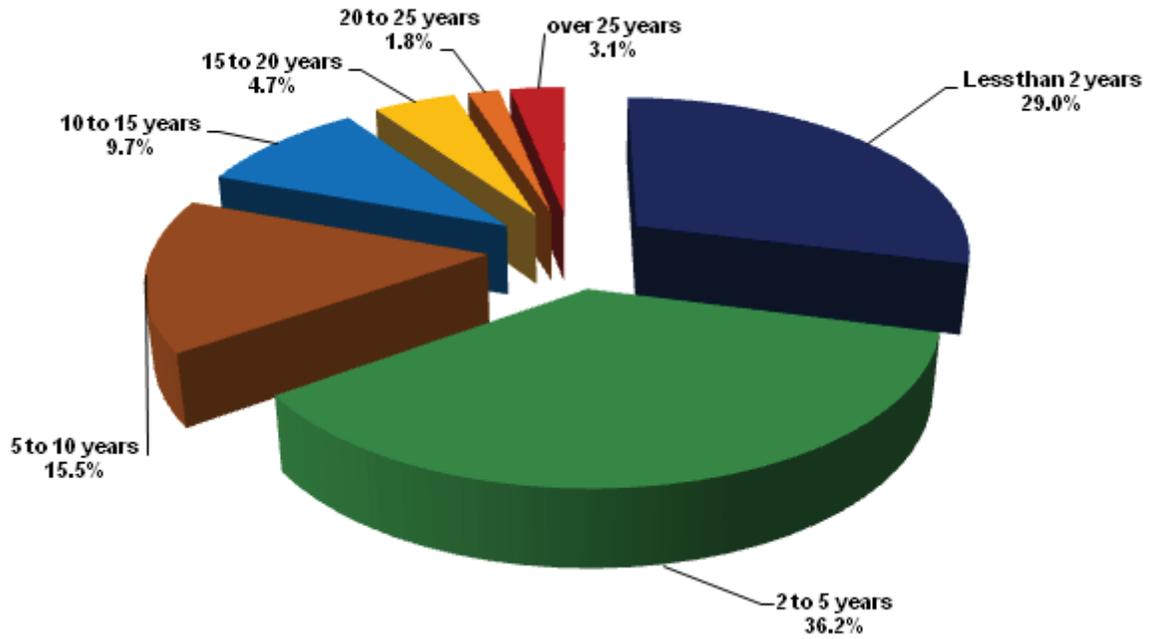
Agency Workforce Composition

JOB CATEGORY	AFRICAN-AMERICAN		HISPANIC-AMERICAN		FEMALE	
	TDLR %	STATE %	TDLR %	STATE %	TDLR %	STATE %
Officials/Administrators	16.7	10.3	5.6	14.6	29.0	45.9
Professionals	16.25	16.0	22.5	20.7	53.0	54.1
Paraprofessionals	9.4	19.8	34.0	30.2	80.0	77.0
Technicians	9.4	12.9	26.4	25.5	37.3	47.7
Administrative Support	24.4	18.8	37.0	31.4	85.6	88.0

Experienced Workforce

In 2005, TDLR had 184.5 FTEs; by 2010, that number grew to 401.7. TDLR values all of its employees – those who have long and valuable experience with agency programs, as well as new additions to the team who bring innovative ideas from outside sources. Nearly 35 percent of our employees have five or more years of experience with agency programs. These employees provide knowledge and industry expertise and contribute to the agency’s positive customer relationships and strategic planning process. Newer employees contribute new ideas that improve our planning, processes, and services. Both are essential to the continued growth and success of the agency. The following chart shows a breakdown of our employees’ length of service with agency programs.

Employee Length of Service With Agency Programs FY 2009



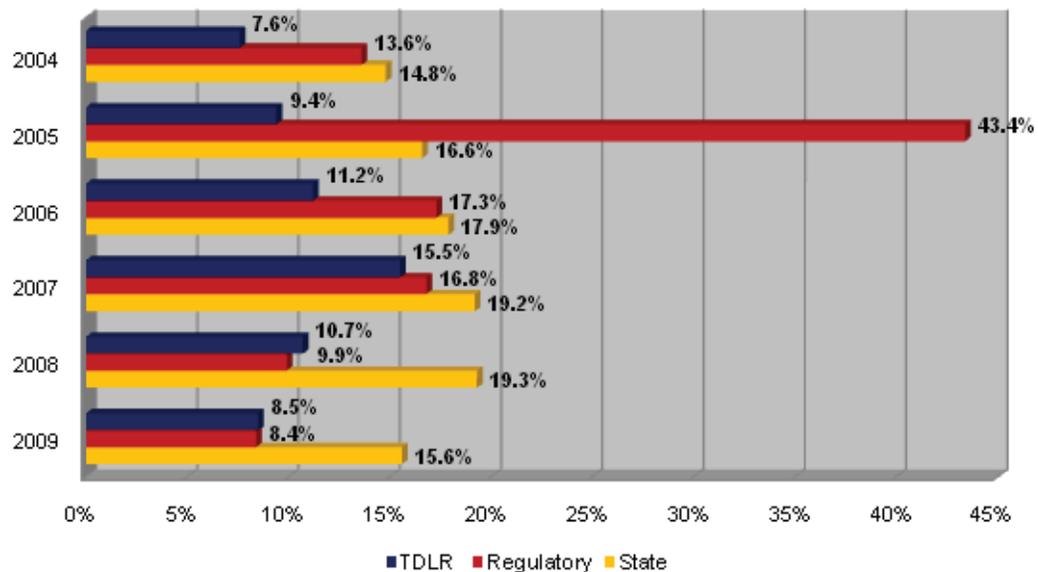
B. EMPLOYEE TURNOVER

To attract and retain a qualified and motivated staff, TDLR provides challenging work with an opportunity for growth in an employee-friendly environment. TDLR has fostered a satisfying work environment as shown by the fact that 84 percent of the people responding to the 2008 and 2009 State of Texas Employee Exit Survey indicated they would want to work for TDLR in the future.

Projected Turnover

TDLR’s turnover rate remains significantly lower than the statewide turnover rate. This trend is expected to continue as the economy remains in decline, limiting availability of private and public sector jobs. TDLR projects a turnover rate of 7.5 percent for fiscal year 2010. This is a considerable decrease from fiscal years 2006 and 2007, when employees seeking other professional opportunities or better pay and benefits contributed to higher turnover.

Statewide, Regulatory Agencies and TDLR Employees



TDLR offers a comprehensive compensation package to attract, motivate, and retain highly skilled and knowledgeable employees. This includes full use of salary ranges, performance awards, and retention and recruitment bonuses. The reduction of these benefits limits TDLR's ability to attract and retain employees. Further reductions in health insurance will discourage people from state employment.

Turnover Rates by Selected Positions

In fiscal year 2009, investigators and customer service representatives contributed to nearly 50 percent of the agency's turnover rate.

FY 2009 TURNOVER BY CLASSIFICATION	PERCENT OF TOTAL FTES	PERCENT OF AGENCY TURNOVER
Customer Service Representatives	10.0	16.1
Investigators	20.0	32.3

While our turnover rate has remained lower than the state average for nearly a decade, we still look for ways to improve the work experience by monitoring the reasons employees leave. When they resign or retire we ask them to complete a survey sharing their reasons for leaving. We analyze their responses to develop and make changes that will further improve the environment for employees at TDLR.

Length of Service and Turnover

TDLR has improved the retention of employees who embody our core values, who are the best fit for the position, and who are able to adapt and thrive in our culture. The higher turnover rate of employees with less than two years of service indicates a need to refine our selection process.

FY 2009 LENGTH OF SERVICE	PERCENT OF TOTAL FTES	PERCENT OF AGENCY TURNOVER
Less than 2 years	42.1	64.5
2-5 years	28.8	6.5
5-10 years	14.3	9.7
10-15 years	6.6	3.1
15-20 years	4.1	6.5
20-25 years	1.8	0.0
25-30 years	2.3	9.7

Age and Turnover

The number of employees under the age of 30 has increased, while the turnover rate decreased from 15 percent in fiscal year 2007 to 0 percent in fiscal year 2009 indicating the agency is succeeding in recruiting and retaining younger workers. However, the chart below demonstrates a higher turnover in comparison to the agency population for those employees over the age of 60 with 86 percent of those employees separating due to retirement.

FY 2009 AGE GROUPS	PERCENT OF TOTAL FTES	PERCENT OF AGENCY TURNOVER
Under 30 years	5.0	0.0
30-39 years	23.0	29.0
40-49 years	34.2	22.6
50-59 years	26.3	25.8
60-69 years	10.9	19.4
70 years and over	.6	3.2

C. INCREASED RETENTION

TDLR's turnover rate has remained significantly lower than the statewide rate for the past five fiscal years. The agency's low turnover rate is a direct result of management's commitment to develop and retain a qualified 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;

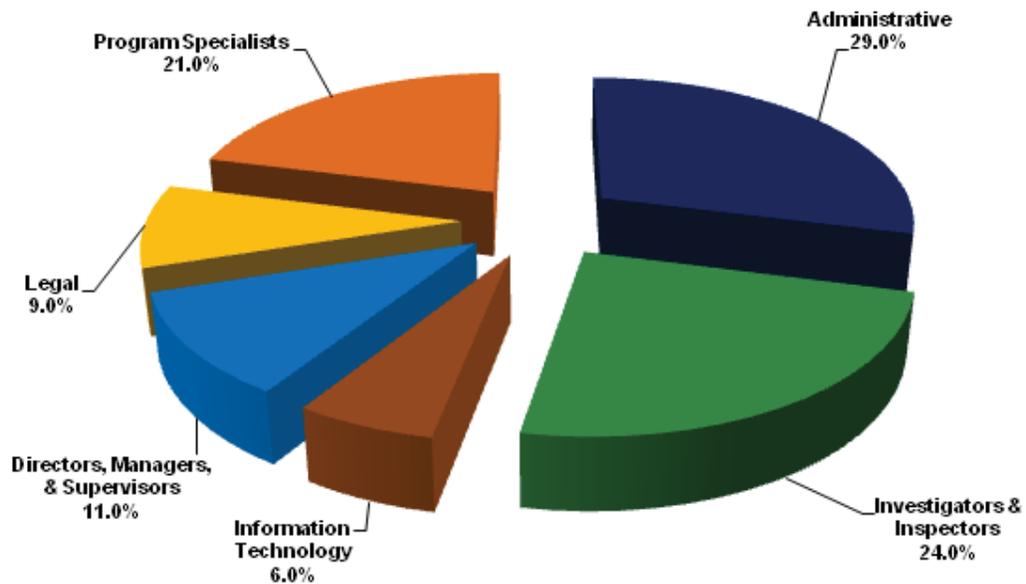
- retention bonuses for critical staff, including bilingual employees;
- “You Can Count on Me” program, facilitating co-worker recognition of teamwork, customer service, and exceptional performance;
- Wellness Program – onsite nutritional, stress-relief, and fitness programs including participation in the Governor’s Challenge;
- length of service awards; and
- internal brainstorming sessions, surveys, and a suggestion box where the executive management responds to feedback received from employees.

Organizational improvements and our focus on stronger leadership, improved communication, aggressive employee development, and a satisfying work environment are important factors in our high retention rate. TDLR’s success is a result of recommended changes through employee feedback, garnered through such tools as the Survey of Organizational Excellence.

D. RETIREMENT ELIGIBILITY

TDLR monitors and analyzes the reasons employees leave the agency. In fiscal year 2009, 26 percent of the separations were due to retirement. This is likely to increase as more than a quarter of our workforce will be eligible to retire within the next five years. Retirement eligibility is particularly high in the administrative, investigator, and inspector classifications. Program specialists make up 19 percent of those eligible to retire. To address this impending retirement the agency is growing leaders and targeting its recruitment for anticipated needs in highly technical areas. The following chart reflects the percentage of employees eligible for retirement by job category.

Retirement Eligibility by Job Category (through calendar year 2015)



E. CRITICAL WORKFORCE SKILLS

TDLR relies on each of its employees to achieve the agency’s mission and goals. Their critical workforce skills include:

- leadership and coaching;
- legal analysis;
- financial analysis;
- project management;
- customer service;
- ability to analyze and solve problems;
- ability to anticipate trends and adjust accordingly;
- ability to interpret and apply statutes and policies;
- technical knowledge for the programs we regulate;
- information technology and telecommunications expertise; and
- plain language skills – oral and written communication.

TDLR's Future Workforce Profile

A. CRITICAL FUNCTIONS AND ANTICIPATED WORKFORCE SKILLS

TDLR's vision is to be the nation's premier state agency, and our proven track record establishes our qualifications. In an economy where consolidation of government is expected, our successful implementation of new and transferred programs demonstrates to the Texas Legislature that it can continue to assign and transfer programs to us with confidence.

As the chart shows below, TDLR's regulated programs, licensee population, and our full-time equivalent employees have increased over the past eight fiscal years. The personnel necessary to effectively administer any new or transferred programs will have to 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
2009	25	604,616	379.5	1,593
2010	25	626,000	401.7	1,558

Although the number of support staff may nominally increase, we anticipate growth to occur primarily in the following functional areas:

Compliance – to help ensure compliance with regulatory requirements, we will continue to attract and retain highly qualified technical staff and industry experts, such as program specialists and inspectors who are well trained in monitoring, educating, and cross-training others, and bringing their unique technical skills and knowledge to the administration of programs.

Customer Service – the volume and complexity of inquiries (telephone, email, and walk-ins) will increase, requiring additional staff with contact center experience, and strong interpersonal, technological, and bilingual skills. Additionally, as the department expands its outreach efforts to include outlets such as facebook, myspace, and twitter the agency will need to train and attract employees with social media skills.

Enforcement – an increase in the number of complaints received will result in the need for more 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 the number of license types and the knowledge required to review those applications to make sure that licenses are issued to qualified applicants will require the agency to hire more people with analytical and problem solving skills. Bilingual employees will also be needed.

TDLR is poised to accept any additional responsibilities, but doing so will require employees who excel in the areas of process analysis, creative thinking, and communication. Future TDLR employees will need to adapt to our performance-based culture, requiring us to train leaders with specific skills in project management and change leadership.

Expected Workforce Changes

- Expanding Responsibilities – An increase in licensees, inspections, and complaints will require our

investigative and inspection staff to assume additional duties, learn new programs, and streamline our inspection and investigation processes. Training of all employees across functional areas and program types will continue to be important so that employees understand how their responsibilities affect other areas and contribute to achieving the agency's mission and goals.

- Decreasing Pool of Employees in Technical Areas – The pool of experienced applicants continues to shrink. We rely on employees with skills in technical areas such as architectural barriers, water well drillers, water well pump installers, and boilers. Our experienced program specialists and inspectors develop and cross-train current and new employees.
- Technological Advances – As TDLR increases its reliance on information technology, the development of software and systems maintenance necessary to respond to customer needs, provide quality services, and conduct day-to-day business operations will be critical. Our increasing reliance on technology requires employees who are proficient in such technologies.
- Aging Workforce and Pending Retirements – Our aging workforce and increased number of retiring employees demands constant refining of the agency's succession planning efforts.

B. ANTICIPATED INCREASE IN NUMBER OF EMPLOYEES

In the last four Legislative sessions, TDLR received additional regulatory programs, along with additional staff to administer those programs. Nonetheless, the agency's ratio of employees to licensees remains the lowest among all regulatory agencies. This ratio demonstrates our ability to deliver premier services in a cost-effective and prudent manner within our limited resources.

Our past success suggests more programs will be transferred to TDLR. Future staffing needs will be determined by the statutory objectives of the programs transferred and how easily the programs can be incorporated into our business model.

Should future Legislatures assign additional programs to TDLR, we are poised to accept and successfully carry out any new responsibilities. A corresponding increase in FTEs is necessary to achieve effective administration. Although the number of support staff may nominally increase, most of the increase would occur in our compliance, customer service, enforcement, and licensing divisions.

Gap Analysis

A. ANTICIPATED SHORTAGE IN STAFFING LEVELS

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

- The pool of qualified applicants for our technical programs such as architectural barriers, boilers, field inspectors, water well drillers and pump installers has declined significantly as fewer applicants possess the necessary experience. Additionally, the pay and benefits of the private sector compounds the challenge in hiring and retaining technically skilled employees.
- Currently 25 percent of our workforce is or will become eligible for retirement within the next five years, including the executive director and eight percent of our directors and managers. Included in these potential retirements are staff with highly specialized skills, leadership ability, and technical knowledge.
- Although 81 percent of new employees hired in fiscal year 2008 continue working here, 48 percent of the separations occurred within the first six months of their employment. This indicates a need to improve and strengthen our hiring practices to ensure that we effectively communicate our expectations.

B. ANTICIPATED SHORTAGE OF SKILLS

TDLR realizes its employees continue to need training in critical and future workforce skills. We work to ensure that our workforce has the appropriate skills, knowledge, and motivation to achieve the agency's vision, mission, and goals.

- A large number of employees identified as eligible for retirement are either in management positions or positions requiring critical technical knowledge. We continue to focus on these key positions in our succession planning to ensure that we successfully administer our programs without interruption. Succession planning includes training, mentoring, cross-training for technical program positions, and leadership development.
- TDLR's history of receiving new responsibilities has continued bringing our managers to the reality that change is a constant. To choose suitable approaches to implement change, motivate employees to welcome change, and develop strategies to support our goals. We then apply our performance-based culture to support new structures and processes through coaching, communication, critical thinking, leadership, and project management.
- As our regulatory responsibilities grow, cross-training of employees within functional areas is important. Our employees embrace the agency's philosophy of excellent customer service and understand how their performance affects other areas and helps achieve the agency's vision, mission, and goals.
- A diversified, well-trained staff allow TDLR to serve more customers who speak languages other than English. Although we increased our number of bilingual staff, we continue to focus on the recruitment and retention of bilingual employees in positions requiring customer contact. The department uses retention bonuses to retain bilingual employees. In fiscal year 2009, 15 percent of our staff received a bilingual retention bonus.
- Our increasing dependence on technology requires employees with programming and networking skills. To retain these vital skills, retention bonuses are provided to all eligible technology staff.

Strategy Development

TDLR developed the following goals to address the anticipated workforce gaps. These goals will allow us to maintain quality employees and retain a capable and committed workforce.

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

Goal: Grow leaders to replace retiring key staff thereby maintaining continuity in leadership and service quality.

Rationale: The majority of retirements over the next five years will be executive level, managers, and staff who possess critical technical skills and knowledge. We will continue to identify and analyze these key positions and prioritize core competencies.

Action Steps:

- Work with executive management to identify opportunities for management level training, cross-training, and involvement on specific agency teams, such as new program implementation, strategic planning, and legislative teams.
- Increase the use of mentorship programs to minimize potential skill shortages.
- Maintain written procedures to capture and transfer knowledge.

Attracting and retaining the best employees for each job.

Goal: Attract qualified employees with skills to help the agency perform with excellence.

Rationale: Recruiting and retaining employees who can contribute to achieving TDLR's goals and objectives are crucial to our continued success.

Action Steps:

Recruitment

- Target recruiting efforts based on agency priorities and changing workforce needs, not specific job vacancies.
- Continue to broaden the scope of recruiting to attract a diversified workforce, using TDLR's email notification system, website, and bulletin boards, as well as job banks, newspaper advertisements, and Internet recruiting sources.

Retention

- Use pay incentives to attract and retain skilled staff.
- Continue to recognize and reward employees through the Employee Recognition Team.
- Expand the use of alternative work schedules, telecommuting opportunities, and the Wellness Program.

Improving critical and future workforce skills.

Goal: Enhancing the skills of our quality workforce.

Rationale: A trained, capable, and motivated workforce is critical for the agency to accomplish its mission.

Action Steps:

- Develop training to teach managers recruitment techniques, performance development, and retention strategies.
- Continue to train employees on skills needed to maximize the use of new technologies.
- Cross-train employees in functional areas so they understand how their responsibilities and performance affect the agency as a whole.
- Use brainstorming sessions, surveys, and follow-up meetings with agency employees to identify training needs.

Appendix G

Effect of Federal Activities on State Regulatory Functions

Federal Statutes and Regulations

The Americans with Disabilities Act of 1990 (ADA)

2010 marks the 20th anniversary of the ADA (42 U.S.C. §§ 12101 et seq.). The ADA and the Americans with Disabilities Act Accessibility Guidelines (ADAAG), which are enforced by the U.S. Department of Justice (DOJ), establish requirements for construction and renovation projects to make buildings and facilities accessible to persons with disabilities. DOJ has certified that the Texas Architectural Barriers Rules and the Texas Accessibility Standards (TAS), adopted and administered by TDLR, are equivalent to the construction and alteration requirements of the ADA, Title III.

Interstate Commerce Act

The Interstate Commerce Act of 1887, as amended (49 U.S.C. §§ 101 et seq.), which is regulated by the U.S. Department of Transportation, addresses the relationship between federal and state authorities for regulating motor carriers including tow trucks. The Texas Legislature assigned the regulation of tow trucks to TDLR during the 80th Legislative Session (2007). Section 14501 of the Act prohibits states from enacting or enforcing any law, rule, or other provision relating to the price, route, or service of motor carriers with respect to the transportation of property. This section, however, does not restrict the states' authority to establish safety regulations for motor carriers, to require minimum amounts of financial responsibility and insurance, or to regulate prices charged for some non-consent towing.

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, vehicle protection product warrantors, and identity recovery service contract providers licensed by the department. Under the Act state regulation of risk retention groups is limited, and states generally may not enact laws that discriminate against risk retention groups. However, when risk retention groups fail because they do not maintain adequate financial reserves – at least three have in years past – Texans holding service contracts suffer losses. To effectively address this problem and avoid any conflict with federal law, the Texas

Legislature and TDLR have had to craft consumer protections in a way that would not unfairly disadvantage risk retention groups. Changes to Texas law in 2005 and subsequent changes to TDLR rules required that all insurance companies providing financial security for licensed service contract providers must maintain minimum amounts of capital and surplus.

Magnuson-Moss Warranty Act

The Magnuson-Moss Warranty Act (15 U.S.C. §§ 2301 et seq.), enforced by the U.S. Federal Trade Commission (FTC), primarily gives protections for warranties of consumer products, including service contracts. Under the Act, the FTC may prescribe 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 provide greater consumer protections and do not unduly burden interstate commerce. TDLR regulates service contract providers, vehicle protection product warrantors, and identity recovery service contract providers even though warranties are exempt from Texas Occupations Code, Chapters 1304, 1306, and 2306.

Professional Boxing Safety Act

The Professional Boxing Safety Act (15 U.S.C. §§ 6301 et seq.), amended by the Muhammad Ali Boxing Reform Act in 2000, is administered by the Federal Trade Commission. The Act requires that boxers register with state boxing commissions, like TDLR, which in turn issue federal identification cards to the boxers. State boxing commissions are required to report within 48 hours the 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 contestants and enforce medical suspensions. Each state is required to establish safety standards at least equivalent to those in 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), enforced by the U.S. Department of Health and Human Services, provide that nursing facilities receiving Medicare or Medicaid reimbursements are subject to the National Fire Protection Association (NFPA) Life Safety Code 101. These facilities must comply with the NFPA Code rather than the Model Building Codes adopted by TDLR's Industrialized

Housing and Buildings Code Council.

Clean Air Act

The Clean Air Act (42 U.S.C. §§ 7401 et seq.), administered by the U.S. Environmental Protection Agency, addresses the purchase and use of refrigerants used in air conditioning and refrigeration equipment. These federal requirements have been incorporated into Texas Occupations Code, Chapter 1302, Subchapter H. This subchapter requires persons who are neither exempt from license requirements nor 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.

Energy Policy and Conservation Act

The Energy Policy and Conservation Act (42 U.S.C. §§ 6291 et seq.), administered by the United States Department of Energy (DOE), 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, energy conservation standards, and when energy conservation standards set by state and local government are not preempted by the federal standards. TDLR monitors this statute for increases in the required minimum efficiencies through its air conditioning and refrigeration program. The Energy Independence and Security Act of 2007 amended this law to (1) update the efficiency standards for residential boilers manufactured on or after September 1, 2012, and (2) allow DOE to establish regional standards for space heating and air conditioning products, other than window unit air conditioners and portable space heaters.

Help America Vote Act of 2002

The Help America Vote Act of 2002 (HAVA) (42 U.S.C. §§ 15301 et seq.), administered by the U.S. Election Assistance Commission, the U.S. Department of Justice, and the U.S. Department of Health and Human Services, provides federal funds to election officials for improvements. The improvements include modifications to make polling places more accessible. TDLR provides technical expertise to the Texas Secretary of State's Office and county officials regarding ways of complying with HAVA's accessibility standards.

Other Federal Laws and Regulations

- Individuals and organizations conducting weather modification operations are required by federal law (15 U.S.C. §330 et seq.) and regulations (15 C.F.R Part 908) to report their activities to the National Oceanic and Atmospheric Administration (NOAA) within the U.S. Department of Commerce. TDLR's weather modification administrative rules require that a person conducting weather modification activities in Texas must timely file with TDLR a copy of the reports filed with NOAA.
- 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 H

Information Resources Strategic Plan

Impact of Technology on Current Department Operations

Technology is a cornerstone of TDLR's business model. Our reliance on technology can be seen throughout the agency. Since the agency's last strategic plan, we have made the following advances using tools developed in-house and off the shelf software and/or hardware.

TDLR software development staff successfully converted the licensing software of the polygraph examiners and property tax professionals from the separate agencies previously responsible for regulation of these industries.

- **PTP Core Course Posting System:** From this system, the property tax professional education provider can post property tax professional licensees' core course completion online. Since its release on March 1, 2010, 448 records have been posted from this system.
- **Elevator Inspection Online Reporting System:** Since its release on August 3, 2009 there have been 30,267 inspected elevators within 14,738 buildings reported. From this system, inspectors can notify TDLR that an elevator has been inspected and add new buildings and new elevators online.
- **The Elevator Inspection Reporting System** provides an on-line method for Qualified Elevator Inspectors to log inspections with TDLR. This allows the agency to know immediately that an inspection has occurred and facilitate follow-up with building owners.
- **AB Projects Registered and Paid Online:** Over 23,000 architectural barriers projects have been registered and paid for online since the new system was released on October 15, 2008.
- **SHEARS:** Using this system, a cosmetology or barber school can enroll students, pay enrollment fees, drop students, update student profiles, post student pre-education hours monthly, look up student hours, and update student hours.
- **Online Continuing Education Roster System:** From this system, continuing education providers can post licensee continuing education hours any time.
- **Online Renewal System:** An average of 500 licenses per day were successfully renewed online between September 2008 and August 2009.
- **TDLR License Data Search and Architectural Barriers Data Search** pages have a smartphone version, expanding the reach to mobile users. It has proved to be very useful for our field staff.
- **New License Application Online System:** An average of 127 license applications per day were submitted online between September 2008 and August 2009.
- **Cosmetology/Barber Book Order Online System:** 20,944 book orders were made online between September 2008 and August 2009.
- **In-house Help Desk:** In September 2008 TDLR launched a new online Help Desk application allowing agency staff to report incidents, request new services or equipment, and report new hires or staff separations. Since that time we have received and resolved over 11,000 help desk requests. We continue to upgrade this system to allow new opportunities for staff. Upgrades include hardware and software inventory system and a hierarchical approval system.
- **Mobile Communication devices** play an important role for our field deployed staff by providing voice and email communication; access to TDLR's websites and software to perform licensee data searches; and secure connection to the TDLR network.
- **Global Positioning System (GPS):** Our field staff use GPS technology to identify the location of water wells and boilers.

- Audio and Video Streaming services are provided for public meetings and internal town hall meetings.
- Secure Wireless Networking is used in many conference rooms by staff to collaborate during meetings and work away from their primary office location.
- An agency-developed document Imaging System provides for simultaneous multiple-user access to documents and eliminates the need for paper file storage.
- Patching of operating system and application software is automated via a centralized distribution server.
- Desktop computers that are over four years old are replaced in accordance with TDLR's personal Computer Refresh Plan.
- TDLR is a part of the Data Center Consolidation agreement in which IBM is required to provide:
 - 24/7 support of agency servers and system software;
 - disaster recovery services;
 - server consolidation of legacy hardware to modern virtualized systems;
 - storage management of disk and tape functions;
 - facility and environmental support; and
 - hardware and software procurement for in-scope services.
- The agency-developed Timekeeping System automates the exchange of payroll information between TDLR and the Comptroller of Public Accounts, eliminating the need for redundant data entry.
- The agency-developed, browser-based Purchase Tracking System replaces a legacy system of linked spreadsheets. The new system is user friendly and more reliable.
- Security Systems for web and email. The network services division continues to improve our security by investing in new technologies to further prevent malicious code and threats to our systems. Our security services include scanning of all incoming email and a web security solution that identifies and blocks access to sites that might cause harm to our systems.
- Network Back-up: In this past year we have established redundant network connectivity between both TDLR buildings in Austin and the consolidated data center. This fail safe solution minimizes downtime for staff and external users.
- Cost Savings achieved by re-routing long distance calls over our newly installed network transport in support of our customer service contact center solution.
- Training Facilities: Our need for training increases as our systems become more complex. TDLR now has three permanent training areas equipped with dedicated workstations, projectors, and screens. Each of these facilities can be reserved via an online process.

Impact of Anticipated Technological Advances

The public's increased use of new and more powerful Mobile Computing devices (PDA, smartphone, etc.) and online applications will change the way services are delivered.

- Mobile devices and the impact of user demand for mobile-enabled applications will further drive TDLR's application developers to look at in-house developed software and make the necessary improvements to allow them to work effectively on hand held devices. TDLR's own mobile applications will effectively expand TDLR's reach to mobile device users and enable TDLR's staff to access licensing and inspection data during field operations.
- Online social networks continue to grow in popularity. TDLR will explore participating in social networks as a new way to reach and service customers.
- Virtual desktops will allow us to move away from individual desktop computers by plugging into a centralized server. This shared system leaves a smaller footprint and allows more network and storage space.

- Data warehouse server for data query.

Agency Automation

TDLR has automated the pre-license education process for cosmetology and barber students with its SHEARS system. Student enrollment, fee payment, and the posting of accumulated hours of instruction are performed by the education providers relieving the workload of TDLR personnel.

TDLR has developed an online system for the pre-license education process for property tax professionals. The system allows approved education providers to directly post course completion records to the TDLR TULIP database. Additionally, providers of tow operator pre-certification courses directly post course completion data into each operator's record on the TULIP database.

Continuing education course completion tracking is accomplished online. Education providers post directly into the TDLR licensing database. This prevents redundant record keeping and data entry.

TDLR inspectors have a central location on the agency intranet to view their schedule of facilities to be inspected. Since TDLR inspectors are cross-trained to inspect a variety of facility types, this system allows them to search by geographic area to maximize their efficiency.

TDLR uses the Lock Box services of the Comptroller of Public Accounts for coupon-based fee payments and renewals of cosmetology licenses. This eliminates the need for staff to handle the mail and data entry for these transactions.

TDLR was one of the original users of the TexasOnline payment service. The agency continues to expand its use of this service.

TDLR outsources the printing of license cards for many of its license types. This service provides a durable identification card and eliminates the need for TDLR staff to mail the licenses.

The agency uses an internal instant messaging system for quick communication and collaboration.

Migration from standalone to multi-function devices has freed up more space and resulted in fewer devices to support. This has given staff new capabilities such as scanning documents straight to their email as well as sending or receiving faxes to their email.

The agency uses Mindleaders, an online training service, for training in a multitude of courses from operating systems to business productivity.

Future Automation Needs

As technology evolves, it is TDLR's job to prepare our internal systems and our external users for those changes. We will continue to develop plans to migrate or update current systems as well as write new programs and design new systems. Some of these are listed below.

- Training Delivery – TDLR plans to increase the availability of training resources by delivering information via the Internet, intranet, CD/DVD, podcasting, and audio/video conferencing.
- Mobile Computing – We will develop software that provides access from mobile computing devices (PDA, smartphone, tablet PC, etc.) for TDLR staff use in tracking travel and submitting inspection reports.
- Online Registration – TDLR will develop an online registration system for the Texas Accessibility Academy that can be used to register for other TDLR events.
- User privacy – TDLR will explore allowing licensees to block personal data from appearing in online reports.
- Video Conferencing – TDLR is exploring the use of video conferencing for advisory board meetings, Commission meetings, and staff meetings to reduce travel expenses.
- Record Retention Policy – It is imperative that we align our Imaging System with our retention policy as TDLR's reliance on electronic document imaging increases.

- Web-based reporting – We will increase the amount of automated reports to web interfaces which will allow staff to search and only print necessary sections of reports.
- Availability for the public to open an online chat session with customer service.

Appendix I

Report on Customer Service

The Texas Department of Licensing and Regulation focuses on customer service as one of seven core values that define our culture. We believe each person we serve deserves our best effort. 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. In short, we respect our customers.

The customer service division provides the first point of contact for most of our customers. There are 41 employees that work in the division, answering phone calls, responding to emails, and helping numerous people who visit our downtown office. Customers can call us from 7 a.m. until 6 p.m. Monday through Friday. The customer service team goal is to answer all questions in a single call or email so customers do not waste their time making multiple calls or sending repeat emails. We ensure callers can reach us within a reasonable amount of time. We receive an average of 7,000 calls each week and 93 percent of these calls are answered. This percentage is outstanding and shows a huge improvement from the 43 percent in 2007.

We believe providing premier customer service is equally important in every division of the agency. While most customer contact occurs through our customer service division, nearly every staff member interacts with the public in some way. Each TDLR employee strives to offer great service.

Compact with Texans

TDLR understands that premier customer service requires training, support, and follow-through. We invest our resources in training our employees to anticipate and meet the ever-changing needs of our customers. As part of our commitment to our customers, we have developed the following service standards in our Compact with Texans:

- TDLR is committed to providing courteous, respectful, and accurate service to every person we serve.
- TDLR is committed to responding to your telephone and email inquiries within one working day.
- TDLR is committed to responding to your mail inquiries within one week.
- TDLR is committed to acknowledging receipt of your complaint against an individual or entity regulated by us within two working days.

What's New

TDLR constantly works to improve its customer service in all areas. In addition to embracing technology and using it to better serve our customers; TDLR has also accomplished the following list of new efforts and improvements since our last strategic plan:

- Increased online services including renewals, applications and issuing of licenses
- Targeted staff increases, including more bilingual speakers in the customer service, enforcement, and compliance divisions
- An additional customer kiosk station and an additional employee at the front desk in the lobby to manage increased customer visits to TDLR's downtown office
- A customer service contact center that provides a central location for all customer calls and emails, ensuring they are handled in an efficient and friendly manner
- Enforcement and compliance division employees participated in public forums regarding the architectural barriers, boilers, electricians, polygraph, towing, vehicle storage facilities, and used automotive parts recyclers programs
- Using plain language in forms and documents so the information and instructions are easy to understand
- More subscribers to our email notifications (currently more than 620,000 subscribers and rising)
- More interdivisional meetings to broaden employees' knowledge-base and ultimately better serve our customers



- Dedicated phone lines in our enforcement division for Spanish and Vietnamese speaking customers
- Issues many press releases and forms in Spanish and Vietnamese
- Electronic notification of elevator inspections, reducing processing time
- More training of field inspectors to keep them current on statutory and rule requirements
- Increased presence and participation in trade shows for programs regulated by TDLR
- Participate regularly in a nationwide Vietnamese radio and television show to answer questions about the licensing and duties of cosmetologists
- Successfully implemented new responsibilities from the 81st Legislature by seamlessly transitioning licensees from transferred programs to TDLR
- Developed an inspection reporting system for the towing and vehicle storage facilities programs, allowing licensees to view their inspection results online
- Education and examination division employees participated in first ever statewide public forums on education related issues affecting the property tax professionals program
- Provided smartphones to field inspectors, allowing them to work more efficiently and effectively
- Created an online ordering system for cosmetology and barber books
- Participate regularly in a radio show in the Houston-based market to answer questions about the licensing and duties of air conditioning contractors
- Conducted presentations and training sessions for the Department of Public Safety, county sheriffs' offices, and city law enforcement departments about the tow truck industry

TDLR will continue to develop and use new processes and technology to better serve our customers.

Customer Service Related Performance Measures

Method of Survey

TDLR receives feedback from its customers through brainstorming sessions and online surveys.

We use brainstorming sessions because we have found they allow for more specific feedback than the limited scope of a traditional survey. Our brainstorming sessions are open forums that encourage our customers to discuss a full range of issues and build off of each comment. Brainstorming participants give a more complete picture of their opinions, which ultimately allows us to fully address their issues.

We held 11 brainstorming sessions from March 22-24, 2010. We asked each brainstorming group the following questions:

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

TDLR also offered an online survey to customers who could not attend a brainstorming session or preferred to contribute in another way. We asked participants to rank their level of satisfaction in numerous areas and also allowed them to express their opinions in written form. We accepted responses to the survey from March 10 through April 1, 2010.

Output Measures

Total Customers Surveyed

Invitations to participate in the brainstorming sessions and the online survey were posted on TDLR's website and sent to TDLR's more than 620,000 email notification subscribers. A total of 1,382 people participated including 83 in the brainstorming sessions and 1,299 responding to the online survey.

Total Customers Served

TDLR's total license population is over 620,000. This includes individuals, businesses, and facilities. TDLR also serves all Texans who receive services from our licensees.

Outcome Measures

Percentage of Surveyed Respondents Expressing Overall Satisfaction with Customer Services Received

Satisfaction reported by online survey participants

- 90% were satisfied with TDLR interactions
- 89% were satisfied with accuracy of email answers
- 88% were satisfied with complaint updates
- 87% were satisfied with initiating complaints
- 82% were satisfied with complaint investigation completeness
- 80% were satisfied with complaint response
- 79% were satisfied with phone answers accuracy
- 69% were satisfied with phone ease
- 45% were satisfied with inspectors' explanations
- 32% of continuing education providers were satisfied with course registration
- 25% were satisfied with reporting continuing education completion

TDLR's preferred method of gathering information, customer brainstorming sessions, does not allow calculation of percentage of persons expressing overall satisfaction.

Brainstorming session participants were asked, “What is the agency doing well?” Their answers indicate they are most satisfied with TDLR’s communication tools. They are least satisfied with the content and lack of variety in continuing education courses offered by providers.

Brainstorming comments regarding what we are doing well fall into five broad categories: preferred communication, issuing licenses, timely response, knowledgeable staff, and policies and procedures.

Preferred Communication: Licensees like the multiple options for communicating with TDLR, including phone, email, web, and face-to-face. Examples of their comments are listed below.

1. Executive management at annual and regional conferences (examples: Tax Assessor Collectors Association of Texas, Texas Association of Assessing Officers, Texas Association of Appraisal Districts, Texas School Assessors Association, Texas Association of Municipal Tax Administrators, and Texas Rural Chief Appraisers, Inc.)
2. TDLR employees get back to customers quickly, don’t leave you hanging like the prior agency did
3. Email is an excellent form of communication, get response in one day.
4. TDLR will listen to the customer
5. Getting information on the website
6. Recording of meetings on the website
7. Response to public information requests excellent; more than enough information
8. Survived the transition, have a good working relationship
9. Conducting strategic planning meetings
10. Roundtable discussions after regularly scheduled advisory board and industry meetings
11. Open-door policy for the meeting, everyone is welcome
12. Putting out more information
13. Sending more frequent emails
14. Giving industry opportunity to respond and give input
15. Communication with frequent emails explaining how TDLR is interpreting issues and giving reasons why
16. TDLR listens very well; TDLR listens to complaints, gives feedback and makes changes
17. Open lines for communication
18. Quick response on phone calls and emails
19. Good attitude/receptive
20. Boiler program group responsive when called
21. Good personal relationship with boiler program staff
22. Customer service has gotten much better over the past year
23. Good access to the TDLR staff
24. Good communication with agency updates, newsletters, and emails
25. Website is laid out well, information is easy to

find

26. Solicit feedback from everybody
27. Website and the interface for folks in the consumer market is very user friendly
28. TDLR listens and has an open-door policy and communicates well with the industry
29. Regulators get more out of the industry with the open-door relationship described above

Issuing Licenses: Licensees appreciate the quick and easy license application and renewal processes. Particularly, brainstorming participants identified the efficiency of online services. Examples of their comments are listed below.

1. Getting license to applicants, quick and easy
2. Screening criminal background to protect the public
3. Efficient issuing of licenses
4. Online access of TDLR database to search, submit applications and renewals

Timely Response: Licensees acknowledge TDLR’s prompt services, like responses to inquiries, license renewal, and testing management. Examples of their comments are listed below.

1. Students are now tested in a timely manner
2. Test results are delivered in an expedient manner
3. Quick turnaround for license renewal

Knowledgeable staff: Customers appreciate the staff’s expertise in program areas. Examples of their comments are listed below.

1. Inspectors and examiners are very helpful
2. Industrialized Housing and Buildings staff are knowledgeable of code

Policies and procedures: Participants value TDLR’s effective regulation of its programs. Examples of their comments are listed below.

1. TDLR programs protect the public
2. Inspection of elevators has gotten a lot better
3. Registered Accessibility Specialist training has improved

Percentage of Surveyed Customer Respondents Identifying Ways to Improve Service Delivery

TDLR’s preferred method of gathering information, customer brainstorming sessions, does not allow calculation of the percentage of persons identifying ways to improve service delivery. Brainstorming session participants were asked, “What could TDLR do better?” and “If you could change one service that we provide or eliminate or amend any provision of TDLR’s statutes or rules, what would it be?”

We received a total of 1,299 online comments, and 233 (11 percent) of them related to customer service.

Of those 233 customer service related comments,

144 (62 percent) relate to inspection or investigation services. The survey respondents requested more compliance inspectors and enforcement investigators in the field, faster resolution of complaints and more knowledgeable inspectors. Tracking unlicensed air conditioning and electrical contractors was the most requested action.

The remaining 38 percent of the customer service comments related to improving or providing more customer services by adding more online applications, online payment options, locations for testing, and knowledgeable and friendly phone service.

The 233 customer service comments can be divided into three categories: increased services, preferred communication, and issuing licenses.

Increased services: 172 comments (13 percent of all online survey comments) were provided. Common themes included:

- Protect Texans
- More inspectors and investigators in the field to enforce the law
- Expedite complaint processing
- Provide more online services and payment options
- More locations for examinations and continuing education

Preferred Communication: 55 comments (four percent of all online survey comments) were about phone calls, emails, and face-to-face communication. They requested quick, friendly, and knowledgeable responses from our customer service representatives.

Issuing Licenses: Six comments (< one percent of all online survey comments) addressed faster processing of licenses and certificates and more detailed information in Request for Information letters.

Efficiency Measures

Cost per Customer Surveyed

TDLR did not incur any additional cost for conducting the survey and brainstorming sessions.

Explanatory Measures

Total Customers Identified

TDLR has over 620,000 licensees as its primary customer base. TDLR's customers also include Texans who rely on the services of licensees, who contact TDLR to inquire about programs, and who file complaints against licensees.

Total Customer Groups Inventoried

This inventory includes persons licensed in TDLR's

25 programs. It also includes Texans who rely on the services of licensees, who contact TDLR to inquire about programs, and who file complaints against licensees.

Customer Service Strategic Priorities

More Online Services

We frequently receive praise for the many online services we provide. Because of this success, we often receive requests for more online services. As part of our efforts to address the needs of our customers, we have established the following priorities for online service:

- **Online license applications and renewals** – We will add online license applications and renewals for additional TDLR programs. This priority will require additional programming by our information systems development team.
- **Online payments** – We will modify our systems to accept online payments for services such as duplicate licenses and penalty payments. This priority will also require additional programming by our information systems development team.
- **Web design** – We will redesign our website to make it easier to find information and access services. TDLR has started this process and expects to move to the new design by the end of the fiscal year. We are committed to evaluating the design of our website annually.
- **Plain language** – TDLR's plain language initiative has already improved many documents and we will continue to identify more forms, documents, and applications that would benefit from a more direct writing style. TDLR will continue updating old items on our website and creating new documents with plain language to ensure that all information is clearly written and easy to understand.
- **Multiple languages** – Much like the plain language priority above, TDLR will continue to offer more information in Spanish and Vietnamese to ensure our message is easily understood. We will look for needs in additional languages, including Korean.
- **Social networks** – TDLR will explore participating in online social networks. Given their wide and ever-growing popularity, social networks may allow TDLR to serve customers in more effective ways.
- **Webinars** – We will explore providing online seminars for customers to participate in and/or view online. These webinars will allow us to share critical information in new ways to more people.
- **Online surveys** – TDLR will expand its use of online surveys so that we may receive customer feedback more often than every two years during the strategic planning process.
- **Online accounts for licensees** – We will explore the benefits and costs of creating and maintaining online account profiles for licensees, allowing them to easily track the status of their license(s),

continuing education hours, penalties, and fees.

Faster Response to Complaints

We received several comments about how quickly we respond to complaints regarding licensees and unlicensed activity. These comments include two separate areas: inquiries about the status of complaints and the resolution of complaints. TDLR recently purchased case management software that will allow us to have paperless files, to more effectively work each case, and to track the status of each complaint. This software will significantly improve the speed and efficiency of our complaint resolution process.

Knowledgeable and Courteous Phone Service

TDLR will continue to identify ways of improving the knowledgeable and courteous phone service that our customer service representatives provide. Our customer service division recently started a quality control process that allows for a peer review of calls and coaching from team leads to improve accuracy and quality of service.

Inform Program Industries of Unlicensed Activity Cases

We will more actively publicize unlicensed activity cases on our website and in email notifications to our more than 600,000 subscribers. Several survey participants indicated they want TDLR to go after unlicensed individuals and businesses more aggressively. We strongly agree that addressing unlicensed activity protects consumers and provides a fair playing field for licensees who follow the rules. We believe we received these comments because not enough people are aware of the many unlicensed activity cases we consistently file and resolve.

Hold Our Third-Party Vendors to the Same Customer Service Standards as TDLR Employees

We will work with and monitor our third-party vendors to ensure our customers receive the same level of customer service that we provide.

Strategic Priorities Requiring Additional Appropriations

More Compliance Inspectors and Enforcement Investigators in the Field

We received several comments stating that TDLR does not have enough inspectors and investigators to cover the state. We also received feedback that we should do more inspections on the weekend. While we think these comments have merit, we are unable to increase field staff because of budgetary limits.

Customer Service Contact

Customers may contact us by phone, fax, email, in person, and by mail.

Telephone: 512-463-6599
Toll-Free (in Texas): 800-803-9202
Fax: 512-475-2871
Relay Texas-TDD: 800-735-2989

Air Conditioning and Refrigeration Contractors: CS.Air.Conditioning@license.state.tx.us
Architectural Barriers: CS.Architectural.Barriers@license.state.tx.us
Auctioneers: CS.Auctioneers@license.state.tx.us
Barbers: CS.Barbers@license.state.tx.us
Boilers: CSBoilers@license.state.tx.us
Combative Sports: CS.Combative.Sports@license.state.tx.us
Cosmetologists: CS.Cosmetologists@license.state.tx.us
Electricians: CS.Electricians@license.state.tx.us
Elevators, Escalators and Related Equipment: CS.Elevators.Escalators@license.state.tx.us
Identity Recovery Service Providers: CS.ID.Recovery@license.state.tx.us
Legal Service Contracts: CS.Legal.Service.Contracts@license.state.tx.us
Licensed Court Interpreters: CS.Court.Interpreters@license.state.tx.us
Loss Damage Waivers: CS.Loss.Damage.Waivers@license.state.tx.us
Personnel Employment Services: CS.Personnel.Employment.Services@license.state.tx.us
Polygraph Examiners: CS.Polygraph.Examiners@license.state.tx.us
Property Tax Consultants: CS.Property.Tax.Consultants@license.state.tx.us
Property Tax Professionals: CS.Tax.Professionals@license.state.tx.us
Service Contract Providers: CS.Service.Contract.Providers@license.state.tx.us
Staff Leasing Services: CS.Staff.Leasing.Services@license.state.tx.us
Talent Agencies: CS.Talent.Agencies@license.state.tx.us
Temporary Common Worker Providers: CS.Common.Workers@license.state.tx.us
Tow Trucks, Operators, Boating, and Vehicle Storage Facilities: CSTowing@license.state.tx.us
Used Automotive Parts Recyclers: CS.Parts.Recycling@license.state.tx.us
Vehicle Product Protection Warrantors: CS.Vehicle.Protection@license.state.tx.us
Water Well Drillers and Pump Installers: CS.Water.Well@license.state.tx.us

TDLR Headquarters: 920 Colorado Street, Austin, Texas, 78701

TDLR Mailing Address: P.O. Box 12157, Austin, Texas,

78711

To ensure customers are satisfied with our customer service, we have designated Gene Mays, customer service director, as the customer service contact. We invite customers to contact him regarding complaints or comments at:

P.O. Box 12157
Austin, TX 78711
512-463-7736
gene.mays@license.state.tx.us

We understand there will be times when we do not meet the expectations of our customers. When this occurs, we will swiftly and effectively address the issues and take appropriate actions to resolve dissatisfaction. We promise to respond to concerns within two working days and resolve them within 10 working days of receipt.

Customer Service Related to Strategies in General Appropriations Act

Strategy – License, Register and Certify

For this strategy TDLR's primary customers are individuals who are licensed, registered, or certified under one or more of the department's 29 statutes. Key services provided under this strategy are initial application processing, renewal processing, online application processing, and online renewal. In fiscal year 2008, the department licensed, registered or certified 370,629 individuals. The number grew to 398,385 in fiscal year 2009.

Strategy – License Businesses and Facilities

For this strategy TDLR's primary customers are businesses and facilities that are licensed, registered, or certified under one or more of the department's 29 statutes. Key services provided under this strategy are initial application processing, renewal processing, online application processing, and online renewal. In fiscal year 2008, the department issued licenses to 199,630 business and facilities. In fiscal year 2009 that number grew to 206,231.

Strategy – Examinations

For this strategy TDLR's primary customers are people who are required to take an examination required for an occupational license. Key services provided under this strategy are electronic delivery of examinations throughout the state of Texas, availability of special accommodations for examinations including examinations in other languages, and online posting of student hours into the Student Hour and Enrollment Automatic Reporting Systems (SHEARS).

Strategy – Continuing Education/Customer Service

For this strategy TDLR's primary customers for continuing education are licensed individuals required

to complete continuing education hours to maintain their licenses. Continuing education is required for 10 of the agency's programs. Key services provided under this strategy are approval of providers and courses that licensees may take.

TDLR's targeted consumers for customer service are any member of the public who makes contact with the department. Key services provided under this strategy are to respond to phone calls, emails, and walk-in visits in a courteous and helpful manner, providing knowledgeable information for the department's 25 programs. The agency recognized and responded to a need to provide service to our customers in multiple languages by hiring more bilingual customer service representatives.

Strategy – TexasOnline

For this strategy TDLR's primary customers are applicants applying for licenses, licensees renewing licenses, and companies and individuals registering. Key services provided under this strategy are to allow electronic payments to apply for and renew licenses and registrations. In fiscal year 2009 we began accepting online payments for registration of architectural barriers projects, which resulted in immediate payment for services.

Strategy – Conduct Inspections

For this strategy TDLR's primary customers include building owners, municipalities, barbers, cosmetologists, manufacturers, towing companies, vehicle storage facilities, and consumers who benefit from safety and accessibility inspections. Key services provided under this strategy are the online availability of architectural barriers, boiler, and elevator inspection results, online availability of imaged boiler and elevator reports, and the Texas Occupations Online Licensing System (TOOLS) for towing companies and vehicle storage facilities. Knowledgeable field staff and technical memorandums are available to assist third-party inspectors, building owners, and local law enforcement in understanding the laws and rules. Regional field staff are located throughout the state to inspect barber and cosmetology establishments, boilers, towing companies, tow trucks, vehicle storage facilities and ensure compliance with the Texas Architectural Barriers law.

Strategy – Building Plan Reviews

For this strategy TDLR's primary customers include citizens with disabilities, building owners, municipalities, state agencies, Registered Accessibility Specialists, design professionals, and modular home owners. Key services provided under this strategy are completing plan reviews to identify non-compliance before construction is complete; provide training/seminars/speaking events to educate individuals on understanding the laws, rules, and standards; and provide technical assistance and technical memorandums to assist individuals in understanding the laws,

rules, and standards.

Strategy – Resolve Complaints

For this strategy TDLR's primary customers include members of the general public and our licensees. Key services provided under this strategy include processing and resolution of complaints, online availability of information about the complaint investigation and resolution process, criminal background check standards, the penalty and disciplinary action matrix, publication of enforcement actions, and distribution of consumer alerts and sting operation results. The agency has dedicated phone lines in the enforcement division to assist our Spanish and Vietnamese speaking customers. This has resulted in an increase in settled cases.

Strategy – Investigation

For this strategy TDLR's primary customers include members of the general public and our licensees. Key services provided under this strategy are intake and investigation of complaints related to TDLR's 29 statutes, criminal background screening of applicants, online availability of complaint submission, information about complaint investigation and resolution, criminal background check standards, the penalty and disciplinary action matrix, publication of enforcement actions, and distribution of consumer alerts and sting operation results through TDLR's email notification service.

Strategy – Central Administration

For this strategy TDLR's primary customers are the Office of the Governor, members of the Texas Senate and House of Representatives, our Commissioners, advisory board members, council members, licensees, vendors, the general public, persons who pay a fee or a monetary penalty, persons who correspond with us, and other state agencies. Key services provided are liaison activities with executive, legislative and governmental entities; communicating with industry and trade groups; disseminating public information regarding the agency's programs; drafting legal opinions regarding agency rules; responding to open record requests; responding to media inquiries; issuing press releases; managing the agency's fiscal resources in compliance with state and federal laws; and workforce planning.

Strategy – Information Resources

For this strategy TDLR's primary customers include licensed entities, inspectors, registrants, applicants, continuing education providers, building owners, legislative and governmental agencies, and the general public. Key services provided under this strategy are development and implementation of licensing and inspection software and maintenance of interactive technological infrastructure for all agency operations, audio/video streaming for public meetings, and coordination of the agency's imaging initiatives.

Strategy – Other Support Services

For this strategy TDLR's primary customers include vendors used for agency purchases, including Historically Underutilized Businesses and state agencies such as the Texas Facilities Commission, the State Office of Risk Management, and the State Comptroller's Office. Key services provided under this strategy include state property accounting and management, facilities and vehicle management, and inventory controls.

Appendix J

Statewide Capital Planning

Capital planning information relating to projects for the upcoming 2012-2013 biennium that equal or exceed \$1 million are required to be reported to the Bond Review Board. No TDLR capital projects have met this requirement. Capital planning addresses electronic equipment to support the agency and any additional staff as well as furniture and fixtures for additional authorized staff at the end of a legislative session. During the 81st Legislative Session the agency requested and received funding to replace the two agency vehicles that had reached end of useful life.

The agency decreased the computer equipment “refresh” cycle from 60 months to 48 months over the last four years. TDLR has been successful in using technology to achieve the agency’s mission and to conserve and extend state resources. The ability to maximize current technology supports the agency’s commitment to provide better and more efficient customer service.

Appendix K

Letter to Advisory Boards



TEXAS DEPARTMENT OF LICENSING AND REGULATION

P.O. Box 12157, Capitol Station • Austin, Texas 78711
512-463-3173 • fax 512-475-2874 • www.license.state.tx.us

May 11, 2010

Re: Rule Simplification Initiative

Dear Board Chair:

I am writing to request your help with an important project that the Commission is undertaking to streamline TDLR rules by eliminating unnecessary rule provisions.

TDLR's mission is to honor the public trust, ensure the public's safety and foster a fair and efficient regulatory environment. To accomplish that mission, I believe it is imperative that the rules TDLR is charged with enforcing be sensible and no more intrusive than is necessary to protect the public.

Therefore, I am asking that each TDLR advisory board, working with TDLR staff, review the administrative rules for your program and identify any provisions that you believe are unnecessary or obsolete and that could be removed, condensed, or simplified without adversely affecting TDLR's regulatory mission. Please begin this process at your next scheduled meeting. In reviewing rules, I ask that you be guided by the following principles:

Is the rule required by statute and/or consistent with TDLR's statutory authority?

Is the rule necessary to protect public health and safety?

Is there a simpler or less burdensome way to accomplish the purpose of the rule?

Does the rule make TDLR a more efficient or less efficient regulatory agency?

I have directed TDLR staff to provide any necessary assistance to you in completing this project. Please have your board's work groups develop recommendations for the Commission.

As always, I and the other Commissioners greatly value your board's important service to TDLR and the public, and I look forward to receiving your recommendations.

Sincerely,

A handwritten signature in black ink that reads "Frank S. Denton".

Frank Denton
Chairman

Cc: Advisory Board/Committee/Council Members
TDLR Commission

Frank S. Denton, Chair – Conroe, Texas

LuAnn Morgan – Midland, Texas

Mike Arismendez – Shallowater, Texas

Lewis Benavides – Oak Point, Texas

Fred Moses – Plano, Texas

Lillian Norman-Keeney – Taylor Lake Village, Texas

Deborah A. Yurco – Austin, Texas

Appendix L

Strategic Planning Online Survey Questions

Introduction

1. Please give us some information about yourself.
2. Are you responding as:
 - A TDLR licensee
 - How Long Have You Been Licensed?
 - ? less than 1 year,
 - ? 1-5 years, or
 - ? greater than 5 years
 - Member of Public
 - Association
 - Education Provider
 - Other

Section A

1. I prefer to contact TDLR by:
2. Contacting TDLR by phone is easy.
3. Clear and accurate responses are provided to my questions on the phone.
4. Clear and accurate responses are provided to my questions through email.
5. My interactions with TDLR employees are positive.

Section B

1. Which TDLR Program are you a licensee of?
2. How long have you been licensed?
3. TDLR promptly processed my license renewal.
4. I can easily make payments to TDLR for license fees.

Section C

1. Initiating consumer complaints with TDLR is easy.
2. TDLR responds to consumer complaints in a timely manner.
3. Consumer complaints are thoroughly investigated.
4. Consumers who file complaints are kept up to date quarterly on the status of their complaints.
5. Licensees who have complaints filed against them are kept up to date quarterly on the status of the complaints.

Section D

1. It is easy to find licensee information on TDLR's website.
2. It is easy to search TDLR's website for violations / disciplinary actions.

Section E

1. Information on the website is useful.
2. Information provided by the TDLR E-Mail Notification system is useful.
3. TDLR commission and advisory board meeting broadcasts and archives are useful.

Section F

1. Finding the continuing education requirements for my license type is easy.
2. I can easily find courses I need to take on TDLR's website.
3. Verifying my continuing education hours is easy.

Section G

1. Registering courses is easy.
2. Courses are approved in a timely manner.
3. Reporting the completion of continuing education courses given is easy.

Section H

1. The Inspector answered your questions during the inspection.

2. The Inspector provided a clear explanation of the inspection findings and what could happen after the inspection.

Closing

1. What social media applications do you use?
2. If you could change one service, process, law, or rule at TDLR, what would it be?
3. What three changes (i.e., increase in population, increase in licensees, decrease in disposable income, rise in construction, etc.) over the next five years will impact your industry?

