

AGENCY OVERVIEW

The Texas Department of Licensing and Regulation (TDLR) is responsible for licensing and regulating a broad range of occupations, professions, businesses, facilities, and equipment in Texas. The agency was established in 1909 as the Bureau of Labor Statistics to enforce labor laws, inspect factories, and encourage the growth of Texas industry. During the 1930's, authority began shifting from labor issues to include industry regulation. The agency's name was changed to the Texas Department of Labor and Standards in 1973, to better reflect its dual responsibilities. In 1989, the agency was reorganized as TDLR.

The agency uses a functionally-aligned organizational structure to apply uniform processes to issue licenses, conduct inspections, monitor third-party inspectors and examination providers, investigate complaints, prosecute violators, review curriculum, develop examination content, and educate licensees and the public.

Since 1999, TDLR's responsibilities have steadily grown with the Governor and Legislature's confidence and trust in our ability to successfully transform programs and take on new licensing responsibilities. TDLR was recognized as the "Model Regulatory Agency" for Texas in its last Sunset Commission review and ranked one of "Austin's Top 25 Mid-sized Employers" by the Austin American-Statesman three times. Additionally, the Texas Quality Foundation recognized TDLR with the Foundation's Progress Level Award for outstanding organizational management and performance.

A. AGENCY VISION, MISSION, AND PHILOSOPHY

TDLR's vision, mission, and philosophy continue to define the direction of the agency.

TDLR's 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.

TDLR's 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.

TDLR's Philosophy

To achieve smaller, smarter government, we:

- honor the public by being fair, open, and consistent;
- serve the citizens of Texas responsibly through transparency and efficiency;
- seek input and feedback from our stakeholders and employees;
- provide clear and simple communication;
- reduce licensing costs and regulatory burdens;
- value the dignity and worth of our customers and coworkers;
- foster innovation and change by challenging the status quo;
- pursue efficient and cost-effective public-private partnerships;
- develop core value-driven leaders; and
- recruit, retain, and reward high-performing employees.

TDLR's Core Values

Accountability

We are each responsible to the citizens of Texas and take great pride in our successes. We own up to our mistakes and acknowledge them as opportunities for growth.

Customer Service

We provide quick, easy, and accessible service, treating each person with honor and respect.

AGENCY WORKFORCE PLAN (Continued)

Innovation

We foster a culture of creativity to generate bold ideas, deliver valuable change, and position the agency for the future.

Integrity

We are trustworthy, honest, and ethical in all we do.

Open and Free Communication

We seek participation from all of our customers and coworkers and listen to all viewpoints.

Respect

We value our customers and coworkers, treating everyone with courtesy and dignity.

Teamwork

We succeed together by combining our talents, passion, and ingenuity to serve the citizens of Texas.

B. STRATEGIC GOALS AND OBJECTIVES

Goal: LICENSING

Objective: License, certify and register qualified individuals and businesses.

Continuously improve the process of issuing licenses while ensuring licensees are competent and qualified.

Goal: REGULATION

Objective: Protect the public by enforcing laws administered by the agency.

Providing regulatory oversight and timely resolution, to ensure compliance with the required regulations, focusing on consumer harm and threats to public safety.

Goal: CUSTOMER SERVICE

Objective: To accurately and promptly respond to customer inquiries.

Respond accurately, courteously and timely to inquiries received by phone, fax, email, social media, and in person, as well as facilitate customer self-service options through web/mobile tools.

Goal: SKILLS

Objective: To attract and retain employees who are committed to outstanding service and performance.

Provide opportunities for growth, essential training to staff, and a wide range of salary and benefit incentives to recognize employees who exemplify TDLR's core values.

Goal: LEADERS

Objective: To develop staff to meet current and future leadership needs.

Using succession planning, the agency will continue to grow leaders from within, evaluate competencies, provide developmental opportunities - including training, job-shadowing, and mentoring.

C. CORE BUSINESS FUNCTIONS

TDLR's licensing and regulatory responsibilities cover a wide variety of occupations, businesses, facilities, and equipment. The agency is functionally aligned to maximize effectiveness overseeing 25 diverse programs, including 139 license types and a licensee population that exceeds 650,000.

Administration

Leads TDLR through "next" practice expertise in executive management, legal counsel, human resources, information technology, financial services, project management, process improvement, analytics, government affairs, communication, public relations, and support for the Commission and Advisory Boards.

Compliance

Provides agency technical expertise, program management, research, industry outreach, reviews, inspections, and monitors third-party reviewers and inspectors.

AGENCY WORKFORCE PLAN (Continued)

Customer Service

Assists the public and licensees through phone, email, social media, and personal interaction.

Education and Examination

Reviews and approves pre-licensure and continuing education providers and courses; manages licensing examination development and delivery through a public-private partnership.

Enforcement

Evaluates, investigates and resolves complaints; prosecutes violations; coordinates with local, state, and federal agencies to raise public awareness and increase consumer protection.

Field Operations

Performs inspections and provides industry outreach to ensure public safety and consumer protection.

Licensing

Processes applications; reviews qualifications and issues licenses or certificates of operation to qualified occupations, businesses, facilities, and equipment.

D. ANTICIPATED CHANGES TO MISSION, STRATEGIES, AND GOALS

TDLR created a new statement of purpose, developed new agency strategic goals, and refined its mission to more precisely reflect who we serve, what we do, and how we do it.

TDLR'S CURRENT WORKFORCE PROFILE

A. WORKFORCE DEMOGRAPHICS

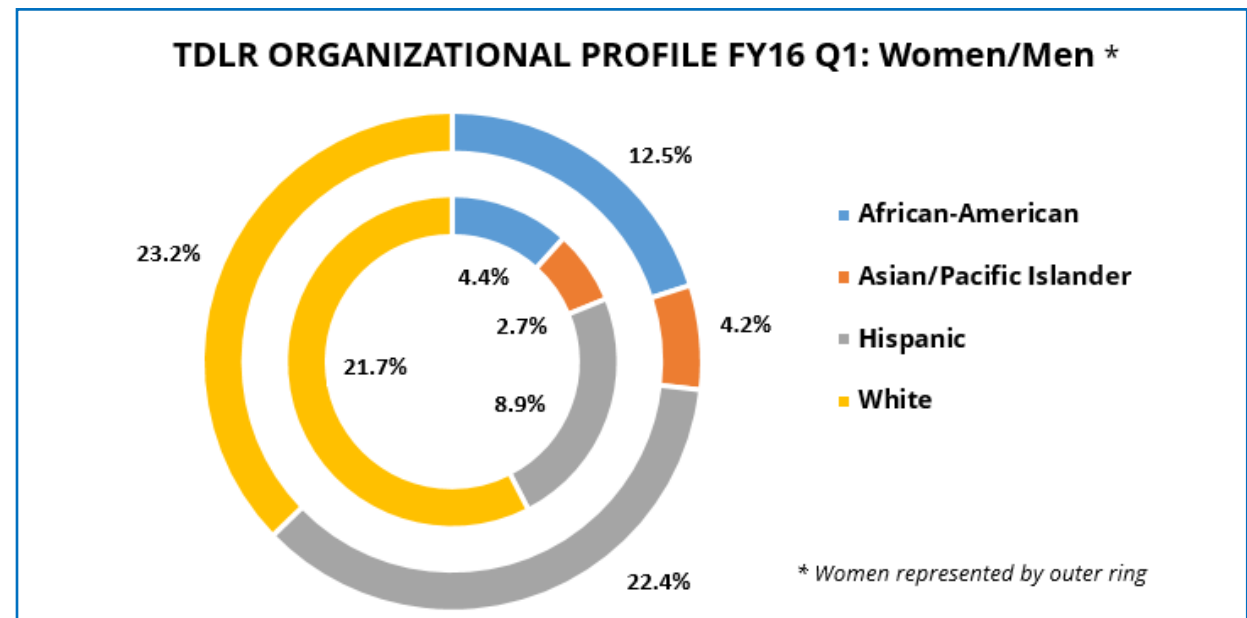
In the 2016-2017 biennium, TDLR's authorized workforce increased 17.3 percent to 448.2 full-time

equivalent (FTE) positions to manage additional programs and an increase in licensee population. The majority of employees work in Austin and 60 employees are located throughout the rest of the state.

Commitment to a Qualified and Diverse Workforce

TDLR employs a highly motivated and qualified workforce that reflects the diversity of Texas and provides equal opportunities to all employees and applicants.

In the first quarter of Fiscal Year 2016, over 62% of TDLR employees were female. The agency's workforce consisted of 31.3% Hispanic, compared to 24.1% of the State's workforce; and 6.9% Asian/Pacific Islander, nearly 5% higher than the State workforce composition. However, Black employees only accounted for 16.9% of the agency's workforce, over 7% lower than the State's overall workforce composition during this same period. While the overall composition of the agency's workforce is diverse, TDLR continues to strive for diversity in all job categories. Agency recruitment will continue to find more ways to reach those segments underrepresented at TDLR.



AGENCY WORKFORCE COMPOSITION FY16 Q1						
JOB CATEGORY	BLACK		HISPANIC		FEMALE	
	TDLR %	STATE %	TDLR %	STATE %	TDLR %	STATE %
Administrative Support	21.7	19.8	41.0	32.8	88.4	86.7
Officials/Administrators	10.0	11.9	15.0	18.3	20.0	48.9
Paraprofessionals	15.5	33.8	35.1	29.9	85.6	71.2
Professionals	18.1	14.0	24.2	18.6	59.1	49.4
Technicians	10.8	22.6	29.2	33.5	10.8	62.1

AGENCY WORKFORCE PLAN (Continued)

TDLR has been recognized *three times* as one of the *top mid-sized employers in Austin* by the Austin-American Statesman.

Experienced Workforce

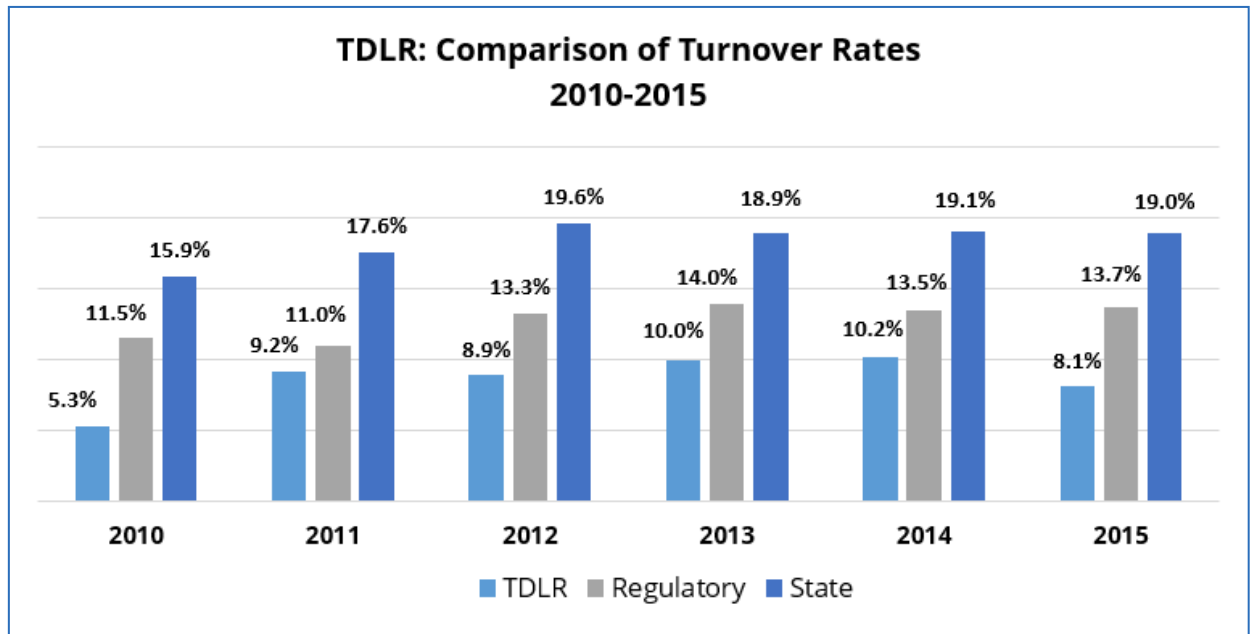
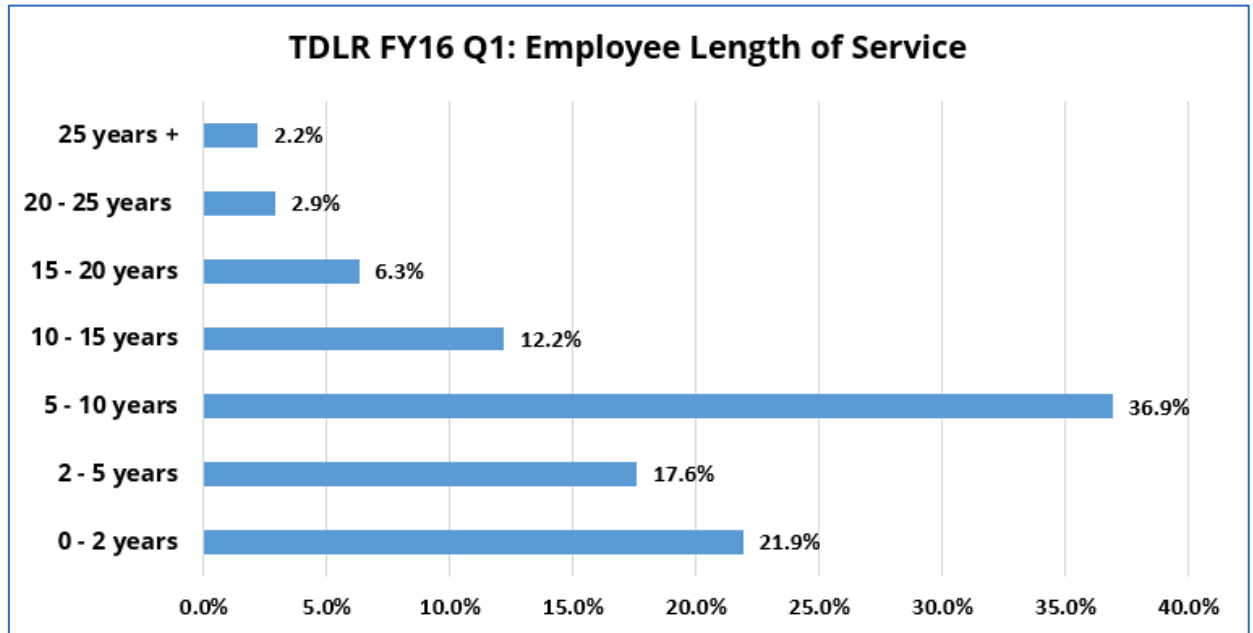
Sixty percent of our employees have five or more years of experience with agency programs and provide critical knowledge. Newer employees contribute new perspectives and challenge the status quo. This combination of talent provides the winning formula we need to develop and improve our services, while meeting the needs of all of our customers.

B. EMPLOYEE TURNOVER

In 2015, TDLR experienced its lowest turnover rate in 5 years, a direct result of TDLR's efforts to provide a positive work environment with work/life balance, wellness benefits, and competitive pay. Retirements accounted for 26% of agency turnover in fiscal year 2015 while 20% of those completing State of Texas Employee Exit Surveys listed career advancement as the reason for departure. Only 10% of departing employees left the agency for better pay.

Projected Turnover

TDLR projects its turnover rate for 2016 will continue to be below the state average.



AGENCY WORKFORCE PLAN (Continued)

Selected Positions and Turnover

In Fiscal Year 2015, administrative assistants, license and permit specialists, and program specialists comprised 27.7% of TDLR's employees yet accounted for 41.9% of the agency's turnover. Retirements accounted for nearly 40% of these separations, while another 23% transferred to other state agencies for higher pay.

TURNOVER BY CLASSIFICATION FY15

CLASSIFICATION	% OF TOTAL FTES	% OF AGENCY TURNOVER
Administrative Assistants	7.8	16.1
License and Permit Specialists	8.4	12.9
Program Specialists	11.5	12.9

Length of Service and Turnover

FTEs with less than five years of experience included almost 36% of employees but accounted for 48.4% of turnover.

LENGTH OF SERVICE WITH TURNOVER RATE

LENGTH OF SERVICE	% OF TOTAL FTES	% OF AGENCY TURNOVER
Less than 2 years	20.9	22.6
2-5 years	14.7	25.8
5-10 years	43.9	32.3
10-15 years	10.2	9.7
15-20 years	5.2	6.5
20-25 years	2.9	0.0
Over 25 years	2.2	3.2

Age and Turnover

As TDLR's workforce ages, there will inevitably be increases in the number of employees retiring. The 60-69 age group is representative of this as they accounted for over 25% of the separations yet were only 13.7% of the agency population. More than 11% of the employees over the age of 60 retired from TDLR in Fiscal Year 2015 and accounted for 75% of the separations in this age group.

AGE DISTRIBUTION WITH TURNOVER

FY15 AGE GROUPS	TOTAL FTES	% OF TOTAL FTES	TOTAL SEPA- RATIONS	% OF AGENCY TURNOVER
Under 30 years	11.0	2.8	2	6.5
30-39 years	69.75	18.1	5	16.1
40-49 years	135.0	35.1	10	32.3
50-59 years	110.25	28.7	6	19.4
60-69 years	52.75	13.7	8	25.8
70 years and over	6.0	1.6	0	0.0

AGENCY WORKFORCE PLAN (Continued)

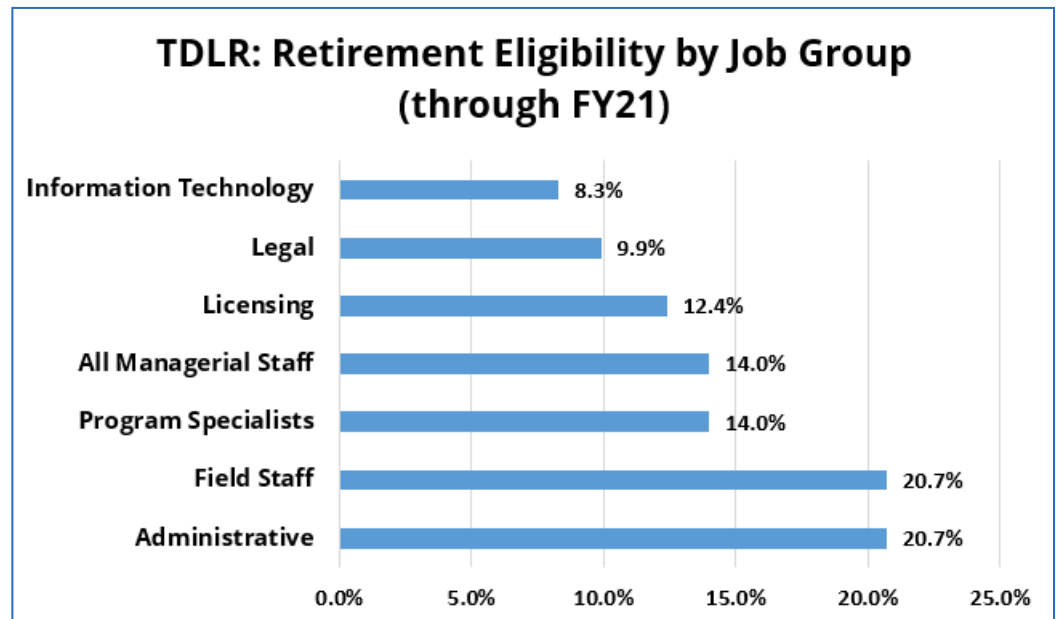
C. INCREASED RETENTION

TDLR's turnover rate has remained significantly lower than the statewide rate for the past decade which is a direct result of leadership's commitment to maintaining a positive work environment. In addition to the comprehensive state benefits package, TDLR retention strategies include:

- flexible work hours, compressed work weeks, and telecommuting opportunities;
- open communication between all staff, including opportunities for staff to give feedback through surveys, offer suggestions, voice concerns, pose questions to the executive team, use of the agency's online forum "ThinkTDLR", employee brainstorming sessions, and staff meetings;
- merit pay, bonuses, and equity salary adjustments;
- transparency by the executive team by keeping employees regularly informed about issues affecting the agency through town hall meetings and via internal emails, e-newsletters such as In the Loop, Under the Dome, Under the Umbrella, and videos;
- strong executive leadership, communication, and vision;
- opportunities for employees to participate in activities instrumental to the agency's growth, such as program integration and bill implementation teams, bill and cost analysis teams, and strategic planning teams;
- the "You Can Count On Me" program, which allows employees to recognize and reward their coworker's contributions to the agency's success by granting four hours of administrative leave;
- length of agency service awards, including recognition of state agency experience;
- a wellness program, to promote nutrition, fitness, and stress-relief;
- recently chartered TDLR Toastmasters Club;
- a dynamic employee recognition team that regularly schedules activities to honor and recognize TDLR employees;
- special programs throughout the year to celebrate cultural diversity; and
- job shadowing to develop skills and enrich professional and personal growth.

D. RETIREMENT ELIGIBILITY

In 2015, one quarter of TDLR's separations were the result of retirements. This rate is likely to increase as nearly 30% of TDLR's workforce will be eligible to retire within the next five years.



AGENCY WORKFORCE PLAN (Continued)

E. CRITICAL WORKFORCE SKILLS

Each employee's knowledge and skills contribute to TDLR achieving its vision, mission, and goals. TDLR employees possess the following critical skills:

- creative leadership and change management;
- mentoring and coaching;
- exceptional customer service;
- knowledge of and ability to implement laws, rules, and policies;
- stakeholder outreach;
- media relations;
- complex analytics, innovative problem-solving, and trend analysis;
- project management;
- technical knowledge of regulated industries;
- ability to recruit and hire qualified employees;
- legislative analysis;
- inspection and investigation techniques;
- effective communication, including bilingual and plain language skills;
- tactical legal and financial analysis;
- crisis management;
- astute fiscal and accounting services;
- expertise in information technology, telecommunications, and social media; and
- fostering professional partnerships with private sector vendors, municipalities, and other state agencies.

TDLR'S FUTURE WORKFORCE PROFILE

TDLR's vision is to be the leader in public service by creating innovative, low-cost licensing and regulatory "next" practices, and cultivating employees who provide exceptional customer service. We have a proven record of success in streamlining processes, realigning transferred programs, increasing process

efficiencies, and implementing new programs. Our success shows that a conservative and strategic allocation of employees, appropriations, and other resources to TDLR results in efficient regulatory oversight at the lowest possible cost.

While TDLR's regulatory responsibilities and licensee population have increased over the past twelve years, our staff has grown at a significantly slower rate. Our future workforce must continue to be diverse, multi-talented, intelligent, customer-focused and innovative, and will come from a very competitive job market. For TDLR to effectively provide and improve upon the quality of service that the citizens of Texas expect and deserve, we will need the necessary appropriations to properly compensate and retain current staff, attract and hire exceptional employees, address recurring database challenges, and improve service delivery.

A. FUTURE WORKFORCE NEEDS

The expected workload over the next five years coming from our new programs, the increase in population, and changes in technology, reveals a gap in staffing. The agency must continue to develop strong leaders to respond to the growing challenges, and attract employees who can gather and analyze information to ensure licensing and regulatory requirements are met.

TDLR will need employees with:

- advanced skills in the areas of data analytics;
- experience working with databases, information technology security, internet search tools, electronic casefile systems, and office application software;
- communication skills, both written and verbal, as the agency faces a growing volume and variety of customer service interactions;
- strong abilities in web development to make our web services secure, accessible and fully mobile-friendly;
- public speaking skills and the availability to travel as we increase our efforts to educate the licensees and the public;
- expertise in litigation and administrative law procedures, such as rule-making and open records;

AGENCY WORKFORCE PLAN (Continued)

- strong skills in contract management, procurement, and project management; and
- experience and training in the new programs being transferred to TDLR, specifically in the area of health professions, scope of practice, and regulatory provisions.

Compliance

TDLR requires technical experts whose unique professional skills and industry knowledge ensure understanding of and compliance with state regulatory requirements, particularly for the Air Conditioning and Refrigeration Contractors; Barbering; Boilers; Cosmetology; Driver Education and Safety; Electricians; Elevators, Escalators and Related Equipment; health professions; Industrialized Housing and Buildings; and Towing and Vehicle Storage programs.

Customer Service

TDLR requires trained and knowledgeable staff with strong written and oral communication, technological, bilingual and multi-tasking skills to meet the ongoing increase in the number of programs, and the volume and complexity of inquiries.

Enforcement

TDLR will need investigators, prosecutors, and legal assistants to resolve the increasing number of complaints in a timely and efficient manner.

Field Operations

TDLR will need knowledgeable inspectors with strong written and oral communication, technological, bilingual and multi-tasking skills to meet the increased volume and complexity of performing inspections in multiple industries, and an increased need to educate licensees.

Licensing

TDLR will require employees with the knowledge and analytical skills to process and review license applications for a growing number of businesses, facilities, equipment, and individuals.

Information Technology

TDLR will need software developers, network specialists and cyber security personnel to develop, implement, support, maintain, and protect systems, innovative technologies, and confidential information.

B. EXPECTED WORKFORCE CHANGES

Growing Responsibilities

As the Legislature seeks efficiencies and cost savings through consolidation of programs, licensing, and regulatory activities, TDLR's workload will increase with the assignment of new or transferred programs. The agency expects the number of inquiries, applications, reviews, inspections, and complaints to increase, resulting in a greater demand on every division. Identifying efficiencies and training staff across functional areas and programs will continue to be of primary importance, and additional resources will be crucial.

Technology

Each year TDLR relies more on technology to increase operational efficiencies and expand customer service capabilities. Employees proficient in developing and maintaining information infrastructure, adapting to and using new technology and associated changes to work processes, are essential. With these changes, TDLR must address software and hardware upgrades, and information technology security issues.

Retirements

After nearly two decades of public service with TDLR, our Executive Director will retire at the end of Fiscal Year 2016. In addition to this significant loss to the leadership team, 30% of TDLR employees will be eligible for retirement in the next five years. The potential loss of these employees who possess essential agency knowledge requires constant refinement of the agency's succession planning.

C. INCREASE IN STAFF NEEDED

Due to population growth in Texas and consolidation of programs into TDLR, additional employees are needed to continue to deliver cost effective customer service, safeguard the public, and ensure an efficient regulatory environment. Future effectiveness will depend upon receiving the necessary appropriations and staff.

GAP ANALYSIS

A. ANTICIPATED SHORTAGE IN KEY STAFF

The agency identifies the following gaps between anticipated needs and current workforce:

AGENCY WORKFORCE PLAN (Continued)

- Within the next five years, approximately one-third of TDLR's workforce will be eligible for retirement, including 50% of TDLR's executive leadership team, who possess highly specialized skills, leadership abilities, and technical knowledge.
- TDLR continues to face challenges in attracting skilled technical experts. Private sector salary competitiveness limits the pool of qualified applicants.
- Newly acquired programs regulated by TDLR will require recruiting new subject matter experts and innovative ways to retain and train-up current employees.

B. ANTICIPATED SHORTAGE OF SKILLS

TDLR aggressively recruits, trains, and retains a diversely skilled staff, but we anticipate a shortage of skills in the following areas:

Leadership

Many key staff are eligible for retirement, including TDLR's Executive Director who is retiring at the end of Fiscal Year 2016. Through succession planning we hope to assure successful administration of programs without interruption including hiring and developing additional employees for "bench strength," training and mentoring critical staff, and providing leadership development opportunities.

Training

As the agency's responsibilities continue to grow, competent, cross-trained, and technology-savvy employees are vital for the continuity of low-cost licensing services and successful regulatory "next" practices. Additionally, the agency's continued investment and participation in programs such as the Transformative Leadership Program, National Certified Investigator and Inspector Training, Governor's Executive Development Program (GEDP), Executive Leadership for Information Technology Excellence (ELITE), Governor's Center for Management Development, and Toastmasters International are essential to developing innovative solutions for smaller, smarter state government.

Communication Skills

TDLR continues to need staff skilled in written and verbal communications, including those with bilingual, plain language, and social media skills.

Information Technology

Because TDLR relies heavily on information technology and information systems security to streamline our processes and provide secure systems, there is a continuing need to attract and retain qualified technical individuals.

Strategy Development

The following sections outline how TDLR will address our anticipated workforce gaps:

Issue: Retirements create a significant loss of valuable experience and technical knowledge.

Goal: Continue developing key staff to maintain successful administration of programs.

Rationale: Directors, managers, supervisors, and staff who possess vital knowledge are eligible for retirement.

Action: The agency continues to provide opportunities for program/process training and leadership development, including leadership book clubs, conversations in leadership, job shadowing, and formal leadership programs. Additionally, special assignments such as legislative analysis, program implementation, and strategic planning provide opportunities for employees to develop core leadership competencies and enhance analytical writing skills.

Issue: Future Loss of Critical Workforce Skills.

Goal: Maintain and enhance the skills of our workforce through recruitment, training, and retention.

Rationale: A skilled workforce is critical to achieving the agency's mission.

Action: The agency will provide coaching, mentoring, cross-training, succession planning, and learning and development opportunities focusing on new technologies, industry "next" practices, and agency laws and rules. TDLR will also offer training resources and educational tools.