



TEXAS DEPARTMENT OF LICENSING AND REGULATION

P. O. Box 12157 • Austin, Texas 78711 • (512) 463-6599

Fax: (512) 463-9468 • Website: www.tdlr.texas.gov

December 1, 2016

Mr. Ken Levine, Director
Sunset Advisory Commission
P.O. Box 13066
Austin, TX 78711-3066

Dear Mr. Levine,

This letter is to provide the Sunset Advisory Commission with feedback from the Texas Department of Licensing and Regulation (TDLR) regarding recommendations in the November 2016 Sunset staff report regarding the Health Licensing Consolidation Project. We are humbled by the continuing confidence you and your staff have placed in us by recommending these ten programs be transferred from the Department of State Health Services (DSHS) and various stand-alone agencies to our agency. TDLR staff has appreciated working with you and your staff on these very important issues. Please find below our analysis and response.

Growing Responsibilities of TDLR. Prior to fiscal year 2016, TDLR regulated 24 programs. During the 84th Legislative Session, the Texas Legislature transferred Driver Education and Safety from the Texas Education Agency and Department of Public Safety to TDLR in House Bill 1786. TDLR began regulation of this program on September 1, 2015. Additionally, the legislature transferred 13 health-related programs from Department of State Health Services in Senate Bill 202 to TDLR. This transfer is being done in two phases. TDLR began regulation of seven of the thirteen programs on October 1, 2016. Regulation of the remaining six health-related programs will begin on November 1, 2017, and at that point TDLR will be regulating 38 programs. *See Attachment on Consolidation Statistics.*

Concurrent Consolidations. If TDLR consolidates the ten programs in the timeframe recommended in the Sunset report, TDLR will have taken on 24 programs in a five-year span. This will result in the agency increasing the number of programs to 48 total, *a 100 percent increase in five years.* While implementing this recommendation, TDLR will still be managing the consolidation of Senate Bill 202 and House Bill 1786 from the 84th Legislative Session. The pace of the recommended transfers coupled with the ongoing consolidation does not allow for our agency to properly handle each transfer with the personal and strategic attention that each requires and we are known for. Each of these health care professions are unique and present different challenges. The task of transferring ten programs is not in and of itself insurmountable; it is simply not feasible to do so in an effective and efficient manner, within such a compacted timeframe. *See Attachment TDLR Roadmap.*

Mike Arismendez, Chair – Shallowater, Texas

Tom Butler, Vice-Chair – Deer Park, Texas

Helen Callier – Kingwood, Texas

Rick Figueroa – Brenham, Texas

Catherine Rodewald – Frisco, Texas

Ravi Shah – Carrollton, Texas

Deborah A. Yurco – Austin, Texas

Alternative Solutions. To continue TDLR’s level of consumer protection, exceptional customer service, and responsible regulation, we offer two alternatives to the proposed timeline. These alternatives take into consideration TDLR’s:

1. current operations;
2. capacity to take on more programs;
3. funding;
4. staffing;
5. timing;
6. ongoing and upcoming responsibilities as a result of Senate Bill 202 (84R);
7. ability to lower costs for licensees; and
8. ability to increase efficiencies.

These alternatives take into account the challenges identified by the Sunset staff in evaluating these health profession programs administratively attached to the Department of State Health Services and the smaller independent agencies.

We appreciate your consideration of these alternatives and we stand ready to work with you all to find the best possible solution to better serve the licensees of these programs and the citizens of Texas.

The first alternative completes the Department of State Health Services transfer first and phases in smaller independent health care agencies later.

Complete Department of State Health Services Transfer First

FY 2019	FY 2022	FY 2024	FY 2026
<i>Begin Transfer 9/1/18</i>	<i>Programs Transfer on 9/1/21</i>	<i>Programs Transfer on 9/1/23</i>	<i>Programs Transfer on 9/1/25</i>
<ul style="list-style-type: none"> • Marriage & Family Therapists • Professional Counselors • Social Workers • Licensed Chemical Dependency Counselors 	<ul style="list-style-type: none"> • Podiatrists • Optometrists 	<ul style="list-style-type: none"> • Chiropractors • Psychologists 	<ul style="list-style-type: none"> • Occupational Therapists • Physical Therapists

PROS:

- Spreads out the transfer of ten programs over seven years, allowing us to complete Phase 1 and 2 and DES transfers before taking on more programs.
- Least-problematic programs that don’t need immediate fix go last.
- Completes the total DSHS transfer.
- Builds off the experience and success from SB 202.
- Gives DSHS/HHSC ability to focus immediately on core public health responsibilities.

CONS:

- Delays taking on smaller stand-alone programs that are problematic now.
- Spans four Legislative Sessions which could create challenges with appropriations.
- Could present staff retention issues for smaller programs.

The second alternative focuses on the smaller independent health care agencies first and completes the Department of State Health Services transfer later.

Address Smaller Independent Health Care Agencies First

FY 2018	FY 2020	FY 2023	FY 2026
<i>Programs Transfer on 9/1/17</i>	<i>Programs Transfer on 9/1/19</i>	<i>Begin Transfer on 9/1/22</i>	<i>Programs Transfer on 9/1/25</i>
<ul style="list-style-type: none"> Podiatrists Optometrists 	<ul style="list-style-type: none"> Chiropractors Psychologists 	<ul style="list-style-type: none"> Marriage & Family Therapists Professional Counselors Social Workers Licensed Chemical Dependency Counselors 	<ul style="list-style-type: none"> Occupational Therapists Physical Therapists

PROS:

- Spreads out the transfer of ten programs over eight years, allowing us to complete Phase 1 and 2 and DES transfers before taking on more programs.
- Takes on more problematic stand-alone agencies sooner, and least-problematic programs that don't need immediate fix go last.
- Increases the probability of successful transfer by allowing TDLR to focus on stand-alone agencies.
- Allows for the continued consolidation of SB 202 and HB 1786 before taking on bulk of the programs.

CONS:

- Delays the completion of transferring regulatory programs from DSHS to TDLR
- Spans four Legislative Sessions creating possible appropriations problems.
- Takes away from DSHS/HHSC core focus for five years.

TDLR Under Sunset Review. The Sunset Commission will review TDLR during the 2018-2019 Review Cycle - 86th Legislative Session. This review will be taking place while TDLR is still implementing consolidations from the 84th and 85th Legislative Sessions. TDLR will begin working on the Self-Evaluation Report in 2017. We will need to work with the Sunset Commission and staff during the 2018-2019 review cycle and implement any recommendations made during the 86th Legislative Session. This process is very important and will require a significant amount of time and staff resources.

What TDLR Will Need to Succeed. TDLR will require the continued support from the Texas Legislature to streamline and standardize affected program statutes so they better fit TDLR's regulatory business model. To implement the alternatives for the Health Licensing Consolidation Project, TDLR will need:

Time. TDLR is still in the process of fully implementing and integrating Senate Bill 202 and House Bill 1786 from the 84th Legislative Session and will soon be working on preparing for our own Sunset Review Process. The alternatives presented take into account these concurrent responsibilities and provide TDLR with the time necessary time to finish consolidation efforts, make the necessary adjustments to ensure maximum program efficiency, and focus on the licensees of each and every profession we oversee. Most importantly, in transitioning or consolidating new programs, time is required for our agency to build the proper relationships with

not only the transferring agency, but with the licensees, and all those associated with these professions.

This project involves more than just TDLR. Communication and collaboration with our colleagues at DSHS, the Health and Human Services Commission, the independent stand-alone agencies, the Department of Information Resources, the Office of the Comptroller, the Texas Facilities Commission, and the Office of Attorney General. Having an adequate amount of time will ensure that we have the support, involvement, and cooperation from all affected professionals, associations, and agencies to develop, plan, and implement the ongoing programs' operation.

Funding. TDLR will need to ensure necessary resources and staffing, including timely appropriations for direct licensing and enforcement services and indirect services such as accounting, purchasing, human resources, network and information services, advisory board support, general counsel, and customer service. This requires coordination with the Texas Legislature, the Governor's Office, and the Legislative Budget Board. Any delay in obtaining funding would not only hinder TDLR from moving forward, but would adversely affect all professions being transferred to TDLR and leave the licensees and public perhaps in a more problematic state than before. Implementation of a transition occurs in phases, whether it is the purchase and installation of system hardware and software, or the hiring of employees. All things that need to occur for successful consolidation cannot always be completed in the first year and having the funding available when needed is imperative so that those affected are not harmed. Finally, funding for additional office space and attendant costs such as relocation, furniture, and storage space for transferred documents and records must be considered.

Staff. TDLR will need authority for a sufficient number of employees to successfully manage the programs. The talent and experience of key employees from the transferring agency currently supporting and serving these professions joining TDLR's team is invaluable. TDLR would require not only direct services employees such as licensing and enforcement, but employees for indirect services such as general counsel, financial services, information systems development, network services, project management, inspections, compliance, education, and examinations.

Alignment with TDLR's Mission. TDLR uses a functionally-aligned business model to develop and manage a wide range of programs and make them successful. TDLR's mission is to honor the trust of all Texans, safeguard the public, and provide a fair and efficient licensing and regulatory environment at the lowest possible cost. Programs with a history of neglect or ongoing problems will find that TDLR is small enough to pay close attention to their needs, yet large enough to offer the experience, expertise, and services to make the programs more efficient and effective. However, to do so, TDLR must have the time and resources to react quickly to the needs of each unique profession.

TDLR's Agility and Flexibility. One of TDLR's greatest strengths is our size. We are a small agency, with big responsibilities that we take very seriously. While we currently serve nearly 714,000 licensees (and do so efficiently and capably), we do so with only 430 employees. We are

not a large government bureaucracy; we are lean, nimble, and responsive to the changing needs of Texas lawmakers, our licensees, consumers, and the public. Our flexibility and functional alignment model have proven during the recent transfer of DSHS health licensing programs that we have the capacity to absorb certain types of licensing programs without disruption and offer licensees the level of services they deserve by removing high fees, licensing delays, burdensome rules, and long enforcement timeframes. *See Attachment TDLR Experience with Health and Other Programs.*

TDLR's Partnership with Health and Industry Professionals. TDLR's success in consolidating programs is a direct result of the communication and cooperation between subject matter experts and our program professionals to create a robust compliance program. We listen to the people we regulate, and we count on them to share best practices so we can have a better-informed regulatory structure. We have a proven track record of involving subject matter experts and professionals in the beginning and throughout the process or transfer. Specifically, for programs transferred from DSHS during Phase I, we have worked closely with stakeholders, including health professional associations and advisory boards, to solicit input to develop standard-of-care rules. Relationships and trust take time and management. TDLR is willing to put in the time and work it takes to build these very necessary partnerships.

TDLR Has Recruited Talented Employees. Another key to TDLR's success with transferred programs is recruiting and retaining talented employees from those programs so they can continue working with the program using their valuable knowledge and established industry relationships. With recent health licensing program transfers, TDLR has hired a number of former DSHS employees who have worked closely in the development and implementation of key inspection and compliance elements for the programs. We have developed our approach of bringing over program experts and trained professionals based on our long experience transferring other programs including Driver Education and Safety, Cosmetology, Barber, Property Tax Professional, and Towing programs.

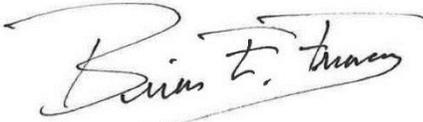
TDLR Has an Experienced Education and Examination Division. The Education and Examination Division is responsible for developing continuing education and pre-license education requirements for a wide variety of TDLR programs. Our Education and Examination staff ensures that schools and continuing education providers comply with our laws and rules by evaluating and approving schools, providers and courses, and by providing technical support and assistance to applicants. The Division uses educational reporting software to simplify how licensees and providers report completed pre-license and licensing continuing education courses.

TDLR Uses Commission-appointed Advisory Boards. Our advisory boards work closely with TDLR leadership and staff to establish examination, education, ethics, and practice standards and to provide our staff with industry perspective. TDLR has created an advisory board process which is completely inclusive; we listen closely to the advice and opinions of our board members. TDLR's advisory board model is consistent with Sunset's preferred licensing model for advisory committees. While we understand some may have concerns about moving away from an independent board governance structure, it has been our experience that the advisory board model has been successful in promoting effectiveness and transparency.

TDLR Can Manage the Transfer. TDLR has worked closely with the Sunset Advisory Commission and DSHS on the transfer of 13 health professions programs, and will continue to do so if the Legislature chooses to move forward with the Health Licensing Consolidation Project. Based on our experience, a *controlled-growth, phased-in approach* works best, and allows us to give each program the attention they deserve and require. Our goal is to successfully integrate programs into TDLR's functional business model, which provides for consumer protection, licensing efficiency, and streamlined services, at the lowest cost possible.

My staff and I look forward to meeting with you and the Commission in person on December 8-9, 2016 during the Sunset Advisory Commission hearing. In the meantime, please let me know if you have any questions or need any additional information.

Yours in Service,

A handwritten signature in black ink that reads "Brian Francis". The signature is written in a cursive style with a horizontal line underneath the name.

Brian Francis
Executive Director

Attachments:

TDLR At a Glance

Consolidation Statistics

TDLR Roadmap

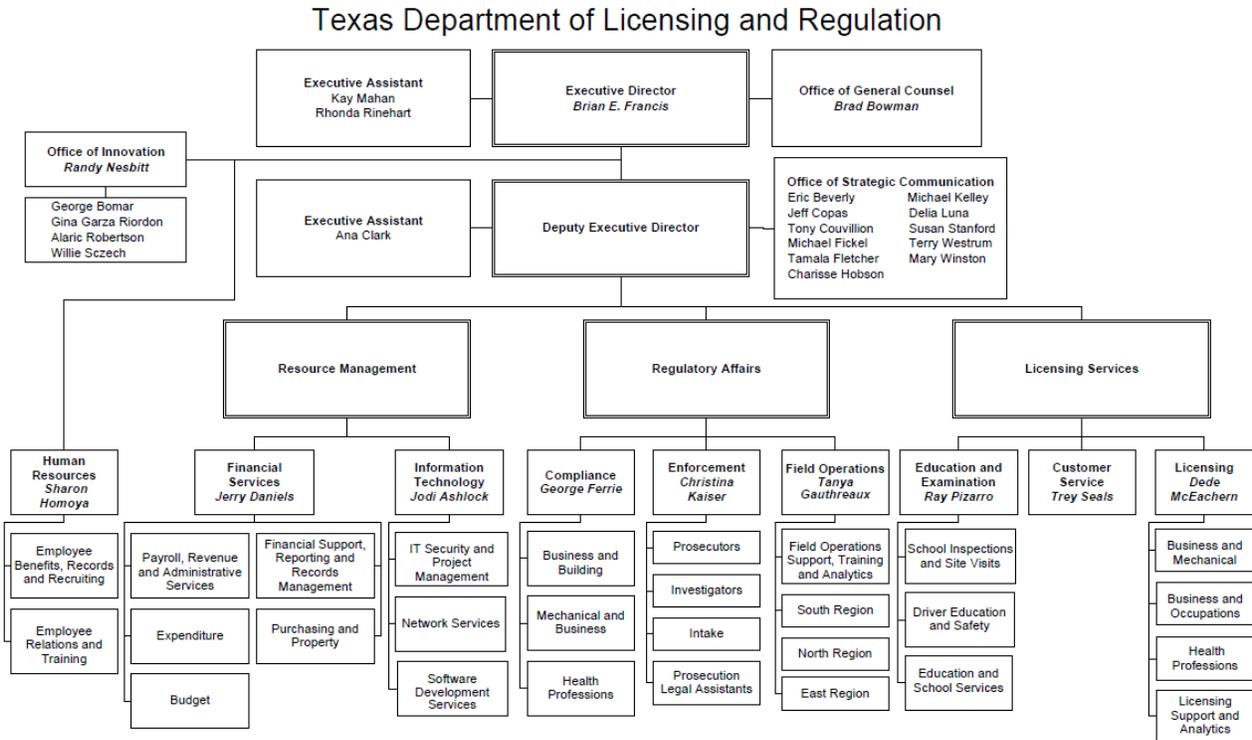
TDLR Experience with Health and Other Programs.



TDLR: AT A GLANCE

WHO WE ARE

The Texas Department of Licensing and Regulation (TDLR) is responsible for licensing and regulating a broad range of occupations, businesses, facilities, and equipment in Texas. Our purpose is to protect the health and safety of Texans and ensure they are served by qualified professionals. With a functionally-aligned business model that is guided by respect-based leadership, TDLR is an exceptional agency that strives for excellence recognized by both the private and public sector.



Chapter 51 of the Texas Occupations Code establishes TDLR and its responsibilities. The Texas Commission of Licensing and Regulation (Commission) is TDLR’s governing board and policy-making body. It has seven public members appointed to staggered six-year terms by the Governor with the consent of the Texas Senate. By law, Commission members cannot engage in any of the businesses or trades regulated by Texas state government.

The Commission guides TDLR’s common-sense approach to fair, efficient regulation and low-cost licensing. Before any rules are adopted, the Commission carefully considers any potential impact on businesses, customers, and licensees. The Commission strives to honor the trust of all Texans and ensure that the regulatory process is not heavy-handed or arbitrary. To support this endeavor, Commissioners receive training from TDLR’s Office of the General Counsel on the state’s open government laws. The Commission conducts its business in a setting open to the public, and all Commission meetings are streamed live on the internet, then archived and available to view anytime.



TDLR: AT A GLANCE

WHAT WE BELIEVE

Core Values: TDLR core values reflect what is truly important to us as an organization.

- Accountability
- Customer Service
- Innovation
- Integrity
- Open and Free Communication
- Respect
- Teamwork

They are the foundation of our agency culture and are the driving force behind our daily work. It is through these core values that TDLR is able to achieve the agency vision and mission each and every day.

Mission: To honor the trust of all Texans, safeguard the public, and provide a fair and efficient licensing and regulatory environment at the lowest possible cost.

Vision: To be the leader in public service by creating innovative, low-cost licensing and regulatory “next” practices, and cultivating highly engaged employees who provide exceptional customer service.

WHO WE REGULATE

We believe in carefully balancing the interest of protecting public health and safety. TDLR’s culture of innovation allows us to successfully manage growth and increasing responsibilities while maintaining a motivated and lean workforce. Below is a snapshots of the programs and license types at TDLR.

TDLR licenses individuals and businesses for **32 programs**.

<u>Business & Occupations (12)</u>	<u>Health Professions (7)</u>	<u>Building & Mechanical (6)</u>
Combative Sports Driver Education and Safety For-Profit Legal Services Licensed Breeders Polygraph Examiners Professional Employer Organizations Service Contract Providers Temporary Common Worker Employers Towing Companies Used Automotive Parts Recyclers Vehicle Protection Product Warrantors Vehicle Storage Facilities	Athletic Trainers Dietitians Dyslexia Therapists & Practitioners Hearing Instrument Fitters & Dispensers Midwives Orthotists & Prosthetists Speech-Language Pathologists & Audiologists	Air Conditioning and Refrigeration Architectural Barriers Boiler Safety Electrical Safety Elevators, Escalators & Related Equipment Industrialized Housing and Buildings
	<u>Professionals (5)</u>	<u>Natural Resources (2)</u>
	Auctioneers Barbering Cosmetology Property Tax Consultants Property Tax Professionals	Water Well Drillers & Pump Installers Weather Modification



TDLR: AT A GLANCE

Licensee Population

Program	Total License Population
Health Professions	
Speech-Language Pathologists & Audiologists	20,426
Dietitians	5,511
Athletic Trainers	3,580
Dyslexia Therapists & Practitioners	946
Orthotists & Prosthetists	891
Hearing Instrument Fitters & Dispensers	808
Midwives	258
TOTAL: 32,420	
Professionals	
Cosmetology	282,679
Barbering	23,459
Property Tax Professionals	3,482
Auctioneers	2,453
Property Tax Consultants	1,697
TOTAL: 313,770	
Building & Mechanical	
Electrical Safety	139,430
Boiler Safety	54,290
Air Conditioning and Refrigeration	42,688
Elevators, Escalators & Related Equipment	41,715
Architectural Barriers	24,063
Industrialized Housing and Buildings	722
TOTAL: 302,908	



TDLR: AT A GLANCE

Licensee Population (Continued)

Business & Occupations	
Towing Companies	34,536
For-Profit Legal Services	10,908
Vehicle Storage Facilities	5,302
Driver Education and Safety	3,956
Used Automotive Parts Recyclers	3,300
Combative Sports	3,052
Professional Employer Organizations	393
Service Contract Providers	354
Polygraph Examiners	273
Licensed Breeders	172
Temporary Common Worker Employers	84
Vehicle Protection Product Warrantors	64
TOTAL: 62,394	
Natural Resources	
Water Well Drillers & Pump Installers	2,012
Weather Modification	16
TOTAL: 2,028	
CUMLATIVE TOTAL: 713,520	

Key Statistics for Fiscal Year 2016

Compliance & Field Operations	
Inspections Completed	125,769
Customer Service	
Telephone Calls Received	399,065
Emails Received	82,759
Faxes Received	7,010
Enforcement	
Complaints Opened	11,305



TDLR: AT A GLANCE

HOW WE DO IT

Functional Alignment

TDLR has been the catalyst for the transformation of occupational and business licensing in Texas. Beginning in 1999, TDLR moved from a government agency silo structure that duplicated positions for each program to a business model planned along functional lines.

While a silo structure uses the same employee positions for each program, duplicating work and wasting reserves. TDLR uses a functionally-aligned business model that provides shared services across licensing programs. This dynamic structure allows TDLR to manage, support, and deliver a high level of service to an increasingly diverse mix of programs while maintaining a lean workforce.

TDLR's functional business model enables the agency to continually scale its operations and retain flexibility, ensuring greater productivity and lower fees as demands on the agency's resources change.

Our functional business model and philosophy is rare in state government. It allows TDLR to be the leader in saving money, protecting consumers, and lowering fees for licensees. The following is an overview of key TDLR divisions.

Executive Office

The Executive Office exemplifies the agency's core values while providing the leadership, motivation, and direction to achieve the agency's vision and mission. The Executive Office is passionate and sincere about building trust and serving the TDLR family, public officials, licensees, and the citizens of Texas.

The success of the Executive Office is attributed to a respect-based management philosophy, a firm commitment to open and free communication with all employees and customers, recognition of the importance of industry trends to implement process improvements, and the aggressive pursuit of government transparency and efficiency. Within the Executive Office there are also two sections:

Office of Innovation: manages and leads agency innovation efforts, focusing on process improvement, research and data analysis, trend forecasting, and listening to the Voice of the Customer.

Office of Strategic Communication: responsible for all agency communications; policy advice and support for leadership; intergovernmental relations; legislative analysis and cost estimates; maintaining the agency web and social media presence; and support to TDLR's Advisory Boards.



TDLR: AT A GLANCE

Compliance Division

The Compliance Division consists of technical and professional experts for our 32 programs. Staff determines compliance of buildings and equipment through plan reviews and inspections. Additionally, staff provides information through association meetings, professional conferences and participates in speaking engagements and forums.

The Division responds to technical questions asked by the public and licensees. The staff's skills and experience are critical to the agency's mission to ensure public safety and customer protection and assure Texans that the services they receive are from qualified individuals.

Customer Service Division

The Customer Service Division is the agency's primary point of contact, responding to calls, emails, and social media posts for all programs. Our customer service representatives assist walk-in customers at TDLR headquarters in downtown Austin; and provide English, Spanish, Vietnamese and Mandarin language assistance to customers.

Our automated phone system helps non-English speaking customers reach the appropriate customer service representative. It also routes callers making electronic payments and those inquiring about specific programs.

Education and Examination Division

The Education and Examination Division is responsible for developing continuing education and pre-license education requirements for a wide variety of TDLR programs. Education and Examination Division staff ensure that schools and continuing education providers are in compliance with laws and rules by evaluating and approving schools, providers and courses, providing technical support and assistance to applicants, and conducting periodic audits of schools, providers and courses.

The Division also coordinates exam development and monitors administration of examinations for TDLR programs requiring knowledge and competency tests to obtain a license. The Division collaborates with its current exam delivery public-private partners, PSI Services, LLC and eStrategy Solutions, Inc.; industry subject matter experts; and Advisory Board members to review and update examination content.

Enforcement Division

The Enforcement Division investigates and resolves complaints received from consumers, industry, municipalities, inspections, and TDLR staff for all our programs. The Division's structure, operations, and processes are aligned to ensure fair and efficient complaint resolution. The Enforcement division consists of three sections: Intake, Investigations, and Prosecution.

The Intake section reviews all complaints received to determine if the agency has jurisdiction and recommends whether an investigation should be opened. The Investigation section compiles all the facts related to a complaint, including eyewitness interviews, in-depth research, on-site investigations, and prepares the written report based on these findings. It also coordinates and



TDLR: AT A GLANCE

conducts sting operations to combat unlicensed activity. The Prosecution section includes prosecutors, legal assistants, and legal support. The prosecutors and legal assistants ensure the efficient resolution of each case and pursue penalties and sanctions whenever violations are found. The legal support staff track Agreed Orders, collect penalties, and assure compliance with probation requirements. The Prosecution section also screens applicants' criminal history information from the Department of Public Safety to identify crimes that may necessitate license denials or revocation.

Complainants and licensees have an opportunity to participate in the investigation process and help to ensure that information obtained is accurate. Consistency is maintained throughout the process by the use of the Enforcement procedures manual, Commission-approved penalty matrices, and criminal offense evaluation guidelines.

Field Operations Division

The Field Operations Division performs inspections and educates licensees for the Cosmetology, Barber, Towing, Vehicle Storage Facility, Booting, Used Auto Parts Recycler, Licensed Breeder, and Orthotists and Prosthetists programs. In the FY 2018-19 biennium, this division will also take on the Massage Therapists and Laser Hair Removal programs. Our inspectors are the face of TDLR for many of our licensees, performing scheduled pre-license and unscheduled periodic inspections of licensed facilities.

Licensing Division

The Licensing Division reviews applications and issues licenses to qualified individuals and businesses. Licensing staff have extensive knowledge of licensing requirements and procedures for processing applications and issuing licenses. The agency's 32 programs include nearly 714,000 licensees.

The Licensing Division evaluates applicants' criminal history; required education and credentials; experience and employment history; and insurance, bonding, and net worth requirements. Licensing employees are cross-trained to assist with seasonal workload spikes. During peak times, the entire Division works to process the high volume of applications. The Licensing staff is empowered through teamwork, open and free communication, and innovation to provide the best customer service from start to finish.

Financial Services Division

The Financial Services Division manages TDLR's fiscal resources in compliance with state and federal requirements. Its staff operates in a prudent and responsible manner, carrying out all of their duties to get the most value from each appropriated dollar. The Division is organized into four cross-trained teams: Payroll and Accounting, Budget and Administrative, Reporting and Financial Support Services, and Purchasing and Procurement.

Financial Services balances the agency's budget and ensures all divisions spend within their means. The main functions of the Division are accounting; budgeting; cash receipt processing; payroll; expenditure and payment processing; revenue recognition and reconciliation; financial



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interface for USAS and the Texas.gov portal; fixed asset management; mail processing; purchasing, property management and contract administration; risk management; and vehicle fleet management.

Office of the General Counsel

The Office of the General Counsel provides critical legal opinions and advice to the agency and the Commission. In this role, the Office of General Counsel proactively identifies and addresses issues that may expose the agency or Commissioners to legal liability. The Office of General Counsel also advises the Commission, the Executive Office, and agency staff about pending litigation, bills and laws affecting the agency, ethics questions, and sensitive legal matters. The general counsel is TDLR's Chief Audit Executive and Ethics Officer.

Other functions of the Office of the General Counsel include: draft and review rules; draft and review Commission orders; respond to open records requests; support Advisory Boards and workgroups; draft and review contracts and requests for proposals; provide legal opinions for the agency; oversee the collection of administrative penalties; and work with the Office of the Attorney General in administrative appeals, injunctive relief, collecting delinquent fines, and coordinating other legal proceedings.

Human Resources Division

The Human Resources Division promotes the agency vision and mission by fostering a healthy and respectful work environment. This is accomplished by attracting, developing, and retaining qualified employees who are dedicated to public service and who uphold TDLR's core values.

The Division staff provides recruiting and hiring; training and career development; employee benefits, compensation, and related matters; personnel policies and procedures; employee relations; workforce planning; wellness programs; compliance with state and federal employment law; prevention of employee fraud; and legal support on personnel matters.

Information Technology Division

The Information Technology Division creates and supports custom software, IT strategic planning, project management practices, network services, and security compliance to help carryout TDLR's regulatory responsibilities. To ensure a smooth transfer of Phase I programs, our team worked to integrate the VERSA system used by DSHS and enhance how TDLR will use the system to better provide services to licensees. TDLR also uses the Texas Umbrella Licensing Information Project (TULIP) software system which is scalable and accommodates most of our license types and licensees, and the Texas Occupations Online Licensing System (TOOLS) software program, for a specific set of programs, which allows for more specialized applications.

This Division also supports the agency's vision and strategic focus by planning for growth, installing systems, and supporting and maintaining all information technology, including phone systems and mobile devices. The Division also manages the agency's infrastructure by providing maintenance, upgrades, and troubleshooting at each of the Austin offices and all field locations.



TDLR: AT A GLANCE

WHY IT WORKS

Advisory Boards

TDLR's Advisory Boards consist of licensees and representatives from the businesses and industries TDLR regulates, as well as public members and other professionals. Advisory Board members are appointed by the Commission and provide important technical knowledge and industry expertise, giving the Commissioners and TDLR staff real-world insight into their respective occupations and industries. Input from each Advisory Board is critical in helping TDLR effectively carry out its mission and achieve its vision. In addition, Commission members attend and participate in Advisory Board meetings so the Commission better understands these occupations and industries.

With the addition of seven Advisory Boards from the Department of State Health Services (DSHS) program transfer in FY 2016, and the new Driver Training and Traffic Safety Advisory Committee, **26 of TDLR's 32 programs now have Advisory Boards.** In the FY 2018-19 biennium, TDLR will receive six additional licensing programs from DSHS; from these six programs, we anticipate the creation of at least two new Advisory Boards. Supporting the Advisory Boards and communicating with our stakeholders is now even more critical, requiring full-time attention. In FY 2016, we **realigned resources in TDLR's Office of Strategic Communication** to better serve all of our new and existing board members and the public.

Each Advisory Board plays a key role to review rules affecting their professions and to advise the Commission and Department on how to eliminate unnecessary, outdated, or burdensome regulation. Advisory Boards provide input for the development of the agency's criminal conviction guidelines and enforcement plan – identifying crimes that relate to the licensed professions and recommending appropriate penalties for violations of laws and rules.

Additionally, the Commission will not adopt or amend new health-related standard of care rules for the Health Professions at TDLR unless those rules have been proposed by the respective advisory board. The Commission must either adopt the rule as proposed by the advisory board or return it to the advisory board for revision. The Commission retains authority for final adoption of all rules and is responsible for ensuring compliance with all laws regarding the rulemaking process.

The advisory board system at TDLR is an inclusive process, and we listen closely to the advice and opinions of our board members. While we understand there may be some concern about moving away from an independent board governance structure, it has been our experience that the TDLR's Commission appointed Advisory Board model has been successful in its effectiveness, transparency, and independence. Our Advisory Board model provides more consistency in the enforcement process and improves services to all the licensees.



TDLR: AT A GLANCE

Your Voice Matters

TDLR has a history of success with program consolidation that often results in increased services and reduced fees. In fact, TDLR strives to serve its regulated industries and the public at the lowest cost possible without compromising the quality of that service. Over the past 14 years, licensees have benefited from our efforts with a cumulative cost savings of over \$34 million. TDLR works hard to lay the tracks and build the necessary relationships for a successful consolidation and transition.

During the most recent DSHS program transfers to TDLR, we implemented a Health Consolidation Team to coordinate every aspect of the transfer. TDLR began early by working on the rules for each program so that they would be fully functioning when they were officially transferred. We created a Health Professions Facebook page specifically to address the unique needs of these programs being transferred so that interested parties had specialized information concerning the process. We sent our staff to DSHS to shadow and learn the strengths and weaknesses of these program, but also to help alleviate backlogs so that we could hit the ground running when TDLR officially took over these programs.

TDLR understands just how important it is to build relationships and trust with our licensees. We strive to reach out to all our licensees and staff and ask them all to look at every aspect of the regulatory process to assess the efficiency and effectiveness of our overall operating model. Our strategic planning process is designed to embody TDLR's core value of Open and Free Communication which ultimately leads to exceptional Customer Service. Even before the Phase I programs were transferred to TDLR, we reached out to all the new licensees using online surveys, statewide face-to-face planning sessions, and social media outlets. Every voice, idea, comment, suggestion, and criticism was considered and does make a difference. Some of the suggestions made by Phase I program attendees have either been implemented or incorporated into our official agency strategic plan.

Consolidation Statistics

Table 1 - Licensing Statistics for Transfer Programs, October 2016

Program	License Renewals	New License Applications	Total by Program
Athletic Trainers	182	23	205
Dietitians	283	25	308
Dyslexia Therapists & Practitioners	82	4	86
Hearing Instrument Fitters & Dispensers	31	8	39
Licensed Prosthetists & Orthotists	38	3	41
Speech Language Pathologists & Audiologists	960	71	1,031
	1,576	134	1,710

Table 2 - Customer Service Statistics for Transfer Programs, October 2016

Program	Phone Calls Answered	Email Response
Athletic Trainers	283	248
Dietitians	423	310
Dyslexia Therapists & Practitioners	53	31
Hearing Instrument Fitters & Dispensers	157	115
Licensed Prosthetists & Orthotists	63	45
Midwives	18	15
Speech Language Pathologists & Audiologists	2138	1,734
	3,135	2,498

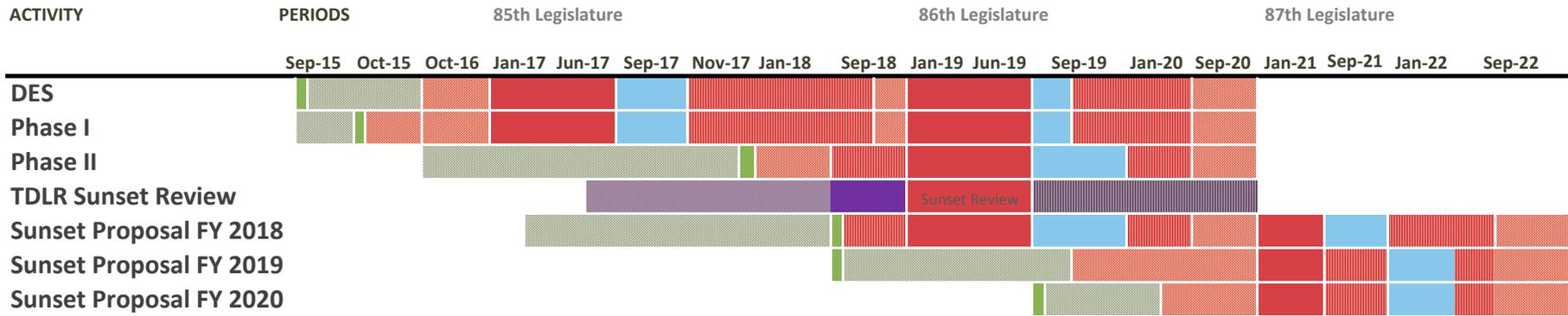
Table 3 - Jurisprudence Exams Administered, October 2016

Program	Exams Administered
Athletic Trainers	29
Dietitians	243
Dyslexia Therapists & Practitioners	*
Hearing Instrument Fitters & Dispensers	6
Licensed Prosthetists & Orthotists	2
Midwives	2
Speech Language Pathologists & Audiologists	96
	378

Table 4 - Web, Email and Social Media Outreach, October 2016

Outreach	
Welcome to TDLR emails delivered	8,292
Open rate	36% (2,954 unique)
Click rate	11% (921 unique)
TDLR Health Facebook page likes	283
Facebook reach	2,776
Twitter @TDLRHealth followers	16
Overall total website page views	+ 2%

TDLR Roadmap



DES (3)	Phase I (7)	Phase II (6)	Sunset FY 2018 (4)	Sunset FY 2019 (3)	Sunset FY 2020 (3)
1. Driver Training 2. Driving Safety 3. Parent Taught Driver Training	1. Athletic Trainers 2. Dietitians 3. Dyslexia Therapist and Practitioners 4. Hearing Instrument Fitters and Dispensers 5. Midwives 6. Orthotists and Prosthetists 7. Speech-Language Pathologists and Audiologists	1. Code Enforcement Officers 2. Laser Hair Removal 3. Massage Therapists 4. Mold Assessors & Remediators 5. Offender Education Providers 6. Sanitarians	1. Licensed Chemical Dependency Counselors 2. Marriage and Family Therapists 3. Professional Counselors 4. Social Workers	1. Chiropractors 2. Optometrists 3. Podiatrists	1. Occupational Therapists 2. Physical Therapists 3. Psychologists



TDLR's Experience with Health and Other Program Transfers. TDLR has achieved excellent results from consolidating a range of license-based programs into TDLR's existing business model. As stated previously, the 84th Legislature initiated a two-phase transfer of 13 DSHS health licensing programs to TDLR through Senate Bill 202. TDLR now operates seven health licensing programs, having successfully completed the Phase I transfer of the programs from DSHS with no disruption to licensees or the public. By the end of 2019, TDLR and DSHS will complete the Phase II transfer of six additional health licensing programs. TDLR and DSHS continue to work closely and have developed the relationships and processes needed for any additional transfers. Programs transferring in Phase I and Phase II are listed below.

Phase I – Athletic Trainers, Dietitians, Dyslexia Therapists and Practitioners, Hearing Instrument Fitters and Dispensers, Midwives, Orthotists and Prosthetists, and Speech-Language Pathologists and Audiologists (32,420 combined licensees).

Phase II – Code Enforcement Officers, Laser Hair Removal, Massage Therapists, Mold Assessors and Remediators, Offender Education Providers, and Sanitarians (44,304 combined licensees).

In 2015, the Legislature transferred the regulation of Driver Education Schools, Driving Safety Course Providers, Driving Safety Schools and Instructors from the Texas Education Agency/Education Service Center Region 13 to TDLR. The bill also transferred the Parent Taught Driver Education program from the Texas Department of Public Safety to us. TDLR has completed the program transfers and our Driver Education and Safety program now provides services to 3,956 combined licensees.

The Legislature transferred the Towing Program to us in 2007 from the Texas Department of Transportation, where the program lacked oversight, had no inspection authority, and was unresponsive to licensee's needs. Today, the Towing, Vehicle Storage Facility, and Booting programs (39,838 combined licensees) are streamlined and well-run, earning TDLR trust and respect from the towing industry and the motoring public.

The Barbering and Cosmetology programs came to us in 2005 from independent commissions that were poorly managed and financially challenged. Using our functional alignment model, we have improved services, streamlined the licensing process, lowered fees, and strengthened enforcement for these programs, while keeping pace with the rapid growth of the licensee population (306,138 combined licensees).

Transitions and consolidations of the magnitude recommended in the Health Licensing Consolidation Project report are not impossible for TDLR, we have a long history of very successful transfer and consolidation effort. With each we as an agency have learned and continue to grow. TDLR must be able to implement these programs in a time frame that is not only beneficial to the licensees, but not detrimental to our own agency staff, and current programs.