



AGENCY STRATEGIC PLAN FISCAL YEARS 2019-2023

BY THE TEXAS COMMISSION OF LICENSING & REGULATION

AND

TEXAS DEPARTMENT OF LICENSING & REGULATION

Commission Member	Term	Hometown
Mike Arismendez, Chair	02/01/2021	Shallowater
Thomas F. Butler, Vice Chair	02/01/2019	Deer Park
Deborah A. Yurco	02/01/2019	Austin
Helen Callier	02/01/2021	Kingwood
Rick Figueroa	02/01/2021	Brenham
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Submitted June 8, 2018

Signed:

Executive Director

Approved:

Commission Chair

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AGENCY MISSION

WHAT WE BELIEVE

"As TDLR continues to lead the way as a model state agency, we are dedicated to serving the citizens of Texas and small business owners by ensuring a fair and efficient licensing and regulatory practice to earn their trust and safeguard the public."
— Mike Arismendez, Chair,
Texas Commission of Licensing and Regulation

Mission

To earn the trust of Texans every day by providing innovative regulatory solutions for our licensees and those they serve.

Core Values

- Accountable to Texans
- Create an exceptional customer service experience
- Integrity in all we do
- Lead through innovation
- Open and free communication
- Respect for all
- Teamwork built on individual strengths and ingenuity



Philosophy

To achieve smaller, smarter government, we:

- Honor the public by being fair, transparent, and efficient;
- Value our customers and coworkers by seeking and using their input;
- Foster innovation and change by challenging the status quo;
- Recruit, empower, and reward high-performing employees; and
- Transform programs and improve services for customers.

Vision

To be the best at creating 'next' practices that deliver low-cost licensing and regulatory services and an exceptional customer experience.



WHO WE ARE

The Texas Department of Licensing and Regulation (TDLR) provides oversight for a broad range of occupations, businesses, facilities, and equipment. We protect the health and safety of Texans and ensure they are served by qualified professionals. We foster a predictable regulatory climate by minimizing government interference. In our work, we:

- are open and transparent;
- apply clear, consistent, and commonsense standards;
- · keep costs low and efficiency high; and
- deliver an exceptional customer experience.

Chapter 51 of the Texas Occupations Code establishes TDLR's responsibilities. The **Texas Commission of Licensing and Regulation** (Commission) is TDLR's governing board and policymaking body. The Governor, with the consent of the Texas Senate, appoints the Commission's seven public members to staggered six-year terms. The commissioners honor and respect the trust placed in them by the Governor and their fellow Texans, and they ensure that their decisions and actions are fair and transparent. By law, commission members cannot engage in any of the occupations or businesses that TDLR regulates.

The Commission focuses on eliminating impediments for businesses and reducing regulatory burdens for licensees. The Commission is committed to increasing transparency and only adopts administrative

rules after carefully considering the potential impact of new regulations on businesses, licensees, consumers, and public health and safety. We share commission meeting dates, locations, and agendas in advance with the public to encourage them to address their concerns directly to the Commission. We stream meetings live on the internet, then archive and make them available to view anytime. Commissioners receive training from our Office of the General Counsel to ensure they comply with the state's open government laws.

TDLR's Advisory Boards consist of licensees and include representatives from regulated businesses and industries, as well as public members and other professionals. Advisory board members provide important technical knowledge and industry expertise and give the Commission and TDLR staff real-world insight. Input from each advisory board is critical in helping TDLR effectively carry out our mission and achieve our vision. Commission members also attend and participate in advisory board meetings to better understand our regulated occupations and industries, increase knowledge-sharing, and ensure open lines of communication.

Our Office of Strategic Communication has a dedicated team to serve all advisory board members and the public. With the addition of advisory boards for programs transferred from the Department of State Health Services and from the former Texas State Board of Podiatric Medical Examiners, and with the creation of the new Behavior Analyst Advisory Board, 31 of

TDLR's 39 programs now have advisory bodies. Supporting advisory boards and communicating with our stakeholders are critical functions and require our constant focus.

TDLR's **Executive Director** reports directly to the Commission. The executive director is responsible for:

- administering TDLR's programs;
- recruiting, hiring, and leading agency personnel;
- issuing licenses and certificates;
- approving complaint settlements, fines, and sanctions;
- issuing cease and desist orders and emergency orders; and
- referring cases to the Texas Attorney General.

The Governor and the Legislature entrust TDLR with the responsibility of licensing and regulating individuals and industries in a growing, prosperous Texas. We will be proactive and model how limited yet responsible government meets the needs of tomorrow to ensure that Texas continues to be a beacon of opportunity. We believe that every regulatory agency has a duty to carefully balance the interests of protecting public health and safety with the freedom of individuals to pursue their dreams. We achieve this balance by providing smart, efficient regulation and low-cost, high-quality services for the benefit of all Texans.

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AGENCY MISSION

WHO WE REGULATE

TDLR's range of responsibilities continues to expand, from 24 programs in 2015 to 39 programs in 2018. During that same period, TDLR's licensee population grew from over 652,000 individuals and businesses to more than 800,000 today. We deliver additional and improved services and streamlined regulations to programs transferred from other agencies, including medical and health professions, and we successfully completed the deregulation of several outdated programs and license types:

- In 2015, Senate Bill 202 transferred 13
 Department of State Health Services
 (DSHS) licensing programs to TDLR —
 seven in the 2016-17 biennium and six in
 the 2018-19 biennium.
- House Bill 1786 transferred the Texas Education Agency driver training program and the Texas Department of Public Safety parent-taught driver education program to TDLR on September 1, 2015. These two separate programs were successfully consolidated at TDLR as the Driver Education and Safety Program.
- In 2017, licensing and regulation of the practice of Podiatry transferred to TDLR from the Texas State Board of Podiatric Medical Examiners, with the passage of House Bill 3078 (85th Legislature).
- The 85th Legislature also created two new licensing programs at TDLR, Behavior Analysts and Transportation Network Companies.

• The 85th Legislature abolished three licensing programs that we recommended for deregulation in our previous strategic plan: Vehicle Protection Product Warrantors and Temporary Common Worker Employers, which were both successfully deregulated on September 1, 2017, and For-Profit Legal Service Contracts, which is to be deregulated on September 1, 2019. Several low-population license types and unnecessary regulations were also eliminated including booting companies and operators, eyebrow threading, and shampooing.

TDLR's successful implementation of our increasingly diverse responsibilities comes from our motivated and engaged workforce who embrace TDLR's core values and dynamic change. We scale our work using a functionally-aligned business model, which removes program silos to eliminate redundancies and achieve greater productivity. Aligning resources across programs requires agility and open communication at all levels of the agency, and the success of this functional model is measured in better service, lower costs, and reduced fees for Texans.

TDLR currently manages 39 business and occupational licensing programs with 219 license types. The agency also regulates continuing education providers and courses. The following two pages show a snapshot of our total licensee population (from largest to smallest) at the end of the third quarter of fiscal year 2018:



Program	License Types	Licensed Individuals	Licensed Businesses	Total Licensee Population
Cosmetologists	28	254,836	47,331	302,167
Electricians	14	139,482	11,368	150,850
Boilers	3	246	53,005	53,251
Air Conditioning and Refrigeration Contractors	3	46,670	N/A	46,670
Elevators and Escalators	3	161	44,141	44,302
Massage Therapy	5	31,526	2,514	34,040
Barbers	23	21,230	9,438	30,668
Vehicle Towing	7	13,090	15,518	28,608
Speech-Language Pathologists and Audiologists	6	20,676	N/A	20,676
Elimination of Architectural Barriers	2	533	18,417	18,950
For-Profit Legal Service Contracts	3	11,251	17	11,268
Dietitians	1	5,756	N/A	5,756
Mold Assessors and Remediators	8	5,001	448	5,449
Vehicle Storage Facilities	2	3,089	1,791	4,880
Offender Education Programs	9	3,022	1,009	4,031
Driver Education and Safety	11	2,868	944	3,812
Athletic Trainers	2	3,769	N/A	3,769
Property Tax Professionals	4	3,601	N/A	3,601
Used Automotive Parts Recyclers	2	2,657	787	3,444
Laser Hair Removal	6	3,010	212	3,222
Combative Sports	9	2,707	56	2,763



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AGENCY MISSION

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Program	License Types	Licensed Individuals	Licensed Businesses	Total Licensee Population
Code Enforcement Officers	2	2,521	N/A	2,521
Auctioneers	2	2,459	N/A	2,459
Water Well Drillers and Pump Installers	4	2,265	N/A	2,265
Continuing Education	2	N/A	2,212	2,212
Property Tax Consultants	3	1,807	N/A	1,807
Podiatry	5	1,618	N/A	1,618
Sanitarians	2	1,299	N/A	1,299
Orthotists and Prosthetists	18	633	268	901
Dyslexia Therapists	2	894	N/A	894
Hearing Instrument Fitters and Dispensers	4	823	24	847
Industrialized Housing and Buildings	8	56	768	824
Professional Employer Organizations	2	N/A	399	399
Service Contract Providers	2	N/A	373	373
Polygraph Examiners	2	276	N/A	276
Midwives	4	272	4	276
Licensed Breeders	1	N/A	159	159
Weather Modification	2	N/A	14	14
Transportation Network Companies	1	N/A	9	9
Behavior Analysts*	2	1,459	N/A	1,459
Total	219	591,563	211,226	802,789

^{*} estimated population; begins June 15, 2018



HOW WE DO IT

Texas Commission of Licensing & Regulation (Commission)

The Governor, with the approval of the Texas Senate, appoints the seven-member Commission to set policy, adopt and repeal rules, and approve final disciplinary orders for all complaints prosecuted by TDLR at the State Office of Administrative Hearings (SOAH). Each commissioner brings an independent and objective voice to the table, as commissioners and their spouses cannot hold licenses or possess significant business interests in the professions and industries regulated by TDLR. In 2018, Governor Greg Abbott appointed two new commissioners with medical and health-related backgrounds, adding valuable clinical knowledge to the broad expertise in civic, community, and consumer organizations already represented on the Commission.

Consistent with TDLR's culture of openness and respect, each commissioner is considered a part of the TDLR family. Commissioners attend advisory board meetings and workgroups, work directly with staff on issues of interest or concern, and mourn with employees at the loss of a valued colleague, as demonstrated by their attendance at the December 2017 memorial service held at the Texas Capitol for long-time Compliance Division Director George Ferrie.

The commissioners generously volunteer their own time and effort in service to Texas and are committed to ensuring that TDLR develops and sustains efficient regulatory solutions that safeguard Texans and save money for both licensees and taxpayers. The Commission thoughtfully considers the impact of its decisions on applicants and licensees and the impact for consumers and the regulated industries. All commission meetings are open to the public and offer an opportunity for public comment. Meeting agendas are posted on the TDLR website in advance, and videos of each meeting are livestreamed on TDLR's YouTube channel. The videos remain available to the public for two years.



Commissioner Helen Callier honors George Ferrie's legacy at TDLR



Commissioner Deborah Yurco at George Ferrie's memorial service



AGENCY MISSION

Manager A Secretary Manager A

Combative Sports Advisory Board, 2013



Advisory Board on Barbering, 2018

Advisory Boards

TDLR's recognized success with implementing new and transferred regulatory programs is due in part to the technical expertise and industry-related input from 256 advisory board members. A key responsibility of the advisory boards is to provide input for administrative rulemaking for the 31 related programs. The advisory boards meet regularly and members participate in workgroups with staff to address special issues arising from their program. Additionally, the advisory board members' invaluable knowledge assists us in identifying efficiencies and cost savings.

Each advisory board meeting offers an opportunity for public discussion of standards of practice and proposed rule changes, facilitating innovative yet responsible changes to the licensing and regulatory frameworks that govern most of our than 800,000 licensees. Experienced advisory board members assist agency staff in providing orientation and training to new appointees, enabling Texans who may never have served in state government to perform their duties with confidence and purpose.

Like commission meetings, advisory board meetings are conducted in an open and transparent manner. Most advisory board members are appointed by the Commission's presiding officer, with the approval of the Commission. In 2017, TDLR received the Podiatric Medical Examiners Advisory Board, which joined the Texas Industrialized Building Code Council as one of only two Governor-appointed TDLR advisory boards. In keeping with our new responsibilities for medical and health-related programs, nine new advisory boards have been appointed since 2016, the greatest single increase in advisory input in TDLR's history. Since 2016, TDLR has conducted 134 advisory board meetings.

As TDLR celebrates 110 years as an agency, we recognize the continuing contributions of the oldest advisory board, the Advisory Board on Barbering, which began as an independent board created in 1929.



DESCRIPTION OF EACH DIVISION

Under the leadership of Executive Director Brian Francis, Deputy Executive Director Carla James, and Chief of Staff Nick Voinis, TDLR's functional alignment allows for efficient staff development and retention, cross-training to meet changing needs, and continuous improvement. On March 1, 2018, TDLR realigned our employees to meet the increased responsibilities resulting from new and transferred programs added to our portfolio in 2016-2018.

Staff throughout our agency participate in numerous cross-functional teams to avoid silos and support open and free communication that drives effective meetings and fosters innovation. The warmth and humor among TDLR staff show the "we are family" culture of both Austin agency locations and extends to the 100 regional staff members.

The table on the following page provides a glimpse into the work of each division. All employees strive to exemplify TDLR's core values while focusing on their division responsibilities.









AGENCY MISSION

DESCRIPTION OF EACH DIVISION

Division/Office	Responsibilities	Motto
Executive	Provide leadership, direction, and motivation; ensure agency meets strategic goals and achieves mission and vision; manage statewide operations and resources; recruit and hire staff	Lead with action
Customer Service	All contact center inquiries, including phone calls, emails, and social media; EOT customer reception	Relentless pursuit of excellence in customer service
Education and Examination	Approval of schools, continuing education (CE) providers, curricula, courses, examinations; exam administration	A core foundation is key to tomorrow's excellence
Enforcement	Resolve consumer and department-initiated complaints through intake, investigation, and prosecution; criminal history denial cases	We've got your back
Field Inspections (formerly Field Operations)	Onsite inspection of licensees, businesses and schools throughout Texas	The face of TDLR
Financial Services	Budgeting; money mail; contracts; payments; payroll	Dollars and \$ense
General Counsel	Commission and advisory board representation; rulemaking; legal opinions; open records; records management	More than just going through the motions
Human Resources	Employment; employee relations; training	Be our guest
Information Technology	IT services and security; software development and maintenance	Improving efficiencies through technology
Innovation and Project Management	Initiatives; special projects; training; data-mining	Enhancing the agency's capacity for ongoing positive change
Licensing	Evaluate applicant experience and education; issue, renew, upgrade licenses; send licensing notices; perform initial criminal history checks	Strength from the core
Regulatory Program Management (formerly Compliance)	Program expertise; stakeholder outreach; consultation; cross-functional coordination; administration of equipment and facility inspections	Safety, solutions, specialists
Strategic Communication	Governmental relations; advisory board support; media relations; internal communication; social media; web presence	Information. Communication. Innovation.



WHAT WE HAVE DONE: Strategic Plan Update

TDLR identified initiatives from our 2017-2021 strategic plan and made 56 recommendations to the 85th Texas Legislature for statutory changes to various programs — all of which were proposed to remove redundancies and impediments, streamline regulations, safeguard the public, and ensure our licensing process is easier for our licensees. The Legislature adopted 52 of the 56 proposed statutory changes resulting in a 93 percent adoption rate.

After legislation was enacted, TDLR implemented the changes by seeking input from advisory boards, adopting rules, modifying forms, designing software programming, updating webpages and providing notice to our licensees. These changes took effect September 1, 2017, except for vehicle booting (deregulation effective September 2018) and for-profit legal service contracts (deregulation effective September 2019). Overall, our strategic initiatives will deregulate more than 15,000 licensees, making this one of the largest deregulation efforts in Texas history.

This chart lists our recommendations enacted by the Legislature.

TDLR RECOMMENDATIONS	RESULTING LEGISLATION
Deregulate the following occupations and activities: temporary common worker employers, for- profit legal service contracts, vehicle protection product warrantors, vehicle booting, tow trainees, shampooing, and threading.	HB 2113, SB 1501, SB 1502 SB 1503, SB 2065
Eliminate burdens and interference with business practices for boiler owners and hearing instrument fitters and dispensers.	HB 3257, HB 4007
Eliminate specific license types and activities relating to athletic trainers, barbers and cosmetologists, dietitians, massage therapists, speech-language pathologists and audiologists, and towing and vehicle storage facilities.	HB 2615, HB 4007, SB 2065
Eliminate impediments to licensure in these programs: athletic trainers, dietitians, driver education and safety, hearing instrument fitters and dispensers, orthotists and prosthetists, and speechlanguage pathologists and audiologists.	HB 4007, SB 848
Eliminate redundancies in health-related programs (athletic trainers, code enforcement officers, dyslexia therapists, hearing instrument fitters and dispensers, mold remediators and assessors, orthotists and prosthetists, and speech-language pathologists and audiologists) to repeal provisions pertaining to administrative penalties, license denials, revocations, suspensions for criminal convictions or sanctions.	HB 4007
Eliminate redundancies for other TDLR programs (barbers, cosmetologists, towing and vehicle storage facilities).	HB 2739, SB 1501
Remove inflexible and excessive requirements for barbers and cosmetologists, hearing instrument fitters and dispensers, dyslexia therapists, massage therapists, mold assessors and remediators, driver education and safety, speech-language pathologists and audiologists, and vehicle storage facilities.	HB 912, HB 2738, HB 2739, HB 4007, SB 1501, SB 2065
Remove criminal and civil penalties for administrative violations for most health-related programs.	HB 4007

For more information on our Strategic Plan 2017-2021 Successes, see *Appendix A – 2017-2021 Strategic Plan Successes Scorecard*.

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AGENCY MISSION

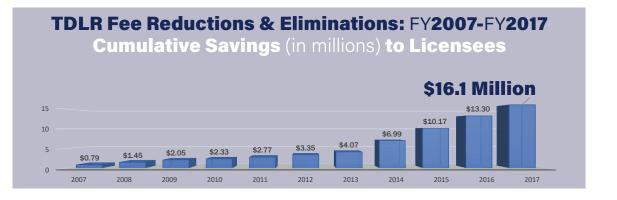
Licensees transferred to TDLR 2001-2017

417,372

Licensing Programs
De-Regulated Since 2003

License Types
Eliminated Since 2013

Reduced Rules Word
Count by:
45%
for 13 Transferred
DSHS Programs



Estimated Fee Savings for 13 DSHS Transferred Progams:

\$940K

Proudly Serving
802,789
Licensees



FEE REDUCTION, STREAMLINED SERVICE, CONSOLIDATION, ENHANCED EFFICIENCY RATIO

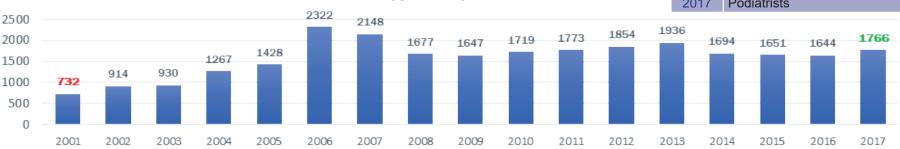
TDLR constantly evaluates our operations to eliminate inefficiencies and lower costs while providing a high level of service to our customers. Over the past ten years, licensees have benefited from our efforts with a cumulative cost savings of over \$16.1 million in license fees.

Beginning in 1999, TDLR moved from a silo structure that duplicated positions for each program to a functionally aligned business model. This model aligns our employees and resources to improve quality of service. Functional alignment eliminates redundancy across divisions and emphasizes collaboration and cross-training. When programs are consolidated into TDLR, administrative costs are automatically lowered, resulting in a significant decrease in taxpayers' costs, increased productivity, and reduction in the number of employees required—all reasons the Legislature continues to entrust TDLR with more responsibilities.

We work with integrity and hold ourselves accountable to Texas taxpayers, our licensees, and elected officials. Texans expect limited and efficient government. Between 2001 and 2017, we increased our efficiency ratio by 141 percent, going from one employee for every 732 licensees to one employee for every 1,766 licensees. Through smaller, smarter government, TDLR is committed to protecting the health and safety of Texas consumers while reducing fees and increasing efficiency.

Number of Licensees per TDLR Employee A 141% increase in Efficiency

FY2001 - FY2017





AGENCY GOALS & ACTION PLAN

WHAT CHALLENGES WE ARE FACING AND EXPECT TO FACE

STAKEHOLDER FEEDBACK

Every two years TDLR seeks the input of our licensees, industry leaders, and the public by holding face-to-face public meetings around Texas – to find out how we are meeting their needs and how we can improve our services. In the spring of 2018, TDLR facilitated strategic planning sessions in North Texas (Arlington), Central Texas (Austin), West Texas (El Paso), Southeast Texas (Houston), and South Texas (McAllen). In addition, TDLR offered an online survey to allow our customers and others to share their observations and suggestions. Input gathered from public meetings, surveys, and through social media reveal several perceived challenges and concerns:

- A rapidly growing population will result in more licensees and increased unlicensed activity, posing a greater risk to public health and safety. Will TDLR's inspection and enforcement capacities be sufficient to address this challenge? With the expected loss of a large share of its skilled workforce through retirements, can the agency secure and retain sufficient numbers of capable replacements to keep up with increasing inspection and enforcement demands?
- Individuals will choose higher-paying jobs in the technology sector over employment in trades, professions, occupations, and industries regulated by TDLR.
- Changes in federal laws and rules, especially those impacting the nation's health and service industries, could impose burdens that threaten the well-being of small business owners.

EMPLOYEE INPUT

In addition to stakeholder feedback, TDLR also places a high value on the input of its work force in assessing how well the agency is fulfilling its mission to serve the people of Texas. Since 2000, we have continued to engage employees by holding a series of internal focus-group meetings coupled with an online survey. These efforts yielded more insight to the challenges TDLR will confront in the coming years:

- The potential retirement of one-third of eligible TDLR employees over the next five years would result in the loss of vital institutional and technical knowledge. We must find capable people to fill these positions.
- With the state unemployment rate at an historic low and the pool of available workers diminishing, competition for skills and work experience will entice more TDLR employees to consider other opportunities. Budgetary restraints will leave the agency without the necessary incentives to retain valued employees.

Demands on the workforce to find and embrace new technologies will intensify as the expectations of our customers for more mobile services increase. The need to innovate will only escalate as our licensees look for around-the-clock access and mobile apps to communicate with us.

To better prepare for the future, TDLR in 2018 also involved a cross-section of its employees in scenario planning. As a new and innovative way to perceive the future, scenario planning provides an alternative structure for the agency leaders to think long-term — with possible implications for the sustainable strategies needed for years to come. The process encouraged participants to be thinkers, identifying not what *will* happen or *should* happen, but what *could* happen.

A team of agency visionaries developed an exhaustive list of critical factors that agency planners will need to consider in future decision-making, and from these critical factors a pair of critical uncertainties were identified:

- whether insufficient funding can sustain growth and diversification of our programs without damaging our business model; and
- whether changing demographics or technological advances will alter our ability to meet customers' and stakeholders' expectations.

The scenario planning process led to several narratives, or possible futures, and from these we identified an array of implications for the agency.



LEADERSHIP'S PERSPECTIVE

Following the 84th Legislative Session, TDLR successfully implemented the transfer of 13 health-related licensure programs from the Department of State Health Services and two driver safety and education related programs from the Texas Department of Public Safety and the Texas Education Agency. This rate of program consolidation is unprecedented in professional and regulatory licensing history, resulting in TDLR becoming Texas' most diversified health and medical licensing agency. The number of licensing programs overseen by TDLR has increased to 39, with 219 license types. Such dramatic growth has squeezed the staff into increasingly tight quarters at our two Austin locations. If this trend of consolidating programs into TDLR's portfolio continues, we will need to further evaluate and innovate our existing business model and organizational structure while also contending with stresses imposed by converting licensing systems and hiring and retaining qualified staff.

PREPARE FOR THE NEXT HARVEY

TDLR's vision focuses on identifying and innovating 'next' practices, which is a driving force in our approach to prepare for the next Harvey, and other disasters and emergencies. These disasters and emergencies may include:

- a natural event, such as a hurricane, tornado, flood, or fire, that impacts the public and TDLR's licensees in any area of the state;
- a natural event that impacts TDLR's personnel, offices, or data center locations;
- a violent attack, such as an active shooter situation, or bomb threat, that impacts TDLR personnel or offices; and
- a cyber-attack that shuts down or seizes control of TDLR's network, or extracts private information relating to our licensees or employees.





AGENCY GOALS & ACTION PLAN

NATURAL DISASTERS IMPACTING THE PUBLIC

TDLR will increase outreach activities to raise public awareness of the benefits our regulated industries and professions can provide when the next natural disaster strikes. This will include explanations of license requirements, insurance, and other indicators that a contractor or professional is legitimate. TDLR will share helpful information about our programs with local law enforcement, municipal officials, the Governor's Commission to Rebuild Texas, Federal Emergency Management Agency, the Red Cross and other disaster-relief organizations.

After responding to recent natural disasters and emergencies, we learned that systemic and standardized advance preparations ensure we communicate and initiate support for our licensees, the public, and our staff as quickly as possible. In preparation for the next governor-declared disaster or emergency, TDLR will:

- establish policies that allow for waiving licenses, fees, and continuing education requirements for TDLR's customers;
- recommend requirements for out-of-state contractors or professionals to demonstrate insurance coverage or other appropriate financial security while allowed to operate temporarily in Texas to assist with recovery;
- develop a standard procedure and administrative rules for issuing temporary licenses;
- extend renewal periods and continuing education waivers for licensees and allow licenses and licensing waivers for out-of-state licensees whose services are essential;
- develop software in licensing databases that allow temporary licenses and waivers to be activated;
- allow overtime and flexible schedules for key personnel in our Customer Service, Field Inspections, Information Technology, Licensing, and Regulatory Program Management divisions to accommodate demand for agency services;
- ensure focused and efficient recovery activities through our new strategic response coordinator position;

- adopt rules requiring that, where applicable, copies of records be kept offsite or in the cloud to avoid loss of records during a disaster; and
- authorize schools in an impacted area to work together and share facilities during disaster recovery to minimize disruption to students.

TDLR will explore the viability of creating mobile response units or partnering with other entities that are already equipped to quickly deploy to a disaster area. This would allow us to deliver services and information directly to impacted licensees and the public. For example, during Hurricane Harvey TDLR employees traveled to Aransas Pass, Bridge City, Dickinson, Galveston, Orange, Port Arthur, Port Aransas, Rockport, and Vidor to perform inspections for habitability and assess electrical safety of businesses and homes. In addition, TDLR will consider establishing a policy for granting leave to employees who travel to the affected areas and volunteer to assist with recovery on an individual basis.



Larry Reichle and Jerry Daniel of TDLR's RPM Electricians Program



TDLR RESPONSE TO HURRICANE HARVEY

FAST-TRACK LICENSING PROCEDURES

TO HELP SMALL BUSINESSES AND TRADES RECOVER AND RETURN BACK TO WORK

10,478

Continuing Education Hours (CEs) waived LATE RENEWAL FEES WAIVED FOR 4,815
LICENSEES

23**,912**

License Expiration
Dates Automatically
Extended



1,352,994 Emails Sent

License

Replacement

Fees Waived

UPDATING LICENSEES ON VITAL DISASTER-RELATED INFORMATION

•

528

OUT-OF-STATE
APPRENTICE
ELECTRICIAN
LICENSES
ISSUED



1,297

Emergency Tow Licenses Issue

\$127,200Expedited Elevator Plan

Review Fees Waived



62,167
CUSTOMER
SERVICE
CALLS RECEIVED

284,611

License Population in Counties Affected by Hurricane Harvey

MOLD REMEDIATION

Following the storm, our website directed consumers to DSHS for important information about licensed professionals in mold inspection and remediation. Program regulation moved to TDLR November 1, 2017 and oversight continued without interruption, including implementation of Governor Greg Abbott's emergency waivers for remediation efforts in the disaster area.

TEXANS HELPING TEXANS

DISASTERS IMPACTING TDLR DIRECTLY

Unfortunately, it is conceivable that a violent attack, a natural disaster, or a cyber-attack could impact TDLR's personnel, offices, and data center locations. TDLR will continue to refine its Continuity of Operations Plan (COOP) by contemplating multiple types of events and developing standing orders of operation for each scenario. Agency personnel will be trained on the COOP and active shooter situations. It is critical that our employees know what they need to do in a crisis.

To prepare for a possible violent event, TDLR should improve the physical security of the agency's offices. Security improvements may include metal detectors, bulletproof glass, security officers, and multiple means of escape such as windows that can be opened from the inside. We will continue to expand our use of emergency text message notifications for employees.

We have taken decisive steps to ensure the security of the sensitive information we maintain. Our Chief Information Security Officer (CISO) oversees information security for the entire agency, which includes developing and maintaining information security policies and procedures that address security risks. The CISO also conducts training and auditing to protect against unauthorized access to information. The CISO reports directly to the executive director, and collaborates with information owners throughout the agency to provide guidance and technical expertise on security risks.

To prepare for a cyber-attack, we are thinking proactively about limiting the personally identifiable information we collect from licensees and employees. If we don't have the data, it can't be stolen or held hostage by a hacker. TDLR will continue to refine our retention schedule to balance our need for information with its sensitivity, using the shortest allowed retention period and clarifying how those retention periods apply to electronic information. Similarly, TDLR will continue to evaluate the type of licensee information publicly available on our website.



AGENCY GOALS & ACTION PLAN

WHAT WE ARE GOING TO BE

Goal #1:

Continue to effectively consolidate and improve administration of and services for the 16 programs recently transferred to TDLR by the Texas Legislature.

ACTION STEPS	TARGET DATE
Ensure a successful consolidation of transferred programs by developing and executing implementation plans for the licensing, education, examination, customer service, compliance, enforcement, inspection, financial, and communication functions.	9/1/2020
 Identify and prioritize technologies that sustain the agency and support growth through its IT Governance Committee, and build a robust licensing software system to properly integrate license programs for increased efficiency. 	9/1/2021

STATEWIDE OBJECTIVES

Accountability

 Improving the management of the 16 transferred programs to ensure a seamless transition and the most cost-effective use of taxpayer dollars.

Efficiency

 Applying TDLR's functional alignment and strategic use of resources to improve services at the lowest cost.

Effectiveness

 Integrating the transferred programs and managing them in a more efficient manner to improve performance.

Excellence in Customer Service

 Managing the transferred programs in a consistent manner to meet customer needs.

Transparency

 Simplifying rules, processes, forms, and communication, consistent with TDLR's model for consolidation and management of programs, to implement the vision of the Texas Legislature in transferring these programs to TDLR.



Goal #2:

Improve efficiencies, lower fees, and eliminate bottlenecks throughout TDLR.

ACTION STEPS	TARGET DATE
Transform TDLR's customer service business model using scalable and repeatable processes, and expanded online self-service applications.	9/1/2020
Promote communication, cooperation, and unity of effort across TDLR to successfully manage current and future agency programs.	9/1/2019
Establish a comprehensive information governance plan to manage regulatory, legal, security, and operational requirements.	9/1/2019
Integrate new and legacy software technologies to ensure that TDLR has robust systems to support 39 unique licensing programs.	9/1/2021

STATEWIDE OBJECTIVES

Accountability

• Providing more timely responses. Ensuring taxpayers get the highest level of service at the lowest cost.

Efficiency

 Providing more efficient use of agency resources. Organizing the agency structure to ensure sustainability and quality retention.
 Increasing ease of access to services and information.

Effectiveness

 Supplying helpful information to regulated industries so they can comply with the law and better serve Texans. Enabling TDLR to meet numerous performance measures. Giving staff the time and tools to do strategic work and ensure success in the future.

Excellence in Customer Service

 Simplifying interactions and providing an exceptional customer service experience. Increasing ease of access to services and information. Promoting meaningful customer relationships.

- Clarifying our actions so all Texans understand our mission to serve Texans.
- Increasing our commitment to communicate our progress to licensees and the public.



AGENCY GOALS & ACTION PLAN

Goal #3:

Educate and empower consumers by providing them with the tools to make informed choices about the industries TDLR regulates.

ACTION STEPS	TARGET DATE
Make public outreach a priority for all TDLR employees and a core responsibility for designated employees in each operational division.	9/1/2019
Use communication strategies to share information, develop new communication channels, and strengthen customer relationships.	1/1/2020
3. Develop and distribute reference materials to inform consumers about laws and rules enacted to protect them.	1/1/2020

STATEWIDE OBJECTIVES

Accountability

- Informing Texans about the laws and rules administered by TDLR that affect their health and safety.
- Helping our licensees achieve compliance with state laws and rules through outreach and ongoing education.
- Expanding awareness of TDLR's programs for more Texans to ensure a fair and equitable regulatory environment.

Efficiency

- Increasing online self-service to reduce the need for phone calls and emails to the agency.
- Minimizing likelihood of violations and fines by improving communication with licensees and the public.
- Improving consumer experience with service providers by empowering consumers to make informed decisions resulting in fewer complaints.

Effectiveness

• Empowering employees to focus on their core functions which will result in improved performance.

- · Reducing the number of complaints, violations, and fines.
- Quantifying improvement and identifying strengths and weaknesses using our performance measures and analytics.
- · Aligning communication efforts to improve consistency.

Excellence in Customer Service

- Ensuring Customer Service Division has necessary information to give clear and consistent responses.
- Reducing customers' need to call us by providing better online and mobile services.
- Aligning customer feedback with strategic communication efforts.

- Helping consumers to be proactive in protecting their health and safety.
- Informing consumers of their rights and all remedies available to them.
- Improving communication by using plain language and providing accurate visuals and graphics.
- Increasing opportunities for Texans to connect to TDLR through mobile devices and other preferred means of communication.
- Raising awareness for more Texans to make informed choices about our programs.



Goal #4:

Prioritize enforcement personnel efforts to resolve complaints involving consumer harm or a threat to public safety.

ACTION STEPS	TARGET DATE
Concentrate our enforcement efforts on outcomes that promote consumer remedies and industry education.	9/1/2019
2. Use program-specific investigation protocols to ensure complex investigations are completed promptly and accurately.	9/1/2019
3. Streamline procedural steps to ensure prompt investigation and resolution of complaints.	9/1/2019
Reduce the time and attention spent on administrative violations, including those identified in the strategic plan as redundancies and impediments.	1/1/2020

STATEWIDE OBJECTIVES

Accountability

 Preserving the public's trust in licensed occupations and state government by resolving complaints concerning public safety and harm to consumers.

Efficiency

 Focusing on resolving complaints concerning public safety and harm to consumers, allowing us to maximize our limited personnel and resources.

Effectiveness

- Fulfilling the core purpose of TDLR's occupational regulation by resolving complaints concerning public safety and harm to consumers.
- Allowing TDLR to resolve more complaints through fast, fair, and efficient resolution.

Excellence in Customer Service

 Allowing TDLR to resolve more complaints through fast, fair, and efficient resolution.

- Prioritizing consumer and safety-related violations to promote Texans' confidence and trust in the agency.
- Developing limited and common-sense regulations that are easily understood by consumers and licensees.



AGENCY GOALS & ACTION PLAN

Goal #5:

Decrease regulatory burdens on business by removing redundancies and impediments.

ACTION STEPS	TARGET DATE
Recommend statutory changes to simplify licensing and eliminate laws that do not support health and safety.	2/1/2019
2. Streamline or repeal agency rules that do not support health and safety or that create impediments to business.	1/1/2020
3. Eliminate barriers to licensing, including those for veterans, military spouses, and qualified out-of-state applicants, and maintain reasonable fees.	9/1/2019

STATEWIDE OBJECTIVES

Accountability

• Eliminating unnecessary requirements for licensees and lowering costs to fee payers.

Efficiency

 Focusing limited agency resources to ensure compliance with laws, rules, and safety standards.

Effectiveness

- · Making it easier for qualified individuals to become licensed.
- Enabling TDLR to exceed its performance measure goals.

Excellence in Customer Service

• Making it easier for qualified individuals to become licensed.

- Improving licensee and consumer understanding of agency laws, rules, and procedures.
- Transforming licensee and consumer feedback into common sense laws, rules, and process improvements.



HOW WE GET THERE

Deregulate or Transfer Program				
Statutory Cite	Reason for Statutory Change	Recommended Statutory Change	Benefit of Change	
Mold Assessors & Remediators Occupations Code Chapter 1958	Texas is one of four states to adopt licensing requirements for mold businesses. Additionally, the U.S. Environmental Protection Agency provides guidance for mold remediation in structures; the American Industrial Hygiene Association provides certification of mold assessors; and multiple additional private sector trade groups train and certify mold remediators. If the program is not deregulated, the program should be transferred to the Department of State Health Services. TDLR currently has a memorandum of understanding with the Department of State Health Services' Environmental and Sanitation Licensing Division to conduct inspection for the Mold program because DSHS has the industry expertise to conduct mold inspections.	Repeal statewide licensing requirement or transfer the Mold program back to the Department of State Health Services.	The majority of mold cases are administrative complaints that do not have immediate public health or safety concerns. Texas is only one of four states that have laws establishing civil penalties for failure to comply with mold laws. If mold assessors and remediators are not deregulated, transferring responsibility for the program back to DSHS will ensure that the program is handled under one agency with the requisite expertise to handle related environmental inspections and monitoring of lead, asbestos, and mold.	
Eliminate Voluntary Licenses				
Statutory Cite	Reason for Statutory Change	Recommended Statutory Change	Benefit of Change	
Orthotists & Prosthetists Occupations Code Chapter 605, §605.259	The orthotic and prosthetic technician registrations are voluntary, and the number of license holders is low (15 registrants). Technicians do not touch patients – they fabricate orthotics and prosthetics under the direction of a licensed orthotist or prosthetist.	Repeal TDLR's authorization to issue registered orthotic technician and registered prosthetic technician certificates.	This change would save registrants between \$100-\$150 every two years.	



Prevent Human Trafficking and Reduce Fraud in the Massage Therapy Profession				
Statutory Cite	Reason for Statutory Change	Recommended Statutory Change	Benefit of Change	
Massage Therapy Occupations Code Chapter 455	Individuals with criminal histories will move from state to state to avoid detection.	Amend the statute to allow for fingerprint background checks for both new applicants and existing massage therapists, massage instructors, massage schools, and massage establishment owners.	Performing fingerprint background checks will allow TDLR to perform a more comprehensive background check on all applicants and licensees.	
	Human traffickers use massage therapy as a means to conduct criminal activity.	Amend the statute to require posting of human trafficking awareness signs in licensed massage establishments and licensed massage schools.	By requiring establishments to post informational signs regarding human trafficking it brings additional awareness to the issue and works to combat modern day slavery.	
	Provide TDLR with additional tools to detect fraudulent students and schools.	Amend the statute to allow TDLR to issue student permits, standardize school reporting of hours, and determine examination eligibility.	By aligning this statute with the current successful practices used in the Barbering and Cosmetology programs, TDLR will be able to identify and track the progress of students and prevent fraud and abuse in the massage therapy profession.	
	The definition of massage therapy is vague and limiting on what practices are actually covered by Chapter 455.	Amend the statutory definition of "Massage Therapy" for clarity and provide TDLR with the authority to address all modalities and variants of massage therapy and close loopholes in the law.	Providing a clearer definition of massage therapy in law will allow TDLR to bring the definition more in-line with national standards and this will prevent people from exploiting loopholes in the law to conduct illicit activities.	



Modernize and Redu	ice Costs for Driver Education		
Statutory Cite	Reason for Statutory Change	Recommended Statutory Change	Benefit of Change
Driver Education & Safety Education Code Chapter 1001, §§1001.204 and 1001.3541	To offer an online driver education course, the law requires that a business hold a driver education school license. To hold a school license, a business must first have a physical facility.	Amend the statute to remove the requirement that all driver education schools must be in a physical building or classroom.	This change removes a business impediment for schools that wish to operate exclusively online.
Driver Education & Safety Education Code Chapter 1001	Currently, the requirements for becoming a driver education instructor are inflexible.	Amend the statute to provide TDLR with the authority to develop alternative pathways to becoming a driver education instructor.	Allowing TDLR to develop alternative pathways to becoming a driver education instructor will allow for more flexibility in licensing and not be overly burdensome.
Improve Enforceme	nt for Recently Transferred Medi	ical and Health Programs	
Statutory Cite	Reason for Statutory Change	Recommended Statutory Change	Benefit of Change
Chapter 51 Occupations Code	In recent years, several health and medical programs have been transferred to TDLR. These programs have differing confidentiality standards relating to investigative information.	Provide TDLR with general rulemaking authority to establish uniform complaint confidentiality for necessary medical and health programs. Remove all programspecific confidentiality statutes outside of Chapter 51, Occupations Code.	This change would allow TDLR to use the best elements of differing confidentiality requirements, and would simplify the release of documents between TDLR, respondents, and other authorized recipients.



Improve Enforcement for Recently Transferred Medical and Health Programs (continued)			
Statutory Cite	Reason for Statutory Change	Recommended Statutory Change	Benefit of Change
Massage Therapy Occupations Code Chapter 455	Statute does not allow for a reasonable analysis of the criminal history of a licensee who has even the most minor violation of the Massage Therapy statute.	Amend the statute to remove the five-year "sit out" period for a licensee who has any violation of the Massage Therapy statute, which would apply to even the most minor violation.	Allow TDLR to administer the Massage Therapy program similarly to all other programs at TDLR, which provides for more streamlined evaluations and discretion while still ensuring that the agency can act quickly.
	Provide TDLR with clear authority to act in instances of sexual violations by licensees.	Clarify that Section 455.251(b)(1) is an operation of law provision that requires the agency to expeditiously revoke a license for those who have been convicted of sexual offenses.	
	Streamlines enforcement provisions across all programs at TDLR.	Amend the statute to bring the current enforcement provisions for the Massage Therapy program in line with other TDLR programs.	
Podiatry Occupations Code Chapter 202	Current provisions are redundant and inconsistent with current administrative policies and need to be aligned with TDLR enforcement procedures for all programs.	Amend the statute to align enforcement procedures with current TDLR processes.	Create consistent enforcement processes for all TDLR regulated programs to ensure efficiency.



Focus Inspections by Reducing Business Burdens and Targeting Public Health and Safety Violations			
Statutory Cite	Reason for Statutory Change	Recommended Statutory Change	Benefit of Change
Chapter 51 Occupations Code	Programs with inspection components contain inconsistent timeframes and have the possibility of imposing excessive and burdensome regulation and regulatory costs on licensees.	In Chapter 51, provide TDLR with general authority to extend facility inspection timeframes based on public health and safety criteria.	Would allow TDLR to focus inspection resources on activity to protect the public health and safety, rather than meeting fixed periodic inspection cycles which may yield limited benefit.
Used Automotive Parts Recyclers Occupations Code Chapter 2309	Imposes excessive and burdensome regulation and regulatory costs. Last session, the Legislature repealed riskbased inspections for the Barber, Cosmetology, Towing, and Vehicle Storage programs.	Amend the statute to repeal riskbased inspection requirement in the Used Automotive Parts Recyclers program.	Eliminates the threat of double punishment.

Simplify License Renewal Process and Reduce Licensing Costs				
Statutory Cite	Reason for Statutory Change	Recommended Statutory Change	Benefit of Change	
Chapter 51 Occupations Code	Annual license renewal is more burdensome for licensees and adds to TDLR's administrative workload.	For all license types, standardize license terms and any continuing education requirements to a two-year term.	This change would benefit more than 412,000 licensees, affect 97 license types, and ease administrative burdens allowing TDLR staff to dedicate more time towards quicker processing of licenses.	
Midwives Occupations Code Chapter 203, §203.152	The Sunset Advisory Commission's licensing model provides that an agency's fee-setting authority should be flexible enough to respond to changing circumstances. TDLR is required to set fees in amounts reasonable and necessary to cover the costs of administering a program.	Remove the statutory fee floor that prohibits the Commission from setting a fee for an amount less than the amount on September 1, 1993.	This change would allow TDLR more flexibility to decrease licensing fees in the Midwives program as they are warranted.	



Simplify License Renewal Process and Reduce Licensing Costs (continued)			
Statutory Cite	Reason for Statutory Change	Recommended Statutory Change	Benefit of Change
Midwives Occupations Code Chapter 203, §203.252(c)	This provision shortchanges applicants who receive their license when they meet their licensing requirements after March 1.	Remove the specific limitation on the initial term of a Midwifery license. The term of the initial license begins on the date the requirements are met and extends through March 1 of the second year after the year in which the initial license is issued.	This change would ensure that all initial licensees receive a full two-year license and would allow TDLR the flexibility to stagger license renewal periods.

Statutory Cite	Reason for Statutory Change	Recommended Statutory Change	Benefit of Change
Barbering & Cosmetology Occupations Code Chapter 1603, §1603.256	Provides licensees with additional avenues to take the practical exam.	Authorize TDLR to approve barber and cosmetology schools to conduct the practical portion of the barber and cosmetology exams.	This will provide students with more alternative locations for practical examinations and may allow for the expedited issuing of licenses. This may also lower the cost of examinations and licensing for students.
Hearing Instrument Fitters & Dispensers Occupations Code Chapter 402	This would allow TDLR to determine the passing score using a psychometrically valid method, as it does for other exams.	Remove the statutorily set passing score of 70 percent or greater for applicants.	Aligns all TDLR licensing provision which will result in greater efficiency and cost effectiveness.
Streamline Examina	tion and Continuing Education l	Requirements	
Statutory Cite	Reason for Statutory Change	Recommended Statutory Change	Benefit of Change
Laser Hair Removal Health and Safety Chapter 401	When the Laser Hair Removal program was transferred to TDLR, language regarding continuing education for licensees was inadvertently removed from statute.	Amend the statute to reinstate the continuing education requirement for the Laser Hair program licensees.	Continuing education requirements ensure that licensees receive up-to-date training.



Improve Court-ordered Programs to Better Serve the Public			
Statutory Cite	Reason for Statutory Change	Recommended Statutory Change	Benefit of Change
Offender Education Programs Alcoholic Beverage Code Chapter 106, §106.115 Transportation Code Chapter 521, §§521.374 - 521.376 Code of Criminal Procedure Articles 42A.403, 42A.404, 42A.405, 42A.406, and 42A.511	Recently, TDLR has been given responsibility for regulating multiple courtordered education programs and instructors. This authority is located across several statutes, which hinders TDLR's ability to operate the various activities as one regulatory program.	Create a unified statute for courtordered programs that are under TDLR's jurisdiction, and make the requirements of those programs easier to understand and consistent with TDLR's regulatory model.	The change would provide TDLR clear statutory authority for a program that has a public safety component. The change would make it easier for people required to complete court ordered programs to understand and comply with court requirements.
Remove Business Burdens for Barbers, Cosmetologists, and Massage Therapists			
Statutory Cite	Reason for Statutory Change	Recommended Statutory Change	Benefit of Change
Cosmetology Occupations Code Chapter 1602	Cosmetology statute references need to be updated to accurately reflect the scope of each license type.	Amend statute to correct references that were not properly updated during the last legislative session due to a change in the definition of cosmetology.	Provides licensees with clarity on license types and scope of work.

Remove Business Burdens for Barbers, Cosmetologists, and Massage Therapists				
Statutory Cite	Reason for Statutory Change	Recommended Statutory Change	Benefit of Change	
Barbering & Cosmetology Occupations Code Chapter 1601 Chapter 1602	This change would reduce costs for business owners that operate under separate barbering, cosmetology, and massage therapy licenses.	Allow for establishments that provide both cosmetology and massage therapy services to obtain one license instead of two.	Decreased costs to licensees.	
Chapter 1603 Massage Therapy Occupations Code Chapter 455		Allow for establishments that Decreased costs to licensees. provide both barbering and massage therapy services to obtain one license instead of two.		



Remove Unnecessary and Excessive Statutory Requirements			
Statutory Cite	Reason for Statutory Change	Recommended Statutory Change	Benefit of Change
Boiler Health and Safety Chapter 755, §755.029(c)	The requirement to post a certificate of operation under glass only is an unnecessary business practice requirement.	Remove the requirement that a certificate of operation must be posted under glass in a conspicuous place on or near the boiler for which it is issued.	Provides flexibility for business owners.
Dietitians Occupations Code Chapter 701, §§701.155 and 701.353	Unnecessary and outdated provision.	Remove the requirement that dietitians use a seal.	Eliminates an unused requirement that provides no public safety benefit and streamlines statute.
Midwives Occupations Code Chapter 203	Removes inconsistent and limiting restrictions on the Commission and brings the authority in-line with the other 28 advisory boards.	Remove the requirement that the chair of the Midwives Advisory Board be a public member.	Allow the Commission's presiding officer, with the approval of the Commission, to evaluate all eligible applicants and choose the best presiding officer for the Midwives Advisory Board.
Speech-Language Pathologists & Audiologists Occupations Code Chapter 401, §401.403	This language is unnecessary and obsolete.	Remove the unnecessary requirement that an audiologist register with TDLR their intention to fit and dispense hearing instruments.	This change would reduce paperwork and administrative burdens for audiologists.

Redundancies and Impediments Related to Natural Disasters

TDLR identified several ways to make the agency's response to natural disasters quicker, more efficient, and more effective, and created a Strategic Response Coordinator position to manage and direct the agency's future disaster response efforts. In addition, through rulemaking TDLR will develop quick response emergency provisions with an anticipated effective timeframe of Fall 2018.

At this time, TDLR has not identified any redundancies in specific statutory provisions related to natural disaster response.