



TEXAS DEPARTMENT OF  
LICENSING & REGULATION

2025-2029 STRATEGIC PLAN

**LEADING TEXAS  
TO A BRIGHTER,  
STRONGER FUTURE**

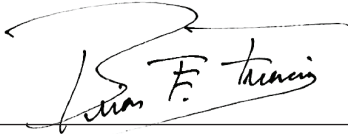


**AGENCY STRATEGIC PLAN  
FISCAL YEARS 2025-2029  
by  
THE TEXAS COMMISSION OF LICENSING AND REGULATION  
and  
TEXAS DEPARTMENT OF LICENSING AND REGULATION**

<b>Commission Member</b>	<b>Term</b>	<b>Hometown</b>
Rick Figueroa, Chair	02/01/2027	Brenham
Thomas F. Butler, Vice Chair	02/01/2025	Deer Park
Gerald R. Callas, M.D., F.A.S.A.	02/01/2029	Beaumont
Nora Castañeda, M. Ed.	02/01/2025	Harlingen
Sujeeth Draksharam	02/01/2027	Sugar Land
Lori High, D.N.P.	02/01/2027	Spicewood
Gary Wesson, D.D.S., M.S.	02/01/2029	Richmond

**Submitted June 1, 2024**

Signed:

  
Interim Executive Director

Approved:

  
Commission Chair

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## Who We Are

The Texas Department of Licensing and Regulation (TDLR) is the state's primary occupational licensing agency with responsibility for a broad range of professions, businesses, facilities, and equipment in Texas. Our chief goals are to protect the health and safety of all Texans and ensure they are served by qualified and competent professionals. We strive to provide predictable, common-sense guidance to our licensees and customers while remaining flexible and pragmatic in our approach to regulation. Our philosophy is that smaller, smarter government best serves the people of Texas and allows businesses to flourish here, providing opportunities for all Texans.

Chapter 51 of the Texas Occupations Code establishes the agency and our responsibilities. Our policies and procedures are guided by the Texas Sunset Advisory Commission's Sunset Licensing and Regulation Model, a nationally recognized standard used to evaluate whether occupational licensing and regulatory agencies are efficient, effective, fair, and accountable in their mission to protect the public. The model applies best practices and standards for agencies in the areas of policy, administration, licensing, enforcement, and overall structure.

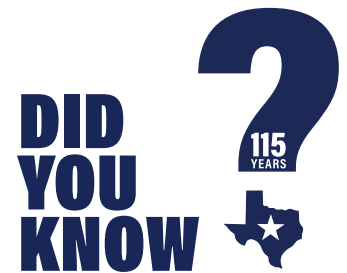
The Texas Commission of Licensing and Regulation (Commission) is our governing board and policy-making body. Its seven public members are appointed to staggered six-year terms by the Governor with the consent of the Texas Senate. By law, Commission members and their spouses cannot engage in any of the businesses or trades we

regulate, with some exceptions for the health care field.

In addition to protecting the health and safety of Texans, the Commission makes it a top priority to identify and remove business impediments. Before adopting any rule, the Commission carefully considers its potential impact on public health and safety, businesses, consumers, and licensees. To better understand the effect of program rules on the people we regulate, Commission members attend advisory board meetings and participate with program staff at agency summits, workshops, and public outreach events.

The Commission also values transparency and open government. Commission meeting dates, locations, and agendas are shared in advance with the public, who are provided an opportunity to address their concerns directly to the Commissioners. Meetings are streamed live on TDLR's YouTube channel, then archived and made available to view anytime. Commissioners receive regular training from our Office of General Counsel to ensure compliance with the state's open government laws.

TDLR's 33 advisory boards consist of licensees and representatives from regulated businesses and industries, as well as public members and other professionals. Advisory board members are generally appointed by the Commission to provide important technical knowledge and industry expertise, giving the Commissioners and our staff real-world insight into a wide variety of occupations and



*TDLR's roots can be traced back to **1909**, when the 31st Texas Legislature enacted **House Bill 109**, creating the **Texas Bureau of Labor Statistics**. The mission of the Bureau was to collect and report statistical information to the governor regarding labor and industry within the state of Texas.*





industries. Input from each advisory board is critical in helping us effectively carry out our mission and accomplish our vision.

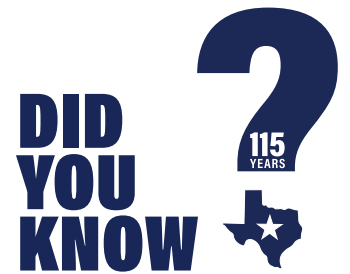
The executive director is hired by, and reports directly to, the Commission. The executive director is responsible for leading the day-to-day operations of the agency, and duties include:

- Administering our programs
- Recruiting, hiring, and managing agency personnel
- Issuing licenses and certificates
- Approving complaint settlements, fines, and sanctions
- Issuing cease and desist orders and emergency orders
- Referring cases to the Texas Attorney General

We would not be able to carry out TDLR's mission without our team of dedicated public servants. Each workday, our employees conduct inspections, enforce regulations,

develop examinations, provide specialized technical expertise, process licensing applications, carefully manage public funds and deliver outstanding customer service, all while developing and adopting best practices that keep the agency operating efficiently. Our 500-plus professionals do this work largely behind the scenes, allowing us to remain one of Texas' top-performing government agencies.

The agency leadership, our employees, and the Commissioners share a common mission: to earn the trust of Texans every day by providing innovative regulatory solutions for our licensees and those they serve. We do this in a way that is courteous, respectful, and mindful of who we work for: the people of Texas. Most importantly, we carefully balance the interests of protecting public health and safety with the need to preserve economic freedom and the rights of all individuals to pursue their dreams.



*In 1973 with the enactment of House Bill 901, the Bureau of Labor Statistics became the **Texas Department of Labor and Standards**, then was renamed **Texas Department of Licensing and Regulation** in 1989 by the 71st Legislature.*

## What We Believe

### CORE VALUES

**Open and free**  
communication

Create an exceptional  
**customer service**  
experience

**Teamwork** built on  
individual strengths  
and ingenuity

**Accountable** to  
Texans

Lead through  
**innovation**

**Respect**  
for  
all

**Integrity**  
in all  
we do

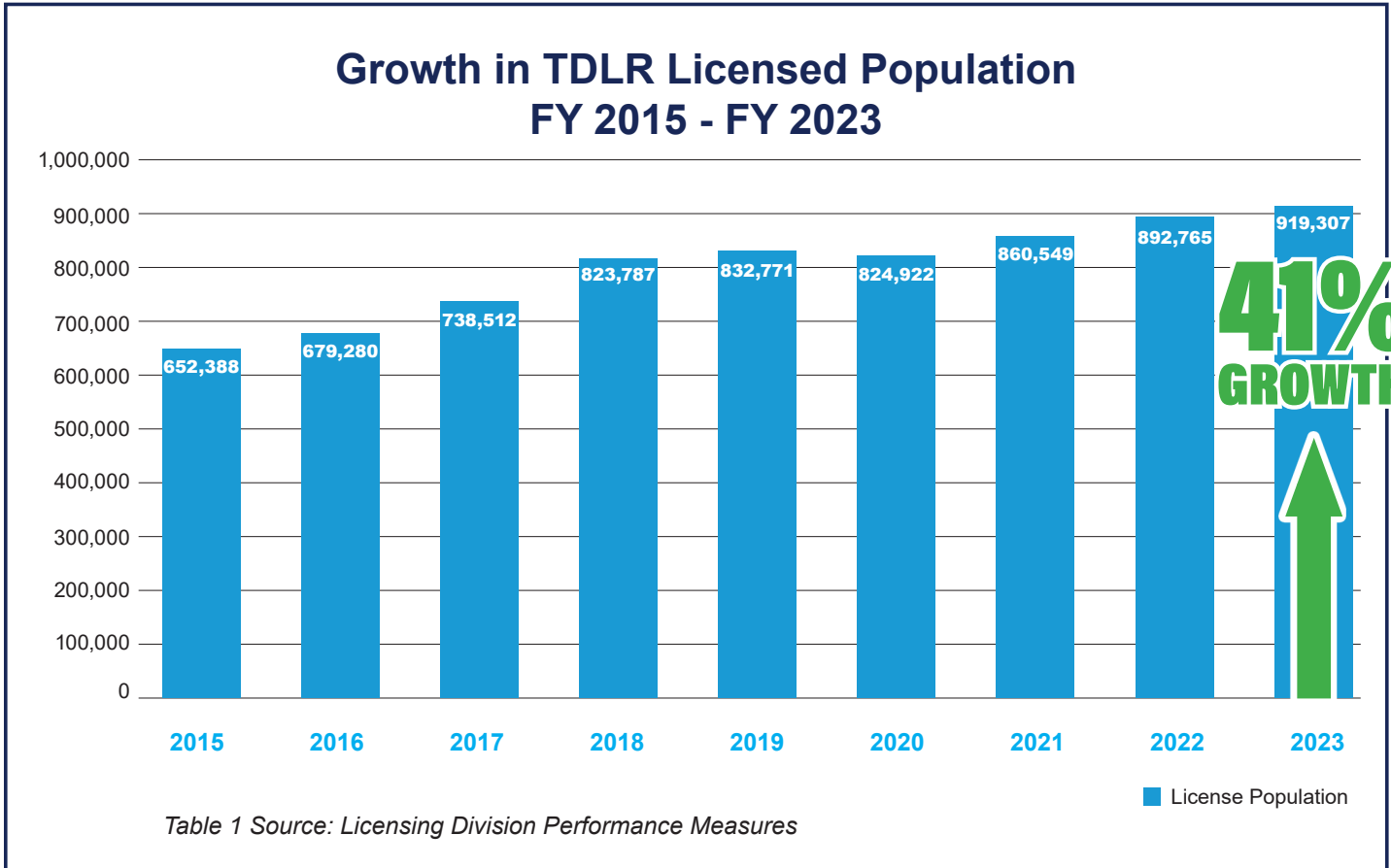
### VISION

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

### MISSION

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

## Who We Regulate



The Texas Legislature continues to recognize TDLR’s ability to successfully streamline existing licensing programs and to tackle new challenges and responsibilities resulting from legislative action. Over the last two decades, the Legislature has expanded our broad range of responsibilities while at the same time has found opportunities to deregulate where appropriate. With the addition of Electric Vehicle Charging Stations in 2023, the successful consolidation of Barbering and Cosmetology into one program and deregulation of some license types as a result of Sunset legislation, we will enter Fiscal Year 2025 with a total of 38 licensing programs.

### Temporary Attachment of Texas Board of Veterinary Medical Examiners (TBVME)

The 88th Legislature again demonstrated its trust in TDLR’s management of diverse responsibilities by temporarily transferring responsibility for oversight of the TBVME to the agency. Senate Bill 1414 adopted a recommendation from the Sunset Advisory Commission to administratively attach TBVME to TDLR for a four-year period, with another Sunset review at its conclusion. TDLR is providing TBVME with policymaking and administrative oversight, guidance, and support, and as well as with

***Our licensee population has grown from approximately 652,000 individuals, businesses, and equipment in 2015 to more than 919,000 today – a 41% increase over nine fiscal years.***



## Who We Regulate

both TBVME and the Department of Information Resources to determine their licensing software system needs. At the end of this period, TBVME will return to its independent agency status.

Prior to the 89th legislative session, TDLR will provide statutory recommendations designed to improve TBVME’s operations to the Sunset Advisory Commission and the standing committees with jurisdiction over TBVME.

### Significant Growth in Licensed Population

Our licensed population has grown from approximately 652,000 individuals, businesses, and equipment in 2015 to more than 919,000 today – a 41% increase over nine fiscal years (see Table 1 on previous page). Despite this substantial growth, we continue to deliver improved services, cost savings, and streamlined regulations to those programs transferred from other agencies, utilizing fewer full-time equivalent positions for the duties we now fulfill than previously provided at those agencies.

Our core values of innovation and teamwork are essential to the successful management of these diverse responsibilities, and our mission is supported in these efforts by a motivated and inspired workforce who respond positively to dynamic change. The functional alignment business model removes program silos to eliminate redundancies and ensure greater collaboration and productivity, allowing work to be performed at scale in response to the greatest need. While we have been successful in continuing to align our resources across programs, the steady growth of our licensing populations requires additional resources, both to ensure our staffing meets the needs of our customers and our employees remain motivated to succeed.

Below is a snapshot of our total licensee population, from largest to smallest, through the end of FY 2023, with the change in each program’s population since our last report to the Legislature following FY 2021 (Table 2):

Program	Individual Licenses	Business Licenses	FY23 Total Population	% Change from FY21
Cosmetologists	305,147	52,766	357,913	+7.4%
Electricians	167,455	12,943	180,398	+10.8%
Air Conditioning & Refrigeration	54,024	0	54,024	+7.2%
Boilers	236	52,238	52,474	-1.7%
Barbers	30,293	11,570	41,863	+11.8%
Massage Therapy	35,604	3,299	38,903	+20.6%
Elevators & Escalators	186	35,864	36,050	-8.7%
Towing	15,573	16,732	32,305	+5.3%
Speech-Language Pathologists & Audiologists	25,781	0	25,781	+8.1%
Architectural Barriers	551	24,868	25,419	+14.0%
Motor Fuel Metering & Quality	613	12,632	13,245	-11.9%

Continued on next page





Program	Individual Licenses	Business Licenses	FY23 Total Population	% Change from FY21
Dietitians	7,626	0	7,626	+1.4%
Laser Hair Removal	4,713	395	5,108	+29.4%
Mold Assessors & Remediators	4,095	562	4,657	-11.7%
Vehicle Storage Facilities	2,595	1,956	4,551	+2.8%
Behavior Analysts	4,491	0	4,491	+42.9%
Athletic Trainers	4,363	0	4,363	+1.6%
Property Tax Professionals	3,760	0	3,760	+3.8%
Driver Education and Safety *	2,940	0	2,940	-5.3%
Code Enforcement Officers	2,686	0	2,686	+7.2%
Water Well Drillers & Pump Installers	2,263	0	2,263	+2.9%
Court-Ordered Education Programs *	1,835	374	2,209	-42.7%
Auctioneers	2,164	0	2,164	-4.0%
Property Tax Consultants	2,098	0	2,098	+6.0%
Continuing Education	0	2,052	2,052	-11.7%
Podiatry	1,414	0	1,414	-4.5%
Sanitarians	1,301	0	1,301	+1.8%
Combative Sports *	1,063	73	1,136	-20.1%
Dyslexia Practitioners & Therapists	1,116	0	1,116	+6.7%
Orthotists & Prosthetists	659	256	915	-1.9%
Hearing Instrument Fitters & Dispensers	859	20	879	+2.3%
Industrialized Housing & Buildings	67	773	840	-4.3%
Used Automotive Parts Recyclers	0	672	672	-2.6%
Service Contract Providers	0	428	428	+11.1%
Professional Employer Organizations	0	413	413	+10.4%
Midwives	352	4	356	+7.8%
Motorcycle & ATV Operator Safety	283	54	337	+9.0%
Licensed Breeders	0	130	130	-10.3%
Transportation Network Companies	0	15	15	-16.6%
Weather Modification	0	12	12	0%
<b>Total</b>	<b>688,206</b>	<b>231,101</b>	<b>919,307</b>	<b>+6.8%</b>

Table 2 Source: Licensing Division Performance Measures

\* Decrease due to deregulation of some license types by HB 1560 (87-R)

## Who We Regulate

### 25 New and Transferred Programs Consolidated at TDLR since 2015

Year	Program	Transfer/New
2015	Parent-Taught Driver Education	Transfer from DPS
2015	Driver & Traffic Safety Education	Transfer from TEA
2016	Athletic Trainers	Transfer from DSHS
2016	Dietitians	Transfer from DSHS
2016	Dyslexia Therapists & Practitioners	Transfer from DSHS
2016	Hearing Instrument Fitters & Dispensers	Transfer from DSHS
2016	Midwives	Transfer from DSHS
2016	Orthotists & Prosthetists	Transfer from DSHS
2016	Speech-Language Pathologists & Audiologists	Transfer from DSHS
2017	Code Enforcement Officers	Transfer from DSHS
2017	Laser Hair Removal	Transfer from DSHS
2017	Massage Therapy	Transfer from DSHS
2017	Mold Assessors & Remediators	Transfer from DSHS
2017	Offender Education Providers	Transfer from DSHS
2017	Sanitarians	Transfer from DSHS
2017	Behavior Analysts	New
2017	Podiatrists	Transfer from Podiatry Board
2017	Responsible Pet Owners Online Courses	New
2017	Transportation Network Companies	New
2019	Motor Fuel Metering & Quality	Transfer from TDA
2020	Motorcycle Operator & Training Safety	Transfer from DPS
2020	Off-Highway Vehicle Operator Education & Certification	Transfer from DPS
2021	Residential Service Contracts	Transfer from TREC
2023	Electric Vehicle Charging Stations	New
2023	Texas Board of Veterinary Medical Examiners	Temporary Attachment

## How We Do It

### Texas Commission of Licensing and Regulation

The Texas Commission of Licensing and Regulation (Commission) is our governing board and policymaking body, responsible for general oversight of the agency. In addition to this role, the Commission is responsible for adopting all rules for our 38 regulatory programs, approving final disciplinary orders for all complaints prosecuted by our attorneys at the State Office of Administrative Hearings (SOAH), and approving our operating budget and legislative appropriations requests. The Commission also oversees all personnel matters related to the executive director.

The Governor, with the advice and consent of the Texas Senate, appoints the Commission's seven public members to staggered six-year terms. The Governor also designates the presiding officer of the Commission. The current presiding officer is **Rick Figueroa** of Brenham. Mr. Figueroa has served on the Commission since 2016 and has held the role of presiding officer since 2019.

Each Commissioner brings a uniquely independent voice to the table, as Commissioners and their spouses may not hold licenses or possess significant business interests in the professions and industries regulated by TDLR. The Commissioners generously donate their time and effort in service to the public and share a commitment to ensuring that together, we develop and sustain common-sense regulatory solutions for all Texans.

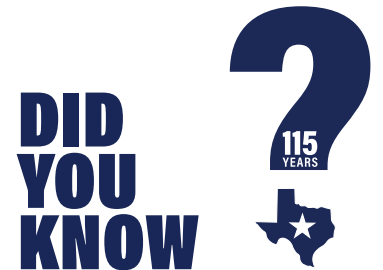
Commission meetings are designed to ensure transparency and customer focus. All Commission meetings are open to the public and include opportunities for public comment. Meeting agendas and materials are posted in advance on our website, and videos of each meeting are livestreamed on the TDLR YouTube channel, where they remain available to the public for two years.

The Commissioners honor and respect the trust placed in them by the Governor and their fellow Texans and adopt administrative rules only after carefully considering the potential impact on licensees, consumers, businesses, and public health and safety. In each meeting, Commissioners strive to ensure that their decisions and actions are fair and transparent, with a focus on eliminating impediments and reducing regulatory burdens for businesses and licensees.

Commissioners attend advisory board meetings, participate in workgroups, work directly with our staff on issues of personal interest or concern, and engage frequently with the TDLR-regulated community at public events.

### Advisory Boards

With the temporary four-year attachment of the Texas Board of Veterinary Medical Examiners, TDLR now receives valuable input and insight from 33 different advisory boards, including from the newly created Mold Assessment and Remediation Advisory Board. Board members for 30 advisory boards are appointed by the presiding officer of



*Elevators, Escalators and Related Equipment program regulation was established at TDLR in **1993** through the enactment of House Bill 154.*



## How We Do It

the Texas Commission of Licensing and Regulation, with the approval of the Commission, and serve staggered six-year terms. Three advisory boards are appointed by the Governor: Texas Industrialized Building Code Council, Podiatric Medical Examiners Advisory Board, and Texas Board of Veterinary Medical Examiners.

Advisory board members include industry experts, medical and health professionals, business leaders, educators, members of the public who represent consumers, and other interested parties based on the regulated profession.

The advisory boards meet as needed to evaluate, review, and make recommendations to the Commission on:

- Rules and technical standards
- Scope of practice and health-related standards of care
- Examination development
- Continuing education requirements
- Trends affecting their regulated industries
- Concerns and comments from their communities

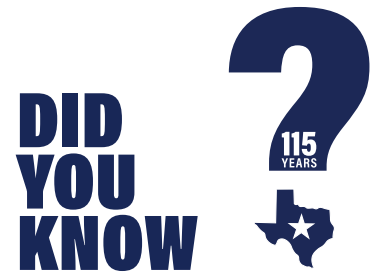
Additionally, advisory board members assist with the development of our criminal conviction guidelines and enforcement plan by identifying crimes that relate to the licensed professions and recommending appropriate penalties for violations of laws and rules. Experienced advisory board members also assist agency

staff in providing orientation and training to new appointees, giving opportunities to Texans who may have never worked in government to serve in a public role.

Like Commission meetings, advisory board meetings are conducted in an open and customer-focused manner, with notices posted and emailed in advance and all meetings streamed live and archived on TDLR's YouTube channel. Each advisory board offers the public an opportunity for industry-specific discussion of new legislative and proposed rule changes impacting most of our 919,000+ licensees. Board members play a key role in reviewing rules affecting their industry and advise the Commission and the agency on how to eliminate unnecessary, outdated, or burdensome regulation.

Our ongoing success with consolidating new licensing programs is due in part to the expertise and efficiency provided by the 280 professional and consumer advisory board members who serve. This deep pool of professionals and public servants allows us to strategically fulfill core functions with a small and efficient workforce and provides invaluable subject-matter expertise to the agency.

TDLR's advisory board structure allows our Commission to exercise greater independence in judgment, while at the same time providing Commissioners and the agency with an important industry perspective. The advisory board system at TDLR is an inclusive process, and we listen closely to the advice and opinions of all our board members.



*Seven DSHS programs became a part of TDLR in 2016 following enactment of SB 202 (84-R): **Athletic Trainers, Dietitians, Dyslexia Therapists and Practitioners, Hearing Instrument Fitters and Dispensers, Midwives, Orthotists and Prosthetists, and Speech-Language Pathologists and Audiologists.***

## Description of Each Division Functional Alignment

Under the guidance of TDLR’s Executive leadership, our divisional functional alignment, along with staff development and cross-training, empowers us to meet the agency’s changing demands and increasing responsibilities.

TDLR’s functional alignment is a shared-services business model that creates efficiencies and savings by distributing work across the agency by purpose – not by program. Functional alignment eliminates redundancies commonly found in “silo” programs and small, single-occupation licensing boards. The Texas Legislature consistently looks to us to consolidate existing licensing programs from other agencies into this functional alignment model.

Division directors and staff participate in cross-functional teams, and open and free communication is a key component in the success of the functional alignment model.

We take pride in our ability to work collaboratively and respond efficiently and effectively to challenges within and across functional areas. Teamwork and innovation are part of our core values and hallmarks of the functional alignment model.

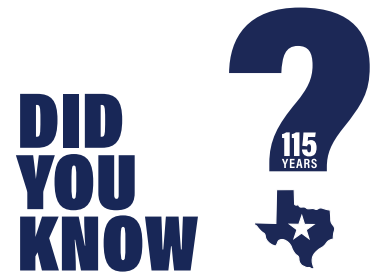
### Executive

In addition to providing visionary leadership as head of the agency, the executive director is the principal supervisor for the following divisions:

- **Executive Office:** Provides the leadership and motivation for achieving our strategic vision;

manages day-to-day operations; implements Commission objectives; and ensures our compliance with statewide goals and initiatives.

- **Office of General Counsel:** Provides legal guidance for our regulatory programs and the operations of the Commission and the agency; prepares and files all agency rulemaking; prepares Commission orders in contested cases; responds to all open records requests; coordinates litigation with the Office of the Attorney General; works with contracting and procurement; negotiates and reviews interagency agreements; manages agency records; provides advice to the Commission and TDLR advisory boards on regulatory programs; and provides training to advisory boards, commissioners and staff on compliance with the Open Meetings Act and the Public Information Act. Additionally, the General Counsel serves as the chief ethics advisor and chief audit executive.
- **Human Resources & Operations Support (HROS):** Ensures operational excellence by providing comprehensive services aimed at optimizing our agency’s workforce and operational processes. This includes recruitment, classification, and compensation strategies that ensure our workforce is aligned with our mission and vision; employee engagement and development initiatives to maximize employee



*In 2017 six additional DSHS programs were transferred to TDLR following enactment of SB 202 (84-R):*  
**Code Enforcement Officers, Laser Hair Removal, Massage Therapy, Mold Assessors and Remediators, Offender Education Providers, and Sanitarians.**

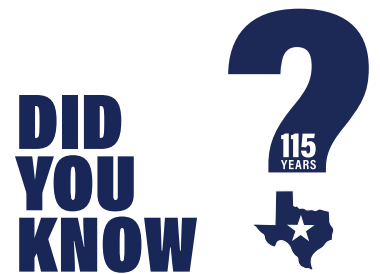
## How We Do It

potential and productivity; employee relations efforts to ensure a harmonious work environment; the administration of human resources benefits programs; and expert legal counsel on employment matters. HROS also oversees risk management and facility operations, ensuring a secure and efficient workplace. Finally, HROS conducts succession, workforce, and Continuity of Operation (COOP) planning, ensuring our agency stays on course for the future and in the wake of unforeseen events. During the recent pandemic, HROS helped the agency successfully deploy hybrid and remote work strategies that allowed the agency to continue operations with little disruption.

The **Senior Deputy Executive Director** supervises the following divisions:

- **Compliance:** Assists the regulated community and internal staff with guidance to achieve compliance with applicable laws, rules, codes, and standards for the benefit of consumers and the public. Staff consists primarily of technical and industry experts for our programs. Their skills and experience are critical to our role in safeguarding the public and ensuring that Texans are served by qualified professionals. Compliance staff participate in industry and professional conferences to educate licensees, conduct stakeholder outreach, and administer equipment and facility safety inspections. The
- **Enforcement:** Processes, investigates, and resolves complaints against licensees and other regulated populations through a risk-based approach to complaint resolution; this is done by prioritizing complaints which pose the greatest risk to the public. The division also assesses each applicant's fitness for licensure upon initial application and each subsequent renewal based upon the applicant's criminal history. Our team consists of administrative and legal assistants, investigators, and attorneys who work collaboratively to ensure complaints are processed in a fair and efficient manner. Employees include Austin-based and regional field staff organized into three sections reflecting the life cycle of a typical complaint – intake, investigation, and prosecution – as it moves through the enforcement process.
- **Field Inspections:** Performs fair, thorough, and timely inspections to protect the public's health and safety and educate licensees. Major activities include performing pre-license, periodic, and risk-based inspections (using onsite and virtual inspections); documenting and reporting

Anti-Trafficking Team works with law enforcement, non-governmental organizations and others to assist with recognizing and eradicating labor and sex trafficking in our regulated programs. The division is organized into three sections: Consumer Protection, Health and Wellness, and Building Safety.



*Mollie Edmonds was the first female barber licensed in Texas, gaining her license in 1945. She operated Mollie's Barber Shop at the same location on East Marshall Avenue in Longview for 56 years, before passing away in 2006 at the age of 86.*



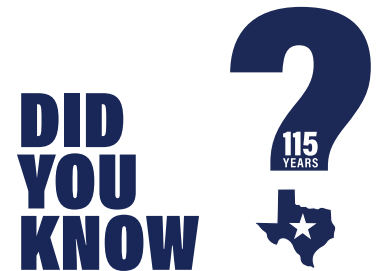
potential human trafficking; providing education to the public, business owners, school owners, and licensees to ensure regulated industries operate in a safe and ethical manner; and overseeing combative sports events. Division staff are located throughout the state, and our regional offices are based in Austin, Fort Worth, and Houston.

The **Deputy Executive Director** for Licensing Services supervises the following divisions:

- **Customer Service:** Responds to customer contacts received by phone, email, and social media posts, and provides in-person assistance in the lobby at TDLR headquarters in downtown Austin. Division staff answer general questions about our programs and processes, educate and assist license applicants through the application and renewal processes for their programs, and assist customers with making payments. Customer service representatives are the first and often the only point of contact our customers will have with the agency. In a typical day, the division responds to 1,609 phone calls and 163 emails, and monitors and engages the public through social media, including assistance by Spanish and Vietnamese language speakers.
- **Education and Examination:** Develops the academic programs that will provide a learning environment resulting in licensure and continuous improvement in the skills and

knowledge of the professions and industries we regulate. The division coordinates the research, evaluation, and auditing of education providers and licensees for both pre-license education and continuing education requirements. The division conducts, prepares, monitors, and administers the evaluation and delivery of license testing including the oversight of the third-party testing vendor, PSI, who administers the exams. The division brings attention to key educational issues that impact regulation and requirements due to legislative changes. The division strategizes how to shift the agency focus to emphasize educating, preventing fraud, providing informational resources, and improving compliance for successful education providers which results in competent licensees.

- **Licensing:** Processes and reviews applications and issues licenses to qualified individuals and businesses in accordance with statutory requirements. Licensing requirements typically include education and credentials, experience and employment history, insurance, bonding and net worth requirements, examination, fingerprinting or criminal background checks and continuing education courses. The division is organized into teams to optimize cross-training and efficiency, with each team member trained on how to



*The **Motor Fuel Metering and Quality** program was transferred to TDLR on **September 1, 2020**, following enactment of **SB 2119 (86-R)**.*

## How We Do It

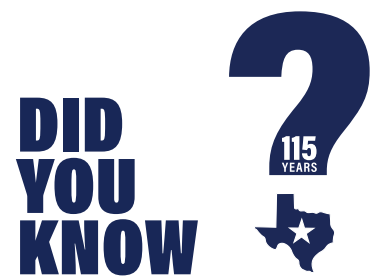
process most license types issued by their team. Teams are generally grouped by similarity of program, licensing requirements, and licensing database. Staff are also trained on higher workload programs to assist during seasonal spikes. Licensing works closely with the Enforcement division to ensure background checks are completed on all individual license applicants.

The **Deputy Executive Director** for Administrative Services supervises the following divisions and teams:

- **Asset Management:** Coordinates the tracking and assignment of all agency assets, from their initial purchase until their transfer to State Surplus.
- **Financial Services:** Provides oversight for all agency accounting and budgeting, prepares the agency Legislative Appropriations Request (LAR), annual financial report, and operating budget, and ensures timely processing of all mail and revenue.
- **Information Security Office:** Protects information technology assets and delivers cybersecurity incident detection and response, vulnerability assessment and remediation, threat assessment, and software security services. The office evaluates cybersecurity risks and ensures compliance with applicable state and federal law, as well as industry standards and best practices. The office further evaluates, investigates,

and audits security logs/ incidents to ensure cybersecurity risk is managed appropriately; advises management and users regarding security configurations, processes, and procedures; and develops, implements, and tests incident response plans, processes, and communication strategies. The Data Management Officer works in this office as well.

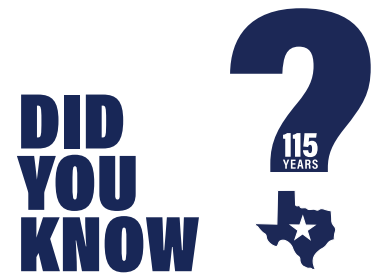
- **Information Technology (IT):** Advances the agency's goals by offering software development and maintenance, along with overseeing upkeep and assistance for all technology resources, devices and infrastructure. Under the guidance of the division director, the IT Division manages Software Development Services, IT Services, and Project Management. Working closely with the Information Security Office, the IT Division employs state-of-the-art cybersecurity methods and protocols to guarantee the secure and efficient operation of all TDLR systems for the benefit of the State of Texas and its residents.
- **Office of Strategic Communication and Process Improvement (OSCP):** Works closely with Executive leadership and all divisions to align agency actions with agency strategy. OSCPI provides support in the following areas: coordinates all activities, meetings, and outreach for 33 advisory boards and the Commission; media relations; external and internal



*In 1967, Weather Modification program regulation was enacted by SB 458 (60-R) and placed under authority of the Texas Water Development Board.*

communications; promotional materials and design; outreach to legislators, stakeholders, and Office of the Governor in support of agency and state government strategy; and the design and maintenance of TDLR's website and intranet. OSCPI also guides the agency's process improvement and change management activities.

- **Contracting and Procurement Services:** Assists all TDLR Divisions with procurement and contracting needs. The team's efforts are focused on purchasing and contracting activities to obtain the best value for TDLR. Our mission is to employ highly trained professional staff to approve, record, and process the procurement of goods and services for TDLR at the right time, the right price, and in compliance with laws, regulations, and purchasing procedures, as well as to exercise sound business judgment.



*On Oct. 8, 1957, Barbara Buttrick and Phyllis Kugler were the first two women to box professionally in Texas. The bout, which took place in San Antonio's Freeman Coliseum, ended in a loss for Kugler.*



## What We Have Done

Since the release of the 2023-2027 Strategic Plan, some TDLR responsibilities have expanded, and we have refined our efforts in other areas. We've also taken on new challenges, including the attachment of the Texas Board of Veterinary Medical Examiners for four years. Throughout this time, our staff have shown extraordinary resiliency and innovation through their collaborative efforts. Below are highlights of what we have done together.

### **Financial Crimes Intelligence Center Prevents \$171.5 Million In Monetary Losses**

The Financial Crimes Intelligence Center (FCIC) is a statewide fusion center based in Tyler that coordinates law enforcement investigations related to various types of organized financial crimes. The center – the first of its kind in the United States – was created by House Bill 2106 in the 87th Texas Legislature and operates as a partnership between TDLR and the Smith County District Attorney's Office. The FCIC's total two-year budget is \$2,650,000.

In the two years since it officially opened, the FCIC prevented \$171,516,831 in monetary losses due to fraud in Texas and recovered 624 credit card skimmers and 5,574 fraudulent credit cards.

Staffed by law enforcement officers and analysts with extensive experience in investigating financial and organized crimes, the FCIC collaborates with local, state, and federal agencies as well as the financial, fuel, and retail industries to protect consumers and the Texas economy.

One of the key areas the FCIC focuses on is credit card skimming – a criminal activity where electronic devices called “skimmers” are attached to gas pumps, ATMs, or point-of-sale terminals. These skimmers intercept and record payment card information during transactions, which can then be used for other illicit purposes.

Among the notable cases that FCIC investigators assisted with since 2022:

- A large, organized credit card skimming operation allegedly run by foreign nationals in the Houston area. The group was placing credit card skimmers on card readers at several pharmacies and then creating fraudulent credit cards using information gathered from skimmed cards.
- A large, organized fuel theft ring that allegedly stole more than 100,000 gallons of diesel fuel from gas stations across the Houston region. Eight people were arrested in connection with the cases in May 2023. According to law enforcement, the theft ring illegally entered fuel pumps and manipulated the system that measures the amount of fuel being dispersed to show significantly smaller purchases than what was dispensed. The suspects then coordinated efforts to pump and steal the fuel, which was taken to truck yards that illegally stored and sold the stolen fuel to truck drivers at a discounted rate and without charging the required state motor fuels tax.
- A large, organized fuel theft

**DID  
YOU  
KNOW**



***Water Well Driller regulation began in 1961 with the enactment of HB 409 (61-R) under authority of the State Board of Water Engineers (later the Texas Water Commission). Licensing of Water Well Pump Installers began in 1991 with the enactment of HB 1648 (72-R) and placed under the authority of the Texas Water Commission (later Texas Natural Resource Conservation Commission and now the Texas Commission on Environmental Quality).***

case that resulted in the arrests of three men in Odessa in July 2022. The FCIC provided intelligence and investigative guidance to the agencies that assisted them in assembling enough information to charge the men with Engaging in Organized Criminal Activity. They were accused of stealing 300 gallons of fuel at an Odessa convenience store by tampering with the fuel pump metering system. Investigators believed the men also were involved in stealing more than 3,600 gallons of fuel in other incidents and are likely to be related to much more.

The FCIC recently opened a Digital Forensics Laboratory that features some of the most sophisticated lab equipment in the country. Experts at the laboratory can perform forensics on phones, computers, tablets, and skimmers of all types.

TDLR regulates motor fuel metering and quality, processes consumer complaints and collects merchant reports related to credit card skimmers. The Smith County DA aggressively investigates and prosecutes criminals engaging in organized financial crimes such as fraud related to gasoline pump skimmers.

### **TDLR Legacy Systems Replacement Project**

The 88th Texas Legislature appropriated funding to consolidate TDLR's multiple legacy licensing software systems into a single modern, secure system that will enable TDLR to manage its current

licensing workloads with greater efficiency and bring needed improvements to data security, quality, and accessibility.

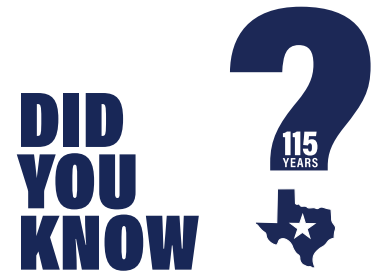
Since last session, TDLR hired a vendor to perform a market analysis assessing TDLR's needs, current market solutions, and budget. The agency also performed market research, meeting with other Texas agencies, with agencies in other states, and with vendors.

To ensure that appropriated monies were carefully spent, TDLR hired a vendor to help the agency throughout the procurement process, including with developing requirements, creating a Request For Offers (RFO) document, navigating and passing multiple external agency reviews, and publishing the RFO.

To complete the project, TDLR will need adequate and continued funding through unexpended balance authority for the consolidation of TDLR's multiple legacy licensing software systems into a single solution that is modern and secure.

### **Anti-Trafficking Team (ATT)**

The Anti-Trafficking Team (ATT) is a collaboration of individuals within TDLR who have been assigned to perform functions relating to the identification of trafficked persons. Staff strive to ensure regulated licensees are safe from labor and sex trafficking. ATT members collaborate between divisions and work with interested parties including criminal justice agencies, non-governmental organizations (NGOs), social services providers, and relevant community stakeholders to build capacity and



*In FY 23, TDLR performed 272,957 inspections of facilities in licensed industries to help ensure that they were operating in a safe and ethical manner.*

## What We Have Done

focus our anti-trafficking efforts on four functional areas:

- **Enhanced collaboration to reinforce anti-trafficking efforts in the community:** As a key member of various working groups and task forces, the ATT collaborates with governmental and non-governmental agencies in Texas to identify and eradicate human trafficking in Texas through a coordinated and strategic effort. The ATT's outreach to external partners is a bridge to connect TDLR staff members with external partners who share similar goals.
- **Public health approach to community engagement to increase public awareness:** The ATT strives to protect public safety as it engages with non-governmental organizations, community groups and the public to combat human trafficking in TDLR's regulated industries. The ATT expands human trafficking awareness through community outreach efforts that aim to increase public awareness regarding the prevention of human trafficking, inform vulnerable populations of the risks and dangers of trafficking, identify red flags often associated with trafficked persons, and share information on available community resources.
- **Technical assistance to build anti-trafficking capacity:** The ATT leverages agency-wide resources to capitalize on each division's strengths and build a united front in its anti-trafficking

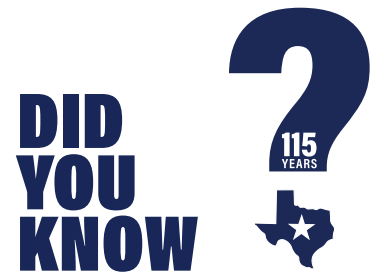
efforts. Team members work together to overcome barriers and identify challenges that impede anti-trafficking efforts. The ATT works to develop human trafficking related intervention resources and tools and seeks to identify and track illicit massage businesses (IMBs) that are often the focal point for trafficking activities.

- **Targeted training towards pursuing the operational anti-trafficking goal:** The ATT provides trainings relating to anti-trafficking efforts and IMBs. These trainings have been provided to TDLR employees, law enforcement partners, and non-profit organizations to raise awareness and fill knowledge gaps in IMB operations and investigations.

### **Mold Advisory Board Established**

Senate Bill 202 (84-R) transferred the Mold Assessment and Remediation licensing program from the Department of State Health Services to TDLR. Most programs administered by TDLR have an advisory board to provide technical and industry expertise, but at the time of transfer, the mold program did not.

During our 2022 Strategic Planning sessions, recommendations were made by industry stakeholders and staff to create an advisory board relating to the mold programs and as a result, TDLR identified this as a strategic initiative for the 2023-2027 Strategic Plan. Senate Bill 1213 (88-R), authored by Senator Judith Zaffirini, established the Mold Assessment and Remediation



*Auctioneer industry regulation began in Texas in 1975 with the enactment of HB 1925 (64-R). A \$5,000 bond was required of applicants in order to provide protection in the event of damages occurring from a licensed auctioneer's activities.*

Advisory Board. The bill was signed by the Governor on May 29, 2023, and became effective immediately.

The eleven members of the board are appointed by the chairman of the Texas Commission of Licensing and Regulation and consist of:

- Members who are licensed and engage in mold assessment as consultants
- Members who are licensed and engage in mold remediation as contractors
- Members who are building contractors principally engaged in home construction and who are members of a statewide building trade association
- A member of the insurance industry
- A member of an accredited mold training provider
- A public member

The initial meeting of the board was held March 18, 2024, and assignments were made to establish workgroups for education, licensing, enforcement, and standards of care. The board will be involved in assisting with updating the mold administrative rules, which will include changes suggested by staff and from public comments received during past rulemakings, rule review, stakeholder meetings, and strategic planning.

### **Attachment of the Texas Board of Veterinary Medical Examiners**

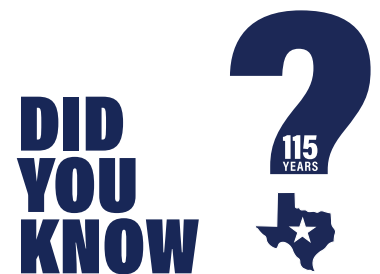
In 2023, the Texas Legislature enacted legislation that administratively attached the Texas Board of Veterinary

Medical Examiners (TBVME) to TDLR for a four-year period ending August 31, 2027. During this period, TDLR is assisting TBVME with policymaking and administrative oversight, guidance, and support. All day-to-day licensing and regulatory functions of the TBVME – such as new applications, renewals, and complaints – remain with the TBVME during the temporary attachment.

In June 2023, TDLR and TBVME began establishing the groundwork for interagency collaboration. In July, discussions between TDLR staff, TBVME, and the Texas Department of Information Resources (DIR) began regarding a procurement plan for a new licensing system. TDLR identified where TBVME needed assistance with transparency and public input in the rulemaking process and TBVME expressed need for assistance with legal support services and enforcement data measures.

On August 30, 2023, TDLR's TBVME Work Group held their initial meeting. TDLR/TBVME Phase One Work Groups were created for the following functional areas: licensing; enforcement; legal/rulemaking; and finance/human resources/administration. Activities currently underway include:

- **Internal Audit Services:** On July 27, 2023, TDLR met with our Internal Auditor (Weaver & Tidwell) and determined a full risk assessment of TBVME would be conducted as part of the FY 2024 Internal Audit Plan. At their October 2023 meeting, the Texas Commission of Licensing and



*In 2000, TDLR was one of six agencies involved in the pilot project for Texas Online, the main web portal site for state services. As part of this project, TDLR developed online Air Conditioning and Refrigeration contractor license renewals.*



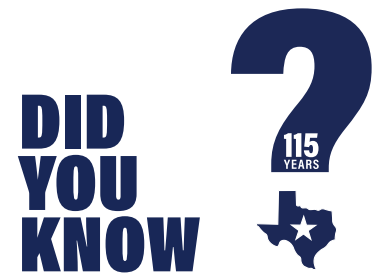
## What We Have Done

Regulation approved Weaver's FY 2024 Internal Audit Plan. The audits are reviewing licensing processes; administration and prosecution of inspections and enforcement; budget and planning processes; and procurement.

- **Outreach and Training:** TDLR hosted an Advisory Board Training Summit for the TBVME on September 20, 2023. TBVME public meetings are held at TDLR's office in North Austin and streamed live via YouTube.
- **General Counsel:** TDLR's Office of General Counsel has met extensively with TBVME throughout the temporary attachment to provide guidance and counsel on several issues, including:
  - Procurement of a new licensing system
  - The contested case process and the role of the Texas Commission of Licensing and Regulation as the final decisionmaker in these cases
  - Rulemaking relating to fees and implementation of recent legislation
  - Compliance with the Administrative Procedure Act, Open Meetings Act, and Public Information Act. The Office of General Counsel has also had a consistent presence at TBVME's public meetings, and has advised and informed the Board in executive session regarding TBVME processes and contested cases

- **Board Training to Ensure Compliance with Open Government:** TDLR provided mandatory training covering the Open Meetings Act, the Administrative Procedures Act, the Public Information Act, and best practices for ensuring openness and transparency in all public board functions.
- **Enforcement Oversight:** TDLR's Enforcement Division reviewed TBVME's investigative, inspection, and prosecution policies in conjunction with the audits of those sections performed by Weaver during February 2024. In those meetings, Enforcement asked questions to help the auditors understand the full nature of potential issues the TBVME may or may not be facing. We also attended an emergency temporary suspension hearing that was conducted by TBVME staff and board members against a licensee.

Under this attachment, TDLR ultimately has final approval authority for orders and dismissals. TDLR Enforcement began reviewing TBVME's agreed orders, dismissals, and default orders prior to their submission to the TBVME Board to ensure that legal sufficiency and consistent application of penalties and sanctions are being administered by TBVME. This has included going to TBVME's offices and collaborating with staff to review each document and the justifications for the



*Court-ordered alcohol education for minors was established in 1991 with the enactment of HB 2183 (72-R).*

decisions the TBVME came to before TDLR would sign off and allow those documents to move forward in the process. Additionally, we invite the TBVME staff attorneys to participate in Enforcement's pre-commission meetings for cases the TBVME are presenting to the Texas Commission of Licensing and Regulation. In these meetings we provide feedback and insights on their presentations. The goal is to ensure the TBVME staff attorney has the best chance at a successful outcome when presenting those cases before the Commission.

- **New Licensing System for TBVME:** DIR was responsible for establishing a plan for the procurement and acquisition of a new licensing system for TBVME. DIR took a two-pronged approach, issuing a Request for Quotation (RFQ) to vendors, while simultaneously submitting an Idea ticket to Data Center Services (DCS). TDLR and DIR met with TBVME in November 2023 to review TBVME's current licensing system specifically to assess backup capabilities. TDLR was given an account to TBVME's system and built a data model based on the system, which was then provided to TBVME and DIR. TDLR also began building queries (based on the data model) to perform exports as a means of backing up TBVME data.

DIR's RFQ, a pared-down version of DIR's "Needs Assessment," primarily

focused on data, was sent to approximately 500 vendors. Two responded with questions, and TDLR supported TBVME in answering the questions. One vendor submitted a bid and provided a demonstration.

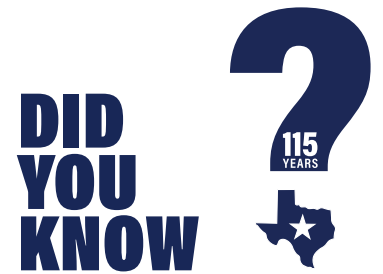
Simultaneously, DIR submitted an Idea ticket to DCS asking for an estimate, or Rough Order of Magnitude (ROM). Deloitte is the vendor in the DCS program that supports and responds to Idea tickets. TDLR, DIR, and Deloitte met in December 2023 to find a solution that was not easily identifiable. A solution was found and is currently in use.

### **Prioritization of Consumer Complaints**

Following recommendations from the Sunset Commission, the Enforcement Division has reoriented its complaint resolution process to focus our efforts on complaints regarding issues posing a higher risk to public safety or potential for consumer harm. Complaints involving actual harm are prioritized, and resources are allocated to facilitate the efficient handling of these matters. The division has also improved its ability to track and prioritize complaints that have been identified as containing indicators of human trafficking. As a result, TDLR can more readily respond to high-priority matters and coordinate with partners internally and externally to address matters posing a threat to public safety.

### **Rule Adoption Efficiency**

There are 48 administrative rule



*In March 2020, TDLR introduced an innovative new military licensing website that provides resources for active duty service members, veterans, and military spouses, helping eligible individuals take advantage of benefits that Texas offers to our military community. The website includes a search function that matches Texas occupational licenses with the military training and experiences of service members and veterans who wish to transition their military occupations to the civilian world.*

## What We Have Done

chapters related to the programs TDLR regulates and the agency's administration. Along with the statutory requirement to complete a review of each rule chapter every four years following a chapter's initial adoption, which averages about 12 reviews each year, TDLR must also create and update numerous rule chapters following the passage into law every legislative session of dozens of bills that affect the agency. At any given point in time, TDLR's Office of the General Counsel will have numerous packages of proposed rules in various stages of development to comply with assorted statutory requirements.

From June 2022 to March 2024, the Commission of Licensing and Regulation adopted 33 rule packages, and as of April 2024, TDLR had 67 pending rule packages. Each rule package must comply with the requirements of the Administrative Procedures Act and other relevant statutes, and undergoes a lengthy and rigorous information-gathering, input, approval, and adoption process. The final adoption of a rule package is the culmination of committed efforts on the part of TDLR's Office of the General Counsel, the Office of the Governor, advisory boards, the Commission, agency staff, license holders, stakeholders, and the public, all working together.

### **TDLR Holds First-Ever HUB Forum**

On October 23, 2023, TDLR hosted its first annual Historically Underutilized Business (HUB) event called Breaking Boundaries. The event was co-sponsored by the Comptroller of Public Accounts (CPA) and the Department of Information Resources (DIR).



**TDLR'S First Annual**  
***BREAKING BOUNDARIES***  
**HUB Expo**

More than 200 people registered, including vendors and state agencies, creating networking and new business opportunities for all involved. Education and training were provided by CPA, DIR and TDLR's Mentor-Protégé Program participants from Esolvit, MVS360, Taurus Technologies, and Tekgration.

### **E-Inspections App Increases Field Inspection Efficiency**

The Field Inspections Division implemented an e-inspections application that allows inspectors to quickly complete inspection reports that are accurate, uniform, concise and easy to understand. Instead of hand-writing reports that were mailed, inspectors complete the reports on electronic tablets, selecting violations from a drop-down menu that populates their reports. Inspectors immediately email their completed reports to

licensees. Going to a paperless system saved the agency money by eliminating triplicate forms and postage costs. In addition, agency leadership can quickly and efficiently analyze data to understand workflows more effectively and accurately.

### **Second Chances for Texans Reentering the Workforce**

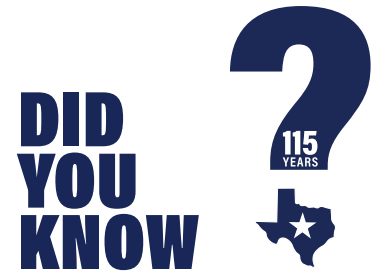
At the beginning of the 86th Regular Legislative Session, Commission Chair Rick Figueroa prioritized and promoted the value to society of “second chances,” or opportunities where TDLR could assist individuals as they re-enter society after imprisonment. Most notably at that time, House Bill 1342 provided the Commission with the authority to issue a restricted license to new applicants or existing license holders within the Air Conditioning and Refrigeration Contractors or Electricians programs. Prior to the law being changed, an applicant was either denied a license or issued an unrestricted license to work anywhere. HB 1342 allows a person to work subject to conditions imposed by the Commission. For example, in granting a restricted license, the Commission could require the licensee to perform any work under direct supervision, or only in industrial or commercial settings.

More recently, during the 88th Regular Legislative Session, House Bill 3743 provided the ability for TDLR to accept applications from currently incarcerated individuals. By law, individuals cannot hold a TDLR license while in prison. Previously, if someone applied for a TDLR license while in prison, their application was automatically denied, and the applicant would have to wait until they were

released to apply. HB 3743 allows TDLR to accept an application from someone currently incarcerated, perform the required criminal history background check, and if the applicant is cleared and otherwise eligible for the license, keep the application on hold until the applicant is released. The goal is to be able to issue the license as soon as possible after the person is released. Being able to work as soon as an individual is released from prison is an important step towards reducing their recidivism.

Another aspect of the Second Chances initiative involves an agreement signed December 10, 2020, between TDLR, the Texas Department of Criminal Justice (TDCJ), the Texas Workforce Commission (TWC), and the Windham School District. Through Windham, which is the TDCJ school system, inmates of TDCJ can obtain the prerequisite education for certain TDLR licenses. Now, thanks to the agreement, TDLR, TDCJ, Windham and TWC work together to help people with criminal histories obtain employment in certain fields once they’ve completed their sentences. Initially, the program areas covered by Windham included cosmetology, electricians, and air conditioning and refrigeration technicians. Recently, barbering has been added to the curriculum.

Under the agreement, Windham helps students who want to become cosmetologists, barbers, electricians or air conditioning and refrigeration technicians to obtain criminal history evaluation letters (CHELs) from TDLR prior to receiving that training. CHELs offer individuals the opportunity to learn whether TDLR would consider



*Licensing and regulation of **Barbers** began in **1929** with the enactment of **HB 104 (41-1st CS)**. Licensing and regulation of **Cosmetologists** was established with the enactment of **HB 189 (44-R)**, taking effect **August 9, 1935**. Both programs transferred to TDLR in 2005 with the enactment of **SB 411 (79-R)**.*



## What We Have Done

the potential applicant's specific criminal history as a basis for denying the license they desire before they obtain the prerequisite education and pay the fees associated with the required license application.

TDLR provides the CHELs for the incarcerated individuals in Windham on an expedited basis and educates Windham and TDCJ staff on the various licensing requirements and the application process.

### **Massage Program: Removal of Certain Barriers to Licensure**

In our 2023-2027 Strategic Plan, TDLR recommended the removal of the statutory requirement in Occupations Code Chapter 455 that forced the Commission to deny a massage therapy application based solely on a prior charge of prostitution. The reason for this recommendation was to make the massage program consistent with TDLR's other programs and consistent with recent legislative changes to Chapter 53, Occupations Code, removing automatic barriers to licensure. The change would ensure that applicants receive a case-by-case review of their criminal history, and the Commission would have the discretion to take appropriate action, including granting or denying a license.

Senate Bill 483 (88-R) amended the Occupations Code by amending certain criminal history bars to licensure in the Massage Therapy Program, removing certain sexual offenses, such as prostitution and solicitation.

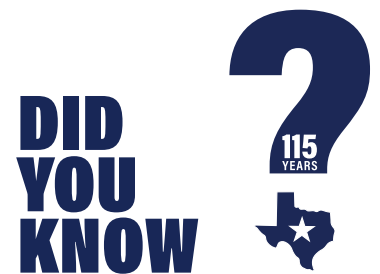
The bill became effective on May 13, 2023. As of that date, massage therapy applicants who were previously denied licensure at the

point of application, or licensees who were revoked or denied at renewal because of certain sexual offenses, were now eligible for a case-by-case review of licensure. TDLR determined that there were approximately 200 people who were previously denied or revoked and would be directly impacted by this bill. By July 24, 2023, all individuals identified as possibly benefitting from the change in law were sent a letter from TDLR Enforcement informing them that they might now be eligible for licensure, reiterating testing requirements, and providing instructions to them for how to apply. As of March 2024, nine individuals have reapplied and been issued a massage license.

### **Ability For Speech-Language Pathologists to Check Online Whether They Need to Submit Fingerprints to Renew Their License**

State law requires TDLR to conduct a national criminal history background check for licensees in many of our programs. As part of that process, TDLR also subscribes to the Federal Bureau of Investigation (FBI) Civil Rap Back Program, which automatically notifies the agency of any arrests or criminal convictions that occur after a licensee is fingerprinted.

Some Speech-Language Pathologist and Audiologist licensees must submit a new set of fingerprints so TDLR can subscribe to the Civil Rap Back Program and continue to receive reports of arrests and criminal convictions after fingerprinting. Other licensees who were identified by the FBI as having low-quality fingerprint characteristics also must submit new fingerprints.



*The Motorcycle and ATV Operator Safety program was transferred to TDLR on September 1, 2020. In 2021, consolidated program rules were adopted that reduced the existing word count by more than 30%.*

TDLR worked with the Texas Department of Public Safety to identify the TDLR licensees who must submit a new set of fingerprints. Licensees who were affected by this requirement were informed by email 90 days before their license expiration date. Licensees were able to search the TDLR database to determine whether they needed to submit a new set of fingerprints and, if so, make an appointment to get fingerprinted.

### **Online Applications and Renewals for the Podiatry Program**

In October 2022, TDLR made online applications and renewals available to all applicants – including doctor of podiatric medicine and podiatric medical radiological technician. Podiatrists may also register for approval to administer nitrous oxide and hyperbaric oxygen. The online process provides convenience, speed and data security in the Podiatric Medicine program – something that was not available to podiatry licensees when the program was transferred to TDLR.

### **Center Of Excellence for Bill Implementation**

In June of 2023, TDLR created the Center of Excellence for Bill Implementation (COE). Gartner describes Centers of Excellence as “concentrating existing expertise and resources in a discipline or capability to attain and sustain world-class performance and value.” These long-term groups combine learning and oversight around a specific area, driving the organization to shift across multiple disciplines together.

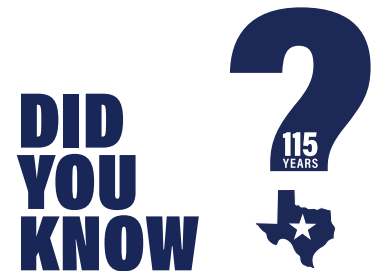
The COE adopted the following

### **Mission Statement:**

The TDLR Bill Implementation Center of Excellence exists to achieve excellence in legislative execution. The COE works to adapt to the changing needs of our constituents and the Texas State Legislature through established policies and best practices and in support of our Strategic Plan.

The COE was proposed as a mechanism to develop a reliable and consistent framework for implementing bills. This involved establishing a core business unit with the responsibility of ensuring uniformity in deliverables by adhering to business processes across all bill implementation teams (BITs). The implementation of the COE is considered a safe-to-fail initiative, and involves coordinating the establishment and support of BITs through a continuous and enduring group of subject matter experts drawn from within the agency. The group consists of one person from every division. By having someone from all areas, we can quickly determine whether the enacted bills that affect TDLR impact specific areas and whether someone from those areas should be assigned to the BIT.

Regular COE meetings also allow for more efficient communication to all areas of the agency, keeping them up to date with the progression and implementation of each bill and BIT as reported back to them by their COE representative. The COE is further tasked with helping to remove any roadblocks BITs may come across during their implementation work. Additionally, the COE is responsible for looking



*In 1971, Athletic Trainers licensing began in Texas with the enactment of HB 602 (62-R) and the creation of the Texas Board of Athletic Trainers.*

## What We Have Done

for ways to improve and standardize processes, including archiving decisions made, and for developing and refining both its own standard operating procedures (SOPs) and the SOPs for bill implementation. If the COE is found to be successful in this experiment, the concept may be used for other projects at TDLR.

### Sunset Recommendations Primarily Completed

TDLR underwent its latest Sunset review in October 2019, and the Sunset Commission made recommendations to the Legislature in January 2021 based on that review. The Legislature adopted Sunset's statutory recommendations with some modifications in House Bill 1560 (87-R), and TDLR immediately began work implementing the bill.

All items that were still in progress as of the last strategic plan were completed in the interim, and TDLR has implemented all recommendations as required, except for several minor rule adoptions still needed to finalize implementation. In addition to items previously completed, TDLR has now:

- Established a risk-based approach to inspections, which prioritizes inspections based on key risk factors
- Established a complaint prioritization plan, which is based on the risk the complaint poses to the public
- Completed a study due to the Legislature regarding the regulation of auctioneering
- Consolidated the regulation of barbers and cosmetologists, so the two programs are administered as one (see below)
- Modified and updated driving training and safety by:
  - Eliminating certain courses and licenses, and all course approval fees
  - Modernizing the licensing of driver education businesses
  - Streamlining the process for approving driving training curricula

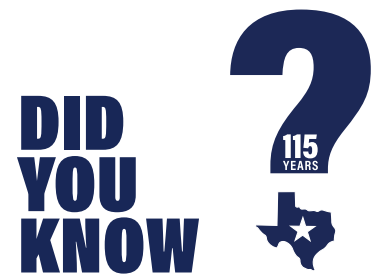
### Barbering and Cosmetology Transition to One Program

House Bill 1560 was passed by the 87th Texas Legislature and signed into law by Governor Greg Abbott on June 15, 2021.

The bill became effective September 1, 2021, and required the combining of the Barbering and Cosmetology programs to be implemented by September 1, 2023.

Additional Barbering and Cosmetology changes implemented by HB 1560:

- Deregulation of the wig specialty license, effective September 1, 2021
- Effective September 1, 2021, instructor licenses are not required to teach barbering or cosmetology in a licensed school
- Barbering and cosmetology instructor licenses were eliminated as of September 1, 2023



*Effective September 1, 2021, a polygraph license is no longer required to perform polygraph examinations. HB 1560 (87-R) deregulated the polygraph industry in Texas.*



- Barber technician, barber technician/manicurist and barber technician/hair weaver specialty licenses transitioned to new license types as of September 1, 2023

TDLR held Informational Summits to gather information from the industry in four cities throughout Texas:

- McAllen (October 24, 2022)
- Dallas/Fort Worth (November 7, 2022)
- Houston (November 13, 2022)
- Austin/Virtual (November 14, 2022)

The following topics were discussed at the summits:

- How the Legislature combined the Barber and Cosmetology programs
- Advisory Board changes
- Updates on the inspection process
- Deregulation of certain licenses
- New license types
- Individual practitioners
- Establishments
- Schools



## What We Have Done

On January 1, 2023, Barbering and Cosmetology at 16 TAC, Chapter 83 went into effect and both programs were officially combined by rules and statute. New fee schedules for Barber and Cosmetology license types took effect September 1, 2023, and new “Texas Barbering and Cosmetology” licenses are now being issued upon renewal.

### Occupational Licensing for Military Service Members and Spouses

In 2019, the Texas Legislature passed a bill requiring all occupational licensing agencies to adopt rules allowing for the recognition of required occupational licenses held by military spouses from other states. It is quite common for service members, and by extension, their families, to be moved across multiple states during their time of service to our country. This law works to ensure that spouses are not overly burdened during these moves and can quickly get to work in their new state.

Recognizing that military service members themselves also have other jobs that may require a state occupational license, the 2019 law was expanded to extend this license recognition to them as well. TDLR adjusted its rules to accommodate this change.

The agency’s [website](#) now features a page specific to military service members, veterans, and spouses showing the unique benefits persons in each of these categories may be entitled to receive by nature of their or their family’s service. These benefits extend beyond what is required by law by offering those leaving military service a chance to explore what is required and what the job outlook is

for the various occupations TDLR regulates. Military Occupation Specialties may be entered to see which jobs best match with a service member’s or veteran’s military training. TDLR remains committed to serving those who have served and their families through both these external efforts and our own internal commitment to hiring veterans.

### Midwives’ Licensing Fees Lowered

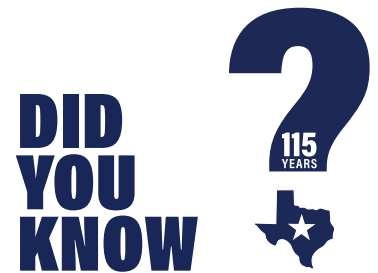
TDLR conducts a fee study each year to verify that the fees assessed in each program it regulates are reasonable and necessary to cover the costs of that program. In a recent study, TDLR found that the expenses in the Midwives program had declined in one of the agency’s functional areas. As a result of these reductions in expenses, TDLR was able to reduce the initial application and renewal application fees for midwives accordingly. The fee reductions will save midwives licensees a total of almost \$24,000 each year.

### New Website Rolled Out

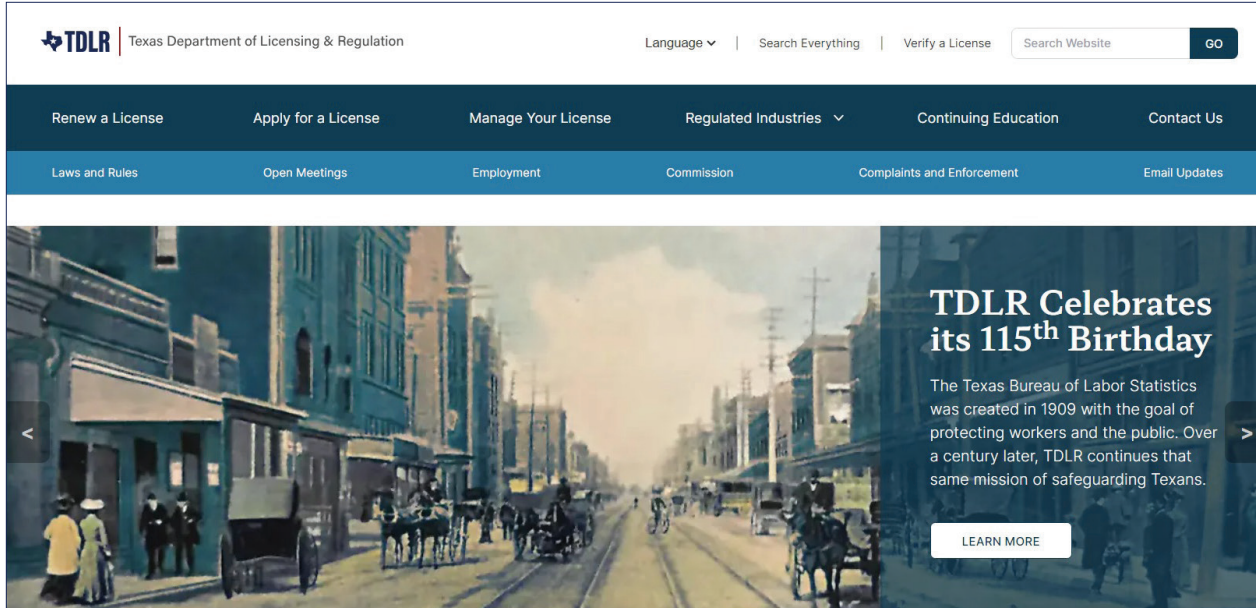
On February 25, 2024, (TDLR’s 115th birthday), the Office of Strategic Communications launched a modernized and updated website ([www.tdlr.texas.gov](http://www.tdlr.texas.gov)) that was designed to make it easier and faster for users to locate the information they need.

The TDLR website averages 5.5 million visitors each year – and the agency has found that a user-friendly website that answers basic licensee and consumer questions can help deflect possible calls to Customer Service.

Design and programming of the new site was done in-house by the two-person TDLR web team, saving the agency hundreds of thousands



*The **Licensed Breeders** program was created at TDLR in **2011** through the enactment of **HB 1451 (82-R)**.*



of dollars. This was the first major redesign of the site in nearly a decade.

The new website is optimized for mobile users – who make up the majority of visitors to the site – and is fully accessible for users with disabilities. The new website is also translated via Google Translate for those who feel more comfortable using the site in a language other than English.

Information on the website is organized so the most-sought activities, such as license renewals and new applications, are presented before other information that is important but not sought as often by users. Visitors who bookmarked pages on the previous website were still able to use those bookmarks to locate their preferred information.

### Agency Celebrates 115 Years

We've gone through a few name changes over the years and a few mission adjustments, but through it all, our employees have had one goal in

common: serving the people of Texas.

Here's how it started: On February 26, 1909, Governor Thomas Mitchell Campbell signed [House Bill 109](#) (31st Legislature, Regular Session) creating the Bureau of Labor Statistics and Office of the Commissioner to consolidate labor statistics in Texas, including those involving women and children workers and workplace health conditions. The agency was also given responsibility for enforcing existing labor laws, inspecting factories, and marketing the use of the state's natural resources.

TDLR has evolved through the years with agency name changes and increased growth and responsibility under its authority.

Starting as an agency with only one division, TDLR has grown to oversee 38 occupational licensing programs and close to 1 million licensees throughout Texas.

TDLR employees still have one goal in mind: serving the people of Texas.

## What We Have Done



### 88TH TEXAS LEGISLATURE

## TDLR SCORECARD

#### Strategic Initiative Successes

- ✓ HB 1: Funding for TDLR's Legacy Systems Replacement Project
- ✓ SB 483: Reducing Barriers to Massage Therapy Profession
- ✓ SB 1213: Establishing Mold Advisory Board to Enhance Public Health
- ✓ HB 3743: Modernizing Chapter 51 & Extending Second Chances
- ✓ HB 4316: Clarifying Residential Service Contract Information

#### Agency-Related Legislative Successes

- ✓ SB 246: Cracking Down on Catalytic Converter Theft
- ✓ SB 478: Increasing Motorcycle Safety & Availability of Training
- ✓ SB 876: Improving Compliance with Dog or Cat Breeders Act
- ✓ SB 2017: Aligning Over-the-Counter Hearing Instruments with National Standards
- ✓ HB 1391/HB 1859: Expanding Opportunities for Students in Electrical and HVAC Fields
- ✓ HB 2313: Increasing Human Trafficking Awareness & Prevention for Rideshare Companies
- ✓ HB 3579: Adding Tools to Halt Human Trafficking
- ✓ HB 2016: Protecting Massage Clientele from Sexual Assault

#### Agency Statutory Cleanup

- ✓ SB 246: Motor Fuel Metering & Quality
- ✓ HB 2495: Athletic Trainers
- ✓ HB 3744: Water Well Drillers
- ✓ HB 4416: Auctioneers
- ✓ HB 4417: Court-Ordered Education Programs

## What Challenges We Face

### Leadership Changes

Since the previous strategic plan in 2022, TDLR has faced staffing and retention challenges post-COVID, leading to an increased staff turnover. Long-term employees, including a long-tenured Executive Director, chose to retire while others left for better career opportunities and pay. With these departures, the turnover rate rose from 10% in 2019 to 14.6% in 2023, though it remained below the 20% rate for all state agencies.

Mid-level managers at TDLR adapted by stepping into new leadership roles, working to maintain the agency's core values and mission. They navigated the transition period, fostering organizational unity, cohesion, and stability.

On May 21, 2024, the Texas Commission of Licensing and Regulation hired Courtney Arbour to be the new Executive Director starting on June 1, 2024. Arbour comes to TDLR with a deep respect for the agency and its high-performing staff. We believe that TDLR will continue to have the confidence of the Texas Legislature and be responsive to license holders while protecting public safety.

### Recruiting and Retention

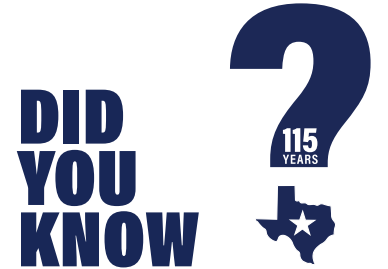
TDLR's licensed population continues to grow, having increased by 41% over the past nine fiscal years, due to both the state's population boom and the continued legislative consolidation of licensing programs within the agency. Additional responsibilities from new and transferred programs have expanded our traditional workload into areas including health

professions, motor fuels regulation, anti-human trafficking efforts, electric vehicle charging stations, and most recently, temporary oversight of the Texas Board of Veterinary Medical Examiners. We are grateful for the trust and confidence shown in us by the Texas Legislature, and we want to continue to serve the needs of our fellow Texans without compromising quality of service.

While we have an authorized full-time equivalent (FTE) cap of 591 going into Fiscal Year 2025, it has been a challenge to continuously employ more than 510 FTEs. The reasons for this are many, and familiar:

- Below-market salary averages despite recent upward adjustments
- More competitive benefits and flexibility not only in the private sector but at other state agencies
- Astronomical housing prices in the greater Austin metro area, where we are headquartered
- The now-established expectation of remote work as the norm in many sectors of the U.S. workforce

Staffing shortages continue in our Compliance, Customer Service, Enforcement, Field Inspections, Licensing, and Financial Services divisions. Specifically, positions for attorneys, accountants, inspectors, investigators, and legal assistants continue to go unfilled due to the lack of competitive pay we can offer compared to other state agencies.



*HB 2106 (87-R) transferred rulemaking authority regarding credit card skimmers from the Office of the Attorney General to TDLR. The bill established the **Financial Crimes Intelligence Center**, to be overseen by TDLR. The center serves as the state's primary entity for the planning, coordination, and integration of law enforcement agencies and other governmental agencies to detect, prevent, and respond to criminal activities related to card fraud, including skimmers.*



# What Challenges We Face

TDLR Position	Pay Comparison to Other State Agencies
Attorney V	-11.5%
License & Permit Specialist V	-11.3
General Counsel II	-9.7
Legal Asst. V	-9.5
IT Business Analyst III	-9.1
Investigator VII	-8.7
Legal Asst. II	-8.5
Contract Admin. Mgr. II	-7.2
Accountant V	-5.8
Inspector V	-5.2

Thanks to generous appropriations made by the 88th Legislature, we have made gains recently in recruiting and compensation for our more specialized technical, cybersecurity, and information technology roles. But these fields remain critically competitive in Texas, and we are mindful of the challenge of retaining and attracting current and future staff.

Staff retention and succession planning are an important factor, particularly when coupled with an aging workforce – according to Human Resources statistics for FY 2024, 53% of our employees are age 50 or older; and 30% are eligible to retire in the next five years. In addition to the external competition for hiring and retention, we are facing increasing risk as more institutional knowledge is lost.

Keeping up with the increasing demand for processing applications, answering customer questions, investigating complaints, and performing safety inspections is stretching our employees’ abilities to near the point of breaking. If our

licensee population continues to grow at a rate of 6-7% per year, it is critical that we have the ability to compensate our staff adequately for the additional workload, while recruiting new talent who will make a career of service to the State of Texas.

### **Pandemic-Era Staff Cuts Continue to Impact Efficiency**

In June 2020, the Legislative Budget Board (LBB) asked all agency heads and financial officers to identify a five percent biennial reduction to their 2020-21 General Revenue and General Revenue-Dedicated appropriation, as the pandemic progressed and there was genuine concern about the amount of revenue Texas would have available for spending. The bulk of TDLR’s \$3.78 million budget reduction to comply with the request came from the reduction of the funding for a number of TDLR’s FTE positions. TDLR stopped filling vacant positions and did not fill positions that became vacant when employees left the agency.

Over the past four years, this

has meant that an average of approximately 28 FTE positions, authorized to the agency for the vital work these positions would perform, have remained unfilled due to a lack of funding. The impact has been felt throughout the agency, with increased wait times to issue licenses, which in turn increases the number of contacts made to our Customer Service Division. The loss of these FTEs directly impacts our ability to perform safety inspections, check for unlicensed activity and compliance with Texas laws, and open cases in a timely manner to prosecute violations of those laws.

Without restoration of the funding to meet our budget reduction necessitated by the pandemic for these FTE positions, TDLR will continue to operate with an employee deficit, during a period when the Legislature is relying on the agency to take on increasing responsibilities and challenges.

### **Texas Board of Veterinary Medical Examiners (TBVME) Attached to TDLR**

In 2023, the Texas Legislature enacted legislation that administratively attached the TBVME to TDLR for a four-year period scheduled to end on August 31, 2027. During this period, TDLR will assist TBVME with policymaking and administrative oversight, guidance, and support. All day-to-day licensing and regulatory functions of the TBVME – such as new applications, renewals, and complaints – remain with the TBVME during the temporary attachment.

Communication between the

TBVME and TDLR continues to be a challenge because of the vast amounts of information and the learning curve in ensuring we have a clear understanding of the important work of TBVME.

Other challenges facing TDLR and TBVME:

- TBVME’s staff does not have a case management system to track incoming complaints or the handling of cases during the complaint resolution process. Enforcement cases filed with the State Office of Administrative Hearings are simply tracked on a spreadsheet
- TDLR is assisting TBVME with acquiring a new licensing system, and the process continues to require a significant amount of interaction between TDLR, TBVME, and the Texas Department of Information Resources
- The TBVME website needs a major overhaul; information is both duplicative and out of date

As we move forward, TDLR staff is focused on creating procedures that can stand alone when the TBVME returns to its full-fledged solo agency status, instead of molding TBVME procedures to existing TDLR processes. We are also focusing efforts on legislative recommendations that will improve TBVME’s operations, to be presented to the Sunset Advisory Commission and TBVME’s legislative oversight committees by December 1, 2024.

**DID YOU KNOW**



*TDLR received funding from the 86th Legislature to begin working with local, state, and federal law enforcement agencies, as well as non-governmental agencies, to investigate suspected human trafficking at illicit massage businesses and in the cosmetology industry.*

## What Challenges We Face

### New Licensing System, New Business Practices

In our 2020-21 Sunset review, Sunset staff emphasized that TDLR must become a more data-driven organization. One significant way TDLR has endeavored to meet this challenge is to pursue investments to modernize aging and disparate systems.

TDLR was appropriated \$32.9 million by the 88th Legislature for the purchase of a modern, comprehensive licensing system that will allow us to consolidate our multiple disparate systems into one and serve all our licensing programs. We are appreciative of the Legislature's support in making this long-term investment in TDLR's future.

We have made substantial progress on the acquisition of the new licensing system, utilizing the following mitigating strategies to implement lessons learned from a previous project that failed:

- Hiring a third-party entity with expertise in acquiring similar solutions for state agencies
- Employing independent validation and verification
- Understanding the size and complexity of merging disparate licensing systems
- Finding existing solutions rather than attempting to build a custom system
- Being realistic and transparent about cost

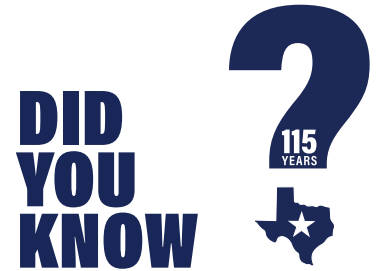
Modernization is our number one priority. But this project is not simply

about purchasing new software and hardware – we are engaging in a wholesale overhaul of TDLR's entire business practices. The new licensing system project represents TDLR 2.0 – the foundation on which TDLR will fundamentally rebuild its processes and service delivery to continue to be the exemplary smaller, smarter agency that the Governor's office and the Legislature have looked to for establishing best practices in the regulatory world.

This will require innovations in how applications are received and processed, how licenses are issued, and how the public interacts with the agency to complete these processes. Extensive training will be essential for all TDLR staff, and educational outreach to the public and regular users of our current systems will be required to familiarize them with new practices that will impact how they do business with us.

The coming improvements to our systems, processes, and service delivery will allow TDLR to continue to absorb, adopt, and implement new programs and licenses by reducing redundant, outdated processes, by increasing customer self-service (meet the customer where they are), and standardizing workflows that are present in our multiple, disparate systems.

However, in the meantime, we continue to face challenges presented by the archaic and different licensing systems that we have inherited from other agencies that do not meet modern standards for functionality or security. They are drawing closer to becoming wholly unsupportable because the



*More than 300 children and adults were killed in a **1937** explosion at the New London School. The tragedy led to laws requiring the odorization of natural gas, as well as the regulation and inspection of steam **boilers** – a task that was entrusted to the **Commissioner of Labor**, which later became **TDLR**.*

subject matter experts who have historically supported these systems are aging out of the workforce, and new individuals entering the technology workforce are not being taught these older technologies. Coupled with our continued growth, these outdated systems will continue to present significant challenges to efficiency and data security until they are finally replaced.

### **Marketplace Confusion Surrounding Residential Solar Regulation**

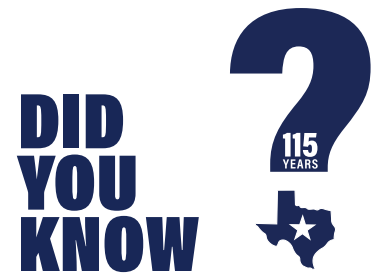
Solar energy is an important part of Texas' energy portfolio, contributing 6 percent of the state's energy generation in 2022. According to a recent report, Texas ranks third in the nation for residential solar power generation with 2,575 GWh in 2022, placing the state behind Arizona and California. But with the growth of the industry in Texas has come more opportunity for fraudulent activity at the residential consumer level and confusion among consumers about available remedies when they are dissatisfied with the product or service.

As the state licensing agency for electricians, consumers are increasingly turning to TDLR when they have issues or complaints regarding residential solar panels. While TDLR regulates the installation of solar panels – which is electrical work that must be performed by a licensed electrician – solar companies are not always TDLR licensees and are not required to hold an electrical contractor's license to sell or market their products – unless they are also offering to install the solar equipment.

Over the last 18 months, TDLR has received more than 200 complaints

related to solar. Some complaints are against solar companies who use door-to-door salesmen to market their product, and then contract with Texas-based, third-party licensees to perform the installation. What we hear most often from consumers is that the salesmen make outlandish claims about performance, cost, and benefit that go unfulfilled, resulting in the consumer's unhappiness. When they wish to file a complaint, they believe TDLR can help, when in almost all cases, we can't. We have no authority to pursue complaints about the sales transaction or the financing of these systems, unless the company is also offering to install the panels themselves. By hiring a third-party installer, the solar company protects itself from liability.

In some cases, what's being sold is essentially a financial product – the solar company is financing the sale of the solar panels, which can cost tens of thousands of dollars, and that financial product is what's being offered door-to-door. Salesmen armed with iPads get the consumer to sign up on their doorstep, and then the consumer finds that they are locked into a multi-year, high-interest payment plan charging several hundred dollars per month. When they try to extract themselves from the deal after the promised benefits never materialize, or the panels don't perform to their expectation, the out of state seller/financer is unresponsive and the consumer's bank account or credit card continues to get charged each month. In one case brought to our attention, the children of a deceased woman in North Texas were finding it impossible to get the solar company to stop billing their late



***Parent Taught Driver Education (PTDE)** is a driver education course where parents, step-parents, grandparents, step-grandparents, foster parents or legal guardians can teach their teenager how to drive. PTDE has the same education and driving requirements as driver education taken through a licensed driver education school or public school.*



## What Challenges We Face

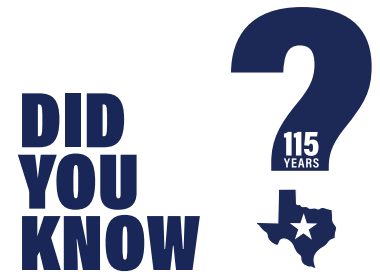
mother, until their story was profiled by local news media.

There is growing consumer concern in Texas regarding these practices that are not under TDLR's jurisdiction. Possible solutions could range from requiring standardized contracts, creating a registry of solar salespeople, or registration or licensing of solar companies who wish to operate in Texas, regardless of whether they are outsourcing the installation to a Texas-licensed electrical contractor.

### **Anti-Trafficking Team (ATT)**

Human trafficking victims who work in illicit massage businesses can find it challenging to self-identify or disclose their victimizations during routine onsite TDLR inspections because their employers use force, fraud, or coercion, or take advantage of cultural conceptions and various other vulnerabilities to retain control over their trafficked employees. The volume of potential victims coupled with a lack of capacity for service providers presents a challenge.

The ATT will develop and provide resources for short- and long-term service providers for potential victims in TDLR regulated industries. These resources are a self-service option to empower potential victims to make informed decisions at a safe time. The ATT will continue to provide training to victim service providers to overcome the current challenges to pursuing the goals of identifying human trafficking victims and survivors and connecting them with service providers.



*Construction projects with total estimated costs of \$50,000 or more must be registered with **TDLR** to ensure they comply with the **Texas Accessibility Standards**, which are meant to eliminate unnecessary barriers that restrict the ability of persons with disabilities to engage in gainful occupations or to achieve maximum personal independence.*

## What We Are Going To Be

To make progress toward TDLR's goals and the Governor's statewide objectives, we identified the following operational goals:

### 1. Procure and successfully implement the Legacy Systems Replacement Project to replace TDLR's legacy systems

#### ACTION ITEMS TO ACHIEVE THE GOAL:

- Assessing and evaluating the best available options on the market by the TDLR Request for Proposal Evaluation Team
- Awarding the contract
- Establishing a partnership with the vendor to implement the new licensing solution
- Requesting authorized current funding between the biennium

#### HOW THE GOAL SUPPORTS THE GOVERNOR'S FIVE STATEWIDE OBJECTIVES:

- **Accountability:**
  - Increasing the security of our customers' sensitive data
  - Following state best practices in conducting procurement and implementation of our new licensing system
- **Efficiency**
  - Providing ease of access to services and information for internal and external customers
  - Improving efficiency of TDLR staff processes by increasing automation and reducing processing time for licensure
  - Delivering easier online applications that are more responsive to customer needs
- **Effectiveness**
  - Making it easier for qualified individuals to get licensed quickly
  - Creating a better user experience for licensees and TDLR staff
- **Excellence in customer service**
  - Reducing wait times for customer assistance by increasing ease of access to services and information
  - Facilitating the licensing process for qualified individuals and businesses
- **Transparency**
  - Making information about TDLR's processes easier to find and our systems easier to navigate

## What We Are Going To Be

### 2. Expand training and licensing opportunities for career and technical education (CTE) in high schools and community colleges

#### ACTION ITEMS TO ACHIEVE THE GOAL:

- Completing rulemaking for House Bill 1859 and House Bill 1391 (88-R) to expand training and job opportunities for young people seeking careers in electrical and HVAC fields (August 2024)
- Assigning advisory board work groups to identify additional steps TDLR can take to meet this goal (September 2024)
- Continuing to gather input and feedback from schools, educators, industry members, and legislators about additional opportunities to expand CTE, including Government Code Chapter 51 authority for TDLR to establish apprenticeship programs (January 2025)
- Monitoring implementation and effectiveness of new laws and rules throughout the 2024-25 school year (June 2025)

#### HOW THE GOAL SUPPORTS THE GOVERNOR'S FIVE STATEWIDE OBJECTIVES:

- **Accountability**
  - Ensuring TDLR is responsive to elected officials, educators, students, and the industries we regulate
  - Increasing the health and safety of the public by ensuring students are well trained before entering their chosen field
  - Fostering transparency through additional participation from advisory board members and stakeholders
- **Efficiency**
  - Increasing the availability of new qualified workers for industries that are understaffed
- **Effectiveness**
  - Ensuring Texas industries have qualified, competent employees entering their fields to provide quality services to Texas consumers
- **Excellence in customer service**
  - Ensuring TDLR is listening to legislators, licensees, and stakeholders and serving their needs
- **Transparency**
  - Ensuring open and free communication by working with advisory board members and stakeholders in public meetings, providing information, and listening to comments and feedback

### 3. Finalize the implementation of Sunset objectives in HB 1560 (87-R)

#### **ACTION ITEMS TO ACHIEVE THE GOAL:**

- Completing the conversion of barber and cosmetology individual licensees' data and issuing new license numbers for barbers (July 2024)
- Converting barber and cosmetology individual student permit data and issuing new permits for barber students (August 2024)
- Converting barber and cosmetology school data and issuing new license numbers to barber schools (August 2024)
- Implementing continuing education requirements for barbers by completing the licensing and continuing education reporting programming to include barber course topics (December 2024)
- Updating the DE-964 certificate for parent-taught driver education and conducting outreach (August 2024)
- Completing and adopting the driver education and safety rule package (October 2024)
- Completing the transition to a post-renewal continuing education audit for health professionals (December 2024)

#### **HOW THE GOAL SUPPORTS THE GOVERNOR'S FIVE STATEWIDE OBJECTIVES:**

- **Accountability**
  - Improving transparency through streamlined processes
  - Establishing essential continuing education requirements to safeguard public health and safety
- **Efficiency**
  - Eliminating inefficient and redundant processes
  - Reducing license turnaround times by removing manual, paper-based processes
  - Allowing for more licensees to renew through the online portal
- **Effectiveness**
  - Allowing establishments and schools that offer services and education in multiple modalities to operate under one license
  - Managing renewals through automated processes without straining resources
- **Excellence in customer service**
  - Providing clearer licensing requirements
  - Processing applications more quickly
  - Creating simpler applications for multiple modalities
- **Transparency**
  - Ensuring ease in locating establishments under one license type
  - Creating uniformity of continuing education guidelines across regulatory programs



## What We Are Going To Be

### 4. Continue to effectively assist the Texas Board of Veterinary Medical Examiners (TBVME)

#### ACTION ITEMS TO ACHIEVE THE GOAL:

- Assisting TBVME with the selection and implementation of a new licensing system (September 2024)
- Reviewing and assisting with the modernization of the TBVME website (November 2024)
- Providing statutory recommendations to improve TBVME's operations to the Sunset Advisory Commission and standing committees with jurisdiction over TBVME, prior to the 89th Legislative Session (December 2024)
- Performing a full review of all audit findings and refining TBVME's processes and procedures to comply with audit recommendations (April 2025)
- Assisting in a full review of TBVME's administrative rules and recommending any updated rules for adoption (December 2026)

#### HOW THE GOAL SUPPORTS THE GOVERNOR'S FIVE STATEWIDE OBJECTIVES:

- **Accountability**
  - Ensuring TBVME is more responsive to the needs of licensees, people and animals of Texas
  - Increasing the security of TBVME's licensee information
- **Efficiency**
  - Standardizing workflows and processes to reduce manual workarounds and eliminate inefficient or redundant processes
  - Ensuring ease of access to TBVME services and information
  - Improving the efficiency of TBVME's processes through increased automation, allowing staff to deliver more services with less effort
  - Reducing application processing time by making the application process available online, less complicated, and more responsive to customer needs
- **Effectiveness**
  - Assisting TBVME in meeting its customers' expectations
  - Providing a better licensing system user experience for applicants, licensees and TBVME staff
  - Facilitating the consistent enforcement of violations to protect consumers and their animals
- **Excellence in customer service**
  - Simplifying interactions to provide an exceptional customer service experience
  - Increasing the ease of access to services and accurate information
  - Facilitating the licensing process for qualified applicants
- **Transparency**
  - Using plain-talk language to improve understanding of agency laws, rules, procedures, and enforcement actions
  - Guiding and assisting the creation of a website that is easy for users to access and navigate

**5. Explore the use of Generative Artificial Intelligence (GenAI) and large language models to provide automated on-demand customer service and enhance accuracy, security, training, and user experience**

**ACTION ITEMS TO ACHIEVE THE GOAL:**

- Leveraging existing state contracts and relationships with market analysis experts to assess the trends, tools, companies, products, and services available to assist TDLR with its initial AI journey
- Engaging with leading GenAI solution providers that could support TDLR's customer service, training, and accuracy goals
- Identifying discrete functional use cases (e.g. internal knowledge base, or external chatbot) where TDLR can deploy proofs of concept to demonstrate value for our licensees and the consumers we serve
- Participating in AI user groups (like DIR's AI User Group) to leverage knowledge and experiences of other agencies to identify challenges and better understand value, costs, and ethical considerations

**HOW THE GOAL SUPPORTS THE GOVERNOR'S FIVE STATEWIDE OBJECTIVES:**

- **Accountability**
  - Ensuring that the base information supporting the service or model is accurate and that the underlying technologies are ethically approached and limited in bias
- **Efficiency**
  - Processing similar transactions quickly and consistently without the need for manual processes or workarounds
- **Effectiveness**
  - Deploying GenAI in appropriate places to deliver consistent services and information to our customers and providing information in a more timely manner
- **Excellence in customer service**
  - Providing more self-service options that our customers can use at their convenience, on their timeline instead of ours
  - Allowing customer service representatives to quickly access vast amounts of problem-solving information and institutional knowledge
- **Transparency**
  - Providing clear, meaningful information to external customers

## What We Are Going To Be

### 6. Successfully implement a regulatory environment for Electric Vehicle Supply Equipment (EVSE) across the state of Texas to standardize and ensure public safety for this emerging technology

#### ACTION ITEMS TO ACHIEVE THE GOAL:

- Preparing final draft of rules for workgroup review and the general public for additional insight, comment, and recommended changes (May 2024)
- Continuing to gather input and feedback from industry members, workgroups, and related industry professionals to develop comprehensive rules, licensing systems, and agency procedures for EVSE providers and customers across the state (June 2024)
- Hiring an EVSE Program Specialist to assist with the oversight, regulation, awareness, training, and education of internal and external individuals (September 2024)
- Completing rulemaking for Senate Bill 1001 (88-R) to establish a regulatory environment for providers, installation, inspections, fees, and safety (December 2024)
- Launching a licensing system that allows online registration, payments, and documentation upload for EVSE providers for all of their EVSE across the state (March 2025)
- Monitoring implementation and effectiveness of new laws and rules throughout the 2025-26 calendar years (March 2025)

#### HOW THE GOAL SUPPORTS THE GOVERNOR'S FIVE STATEWIDE OBJECTIVES:

- **Accountability**
  - Ensuring TDLR is responsive to elected officials, citizens, public utilities professionals, and the industries we regulate
  - Establishing essential guidelines and standards for the installation, repair, and disabling of damaged EVSE chargers to safeguard public health and safety
  - Allowing citizens and industry to file direct complaints for the EVSE program quickly via our website
  - Ensuring that EV chargers used by Texans are safe and provide the amount of electricity consumers pay for
- **Efficiency**
  - Ensuring a free and fair regulatory environment that allows providers to increase their EVSE offerings quickly and easily in Texas
  - Working with industry professionals and standards to ensure new technologies, standards, and equipment are widely available and adopted quickly and safely
- **Effectiveness**
  - Ensuring Texas EVSE usage is safe, efficient, widely available, and reliable to Texas consumers
  - Ensuring that TDLR's registration process does not interfere with new business operation



- **Excellence in customer service**

- Ensuring all EVSE customers have information directing them to TDLR's website and complaint resolution process during every EVSE transaction
- Creating ease of access to services and accurate information through our website and Customer Service representatives
- Leveraging lessons learned from many other implementations of new programs that TDLR has undertaken to ensure that both staff and licensees receive the best possible customer service experience

- **Transparency**

- Ensuring open and free communication by working with the general public and industry leaders in public meetings, providing information, and listening to comments and feedback to better direct us on providing clear, easy to understand regulations for the program
- Ensuring the citizens of Texas receive proper notifications, receipt, and details of services and charges provided when utilizing EVSEs in Texas
- Creating uniformity amongst all different levels of EVSE chargers, providers, and their practices in Texas



## What We Are Going To Be

### 7. Continue to build capacity and strengthen the effectiveness of TDLR's Anti-Trafficking Effort

#### ACTION ITEMS TO ACHIEVE THE GOAL:

- Improve efficiency of TDLR's anti-trafficking effort by assigning functions according to area of expertise. Investigations will be conducted by the Enforcement Division, inspections of licensed and unlicensed businesses will be conducted by the Field Inspections Division, and outreach and training will be performed by the Anti-Trafficking Team within the Compliance Division
- Enhance collaboration with governmental and non-governmental agencies in Texas to reinforce anti-trafficking efforts in the community that identify and eradicate human trafficking in Texas through a coordinated and strategic effort
- Continue developing a public health approach to community engagement to increase public awareness through outreach efforts that aim to increase public awareness about the prevention of human trafficking; inform vulnerable populations of the risks and dangers of trafficking; identify red flags often associated with trafficked persons; and share information on available community resources
- Expand technical assistance to build anti-trafficking capacity by further developing human trafficking related intervention resources and tools to identify and track illicit massage businesses (IMBs) that are often the focal point for trafficking activities
- Continue developing targeted trainings relating to anti-trafficking efforts and IMBs; expand training to more TDLR employees, law enforcement partners, licensees, and non-profit organizations that raise awareness and fill knowledge gaps in IMB operations and investigations

#### HOW THE GOAL SUPPORTS THE GOVERNOR'S FIVE STATEWIDE OBJECTIVES:

- **Accountability**
  - Expanding public awareness of TDLR's programs and responsibilities that affect Texans' health and safety
  - Shutting down business owners who engage in or promote human trafficking in their establishments
- **Efficiency**
  - Improving internal processes for faster identification and investigation of suspected human trafficking
  - Using technology to develop resources to more quickly identify and track IMBs
- **Effectiveness**
  - Identifying survivors of human trafficking and connecting them with service providers
  - Aligning communication efforts to raise awareness and improve consistency
  - Developing trainings for licensees who are required to take human trafficking prevention training that are tailored to their professional field



- **Excellence in customer service**

- Ensuring the Customer Service division has the necessary information, resources and training to provide clear and consistent responses regarding anti-trafficking efforts
- Providing better online and mobile services to expand outreach to potential trafficking victims and those that wish to report trafficking

- **Transparency**

- Increasing understanding of human trafficking issues for the public, TDLR licensees, and regulated businesses

## How We Get There

### INITIATIVES INVOLVING REDUNDANCIES AND IMPEDIMENTS (POSE BARRIERS OR REDUCE AGENCY EFFECTIVENESS/EFFICIENCY)

<b>Provide for an omnibus advisory board clean-up bill</b>			
<b>Statutory Cite</b>	<b>Recommended Statutory Change</b>	<b>Reason for Statutory Change</b>	<b>Benefit of Change</b>
Various statutes	Create an omnibus bill that would amend the advisory board language for the TDLR-regulated programs that have advisory boards.	TDLR regulates 33 programs that include an advisory board. Some of the advisory boards include statutory provisions that are outdated, that are inconsistent with TDLR's regulatory structure, or that are inconsistent with other TDLR advisory boards. These provisions create an impediment to the efficient administration, oversight, and support of the advisory boards. The statutes which contain advisory boards need to be updated to eliminate outdated provisions, align the requirements across the various advisory boards, and remove any other inefficiencies in the administration, oversight, and support of the various advisory boards.	The various statutory changes would allow TDLR to make the number of members of each board, the types of members, and the terms they serve more consistent, allowing for greater agency efficiency in the administration, oversight, and support of the 33 advisory boards.

<b>Add an alternative to filing notices in newspapers of general circulation</b>			
<b>Statutory Cite</b>	<b>Recommended Statutory Change</b>	<b>Reason for Statutory Change</b>	<b>Benefit of Change</b>
Vehicle Storage Facilities  Occupations Code Chapter 2303  Weather Modification  Agriculture Code Chapter 301	Add an alternative to filing a required notice in a newspaper of general circulation for any program which requires such notice.	Requiring a notice to be filed with a newspaper in the county where a vehicle is stored or where certain operations will occur creates an impediment to licensees providing the notice and the public receiving the notice. Due to the decline of local newspapers and a decline in readership, the required posting no longer provides the notice to the public that was intended by legislation. An alternative notice is needed.	Adding alternate, more modern methods of notice, such as through the internet, would create an additional pathway for the public to see the notice in areas where there is no newspaper of general circulation.

<b>Continue funding for TDLR Legacy Systems Replacement Project</b>			
<b>Statutory Cite</b>	<b>Recommended Statutory Change</b>	<b>Reason for Statutory Change</b>	<b>Benefit of Change</b>
General Appropriations Act	Authorize adequate and continued funding through unexpended balance authority for the consolidation of TDLR's multiple legacy licensing software systems into a single solution that is modern and secure.	This would allow the funding for a new licensing system from the FY 2024-25 biennium to also fund the continued contracting for the development of the system in FY 2026-27.	<p>The new licensing system will eliminate the inefficiencies and redundancies of eight antiquated and disparate legacy systems.</p> <p>Consolidating TDLR's multiple licensing software systems into a single modern, secure system will enable TDLR to manage its current licensing workloads with greater efficiency and bring needed improvements to data security, quality, and accessibility.</p>



## How We Get There

Remove the Orthotists and Prosthetists provision that allows for an exemption from license requirements			
Statutory Cite	Recommended Statutory Change	Reason for Statutory Change	Benefit of Change
<p>Orthotists and Prosthetists</p> <p>Occupations Code Chapter 605</p>	<p>Repeal the provision in statute that allows a person to be exempt from license requirements if the person possesses “unique qualifications” to practice orthotics and/or prosthetics.</p>	<p>The term “unique qualifications” is an arbitrary and subjective concept which is difficult to apply equally or consistently to all applicants. This provision creates an impediment to an efficient and standardized license application process because each license application with “unique qualifications” must undergo a lengthy, in-depth, and non-standard evaluation.</p>	<p>Orthotic and prosthetic services will be provided by trained and licensed professionals who have equal and demonstrable qualifications that can be evaluated and treated consistently through an efficient license application process.</p>

Transfer Property Tax Professional program from TDLR to Texas Comptroller of Public Accounts			
Statutory Cite	Recommended Statutory Change	Reason for Statutory Change	Benefit of Change
<p>Property Tax Professionals</p> <p>Occupations Code Chapter 1151</p>	<p>Amend the statute to require the Texas Comptroller of Public Accounts to be solely responsible for regulation of Property Tax Professionals.</p>	<p>The Comptroller is already responsible for many requirements in Chapter 1151, and regulation of the profession is already partially performed by that office, making TDLR’s regulation of the program an unnecessary regulatory redundancy.</p>	<p>The Comptroller can provide regulation more efficiently and capably to the property tax appraising, assessing, and collecting profession. This will eliminate the redundancy of TDLR’s regulation of the profession and provide the property tax profession with one state regulator.</p>



<b>Allow Podiatrists to enter into delegation agreements with advanced practice registered nurses</b>			
<b>Statutory Cite</b>	<b>Recommended Statutory Change</b>	<b>Reason for Statutory Change</b>	<b>Benefit of Change</b>
Podiatrists  Occupations Code Chapter 202	Amend the statute to authorize a podiatrist to delegate certain podiatric acts to qualified and properly trained advanced practice registered nurses.	Unlike other medical doctors, podiatrists are unable to delegate provision of care.	Podiatrists will be able to care for more patients at less cost while improving access to care with the assistance of advanced practice registered nurses.

<b>Statutory provision that allows TDLR to work with the Texas Education Agency to support career and technology education programs and explore the development of apprenticeship programs</b>			
<b>Statutory Cite</b>	<b>Recommended Statutory Change</b>	<b>Reason for Statutory Change</b>	<b>Benefit of Change</b>
Occupations Code Chapter 51	Provide statutory authority to identify and support career and technology education programs in industries TDLR regulates, and to allow TDLR to work with TEA to develop such programs.	TDLR would be able to assist with the establishment of career and technology programs focusing on our regulated industries that have large numbers of licensees retiring and that lack newly trained, licensed professionals.	Career and technology programs will encourage more people to enter into high-demand industries that need a new generation of workers.

<b>Prevent barbering and cosmetology license holders from performing medical procedures</b>			
<b>Statutory Cite</b>	<b>Recommended Statutory Change</b>	<b>Reason for Statutory Change</b>	<b>Benefit of Change</b>
Barbering and Cosmetology  Occupations Code Chapter 1603	Establish statutory authority that would allow TDLR to discipline barbering or cosmetology license holders who perform or offer to perform medical procedures that are outside the scope of their license.	The performance of certain medical procedures by persons who are not authorized or licensed to perform those procedures poses a serious health risk for individuals having the procedures performed.	Ensuring that medical procedures are only performed by qualified individuals will help to safeguard people seeking those services.

## How We Get There

<b>Strengthening the financial security and consumer protection requirements of the Service Contract Regulatory Act</b>			
<b>Statutory Cite</b>	<b>Recommended Statutory Change</b>	<b>Reason for Statutory Change</b>	<b>Benefit of Change</b>
Service Contract Regulatory Act  Occupations Code Chapter 1304	Amend 1304.003(a) (4) to include indemnification for repair or replacement as part of the definition of residential service contract.	The definition of service contract includes indemnification for repair or replacement, but the definition of residential service contract (RSC) does not include indemnification except when a technician is unavailable. This has led to a company providing the same coverage as a home warranty but offering only payment instead of arranging repairs.	Closing a loophole will protect consumers by allowing for equal regulatory treatment of similar products.
Service Contract Regulatory Act  Occupations Code Chapter 1304	Amend § 1304.003(a) (4) to specify the types of appliances that fall under Residential Service Contract and to exclude small portable appliances.	Confusion exists as to whether companies covering home appliances should register as an appliance SCP or RSC. The current definition of RSC includes appliances that are located on or attached to a residential property, which would encompass almost all appliance SCPs because the SCRA does not apply to non-consumers.	Resolving a statutory ambiguity that has led to industry and staff confusion will make clear which financial standards must be met by SCPs covering home appliances.

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<b>Strengthening the financial security and consumer protection requirements of the Service Contract Regulatory Act (continued from previous page)</b>			
<b>Statutory Cite</b>	<b>Recommended Statutory Change</b>	<b>Reason for Statutory Change</b>	<b>Benefit of Change</b>
Service Contract Regulatory Act  Occupations Code Chapter 1304	Eliminate separately stated consideration prong as redundant. Clarify that warranty exemption does not apply if the risk covered is not directly tied to a product defect.	The “separately stated consideration” prong of 1304.003(a)(2) and exemptions under 1304.004 have been exploited by companies who attempt to include the price of coverage with the price of another item purchased and argue coverage is a warranty or there is no separate consideration.	Closing a potential loophole will allow for regulatory consistency.
Service Contract Regulatory Act  Occupations Code Chapter 1304	Amend or repeal 1304.0041 for clarity.	The exemption in 1304.0041, which was inherited from TREC, could be read to exempt appliances SCP from TDLR registration. The provision was intended to exempt them from TREC regulation when RSCs were regulated by TREC.	Closing a potential loophole will resolve an unintended consequence and allow for consistent regulation.
Service Contract Regulatory Act  Occupations Code Chapter 1304	Reconceptualize the funded reserve formula to provide financial security.	The funded reserve formula under 1304.151(b) and 1304.157(c) contains no floor and the required reserve decreases when the amount paid in claims relative to contracts sold increases, providing little measure of financial security.	Ensuring that SCPs have the financial ability to meet their obligations will enhance consumer protection.

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## How We Get There

<b>Strengthening the financial security and consumer protection requirements of the Service Contract Regulatory Act (continued from previous page)</b>			
<b>Statutory Cite</b>	<b>Recommended Statutory Change</b>	<b>Reason for Statutory Change</b>	<b>Benefit of Change</b>
Service Contract Regulatory Act  Occupations Code Chapter 1304	Strengthen the authority of TDLR to examine financials at any time.	Although TDLR may examine certain contract and claim records under 1304.155 and 1304.051 and the funded reserve accounts under 1304.151(b), audit authority seems to be limited.	Providing TDLR with the ability to react quickly when needed to mitigate the impact of threatened insolvency will enhance the agency's ability to protect consumers.
Service Contract Regulatory Act  Occupations Code Chapter 1304	Add to Prohibited Acts under 1304.161: failure in bad faith to meet its obligations to consumers, and failure to initiate a service call within 48 hours.	Although SCPs, including RSCs, are required to provide TDLR's contact information for filing complaints, TDLR has little authority to intervene in cases where an SCP fails in good faith to honor its contractual obligations or respond in a timely manner to service calls.	Clarifying and expanding the authority of the Enforcement Division to hold SCPs accountable when necessary will enhance consumer protection.
Service Contract Regulatory Act  Occupations Code Chapter 1304	Require SCPs to verify that any electricians, plumbers, or ACR professionals dispatched are licensed by the appropriate licensing authority. Make failure to verify licensure a prohibited act.	It has been reported that repairpersons sent by an RSC are often unlicensed and do shoddy work with little accountability.	Requiring the verification of licensure will enhance consumer protection.