TDLR
TEXAS DEPARTMENT OF LICENSING & REGULATION

LEGISLATIVE APPROPRIATIONS REQUEST
for Fiscal Years 2026 and 2027

Submitted to the
**Office of the Governor, Budget and Policy Division,
and the Legislative Budget Board**

*for the Department of Licensing & Regulation
by the Commission of Licensing & Regulation*

August 16, 2024

Legislative Appropriations Request

For Fiscal Years 2026 and 2027

Submitted to the

Governor's Office of Budget, Planning and Policy

and the Legislative Budget Board

by

The Texas Department of Licensing and

Regulation

August 16, 2024

Table of Contents

452 Department of Licensing and Regulation

Administrator's Statement - 89th Legislative Session

The Texas Department of Licensing and Regulation (TDLR) oversees a broad range of occupations, businesses, facilities, and equipment in Texas. Our primary 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 consistent, common-sense guidance to our 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.

Texas Commission of Licensing and Regulation: Common-Sense Leadership

Chapter 51 of the Texas Occupations Code establishes TDLR and its responsibilities. The Texas Commission of Licensing and Regulation, TDLR's governing board and policy-making body, consists of 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 TDLR, with an exception for those working in the field of health care.

In addition to protecting the health and safety of Texans, the Commission's top priority is to identify and remove business impediments and overly burdensome regulations. Before adopting any administrative rule, the Commissioners carefully weigh the potential impact of new regulations on public health and safety against the impact to businesses, consumers, and licensees.

The Commissioners and the agency value transparency. All Commission meeting information is shared in advance with the public, and meetings are streamed live and archived on the internet. Meetings include two-way communication capability so that no matter where Texans are located, they can provide public comments directly to the Commissioners.

The Commission is comprised of the following members:

Commission Member	Term End	Hometown
Rick Figueroa, Chair	February 1, 2027	Brenham
Thomas F. Butler, Vice Chair	February 1, 2025	Deer Park
Gerald R. Callas, M.D., F.A.S.A.*	February 1, 2029	Beaumont
Nora Castañeda, M. Ed.	February 1, 2025	Harlingen
Sujeeth Draksharam	February 1, 2027	Sugar Land
Lori High, D.N.P.	February 1, 2027	Spicewood
Gary Wesson, D.D.S., M.S.*	February 1, 2029	Richmond

*Senate confirmation of reappointment pending

452 Department of Licensing and Regulation

Ongoing Consolidation and Growth Challenges

We would like to thank the members of the Texas Legislature for the across-the-board and targeted pay increases approved during the 88th Session. Our ability to attract and retain a high-quality workforce has been enhanced - a crucial factor in ensuring TDLR's long-term stability. We believe that additional pay increases in the coming biennium are necessary to better equip TDLR and other state agencies to face the challenges ahead.

The legislature continues to recognize TDLR's ability to streamline existing licensing programs and take on new responsibilities. With the addition of the Electric Vehicle Charging Stations program last session, and the consolidation of Barbering and Cosmetology into one program, TDLR will enter Fiscal Year 2025 with a total of 38 licensing programs. Since 2015, TDLR's licensee population has grown by more than 41 percent (see Figure 1) while our workforce has absorbed 25 additional transferred or newly created licensing programs (see Figure 2).

We have managed these new responsibilities while maintaining a lean, efficient staff dedicated to improving services and processes. But our ability to absorb additional growth resulting from legislative action, coupled with the natural increase in licensees attributable to the success of the Texas economy, presents challenges that will require assistance from the legislature to ensure the agency's continued success.

Legacy Systems Replacement Project

When TDLR absorbs licensing responsibilities through transfers and consolidation, we also inherit legacy software systems that come with those programs. The 88th Texas Legislature appropriated funding to consolidate our legacy licensing software systems into a single, secure system that will enable us to manage our current licensing workloads with greater efficiency. We are extraordinarily grateful to the members of the legislature for this significant investment in TDLR's future resiliency.

Following 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 money was 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 is requesting continued funding through unexpended balance (UB) authority into the upcoming biennium for the consolidation of TDLR's legacy licensing software systems into a single solution that is modern and secure.

New Responsibilities from the 88th Legislature

Electric Vehicle Charging Stations

Senate Bill 1001 (88-R) directed TDLR to create a regulatory framework for electric vehicle (EV) charging stations, including rules for the operation of electric vehicle supply equipment, charging station inspections, and consumer protections and complaint procedures.

452 Department of Licensing and Regulation

TDLR established a stakeholder work group in November 2023 to provide recommendations on the implementation of the new program. The work group is comprised of representatives from EV supply equipment companies, installers or servicers of EV supply equipment, the motor fuel retail industry, a public utility company, and others. The work group's presiding officer is TDLR Deputy Executive Director Steve Bruno.

The work group met in January and May 2024 to assist agency attorneys and staff with drafting the first iteration of the program administrative rules. The program rules will be published in the Texas Register on August 23, 2024, with a targeted adoption date of December 1, 2024. SB 1001 requires registration for all EV supply providers beginning March 1, 2025.

Temporary Oversight of Texas Board of Veterinary Medical Examiners

The 88th Legislature temporarily transferred responsibility for oversight of the Texas Board of Veterinary Medical Examiners (TBVME) to TDLR. Senate Bill 1414 adopted Sunset recommendations to administratively attach TBVME to TDLR for a four-year period, with another Sunset review at its conclusion. At the end of this period, TBVME will return to its independent agency status.

The TBVME Board is now serving as a TDLR advisory board, and TBVME meetings are facilitated by TDLR advisory board and technical staff. The Texas Commission of Licensing and Regulation has final enforcement and rulemaking authority during the attachment, with exceptions for scope of practice and standards of care rules.

TDLR staff are providing our TBVME colleagues with administrative oversight and support and have completed work with both TBVME and DIR to determine TBVME's licensing software system needs. TBVME contracted with Deloitte to provide a Salesforce solution for their licensing needs and a new TBVME licensing system went live on August 2, 2024.

Audits of TBVME's enforcement, procurement, and IT/Data Security processes are underway, conducted by TDLR's internal auditor, Weaver, and the State Auditor's Office (SAO). The SAO audit is in the final stages and preliminary findings have been discussed. Following completion of these audits, TDLR employees will continue working closely with their TBVME counterparts on rule drafting and adoption, investigative and enforcement procedures, and efficient licensing processes.

Prior to December 1, 2024, TDLR will provide Sunset and the standing committees with jurisdiction over TBVME with statutory recommendations to improve TBVME's operations. Not later than December 31, 2026, TDLR and TBVME will also conduct a review of all TBVME administrative rules, giving license holders and the public the opportunity to provide meaningful input.

TDLR Coordination with Motor Vehicle Crime Prevention Authority

Senate Bill 224 (88-R) addressed catalytic converter regulation and theft through a set of regulations making the unauthorized possession of a catalytic converter a felony and increasing criminal penalties. The bill established a task force to coordinate efforts among the Motor Vehicle Crime Prevention Authority (MVCPA), DPS, DMV, and TDLR, due to our regulation of Used Auto Parts Recyclers (UAPR).

This task force can review records involving the purchase, sale, or transfer of catalytic converters removed from motor vehicles, and respond to suspicious activities detected through the analysis of those records. The task force is charged with protecting each step in the legitimate stream of commerce that begins with the removal of a catalytic converter from a motor vehicle to the recycling of those catalytic converters to ensure stolen catalytic converters are not entering into the stream of commerce.

Team members from each organization have been working together to develop rules to safeguard Texans across the state from motor vehicle crime. These efforts began with bi-weekly meetings between all parties for planning and preparation, resulting in an interagency contract (IAC) between TDLR and DMV signed on June 25, 2024. This contract allows TDLR to hire five FTE positions to increase the number and scope of statewide inspections for UAPR, coordinate efforts between agencies and stakeholders, and provide training.

TDLR staff joined MVCPA, DPS, DMV and industry leaders on visits to metal recyclers and auto parts recyclers facilities to better understand the industry challenges. As of August 2024, TDLR has increased inspections and started a pilot project for a new inspection process. On August 22, 2024, TDLR will host a summit for the public and industry to provide feedback, comments, and recommendations for rules.

Financial Crimes Intelligence Center

Since launching in January 2022, the Financial Crimes Intelligence Center (FCIC) has been in the forefront of investigating criminal activity related to card skimming, fuel theft, and fraud. As of July 2024, the FCIC has prevented, intercepted, or recovered $262,594,900 in loss to the Texas economy (see Figure 3), and been responsible for the arrest of 251 members of organized crime groups, in addition to identifying 900 suspects for allied law enforcement.

Because the FCIC investigates highly sophisticated organized crime groups, they require highly experienced agents and analysts and cannot recruit entry level personnel. At the same time, many law enforcement agencies are experiencing personnel shortages, resulting in dramatic increases in law enforcement salaries to attract and retain personnel. The FCIC must compete in this arena against not only other law enforcement agencies for experienced personnel, but against private industry for a very limited number of subject matter experts.

The FCIC is unique among intelligence and law enforcement agencies, and in just a few years has become the national clearinghouse for intelligence related to organized financial crime. To protect our fellow Texans and the Texas economy, the FCIC collects, disseminates, and investigates criminal intelligence from all points around the globe, working with local, county, state, federal, and international law enforcement, as well as private industry. Accordingly, it is essential that the FCIC expand its personnel, equipment, facilities, and capabilities to meet the increased threat of international organized crime.

TDLR has no changes to exempt positions.

Government Code Sec. 411.093 authorizes TDLR to obtain from DPS criminal history records that relate to an applicant or licensee and Art. 66.104 of the Code of Criminal Procedure.

Exceptional Items

TDLR's appropriations request is the link between the comprehensive development of our 2025-2029 Strategic Plan and the General Appropriations Act (GAA). The following items represent the agency's utmost priorities.

452 Department of Licensing and Regulation

(As a licensing agency under Article VIII of the GAA, TDLR's exceptional items would be funded through fee revenue as required by Article VIII, Section 2 – Special Provisions of the GAA, unless otherwise noted.)

Exceptional Item One: Recruit, Retain and Enhance Qualified Workforce

Challenges from Continued Growth

Between 2012 and 2022, Texas' population grew by 15.1 percent, more than double the U.S. growth of 6.2 percent. TDLR's license population has also grown during this time, due not only to more new Texans seeking work here, but new responsibilities given to us by the legislature. Over the past nine fiscal years, TDLR has seen a 41% increase in our licensed population (see Figure 1). New and transferred programs expanded our workload into areas including health professions, anti- human trafficking efforts, motor fuels regulation, and electric vehicle charging stations.

While we have a cap of 590.7 FTEs, we have struggled to employ more than 510 FTEs, due in part to below-market and state salary averages for roughly two-thirds of our positions, more competitive benefits and flexibility in the private sector, and competition for employees from other state agencies. Filling vacancies and retaining staff is the most serious challenge the agency currently faces.

Increased Overtime and Turnover

In FY 2023, employees in the license and permit specialist, investigator, inspector, and attorney classifications comprised 30 percent of TDLR's employees but accounted for nearly 45 percent of the agency's turnover. Recruiting and retaining employees in these mission-centric positions continues to present challenges.

Employees are working thousands of hours in overtime and comp time annually to make up for the shortage of staff and increased workload, which in turn leads to more staff burnout and continual turnover. Employees working overtime masks the problem of staff shortages by helping TDLR reach its performance measure targets. However, every hour of overtime is an hour of work that should be worked by an additional employee, not the same employee costing the agency additional expense for that work. Paying overtime instead of regular time makes poor fiscal sense.

We project our turnover rate for the next five fiscal years will be higher than normal because of the competitive job market and higher salaries at other state agencies and in the private sector, and a growing demand for fully remote work opportunities.

Recruitment Challenges

We have had difficulty recruiting administrative assistants and others who perform critical support functions across multiple divisions. TDLR has struggled to competitively compensate these employees because other state agencies and the private sector offer significantly higher pay for comparable work. Overall, of the 78 TDLR job postings in the past two years, the average time the posting stayed open is 69 days, with five of the postings open for over 200 days.

452 Department of Licensing and Regulation

Salaries Below State Agency Average

Our challenges with recruitment and retention stem in part from a tight labor market and a lack of competitive compensation due to our salaries falling below the median offered by other state agencies. Analysis shows that roughly two-thirds of TDLR's classifications are compensated at a lower wage compared to other state agency average salaries. The percentage of people who have left TDLR for another job and then found employment at other agencies increases each year, reaching 74 percent in FY 2024 (through July).

While recent legislative salary adjustments have provided welcome relief, they have not addressed this disparity, particularly since other state agencies received the same proportionate salary increases and can still offer better pay to employees. The chart found on page 16, Figure 4 – Targeted Positions Paid Below State Average, illustrates some of the levels of disparity between TDLR salaries and similar positions at other state agencies. These are by no means the total number of underpaid employees at TDLR, but these represent eight of the largest classifications of employees in the agency.

To compete for new workers, maintain staffing at adequate levels to provide services, and ensure the public's health and safety, agencies must be able to offer salaries that make economic sense for those we wish to attract. To that end, TDLR is requesting targeted salary increases to ensure sufficient staff to provide required services and competitive compensation for our employees.

TDLR is requesting $1,395,906 in FY 2026 and $1,395,906 in FY 2027 for targeted staff raises to help bring them up to a competitive market standard and enhance our recruitment and retainment efforts.

Request for Funding Authority for Additional Technical Program Staff in Health and Safety Roles

Due to increasing workloads, turnover, and retirements in our field and program specialist positions, we anticipate a gap in program knowledge and technical experience. To help ensure comprehensive succession planning and facilitate the transfer of knowledge as we attract and maintain new workers, we are requesting the following additional FTE positions:

Combative Sports: Program Specialists
Combative sports such as boxing and mixed martial arts continue to grow in popularity in Texas. This summer, the Texas Commission of Licensing and Regulation adopted rule amendments to recognize "slap fighting" as a martial arts discipline, allowing TDLR to regulate these events in Texas. Since FY 2022, the number of events in Texas staffed by TDLR have grown by more than 35 percent, and all signs point to continued growth. TDLR is requesting the addition of three program specialist positions to enable our Combative Sports staff to keep pace with the growing demand for events in Texas and reduce the amount of comp time accruals which adds to the agency's "leave debt."

Water Well Drillers: Hydrologist
TDLR currently employs two hydrologists to conduct inspections of water wells across the entire State of Texas. In FY 2023, 290 investigations were conducted by TDLR staff with all documented violations either remediated or in the enforcement process. TDLR received reports of approximately 30,000 new wells drilled in FY 2023, so only a small percentage of new wells and abandoned wells can be inspected. We are requesting the funding to hire one additional hydrologist to expand our inspection capability.

452 Department of Licensing and Regulation

Industrialized Housing & Buildings: Program Specialists
Modular construction is experiencing significant growth, with projections indicating it will double in size within the next five years. Over 75% of these constructions are residential homes, multi-family dwellings, and hotels. TDLR's Industrialized Housing and Building (IHB) staff comprises four program specialists who handle inspections, certifications, and plan reviews, and one program specialist responsible for data entry, research, and assisting with complaints/inquiries. Three staff of these members are either currently eligible for retirement or will become eligible within the next year. To ensure TDLR can continue to efficiently perform certifications, plan reviews, and audits after these retirements, we are requesting one additional Program Specialist.

TDLR is requesting $439,500 in FY 2026 and $381,151 in FY 2027 for an additional five FTE positions to protect public health and safety and enhance our technical and program knowledge.

Additional FTEs to Bridge Growth Gap

In June 2020, all agencies were asked to identify a five percent biennial reduction to their 2020-21 appropriation due to the pandemic. Most of TDLR's $3.78 million budget reduction came from the reduction of the funding for TDLR's FTE positions. An average of 28 FTE positions, authorized to the agency for the vital work these positions would perform, have remained unfilled due to a lack of funding. Budget cuts aside, TDLR's licensee population grew by 11.4 percent since FY 2020 (nearly 100,000 licensees) which increases our workload across divisions. For example, an Enforcement prosecutor's average monthly caseload has gone from 180 per month in FY 2020 to 371 per month in FY 2023 – an increase of 106 percent. TDLR seeks to restore staffing to a level that will enable us to reduce caseloads and backlogs and provide more efficient response times for the public.

TDLR is requesting $564,551 in FY 2026 and $551,867 in FY 2027 to fund seven FTE positions to help reduce backlogs and increase efficiency.

Exceptional Item Two: Comprehensive Expansion of TDLR's Cybersecurity

TDLR's Information Security Division protects our information technology assets and delivers cybersecurity incident detection and response, vulnerability assessment and remediation, threat assessment, and software security services. To guarantee the secure and efficient operation of TDLR systems for the benefit of all Texans, we are seeking funding to support the Information Security Division in the following areas:

- Advanced Email Security
- Increased Cloud Security Event Logging
- Cloud system zero trust access platform
- Disaster Recovery Testing
- Third-Party Software Patching System
- End-of-Support / End-of-Life Network Hardware/Systems
- WAX/LAN Network Resiliency
- Application Performance Monitoring

TDLR is requesting $781,500 in FY 2026 and $656,500 in FY 2027 for the comprehensive enhancement of TDLR's cybersecurity.

452 Department of Licensing and Regulation

Exceptional Item Three: Expansion and Support for Financial Crimes Intelligence Center

The Financial Crimes Intelligence Center (FCIC) became operational in January 2022, and to date has prevented, intercepted, or recovered $262,594,900 in loss to the Texas economy. Additionally, the FCIC is responsible for the arrest of 251 members of organized crime groups and has identified 900 suspects for allied law enforcement. The FCIC is the only agency of its kind in existence and has become the national clearinghouse for intelligence related to organized financial crime.

The FCIC seeks to expand its personnel, equipment, facilities, and capabilities to meet the increased and ever-evolving threat of international organized crime. To that end, the FCIC is requesting salary raises based on the standardized pay scale for 16 existing personnel, and an additional 25 new FTEs to supplement internal operations, field operations, and the digital forensics laboratory. With the addition of these new FTEs, the FCIC will maintain 27 sworn law enforcement officer positions.

The FCIC is also requesting additional funding for vehicle purchases and leases, upfitting, and maintenance; funding for new field operations equipment, software, and intel subscriptions; and hardware and software upgrades for the Digital Forensics Laboratory located in Tyler.

TDLR is requesting $10,000,199 in FY 2026 and $9,698,312 in FY 2027 for the expansion and continued support of the FCIC and their efforts to protect Texans from fraud and theft conducted by international organized crime.

Exceptional Item Four: Enforce Emergency Order Closures of Massage Establishments

House Bill 3579, passed by the 88th Legislature, authorizes TDLR's executive director to issue an emergency order halting all business at massage establishments where human trafficking activity is suspected by TDLR or law enforcement. This new tool gives TDLR a unique opportunity to further combat human trafficking in our communities.

As of this writing, TDLR has more than 80 open investigations that are under consideration for an emergency order using HB 3579 authority, and we anticipate that, unfortunately, those numbers will continue to climb. Each case involving human trafficking is escalated and receives the highest priority ranking, creating a significantly increased workload for our already-overworked staff in enforcement, compliance, and field inspections.

Appropriations for this exceptional item include one FTE to provide victim services, pre-hearing preparation, and expert testimony at SOAH hearings; two FTE attorneys and two FTE legal assistants for increased intake, investigation, and prosecution of these cases; and five FTE field inspectors located around the state to conduct risk-based follow-up inspections after an emergency order has been issued.

TDLR is requesting $916,197 in FY 2026 and $811,616 in FY 2027 to ensure TDLR has the resources and staff needed to support the agency's authority and responsibility to issue emergency stop orders.

452 Department of Licensing and Regulation

Exceptional Item Five: Replacement of Helpdesk System

The company that provides our IT helpdesk ticketing system is raising the annual $50,000 cost and has stated the company has two years until its end-of-life, which has forced TDLR to find another IT helpdesk solution. The current helpdesk system also lacks technical and customer support and TDLR staff spend an excessive amount of time providing system support that an organization would typically expect to be included as a part of the product.

The cost for a one-time project to implement and convert to a new system is approximately $100,000. Once the system is in place, TDLR would need funding of $100,000 per year for system updates, maintenance, and the support required for TDLR's helpdesk ticketing needs.

TDLR is requesting $100,000 in FY 2026 and $50,000 in FY 2027 for a replacement helpdesk system and ongoing updates and maintenance.

Exceptional Item Six: Purchase of Information Resource Technologies – Scheduled PC Replacement

TDLR is appropriated funding each session for scheduled PC replacement. This upcoming biennium 459 agency PCs are due for replacement. TDLR's current budget of $83,580 is inadequate for this number of replacements. Additional funding is needed to ensure the agency's computers are not dated or obsolete, and consequently vulnerable to reliability and security problems.

TDLR is requesting $280,148 for FY 2026 and $241,920 for FY 2027 for scheduled PC replacement.

Exceptional Item Seven: Expanding TDLR's Vehicle Fleet to Conduct Health and Safety Inspections

In the upcoming biennium, TDLR has two pickup trucks due for replacement because of age and mileage. TDLR is requesting the replacement of these vehicles at a cost of $55,000 per vehicle.

TDLR is responsible for the regulation of water well drilling and pump installation in Texas. This responsibility requires the agency hydrologists to travel to often remote locations to conduct water well inspections, investigations, and to locate and assess abandoned and deteriorated water wells. TDLR is requesting two SUVs with four-wheel drive capability. The cost of these vehicles is $65,000 per vehicle, or $130,000 in total.

TDLR is responsible for the regulation of motor fuel metering and quality and must often take fuel samples for inspections and fuel quality complaints, then transport the samples to where they can be sent to a lab for testing. Because of the need to keep the samples separate from the interior of the vehicle and its driver, TDLR is requesting two additional pickups. The cost of the trucks is $55,000 per vehicle, or $110,000 in total.

TDLR is responsible for the regulation of mold assessment and remediation and conducts inspections of mold-related activity for compliance with state law and rules. This requires the use of specialized equipment, which can become contaminated from use in inspections. TDLR is requesting three additional pickups to keep the equipment separate from the interior of the vehicle and its driver. The cost for the three trucks is $165,000.

---

452 Department of Licensing and Regulation

TDLR is requesting $515,000 in FY 2026 for the one-time purchase of additional fleet vehicles for the purpose of conducting health and safety inspections.

Exceptional Item Eight: Secure Funding to Use Artificial Intelligence to Improve Agency Functions

In TDLR's 2025-2029 Strategic Plan, one of our operational goals is to, "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." Over the next biennium, we intend to acquire AI tools and related services to significantly improve TDLR's AI posture and align it with the introduction of new cloud-based technologies. TDLR will participate in AI user groups (such as DIR's AI User Group) to leverage the knowledge and experience of other agencies and better understand value, costs, and ethical considerations.

The initial proposed phase will entail data clean-up, establishing security infrastructure, deploying internal use cases, and establishing lifecycle infrastructure, including sandbox environments for internal assessment allowing for collaboration, innovation, experimentation, and outcome analysis. Subsequent phase(s) will deploy production-ready use cases, including external/public facing cases, and mature lifecycle processes, as well as data management, and security infrastructure, policies, and procedures. We will begin testing AI/ML models for advanced forecasting to help make TDLR more data driven.

TDLR is requesting $250,000 in FY 2026 and $250,000 in FY 2027 to engage with leading AI solution providers and explore the development of AI-driven systems to enhance efficiency, improve accuracy and processing times, reduce costs, and mitigate risk.

Figure 1 - Growth in TDLR License Population FY 2015 - FY 2023

25 New & Transferred Programs Consolidated at TDLR Since 2015

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

Figure 2 - 25 New & Transferred Programs Consolidated at TDLR Since 2015

Figure 3 - FCIC Total Stop Loss & Recovery, FY 2022 - FY 2024 (partial)

Targeted Positions Paid Below State Average

Position	Number of Current Positions	Number Paid Below State Average	Percentage Paid Below State Average
Accountants	16	12	75%
Attorneys*	20	7	35%
General Counsels	13	12	92%
Managers	26	25	96%
Director IV	11	10	91%
Inspectors	33	27	82%
Investigators	43	36	84%
Legal Assistants	60	57	95%
TOTAL	**222**	**186**	**84%**

*Each attorney has been assigned an average of 760 cases each year for the past three years and carried an average caseload of 290 cases each month during that period. Other state agencies can recruit attorneys by offering a higher salary, a lower caseload, or, more often, both.

Figure 4 - Targeted Positions Paid Below State Average

TDLR
TEXAS DEPARTMENT OF LICENSING & REGULATION

34 Advisory Boards

Texas Commission of Licensing and Regulation

Contracting & Procurement Services
FTEs: 7

Assists all TDLR Divisions with procurement and contracting needs with a focus on obtaining 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 at the right time and price, in compliance with laws, regulations, and purchasing procedures, while exercising sound business judgment.

Human Resources and Operations Support
Sharon Homoya, Director
FTEs: 13

Human Resources and Operational Support manages recruitment, hiring, compensation, training, and career development, and develops and reviews agency personnel policies to ensure compliance with applicable state and federal laws. Human Resources also supervises building operations.

Executive Director
Courtney Arbour
Yvonne Campos
FTEs: 2

Office of Strategic Communication & Process Improvement
FTEs: 21

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 the Commission and advisory boards; media relations; external and internal communications; promotional materials and design; outreach to legislators, stakeholders, and Governor's Office 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.

Office of General Counsel
Doug Jennings, Director
FTEs: 35

The Office of General Counsel is responsible for rule review and rulemaking, responding to Open Records requests, records management, supporting Advisory Boards and the Commission, and drafting contracts and legal opinions.

Asset Management
FTEs: 2

Coordinates the tracking and assignment of all agency assets, from their initial purchase until their transfer to State Surplus.

Deputy Executive Director
Steve Bruno
Tamala Fletcher
FTEs: 2

Senior Deputy Executive Director
Vacant

Deputy Executive Director
Brandy Myers
Lydia Valenzuela
FTEs: 3

Information Security
Josh Kuntz, Chief IS Officer
FTEs: 6

Protects information technology assets, oversees data management, and delivers cybersecurity incident detection and response, vulnerability assessment and remediation, threat assessment, and software security services. IS evaluates cybersecurity risks and ensures compliance with applicable state and federal law, industry standards, and best practices. IS further evaluates, investigates, and audits security logs/ incidents to ensure 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.

Licensing
Heather Muehr, Director
FTEs: 73

The Licensing Division processes and reviews applications and issues licenses to qualified individuals and businesses in accordance with statutory requirements. Licensing requirements typically include pre-education and credentials, experience and employment history, insurance, bonding and net worth requirements, and continuing education courses. The division is organized into teams to optimize cross-training and efficiency, with each team member trained to process every license type issued by their team. Teams are grouped by similarity of program, licensing requirements, and licensing database, and staff are cross-trained to assist during seasonal workload spikes. The Licensing division works closely with the Enforcement division to ensure background checks are completed on all individual license applicants.

Education & Examination
Ray Pizarro, Director
FTEs: 23

The Education and Examination division oversees requirements for examinations, continuing education, and pre-licensure education as established in law and rule for the professions and industries we regulate. Division staff also coordinate practical, theory, and jurisprudence licensing examination development, and monitor the administration of examinations delivered by our third-party testing vendor, PSI.

Customer Service
Craig Howard, Director
FTEs: 54.5

The Customer Service Division responds to customer contacts received by phone and email, including assistance by Spanish and Vietnamese language speakers. 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 in 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. Data collected on contacts is analyzed to identify agency pain points that can be used for process improvements. The division continuously experiments with new processes to evaluate and improve service to our customers.

Field Inspections
Chris Russey, Director
FTEs: 59

The Field Inspections Division conducts fair, thorough, and timely inspections to protect the public's health and safety and educate licensees. Major activities include pre-license, periodic, and riskbased inspections (using onsite and virtual inspections), identifying and reporting potential human trafficking, and providing education to the public, business owners, school owners, and licensees to ensure regulated industries operate in a safe and ethical manner. Division staff are located throughout the state, and the division maintains offices in Austin, Fort Worth, and Houston.

Compliance
Charlotte Melder Director
FTEs: 79.7

The Compliance Division 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 assuring that Texans are served by qualified professionals. RPM staff participate in industry and professional conferences to educate licensees and conduct stakeholder outreach and administer equipment and facility safety inspections.

Enforcement
Ron Foster, Director
FTEs: 136.5

The Enforcement Division promptly resolves complaints against regulated populations with due process through the collaborative efforts of administrative and legal assistants, investigators, and attorneys. The division also assesses each applicant's fitness for licensure based upon the applicant's criminal history. Employees include Austin-based and regional field staff who are organized into three sections reflecting the life cycle of a typical complaint – intake, investigation, and prosecution – as it moves through the enforcement process.

Information Technology
John Fowler, Director
FTEs: 41

Advances the agency's goals by offering software development and maintenance, and overseeing upkeep and assistance for all technology resources, devices, and infrastructure. Manages Software Development Services, IT Services, and Project Management. Working closely with IS, the IT Division employs state-of-the-art cybersecurity methods and protocols to guarantee the secure and efficient operation of all TDLR systems.

Financial Services
Karen Sands, Director
FTEs: 30

The Financial Services Division provides oversight for all accounting, budgeting, contracting, and procurement; coordinates preparation of the agency Legislative Appropriations Request (LAR), annual financial report, and operating budget; and processes mail, travel vouchers, and revenue. The division also oversees the Financial Crimes Intelligence Center budget in coordination with Smith County.

15

CERTIFICATE

Agency Name   Texas Department of Licensing and Regulation

This is to certify that the information contained in the agency Legislative Appropriations Request filed with the Legislative Budget Board (LBB) and the Office of the Governor, Budget and Policy Division, is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the PDF file submitted via the LBB Document Submission application are identical.

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the Office of the Governor will be notified in writing in accordance with House Bill 1, Article IX, Section 7.01, Eighty-eighth Legislature, Regular Session, 2023.

Chief Executive Office or Presiding Judge

Signature

Courtney Arbour
Printed Name

Executive Director
Title

August 16, 2024
Date

Board or Commission Chair

Signature

Rick Figueroa
Printed Name

Chairman
Title

August 16, 2024
Date

Chief Financial Officer

Karen Sands
Signature

Karen Sands
Printed Name

Chief Financial Officer
Title

August 16, 2024
Date

452 Department of Licensing and Regulation

Appropriation Years: 2026-27

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2026-27
Goal: 1. License, Certify, and Register Qualified Individuals and Businesses											
1.1.1. License, Register And Certify	6,990,837	5,768,535	436,041	275,976			4,357,437	4,781,354	11,784,315	10,825,865	468,342
1.1.2. License Businesses And Facilities	3,078,136	2,812,332					511,958	519,940	3,590,094	3,332,272	191,230
1.1.3. Examinations/Continuing Education	2,283,704	2,220,902	1,307,896	1,456,602					3,591,600	3,677,504	206,055
1.1.4. Customer Serv.	3,911,642	4,073,490	204,205	204,896			1,762,888	1,779,480	5,878,735	6,057,866	98,885
1.1.5. Texas.Gov	1,300,000	1,300,000							1,300,000	1,300,000	
Total, Goal	**17,564,319**	**16,175,259**	**1,948,142**	**1,937,474**			**6,632,283**	**7,080,774**	**26,144,744**	**25,193,507**	**964,512**
Goal: 2. Protect the Public by Enforcing Laws Administered by the Agency											
2.1.1. Conduct Inspections	28,997,408	28,161,574					1,986,185	1,246,760	30,983,593	29,408,334	22,851,257
2.1.2. Building Plan Reviews	2,265,720	2,364,282							2,265,720	2,364,282	205,776
2.1.3. Resolve Complaints	10,392,685	11,147,886					1,013,960	1,035,784	11,406,645	12,183,670	1,930,564
2.1.4. Investigation	9,154,191	9,432,386							9,154,191	9,432,386	544,790
Total, Goal	**50,810,004**	**51,106,128**					**3,000,145**	**2,282,544**	**53,810,149**	**53,388,672**	**25,532,387**
Goal: 3. Indirect Administration											
3.1.1. Central Administration	7,857,330	8,435,624					3,387,852	3,407,882	11,245,182	11,843,506	332,458
3.1.2. Information Resources	43,981,548	19,924,329					2,534,583	2,399,516	46,516,131	22,323,845	2,416,063
3.1.3. Other Support Services	1,309,664	1,392,459	81,688	92,356			544,776	544,776	1,936,128	2,029,591	34,853
Total, Goal	**53,148,542**	**29,752,412**	**81,688**	**92,356**			**6,467,211**	**6,352,174**	**59,697,441**	**36,196,942**	**2,783,374**
Total, Agency	**121,522,865**	**97,033,799**	**2,029,830**	**2,029,830**			**16,099,639**	**15,715,492**	**139,652,334**	**114,779,121**	**29,280,273**
Total FTEs									**590.7**	**590.7**	**22.0**

452 Department of Licensing and Regulation

Goal / *Objective* / STRATEGY	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
1 License, Certify, and Register Qualified Individuals and Businesses					
1 *Regulate All Applicable Individuals and Facilities According to Law*					
1 LICENSE, REGISTER AND CERTIFY	6,653,043	6,400,282	5,384,033	5,424,361	5,401,504
2 LICENSE BUSINESSES AND FACILITIES	1,302,492	1,943,203	1,646,891	1,680,649	1,651,623
3 EXAMINATIONS/CONTINUING EDUCATION	1,838,636	1,777,234	1,814,366	1,853,365	1,824,139
4 CUSTOMER SERV.	2,781,041	2,873,298	3,005,437	3,041,736	3,016,130
5 TEXAS.GOV	781,367	650,000	650,000	650,000	650,000
TOTAL, GOAL 1	$13,356,579	$13,644,017	$12,500,727	$12,650,111	$12,543,396
2 Protect the Public by Enforcing Laws Administered by the Agency					
1 *Enforce Laws to Achieve Compliance in Regulated Industries/Occupations*					
1 CONDUCT INSPECTIONS	11,716,542	15,490,257	15,493,336	14,712,830	14,695,504
2 BUILDING PLAN REVIEWS	1,078,496	1,103,735	1,161,985	1,197,124	1,167,158
3 RESOLVE COMPLAINTS	5,231,766	5,349,865	6,056,780	6,103,658	6,080,012

2.A.   Page 1 of 3

452 Department of Licensing and Regulation

Goal / *Objective* / STRATEGY	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
4 INVESTIGATION	3,577,721	4,465,714	4,688,477	4,728,216	4,704,170
TOTAL, GOAL 2	**$21,604,525**	**$26,409,571**	**$27,400,578**	**$26,741,828**	**$26,646,844**
3 Indirect Administration					
1 *Indirect Administration*					
1 CENTRAL ADMINISTRATION	5,225,018	5,285,005	5,960,177	5,936,676	5,906,830
2 INFORMATION RESOURCES	5,000,947	39,897,332	6,618,799	11,032,212	11,291,633
3 OTHER SUPPORT SERVICES	743,352	970,553	965,575	1,028,734	1,000,857
TOTAL, GOAL 3	**$10,969,317**	**$46,152,890**	**$13,544,551**	**$17,997,622**	**$18,199,320**
TOTAL, AGENCY STRATEGY REQUEST	**$45,930,421**	**$86,206,478**	**$53,445,856**	**$57,389,561**	**$57,389,560**
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				**$0**	**$0**
GRAND TOTAL, AGENCY REQUEST	**$45,930,421**	**$86,206,478**	**$53,445,856**	**$57,389,561**	**$57,389,560**

452 Department of Licensing and Regulation

Goal / *Objective* / STRATEGY	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
METHOD OF FINANCING:					
General Revenue Funds:					
1 General Revenue Fund	37,309,068	76,805,260	44,717,605	48,516,900	48,516,899
SUBTOTAL	**$37,309,068**	**$76,805,260**	**$44,717,605**	**$48,516,900**	**$48,516,899**
General Revenue Dedicated Funds:					
108 Priv Beauty Culture Sch	1,808	0	0	0	0
501 Motorcycle Education Acct	568,589	929,915	929,915	929,915	929,915
5192 Barbrng&Cosmetgy Sch Tuit Prtect	0	85,000	85,000	85,000	85,000
SUBTOTAL	**$570,397**	**$1,014,915**	**$1,014,915**	**$1,014,915**	**$1,014,915**
Other Funds:					
666 Appropriated Receipts	8,015,074	8,361,303	7,189,263	7,387,680	7,387,680
777 Interagency Contracts	10,882	0	499,073	445,066	445,066
898 Auction Educ & Rec Trust	25,000	25,000	25,000	25,000	25,000
SUBTOTAL	**$8,050,956**	**$8,386,303**	**$7,713,336**	**$7,857,746**	**$7,857,746**
TOTAL, METHOD OF FINANCING	**$45,930,421**	**$86,206,478**	**$53,445,856**	**$57,389,561**	**$57,389,560**

*Rider appropriations for the historical years are included in the strategy amounts.

2.A.   Page 3 of 3

Agency code:	**452**		Agency name:	**Department of Licensing and Regulation**			

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027

GENERAL REVENUE

1 General Revenue Fund

REGULAR APPROPRIATIONS

	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
Regular Appropriations from MOF Table (2024-25 GAA)	$0	$75,116,382	$43,448,719	$0	$0
Regular Appropriations from MOF Table (2022-23 GAA)	$36,458,025	$0	$0	$0	$0
Regular Appropriations from MOF Table (2026-27 GAA)	$0	$0	$0	$48,516,900	$48,516,899

RIDER APPROPRIATION

	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
Art IX, Sec 9.05, Texas.gov Project: Occupational Licenses (2022-23 GAA)	$131,367	$0	$0	$0	$0
Art VIII, Rider 5, Combative Sports	$60,000	$30,000	$0	$0	$0
Art IX, Sec. 18.59, Texas Board of Veterinary Medical Examiners, SB 1414	$0	$1,027,296	$943,221	$0	$0

Agency code:	**452**	Agency name:	**Department of Licensing and Regulation**			

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027

GENERAL REVENUE

Art IX, Sec. 18.48, Electrical Vehicle Supply Equipment, SB 1001

	$0	$0	$284,761	$0	$0

TRANSFERS

SB 30, 88th Leg, Regular Session

	$303,430	$0	$0	$0	$0

Comments: 5% Legislative Salary Increase

Art IX, Sec 17.16, Appropriation for a Salary Increase for General State Employees (2024-25 GAA)

	$0	$41,582	$40,904	$0	$0

Comments: Additional 5% Legislative Salary Increase

SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS

SB 30, 88th Leg, Regular Session

	$590,000	$0	$0	$0	$0

LAPSED APPROPRIATIONS

HB 2, 87th Leg, Regular Session, (GAA 2022-23)

	$(2,000,000)	$0	$0	$0	$0

Agency code:	**452**		Agency name:	**Department of Licensing and Regulation**			

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027

GENERAL REVENUE

Comments: Licensing System-Phase II, HB2, Sec.35

	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
Regular Appropriations from MOF Table (2022-23 GAA)	$(196,537)	$0	$0	$0	$0

UNEXPENDED BALANCES AUTHORITY

HB 2, 87th Leg, Regular Session	$2,375,000	$0	$0	$0	$0
Art IX, Sec 14.03(i), Capital Budget UB (2022-23 GAA)	$177,783	$0	$0	$0	$0
SB 30, 88th Leg, Regular Session	$(590,000)	$590,000	$0	$0	$0

Comments: Replacement of Fleet Vehicles

	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
TOTAL, **General Revenue Fund**	$37,309,068	$76,805,260	$44,717,605	$48,516,900	$48,516,899
TOTAL, ALL **GENERAL REVENUE**	$37,309,068	$76,805,260	$44,717,605	$48,516,900	$48,516,899

Agency code:	**452**		Agency name:	**Department of Licensing and Regulation**			

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027

GENERAL REVENUE FUND - DEDICATED

108 GR Dedicated - Private Beauty Culture School Tuition Protection Account No. 108

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2022-23 GAA)

	$75,000	$0	$0	$0	$0

Comments: CCR showed funds in MOF 108. HB1560 merged with MOF 5081 in 2023 which is reflected in 2024 and 2025 as MOF 5192.

LAPSED APPROPRIATIONS

Regular Appropriations from MOF Table (2022-23 GAA)

	$(73,192)	$0	$0	$0	$0

TOTAL, **GR Dedicated - Private Beauty Culture School Tuition Protection Account No. 108**

	$1,808	**$0**	**$0**	**$0**	**$0**

501 GR Dedicated - Motorcycle Education Account No. 501

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2024-25 GAA)

	$0	$929,915	$929,915	$0	$0

Regular Appropriations from MOF Table (2022-23 GAA)

	$568,589	$0	$0	$0	$0

Agency code:	**452**		Agency name:	**Department of Licensing and Regulation**			

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027

GENERAL REVENUE FUND - DEDICATED

Regular Appropriations from MOF Table (2026-27 GAA)

	$0	$0	$0	$929,915	$929,915

TOTAL,   **GR Dedicated - Motorcycle Education Account No. 501**

	$568,589	**$929,915**	**$929,915**	**$929,915**	**$929,915**

5081   GR Dedicated - Barber School Tuition Protection Account No. 5081

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2022-23 GAA)

	$10,000	$0	$0	$0	$0

      Comments: CCR showed funds in MOF 5081. HB1560 merged with MOF 108 in 2023 which is reflected in 2024 and 2025 as MOF 5192.

LAPSED APPROPRIATIONS

Regular Appropriations from MOF Table (2022-23 GAA)

	$(10,000)	$0	$0	$0	$0

TOTAL,   **GR Dedicated - Barber School Tuition Protection Account No. 5081**

	$0	**$0**	**$0**	**$0**	**$0**

5192   GR Dedicated - Barbering and Cosmetology School Tuition Protection Account No. 5192

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2024-25 GAA)

Agency code:	**452**		Agency name:	**Department of Licensing and Regulation**			

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
GENERAL REVENUE FUND - DEDICATED					
	$0	$85,000	$85,000	$0	$0
Regular Appropriations from MOF Table (2026-27 GAA)					
	$0	$0	$0	$85,000	$85,000
TOTAL, **GR Dedicated - Barbering and Cosmetology School Tuition Protection Account No. 5192**					
	$0	**$85,000**	**$85,000**	**$85,000**	**$85,000**
TOTAL, ALL **GENERAL REVENUE FUND - DEDICATED**					
	$570,397	**$1,014,915**	**$1,014,915**	**$1,014,915**	**$1,014,915**
TOTAL, **GR & GR-DEDICATED FUNDS**					
	$37,879,465	**$77,820,175**	**$45,732,520**	**$49,531,815**	**$49,531,814**
OTHER FUNDS					
666 Appropriated Receipts					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2024-25 GAA)					
	$0	$7,189,263	$7,189,263	$0	$0
Regular Appropriations from MOF Table (2022-23 GAA)					
	$6,344,064	$0	$0	$0	$0

Agency code:	452		Agency name:	**Department of Licensing and Regulation**			

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027

OTHER FUNDS

Regular Appropriations from MOF Table (2026-27 GAA)

	$0	$0	$0	$7,387,680	$7,387,680

RIDER APPROPRIATION

Art IX, Sec 12.02, Publications or Sales of Records (2022-23 GAA)

	$1,154,198	$0	$0	$0	$0

Art VIII, Rider 3, Travel Expenses and Reimbursements (2022-23 GAA)

	$126,000	$83,500	$0	$0	$0

Art VIII, Rider 4, Elevators, Escalators, and Related Equipment (2022-23 GAA)

	$390,812	$1,088,540	$0	$0	$0

TOTAL,	**Appropriated Receipts**					
		$8,015,074	**$8,361,303**	**$7,189,263**	**$7,387,680**	**$7,387,680**

777 Interagency Contracts

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2022-23 GAA)

	$10,882	$0	$0	$0	$0

TRANSFERS

Agency code:	**452**		Agency name:	**Department of Licensing and Regulation**			

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
OTHER FUNDS					
88th Leg., R.S., Senate Bill 224 - Motor Vehicle Crime Prevention.					
	$0	$0	$499,073	$0	$0
88th Leg., R.S., Senate Bill 224 - Motor Vehicle Crime Prevention.					
	$0	$0	$0	$445,066	$445,066
TOTAL, **Interagency Contracts**					
	$10,882	**$0**	**$499,073**	**$445,066**	**$445,066**
898 Auctioneer Education and Recovery Trust Fund No. 898					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2024-25 GAA)					
	$0	$25,000	$25,000	$0	$0
Regular Appropriations from MOF Table (2022-23 GAA)					
	$25,000	$0	$0	$0	$0
Regular Appropriations from MOF Table (2026-27 GAA)					
	$0	$0	$0	$25,000	$25,000
TOTAL, **Auctioneer Education and Recovery Trust Fund No. 898**					
	$25,000	**$25,000**	**$25,000**	**$25,000**	**$25,000**

Agency code:	**452**	Agency name:	**Department of Licensing and Regulation**			

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
TOTAL, ALL OTHER FUNDS					
	$8,050,956	$8,386,303	$7,713,336	$7,857,746	$7,857,746
GRAND TOTAL	$45,930,421	$86,206,478	$53,445,856	$57,389,561	$57,389,560

FULL-TIME-EQUIVALENT POSITIONS

REGULAR APPROPRIATIONS

	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
Regular Appropriations from MOF Table (2024-25 GAA)	0.0	577.2	577.2	0.0	0.0
Regular Appropriations from MOF Table (2022-23 GAA)	564.2	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2026-27 GAA)	0.0	0.0	0.0	590.7	590.7

RIDER APPROPRIATION

Art IX, Sec. 18.59, Texas Board of Veterinary Medical Examiners, SB 1414	0.0	9.0	9.0	0.0	0.0
Art IX, Sec. 18.48, Electrical Vehicle Supply Equipment, SB 1001	0.0	0.0	4.5	0.0	0.0

UNAUTHORIZED NUMBER OVER (BELOW) CAP

Regular Appropriations from MOF Table (2022-23 GAA)	(75.1)	0.0	0.0	0.0	0.0
TOTAL, ADJUSTED FTES	**489.1**	**586.2**	**590.7**	**590.7**	**590.7**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027

**NUMBER OF 100% FEDERALLY FUNDED
FTEs**

452 Department of Licensing and Regulation

OBJECT OF EXPENSE	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
1001 SALARIES AND WAGES	$30,368,073	$33,642,750	$40,993,157	$40,993,157	$40,993,157
1002 OTHER PERSONNEL COSTS	$1,168,079	$1,279,225	$648,340	$729,180	$785,640
2001 PROFESSIONAL FEES AND SERVICES	$3,177,823	$4,890,249	$2,257,040	$2,226,574	$2,513,941
2002 FUELS AND LUBRICANTS	$17,663	$70,001	$76,000	$76,000	$76,000
2003 CONSUMABLE SUPPLIES	$129,425	$95,935	$91,780	$91,780	$91,780
2004 UTILITIES	$222,098	$224,099	$130,462	$130,462	$130,462
2005 TRAVEL	$1,149,133	$1,169,176	$1,247,400	$1,247,400	$1,247,400
2006 RENT - BUILDING	$1,641,998	$1,692,382	$1,711,803	$1,711,803	$1,711,803
2007 RENT - MACHINE AND OTHER	$204,005	$130,399	$99,877	$99,877	$99,877
2009 OTHER OPERATING EXPENSE	$7,430,028	$11,250,609	$6,106,417	$5,600,476	$5,255,920
5000 CAPITAL EXPENDITURES	$422,096	$31,761,653	$83,580	$4,482,852	$4,483,580
OOE Total (Excluding Riders)	**$45,930,421**	**$86,206,478**	**$53,445,856**	**$57,389,561**	**$57,389,560**
OOE Total (Riders)				**$0**	**$0**
Grand Total	**$45,930,421**	**$86,206,478**	**$53,445,856**	**$57,389,561**	**$57,389,560**

452 Department of Licensing and Regulation

Goal/ *Objective* / **Outcome**	**Exp 2023**	**Est 2024**	**Bud 2025**	**BL 2026**	**BL 2027**
1 License, Certify, and Register Qualified Individuals and Businesses					
1 Regulate All Applicable Individuals and Facilities According to Law					
KEY **1 Percent of Licenses With No Recent Disciplinary Actions**					
	99.50%	99.00%	99.00%	99.00%	99.00%
2 Percent of Contacts Responded to by Staff at TDLR					
	82.59%	90.00%	90.00%	85.00%	90.00%
2 Protect the Public by Enforcing Laws Administered by the Agency					
1 Enforce Laws to Achieve Compliance in Regulated Industries/Occupations					
KEY **1 Percent of Complaints Resulting in Disciplinary Action**					
	12.46%	15.00%	15.00%	12.75%	12.75%
2 Percent of Complaints Closed within Six Months					
	55.52%	65.00%	60.00%	60.00%	58.00%
KEY **3 Inspection Coverage Rate**					
	81.89%	85.02%	86.30%	81.62%	82.21%

Agency code: **452**

Agency name: **Department of Licensing and Regulation**

		2026			2027			Biennium	
Priority	**Item**	**GR and GR/GR Dedicated**	**All Funds**	**FTEs**	**GR and GR Dedicated**	**All Funds**	**FTEs**	**GR and GR Dedicated**	**All Funds**
1	Recruit and Retain Workforce	$2,399,957	$2,399,957	12.0	$2,328,924	$2,328,924	12.0	$4,728,881	$4,728,881
2	Cybersecurity	$781,500	$781,500		$656,500	$656,500		$1,438,000	$1,438,000
3	Support FCIC	$10,000,199	$10,000,199		$9,698,312	$9,698,312		$19,698,511	$19,698,511
4	Massage Emergency Orders	$916,197	$916,197	10.0	$811,616	$811,616	10.0	$1,727,813	$1,727,813
5	Helpdesk replacement	$100,000	$100,000		$50,000	$50,000		$150,000	$150,000
6	PC Replacement	$280,148	$280,148		$241,920	$241,920		$522,068	$522,068
7	Fleet Expansion	$515,000	$515,000		$0	$0		$515,000	$515,000
8	AI	$250,000	$250,000		$250,000	$250,000		$500,000	$500,000
Total, Exceptional Items Request		**$15,243,001**	**$15,243,001**	**22.0**	**$14,037,272**	**$14,037,272**	**22.0**	**$29,280,273**	**$29,280,273**

Method of Financing

General Revenue	$15,243,001	$15,243,001		$14,037,272	$14,037,272		$29,280,273	$29,280,273
General Revenue - Dedicated								
Federal Funds								
Other Funds								
	$15,243,001	**$15,243,001**		**$14,037,272**	**$14,037,272**		**$29,280,273**	**$29,280,273**

Full Time Equivalent Positions 22.0 22.0

Number of 100% Federally Funded FTEs

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Goal/*Objective*/**STRATEGY**	Base 2026	Base 2027	Exceptional 2026	Exceptional 2027	Total Request 2026	Total Request 2027
1 License, Certify, and Register Qualified Individuals and Businesses						
1 *Regulate All Applicable Individuals and Facilities According to Law*						
1 LICENSE, REGISTER AND CERTIFY	$5,424,361	$5,401,504	$236,910	$231,432	$5,661,271	$5,632,936
2 LICENSE BUSINESSES AND FACILITIES	1,680,649	1,651,623	96,261	94,969	1,776,910	1,746,592
3 EXAMINATIONS/CONTINUING EDUCATION	1,853,365	1,824,139	105,070	100,985	1,958,435	1,925,124
4 CUSTOMER SERV.	3,041,736	3,016,130	50,606	48,279	3,092,342	3,064,409
5 TEXAS.GOV	650,000	650,000	0	0	650,000	650,000
TOTAL, GOAL 1	**$12,650,111**	**$12,543,396**	**$488,847**	**$475,665**	**$13,138,958**	**$13,019,061**
2 Protect the Public by Enforcing Laws Administered by the Agency						
1 *Enforce Laws to Achieve Compliance in Regulated Industries/Occup*						
1 CONDUCT INSPECTIONS	14,712,830	14,695,504	11,895,936	10,955,321	26,608,766	25,650,825
2 BUILDING PLAN REVIEWS	1,197,124	1,167,158	109,224	96,552	1,306,348	1,263,710
3 RESOLVE COMPLAINTS	6,103,658	6,080,012	988,868	941,696	7,092,526	7,021,708
4 INVESTIGATION	4,728,216	4,704,170	274,097	270,693	5,002,313	4,974,863
TOTAL, GOAL 2	**$26,741,828**	**$26,646,844**	**$13,268,125**	**$12,264,262**	**$40,009,953**	**$38,911,106**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Goal/*Objective*/STRATEGY	Base 2026	Base 2027	Exceptional 2026	Exceptional 2027	Total Request 2026	Total Request 2027
3 Indirect Administration						
1 *Indirect Administration*						
1 CENTRAL ADMINISTRATION	$5,936,676	$5,906,830	$168,832	$163,626	$6,105,508	$6,070,456
2 INFORMATION RESOURCES	11,032,212	11,291,633	1,299,427	1,116,636	12,331,639	12,408,269
3 OTHER SUPPORT SERVICES	1,028,734	1,000,857	17,770	17,083	1,046,504	1,017,940
TOTAL, GOAL 3	**$17,997,622**	**$18,199,320**	**$1,486,029**	**$1,297,345**	**$19,483,651**	**$19,496,665**
TOTAL, AGENCY STRATEGY REQUEST	**$57,389,561**	**$57,389,560**	**$15,243,001**	**$14,037,272**	**$72,632,562**	**$71,426,832**
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
GRAND TOTAL, AGENCY REQUEST	**$57,389,561**	**$57,389,560**	**$15,243,001**	**$14,037,272**	**$72,632,562**	**$71,426,832**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Goal/*Objective*/**STRATEGY**	Base 2026	Base 2027	Exceptional 2026	Exceptional 2027	Total Request 2026	Total Request 2027
General Revenue Funds:						
1 General Revenue Fund	$48,516,900	$48,516,899	$15,243,001	$14,037,272	$63,759,901	$62,554,171
	$48,516,900	**$48,516,899**	**$15,243,001**	**$14,037,272**	**$63,759,901**	**$62,554,171**
General Revenue Dedicated Funds:						
108 Priv Beauty Culture Sch	0	0	0	0	0	0
501 Motorcycle Education Acct	929,915	929,915	0	0	929,915	929,915
5192 Barbrng&Cosmetgy Sch Tuit Prtect	85,000	85,000	0	0	85,000	85,000
	$1,014,915	**$1,014,915**	**$0**	**$0**	**$1,014,915**	**$1,014,915**
Other Funds:						
666 Appropriated Receipts	7,387,680	7,387,680	0	0	7,387,680	7,387,680
777 Interagency Contracts	445,066	445,066	0	0	445,066	445,066
898 Auction Educ & Rec Trust	25,000	25,000	0	0	25,000	25,000
	$7,857,746	**$7,857,746**	**$0**	**$0**	**$7,857,746**	**$7,857,746**
TOTAL, METHOD OF FINANCING	**$57,389,561**	**$57,389,560**	**$15,243,001**	**$14,037,272**	**$72,632,562**	**$71,426,832**
FULL TIME EQUIVALENT POSITIONS	**590.7**	**590.7**	**22.0**	**22.0**	**612.7**	**612.7**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Goal/ *Objective* / **Outcome**

	BL 2026	BL 2027	Excp 2026	Excp 2027	Total Request 2026	Total Request 2027

1   License, Certify, and Register Qualified Individuals and Businesses

  1   *Regulate All Applicable Individuals and Facilities According to Law*

KEY	**1 Percent of Licenses With No Recent Disciplinary Actions**					
	99.00%	99.00%			99.00%	99.00%
	2 Percent of Contacts Responded to by Staff at TDLR					
	85.00%	90.00%			85.00%	90.00%

2   Protect the Public by Enforcing Laws Administered by the Agency

  1   *Enforce Laws to Achieve Compliance in Regulated Industries/Occupations*

KEY	**1 Percent of Complaints Resulting in Disciplinary Action**					
	12.75%	12.75%			12.75%	12.75%
	2 Percent of Complaints Closed within Six Months					
	60.00%	58.00%			60.00%	58.00%
KEY	**3 Inspection Coverage Rate**					
	81.62%	82.21%			81.62%	82.21%

452 Department of Licensing and Regulation

GOAL: 1 License, Certify, and Register Qualified Individuals and Businesses

OBJECTIVE: 1 Regulate All Applicable Individuals and Facilities According to Law   Service Categories:

STRATEGY: 1 Issue Licenses, Registrations, & Certificates to Qualified Individuals   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Output Measures:						
KEY 1	Number of New Licenses Issued to Individuals	161,641.00	136,708.00	138,458.00	200,883.00	215,414.00
KEY 2	Number of Licenses Renewed for Individuals	329,167.00	323,506.00	327,833.00	351,347.00	359,029.00
Explanatory/Input Measures:						
KEY 1	Total Number of Licenses Held by Individuals	688,206.00	663,947.00	670,586.00	778,059.00	805,023.00
Objects of Expense:						
1001	SALARIES AND WAGES	$3,536,772	$3,557,564	$4,468,618	$4,468,618	$4,468,618
1002	OTHER PERSONNEL COSTS	$191,654	$177,420	$90,200	$98,120	$105,860
2001	PROFESSIONAL FEES AND SERVICES	$439,668	$530,660	$136,613	$136,613	$136,613
2003	CONSUMABLE SUPPLIES	$39,443	$6,854	$11,440	$11,440	$11,440
2004	UTILITIES	$5,839	$14,833	$6,852	$6,852	$6,852
2005	TRAVEL	$31,128	$16,871	$9,092	$9,092	$9,092
2006	RENT - BUILDING	$76,400	$222,068	$215,686	$215,686	$215,686
2007	RENT - MACHINE AND OTHER	$35,927	$25,286	$20,644	$20,644	$20,644
2009	OTHER OPERATING EXPENSE	$2,292,899	$1,848,726	$341,308	$374,444	$343,119
5000	CAPITAL EXPENDITURES	$3,313	$0	$83,580	$82,852	$83,580
TOTAL, OBJECT OF EXPENSE		**$6,653,043**	**$6,400,282**	**$5,384,033**	**$5,424,361**	**$5,401,504**

452 Department of Licensing and Regulation

GOAL: 1   License, Certify, and Register Qualified Individuals and Businesses

OBJECTIVE: 1   Regulate All Applicable Individuals and Facilities According to Law   Service Categories:

STRATEGY: 1   Issue Licenses, Registrations, & Certificates to Qualified Individuals   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Method of Financing:						
1	General Revenue Fund	$3,677,285	$3,937,052	$3,053,785	$2,895,696	$2,872,839
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$3,677,285**	**$3,937,052**	**$3,053,785**	**$2,895,696**	**$2,872,839**
Method of Financing:						
501	Motorcycle Education Acct	$129,809	$298,053	$137,988	$137,988	$137,988
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		**$129,809**	**$298,053**	**$137,988**	**$137,988**	**$137,988**
Method of Financing:						
666	Appropriated Receipts	$2,845,949	$2,165,177	$2,192,260	$2,390,677	$2,390,677
SUBTOTAL, MOF (OTHER FUNDS)		**$2,845,949**	**$2,165,177**	**$2,192,260**	**$2,390,677**	**$2,390,677**
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$5,424,361**	**$5,401,504**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$6,653,043**	**$6,400,282**	**$5,384,033**	**$5,424,361**	**$5,401,504**
FULL TIME EQUIVALENT POSITIONS:		**61.7**	**70.0**	**70.0**	**70.0**	**70.0**

3.A.   Page 2 of 52

452 Department of Licensing and Regulation

GOAL:	1	License, Certify, and Register Qualified Individuals and Businesses	
OBJECTIVE:	1	Regulate All Applicable Individuals and Facilities According to Law	Service Categories:
STRATEGY:	1	Issue Licenses, Registrations, & Certificates to Qualified Individuals	Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

STRATEGY DESCRIPTION AND JUSTIFICATION:

Thirty-one of the 38 programs TDLR currently administers contain at least one licensing, registration, or certification provision for individuals. The core responsibility of the Licensing Division is to issue licenses, registrations, certifications, and permits to qualified applicants by evaluating applications to ensure that all relevant requirements for licensure are satisfied. Detailed knowledge of licensing requirements outlined in program statutes and their corresponding administrative rules is required to issue over 100 license types to a licensee population of more than 720,000 individuals. Some license types require additional assessment and further evaluations such as criminal history checks, education/credential verification, financial requirements, and on-the-job experience requirements. This strategy emphasizes our commitment to serve the citizens of Texas and all regulated industries through timely and accurate issuance of licenses, registrations, certifications, and permits to qualified individuals. Through this strategy, we effectively regulate all individual licensees in accordance with the laws administered by the agency; issue licenses, registrations, certifications, and permits to qualified individuals; and develop and distribute information about regulated industries. This strategy is directly linked to TDLR's other goals and strategies.

Authority: Occ. Code 51.103(a)(3)

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Our licensees' use of online technology is the single largest factor that enables the Licensing Division to efficiently and effectively issue licenses. Through the first three quarters of FY 2024, of those license types who were eligible to file online, more than 94% of all new individual license applications, and almost 98% of all individual license renewals were filed online. In addition to outsourcing keystrokes, another benefit of online technology is a reduction in the number of incomplete applications, incorrect data entry, and incorrect fee payments, reducing the amount of time needed to process each application and issue each license. The license population that TDLR regulates continues to grow at a rapid pace, with TDLR experiencing a 41% increase in regulated individuals, entities, and equipment over the last nine fiscal years, with a 6.8% increase since 2021.

452 Department of Licensing and Regulation

GOAL: 1   License, Certify, and Register Qualified Individuals and Businesses

OBJECTIVE: 1   Regulate All Applicable Individuals and Facilities According to Law   Service Categories:

STRATEGY: 1   Issue Licenses, Registrations, & Certificates to Qualified Individuals   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$11,784,315	$10,825,865	$(958,450)	$911,054	Increase of salaries and wages
			$(63,640)	Decrease of projected other personnel costs
			$(394,047)	Decrease of projected professional fees and services
			$4,586	Increase of projected consumable costs
			$(7,981)	Decrease of projected utility costs
			$(7,779)	Decrease of projected travel
			$(6,382)	Decrease of projected building rent
			$(4,642)	Decrease of projected machine and other rent
			$(1,472,471)	Decrease of projected other operating costs
			$82,852	Increase of capital expenditures
			$(958,450)	**Total of Explanation of Biennial Change**

3.A.   Page 4 of 52

41

452 Department of Licensing and Regulation

GOAL: 1   License, Certify, and Register Qualified Individuals and Businesses

OBJECTIVE: 1   Regulate All Applicable Individuals and Facilities According to Law   Service Categories:

STRATEGY: 2   License Businesses and Facilities   Service: 17   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Explanatory/Input Measures:						
KEY 1	Total Number of Licenses Held by Businesses	231,101.00	245,040.00	247,491.00	233,446.00	240,229.00
Objects of Expense:						
1001	SALARIES AND WAGES	$955,994	$1,402,531	$1,474,681	$1,474,681	$1,474,681
1002	OTHER PERSONNEL COSTS	$29,803	$39,423	$17,860	$18,480	$20,780
2001	PROFESSIONAL FEES AND SERVICES	$12,006	$12,901	$1,769	$1,769	$1,769
2003	CONSUMABLE SUPPLIES	$10,570	$2,181	$4,320	$4,320	$4,320
2004	UTILITIES	$1,586	$3,144	$2,646	$2,646	$2,646
2005	TRAVEL	$1,063	$2,388	$1,390	$1,390	$1,390
2006	RENT - BUILDING	$42,087	$72,230	$73,123	$73,123	$73,123
2007	RENT - MACHINE AND OTHER	$10,581	$6,192	$4,833	$4,833	$4,833
2009	OTHER OPERATING EXPENSE	$237,786	$402,213	$66,269	$99,407	$68,081
5000	CAPITAL EXPENDITURES	$1,016	$0	$0	$0	$0
TOTAL, OBJECT OF EXPENSE		**$1,302,492**	**$1,943,203**	**$1,646,891**	**$1,680,649**	**$1,651,623**
Method of Financing:						
1	General Revenue Fund	$1,257,145	$1,691,215	$1,386,921	$1,420,679	$1,391,653

452 Department of Licensing and Regulation

GOAL: 1   License, Certify, and Register Qualified Individuals and Businesses

OBJECTIVE: 1   Regulate All Applicable Individuals and Facilities According to Law   Service Categories:

STRATEGY: 2   License Businesses and Facilities   Service: 17   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$1,257,145**	**$1,691,215**	**$1,386,921**	**$1,420,679**	**$1,391,653**
Method of Financing:						
666	Appropriated Receipts	$45,347	$251,988	$259,970	$259,970	$259,970
SUBTOTAL, MOF (OTHER FUNDS)		**$45,347**	**$251,988**	**$259,970**	**$259,970**	**$259,970**
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$1,680,649**	**$1,651,623**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$1,302,492**	**$1,943,203**	**$1,646,891**	**$1,680,649**	**$1,651,623**
FULL TIME EQUIVALENT POSITIONS:		**19.3**	**28.7**	**29.7**	**29.7**	**29.7**

STRATEGY DESCRIPTION AND JUSTIFICATION:

452 Department of Licensing and Regulation

GOAL: 1   License, Certify, and Register Qualified Individuals and Businesses

OBJECTIVE: 1   Regulate All Applicable Individuals and Facilities According to Law   Service Categories:

STRATEGY: 2   License Businesses and Facilities   Service: 17   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

Twenty-five of the 38 programs administered by TDLR contain at least one licensing, registration, or certification provision for businesses. The core responsibility of the Licensing Division is to issue licenses, registrations, certifications, and permits to qualified applicants by evaluating applications to ensure that all relevant requirements for licensure are satisfied. Detailed knowledge of licensing requirements outlined in program statutes and administrative rules is required to issue over 70 business and facility license types to a licensee population of more than 220,000 facilities and equipment. Some license types require additional assessment and mandate further evaluations such as location verification, financial and insurance requirements and credential verification. This strategy emphasizes our commitment to serve the citizens of Texas and all regulated industries through timely and accurate issuance of licenses, registrations, certifications, and permits to qualified facilities. Through this strategy, we effectively regulate all businesses licensed in accordance with the laws administered by the agency; issue licenses, registrations, certifications, and permits to qualified businesses; and develop and distribute information about regulated industries. This strategy is directly linked to TDLR's other goals and strategies.

Authority: Occ. Code 51.103(a)(3)

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Our licensees' use of online technology enables the Licensing Division to efficiently and effectively issue licenses. Through the first three quarters of FY 2024, of those license types who were eligible to file online, 81.75% of all new facility license applications, and 38.87% of all facility license renewals were submitted online. In addition to outsourcing keystrokes, another benefit of online technology is a reduction in the number of incomplete applications, incorrect data entry, and incorrect fee payments, reducing the amount of time needed to process each application and issue each license. The license population that TDLR regulates continues to grow at a rapid pace, with TDLR experiencing a 41% increase in regulated individuals, entities, and equipment over the last nine fiscal years, with a 6.8% increase since 2021.

452 Department of Licensing and Regulation

GOAL: 1   License, Certify, and Register Qualified Individuals and Businesses

OBJECTIVE: 1   Regulate All Applicable Individuals and Facilities According to Law   Service Categories:

STRATEGY: 2   License Businesses and Facilities   Service: 17   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$3,590,094	$3,332,272	$(257,822)	$72,150	Increase of salaries and wages
			$(18,023)	Decrease of projected other personnel costs
			$(11,132)	Decrease of projected professional fees and services
			$2,139	Increase of projected consumable costs
			$(498)	Decrease of projected utility costs
			$(998)	Decrease of projected travel
			$893	Increase of projected building rent
			$(1,359)	Decrease of projected machine and other rent
			$(300,994)	Decrease of projected other operating costs
			$(257,822)	**Total of Explanation of Biennial Change**

3.A.   Page 8 of 52

45

452 Department of Licensing and Regulation

GOAL: 1   License, Certify, and Register Qualified Individuals and Businesses

OBJECTIVE: 1   Regulate All Applicable Individuals and Facilities According to Law   Service Categories:

STRATEGY: 3   Administer Exams to Applicants   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Output Measures:						
1	Number of Courses Approved	2,372.00	2,200.00	2,250.00	2,400.00	2,600.00
Objects of Expense:						
1001	SALARIES AND WAGES	$1,150,985	$1,048,274	$1,553,546	$1,553,546	$1,553,546
1002	OTHER PERSONNEL COSTS	$53,288	$33,923	$25,500	$31,360	$33,460
2001	PROFESSIONAL FEES AND SERVICES	$127,015	$175,493	$2,139	$2,139	$2,139
2003	CONSUMABLE SUPPLIES	$4,889	$2,531	$3,500	$3,500	$3,500
2004	UTILITIES	$4,261	$6,691	$2,411	$2,411	$2,411
2005	TRAVEL	$36,353	$17,643	$14,179	$14,179	$14,179
2006	RENT - BUILDING	$118,243	$68,605	$68,605	$68,605	$68,605
2007	RENT - MACHINE AND OTHER	$6,672	$3,755	$2,000	$2,000	$2,000
2009	OTHER OPERATING EXPENSE	$335,914	$420,319	$142,486	$175,625	$144,299
5000	CAPITAL EXPENDITURES	$1,016	$0	$0	$0	$0
TOTAL, OBJECT OF EXPENSE		**$1,838,636**	**$1,777,234**	**$1,814,366**	**$1,853,365**	**$1,824,139**
Method of Financing:						
1	General Revenue Fund	$1,505,869	$1,197,639	$1,086,065	$1,125,064	$1,095,838
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$1,505,869**	**$1,197,639**	**$1,086,065**	**$1,125,064**	**$1,095,838**

3.A.   Page 9 of 52

452 Department of Licensing and Regulation

GOAL: 1   License, Certify, and Register Qualified Individuals and Businesses

OBJECTIVE: 1   Regulate All Applicable Individuals and Facilities According to Law   Service Categories:

STRATEGY: 3   Administer Exams to Applicants   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Method of Financing:						
108	Priv Beauty Culture Sch	$1,808	$0	$0	$0	$0
501	Motorcycle Education Acct	$298,976	$494,595	$643,301	$643,301	$643,301
5192	Barbrng&Cosmetgy Sch Tuit Prtect	$0	$85,000	$85,000	$85,000	$85,000
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		**$300,784**	**$579,595**	**$728,301**	**$728,301**	**$728,301**
Method of Financing:						
666	Appropriated Receipts	$31,983	$0	$0	$0	$0
SUBTOTAL, MOF (OTHER FUNDS)		**$31,983**	**$0**	**$0**	**$0**	**$0**
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$1,853,365**	**$1,824,139**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$1,838,636**	**$1,777,234**	**$1,814,366**	**$1,853,365**	**$1,824,139**
FULL TIME EQUIVALENT POSITIONS:		**18.7**	**24.0**	**24.0**	**24.0**	**24.0**

STRATEGY DESCRIPTION AND JUSTIFICATION:

452 Department of Licensing and Regulation

GOAL: 1   License, Certify, and Register Qualified Individuals and Businesses

OBJECTIVE: 1   Regulate All Applicable Individuals and Facilities According to Law   Service Categories:

STRATEGY: 3   Administer Exams to Applicants   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

Both pre-licensure education and continuing education is required and TDLR-approved and administered in Air Conditioning and Refrigeration Contractors, Auctioneers, Barbers, Cosmetologists, Court-Ordered Programs, Driver Education and Safety, Electricians, Laser Hair Removal, Massage Therapy, Midwives, Mold Assessors and Remediators, Property Tax Consultants, Property Tax Professionals, and Registered Accessibility Specialists.

Pre-licensure education is also required and TDLR-approved and administered in Massage Therapy, and Motorcycle & ATV Operators, and continuing education is also required and TDLR-approved and administered in Athletic Trainers, Code Enforcement Officers, Dietitians, Elevators, Hearing Instrument Fitters and Dispensers, Orthotists and Prosthetists, , Sanitarians, Speech-Language Pathologists and Audiologists, Towing Operators, and Water Well Drillers and Pump Installers.

TDLR reviews and approves pre-license education providers and curricula based on statutory requirements. Barbering, Cosmetology and Massage Therapy students must hold a student permit so schools can track and report their hours monthly. TDLR reviews and approves CE providers, courses, and curricula.

TDLR administers exams to ensure applicants are competent and can safely provide services. TDLR contracts with a third-party to administer exams for 18 programs and 63 license types. Computer-based exams are offered daily at 22 locations statewide. In FY 2023 91,321 exams were administered. Barbering and cosmetology have remotely proctored practical exams.

Authority: Occ. Code 51.402

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

452 Department of Licensing and Regulation

GOAL: 1   License, Certify, and Register Qualified Individuals and Businesses

OBJECTIVE: 1   Regulate All Applicable Individuals and Facilities According to Law   Service Categories:

STRATEGY: 3   Administer Exams to Applicants   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

These regulated professions are governed by state laws and rules, and in some cases national codes, that are updated on an ongoing basis. TDLR routinely reviews examination content to ensure it stays current, utilizing input from advisory boards and industry subject matter experts, while referencing the most current materials and national codes. TDLR conducts an average of 20 examination review committee meetings per year.

TDLR created online tools to allow schools and educators to manage student enrollments, hours completed, and course completions. An online CE Reporting tool was also developed for providers to manage course completions. Agency teams provide technical support and assistance to providers, schools and students on a daily basis.

TDLR reviews and approves pre-licensure education curricula and CE courses, and 5,200 courses were approved in FY2023. This represents an increased internal workload of over 125% from five years ago due to the growing number of providers and course submissions. There were 1,856 schools and providers in FY 2021, and in FY2023 there were 2,023. This extensive internal workload increase may impact TDLR licensees, as the timeline for curricula and course approvals naturally increases with the growing number of course submissions.

452 Department of Licensing and Regulation

GOAL:	1	License, Certify, and Register Qualified Individuals and Businesses			
OBJECTIVE:	1	Regulate All Applicable Individuals and Facilities According to Law		Service Categories:	
STRATEGY:	3	Administer Exams to Applicants		Service: 16 Income: A.2 Age: B.3	

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL CHANGE	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)		$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$3,591,600	$3,677,504	$85,904	$505,272	Increase of salaries and wages
			$5,397	Increase of projected other personnel costs
			$(173,354)	Decrease of projected professional fees and services
			$969	Increase of projected consumable costs
			$(4,280)	Decrease of projected utility costs
			$(3,464)	Decrease of projected travel
			$(1,755)	Decrease of projected machine and other rent
			$(242,881)	Decrease of projected other operating costs
			$85,904	**Total of Explanation of Biennial Change**

452 Department of Licensing and Regulation

GOAL: 1   License, Certify, and Register Qualified Individuals and Businesses

OBJECTIVE: 1   Regulate All Applicable Individuals and Facilities According to Law   Service Categories:

STRATEGY: 4   Provide Customer Service   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
1001	SALARIES AND WAGES	$2,157,281	$2,324,134	$2,671,687	$2,671,687	$2,671,687
1002	OTHER PERSONNEL COSTS	$51,242	$59,645	$40,660	$43,820	$49,540
2001	PROFESSIONAL FEES AND SERVICES	$42,302	$26,759	$3,279	$3,279	$3,279
2003	CONSUMABLE SUPPLIES	$4,215	$3,279	$8,000	$8,000	$8,000
2004	UTILITIES	$16,129	$9,634	$4,621	$4,621	$4,621
2005	TRAVEL	$4,540	$4,984	$2,460	$2,460	$2,460
2006	RENT - BUILDING	$200,320	$103,662	$103,155	$103,155	$103,155
2007	RENT - MACHINE AND OTHER	$10,974	$2,345	$3,500	$3,500	$3,500
2009	OTHER OPERATING EXPENSE	$291,470	$338,856	$168,075	$201,214	$169,888
5000	CAPITAL EXPENDITURES	$2,568	$0	$0	$0	$0
TOTAL, OBJECT OF EXPENSE		**$2,781,041**	**$2,873,298**	**$3,005,437**	**$3,041,736**	**$3,016,130**
Method of Financing:						
1	General Revenue Fund	$1,855,648	$1,898,393	$2,013,249	$2,049,548	$2,023,942
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$1,855,648**	**$1,898,393**	**$2,013,249**	**$2,049,548**	**$2,023,942**
Method of Financing:						

452 Department of Licensing and Regulation

GOAL: 1 License, Certify, and Register Qualified Individuals and Businesses

OBJECTIVE: 1 Regulate All Applicable Individuals and Facilities According to Law

Service Categories:

STRATEGY: 4 Provide Customer Service

Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
501	Motorcycle Education Acct	$96,354	$101,757	$102,448	$102,448	$102,448
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		**$96,354**	**$101,757**	**$102,448**	**$102,448**	**$102,448**
Method of Financing:						
666	Appropriated Receipts	$829,039	$873,148	$889,740	$889,740	$889,740
SUBTOTAL, MOF (OTHER FUNDS)		**$829,039**	**$873,148**	**$889,740**	**$889,740**	**$889,740**
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$3,041,736**	**$3,016,130**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$2,781,041**	**$2,873,298**	**$3,005,437**	**$3,041,736**	**$3,016,130**
FULL TIME EQUIVALENT POSITIONS:		**49.7**	**55.5**	**56.5**	**56.5**	**56.5**

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Customer Service Division serves as TDLR's main point of contact for licensees and customers. Customer service representatives respond to phone calls, emails, social media, walk-in visits, and general questions from the public. The goal of the Customer Service Division is to provide timely and accurate information for licensees and members of the public in a courteous and respectful manner while seeking ways to reduce customer effort and enhance the customer experience. Customer Service tracks and relays business intelligence to internal divisions advocating for a customer-centric approach to service delivery. Customer service representatives are responsible for responding to inquiries regarding TDLR's 38 programs and for providing comprehensive and useful information with integrity and accountability.

Authority: Occ. Code 51.251, 51.452

452 Department of Licensing and Regulation

GOAL: 1   License, Certify, and Register Qualified Individuals and Businesses

OBJECTIVE: 1   Regulate All Applicable Individuals and Facilities According to Law   Service Categories:

STRATEGY: 4   Provide Customer Service   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Customer Service is required to maintain a knowledge base of TDLR's 38 regulated programs and the continual changes to these programs through statutory amendments, rule updates, and process improvements. Customer service representatives must also keep current on the various requirements that must be met to obtain original and renewal licenses in all programs.

The Customer Service Division, despite salary constraints, has continued to do an admirable job of keeping vacant positions filled. However, the division has continued to fall short of meeting its performance measure target for the percentage of contacts responded to by staff. This is not from the lack of effort on the part of our call center, but rather from the lack of FTE positions TDLR is able to assign to its Customer Service Division to respond to contacts. Lack of funding for vacant FTE positions, stemming from the still-existing five percent budget cut mandated in June 2020, has prevented the agency from deploying its full allotment of FTEs where needed, resulting in a shortage in customer service personnel.

TDLR has a plan to implement technology solutions to fill the gap caused by the lack of positions and bolster the agency's ability to respond to more calls, and hopefully forgo the need to request funding for more FTEs.

452 Department of Licensing and Regulation

GOAL: 1   License, Certify, and Register Qualified Individuals and Businesses

OBJECTIVE: 1   Regulate All Applicable Individuals and Facilities According to Law   Service Categories:

STRATEGY: 4   Provide Customer Service   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$5,878,735	$6,057,866	$179,131	$347,553	Increase of salaries and wages
			$(6,945)	Decrease of projected other personnel costs
			$(23,480)	Decrease of projected professional fees and services
			$4,721	Increase of projected consumable costs
			$(5,013)	Decrease of projected utility costs
			$(2,524)	Decrease of projected travel
			$(507)	Decrease of projected building rent
			$1,155	Increase of projected machine and other rent
			$(135,829)	Decrease of projected other operating costs
			$179,131	**Total of Explanation of Biennial Change**

452 Department of Licensing and Regulation

GOAL: 1   License, Certify, and Register Qualified Individuals and Businesses

OBJECTIVE: 1   Regulate All Applicable Individuals and Facilities According to Law   Service Categories:

STRATEGY: 5   Texas.gov. Estimated and Nontransferable   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	$781,367	$650,000	$650,000	$650,000	$650,000
	TOTAL, OBJECT OF EXPENSE	**$781,367**	**$650,000**	**$650,000**	**$650,000**	**$650,000**
Method of Financing:						
1	General Revenue Fund	$781,367	$650,000	$650,000	$650,000	$650,000
	SUBTOTAL, MOF (GENERAL REVENUE FUNDS)	**$781,367**	**$650,000**	**$650,000**	**$650,000**	**$650,000**
	TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)				**$650,000**	**$650,000**
	TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)	**$781,367**	**$650,000**	**$650,000**	**$650,000**	**$650,000**

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

The strategy reflects the pass-through of funds from TDLR to the vendor operating the TexasOnline portal.

Authority: Gov't Code 2054.111

452 Department of Licensing and Regulation

GOAL: 1   License, Certify, and Register Qualified Individuals and Businesses

OBJECTIVE: 1   Regulate All Applicable Individuals and Facilities According to Law   Service Categories:

STRATEGY: 5   Texas.gov. Estimated and Nontransferable   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The Department of Information Resources' TexasOnline Authority promulgates rules governing the operations of the online licensing function for the State of Texas.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$1,300,000	$1,300,000	$0		
			$0	Total of Explanation of Biennial Change

452 Department of Licensing and Regulation

GOAL: 2   Protect the Public by Enforcing Laws Administered by the Agency

OBJECTIVE: 1   Enforce Laws to Achieve Compliance in Regulated Industries/Occupations   Service Categories:

STRATEGY: 1   Enforce Laws by Conducting Routine, Complex, and Special Inspections   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Output Measures:						
KEY 1	Total Number of Inspections Completed	272,957.00	295,485.00	299,546.00	257,894.00	260,184.00
2	Total Number of Anti-Trafficking Inspections Completed	0.00	0.00	0.00	65.00	72.00
Objects of Expense:						
1001	SALARIES AND WAGES	$7,267,899	$7,654,429	$9,473,070	$9,473,070	$9,473,070
1002	OTHER PERSONNEL COSTS	$224,912	$268,859	$143,280	$200,100	$214,100
2001	PROFESSIONAL FEES AND SERVICES	$518,830	$31,673	$14,365	$14,365	$14,365
2002	FUELS AND LUBRICANTS	$4,575	$20,323	$24,500	$24,500	$24,500
2003	CONSUMABLE SUPPLIES	$32,428	$31,870	$22,340	$22,340	$22,340
2004	UTILITIES	$88,907	$95,719	$53,246	$53,246	$53,246
2005	TRAVEL	$898,650	$921,485	$1,072,500	$1,072,500	$1,072,500
2006	RENT - BUILDING	$399,362	$398,421	$438,746	$438,746	$438,746
2007	RENT - MACHINE AND OTHER	$42,427	$30,089	$21,300	$21,300	$21,300
2009	OTHER OPERATING EXPENSE	$1,836,210	$5,447,389	$4,229,989	$3,392,663	$3,361,337
5000	CAPITAL EXPENDITURES	$402,342	$590,000	$0	$0	$0
TOTAL, OBJECT OF EXPENSE		**$11,716,542**	**$15,490,257**	**$15,493,336**	**$14,712,830**	**$14,695,504**

Method of Financing:

452 Department of Licensing and Regulation

GOAL: 2   Protect the Public by Enforcing Laws Administered by the Agency

OBJECTIVE: 1   Enforce Laws to Achieve Compliance in Regulated Industries/Occupations   Service Categories:

STRATEGY: 1   Enforce Laws by Conducting Routine, Complex, and Special Inspections   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
1	General Revenue Fund	$11,166,940	$14,181,459	$14,815,949	$14,089,450	$14,072,124
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$11,166,940**	**$14,181,459**	**$14,815,949**	**$14,089,450**	**$14,072,124**
Method of Financing:						
666	Appropriated Receipts	$549,602	$1,308,798	$178,314	$178,314	$178,314
777	Interagency Contracts	$0	$0	$499,073	$445,066	$445,066
SUBTOTAL, MOF (OTHER FUNDS)		**$549,602**	**$1,308,798**	**$677,387**	**$623,380**	**$623,380**

Rider Appropriations:

666 Appropriated Receipts

3	1 Travel Expenses and Fee Reimbursement for Boiler Inspections				$0	$0
4	1 Elevators, Escalators, and Related Equipment				$0	$0
TOTAL, RIDER & UNEXPENDED BALANCES APPROP					**$0**	**$0**
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$14,712,830**	**$14,695,504**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$11,716,542**	**$15,490,257**	**$15,493,336**	**$14,712,830**	**$14,695,504**
FULL TIME EQUIVALENT POSITIONS:		**114.5**	**150.0**	**151.0**	**151.0**	**151.0**

452 Department of Licensing and Regulation

GOAL: 2   Protect the Public by Enforcing Laws Administered by the Agency

OBJECTIVE: 1   Enforce Laws to Achieve Compliance in Regulated Industries/Occupations   Service Categories:

STRATEGY: 1   Enforce Laws by Conducting Routine, Complex, and Special Inspections   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

STRATEGY DESCRIPTION AND JUSTIFICATION:

14 programs require facility, establishment and equipment inspections to protect public health and safety. Inspections of
-Barbering and Cosmetology and Massage Therapy establishments verify compliance with sanitation and license requirements and identify indicators of potential human trafficking
-Boilers verify safe operation of boilers to reduce explosion risks
-Driver Education, Massage Therapy, and Barber and Cosmetology schools ensure they meet classroom, equipment and records requirements
-Elevator and Escalator Safety find conditions that could cause injury or death
-Elimination of Architectural Barriers find features that block access for disabled persons
-Industrialized Housing and Buildings ensure buildings and manufacturing plants meet building and safety codes
-Fuel Metering and Quality ensure safe, accurate fuel metering devices, including fraud detection
-Licensed Breeders ensure protection for consumers and animals
-Midwifery ensures trained individuals practice midwifery
-Mold Assessors and Remediators ensure proper remediation is performed
-Orthotists and Prosthetists ensure facilities are clean, equipped and licensed
-Vehicle Storage Facilities ensure vehicles and their owners are protected through secure vehicle storage and fee compliance
-Used Automotive Parts Recyclers ensure purchase and sale requirements are met.

The Financial Crimes Intelligence Center is Texas' entity for planning, coordination and integration of law enforcement and other agencies to detect, respond to, and prevent criminal card fraud.

Authority: Occ. Code 51.211, 2312.051

452 Department of Licensing and Regulation

GOAL: 2   Protect the Public by Enforcing Laws Administered by the Agency

OBJECTIVE: 1   Enforce Laws to Achieve Compliance in Regulated Industries/Occupations   Service Categories:

STRATEGY: 1   Enforce Laws by Conducting Routine, Complex, and Special Inspections   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

This strategy can be impacted by economic growth, the construction industry, building safety and maintenance, and public health issues. Strong economic conditions increase workloads in all programs. If the state's economy slows, so too may the rate of construction activity and the rate at which new businesses are opened. A slowdown in construction may decrease the number of inspections performed in the Boiler, Elevator and Escalator Safety, Elimination of Architectural Barriers, Fuel Metering and Quality, and Industrialized Housing and Buildings programs. A lack of availability of tradespeople could also slow the construction industry. As a result of TDLR's Sunset review, TDLR has implemented risk-based inspections for various programs. Alternative methods of inspection and follow up inspections based on risk may increase the division's workload. An economic slowdown may not significantly impact the agency's workload of periodic or risk-based inspections of existing businesses and equipment. This strategy can also be impacted by the long-term effects of natural disasters such as hurricanes, flooding, or public health crises such as COVID-19. These crises may prevent staff from performing inspections or businesses from remaining open, but they may also encourage innovative solutions such as virtual or remote inspections.

452 Department of Licensing and Regulation

GOAL:	2	Protect the Public by Enforcing Laws Administered by the Agency
OBJECTIVE:	1	Enforce Laws to Achieve Compliance in Regulated Industries/Occupations
STRATEGY:	1	Enforce Laws by Conducting Routine, Complex, and Special Inspections

Service Categories:

Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$30,983,593	$29,408,334	$(1,575,259)	$1,818,641	Increase of salaries and wages
			$2,061	Increase of projected other personnel costs
			$(17,308)	Decrease of projected professional fees and services
			$4,177	Increase of fuels and lubricants costs
			$(9,530)	Decrease of projected consumable costs
			$(42,473)	Decrease of projected utility costs
			$151,015	Increase of projected travel
			$40,325	Increase of projected building rent
			$(8,789)	Decrease of projected machine and other rent
			$(2,923,378)	Decrease of projected other operating costs
			$(590,000)	Decrease of capital expenditures
			$(1,575,259)	**Total of Explanation of Biennial Change**

3.A.   Page 24 of 52

61

452 Department of Licensing and Regulation

GOAL: 2   Protect the Public by Enforcing Laws Administered by the Agency

OBJECTIVE: 1   Enforce Laws to Achieve Compliance in Regulated Industries/Occupations   Service Categories:

STRATEGY: 2   Perform Building Plan Reviews   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Output Measures:						
1	Number of Plan Reviews Completed	26,505.00	24,776.00	25,147.00	25,043.00	25,669.00
Objects of Expense:						
1001	SALARIES AND WAGES	$841,963	$954,066	$1,046,029	$1,046,029	$1,046,029
1002	OTHER PERSONNEL COSTS	$45,485	$24,585	$22,820	$24,820	$26,180
2001	PROFESSIONAL FEES AND SERVICES	$53,630	$1,213	$1,213	$1,213	$1,213
2003	CONSUMABLE SUPPLIES	$1,109	$8,110	$1,500	$1,500	$1,500
2004	UTILITIES	$7,235	$5,727	$3,000	$3,000	$3,000
2005	TRAVEL	$10,448	$5,576	$22,441	$22,441	$22,441
2006	RENT - BUILDING	$57,212	$38,353	$36,834	$36,834	$36,834
2007	RENT - MACHINE AND OTHER	$5,633	$4,558	$3,600	$3,600	$3,600
2009	OTHER OPERATING EXPENSE	$54,978	$61,547	$24,548	$57,687	$26,361
5000	CAPITAL EXPENDITURES	$803	$0	$0	$0	$0
TOTAL, OBJECT OF EXPENSE		**$1,078,496**	**$1,103,735**	**$1,161,985**	**$1,197,124**	**$1,167,158**
Method of Financing:						
1	General Revenue Fund	$1,026,847	$1,103,735	$1,161,985	$1,197,124	$1,167,158
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$1,026,847**	**$1,103,735**	**$1,161,985**	**$1,197,124**	**$1,167,158**

452 Department of Licensing and Regulation

GOAL: 2   Protect the Public by Enforcing Laws Administered by the Agency

OBJECTIVE: 1   Enforce Laws to Achieve Compliance in Regulated Industries/Occupations   Service Categories:

STRATEGY: 2   Perform Building Plan Reviews   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Method of Financing:						
666	Appropriated Receipts	$51,649	$0	$0	$0	$0
SUBTOTAL, MOF (OTHER FUNDS)		**$51,649**	**$0**	**$0**	**$0**	**$0**
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$1,197,124**	**$1,167,158**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$1,078,496**	**$1,103,735**	**$1,161,985**	**$1,197,124**	**$1,167,158**
FULL TIME EQUIVALENT POSITIONS:		**14.4**	**14.0**	**14.0**	**14.0**	**14.0**

STRATEGY DESCRIPTION AND JUSTIFICATION:

Three of TDLR's 38 programs require review of construction plans prior to construction or installation: Elimination of Architectural Barriers (EAB); Industrialized Housing and Buildings (IHB); and Elevators, Escalators and Related Equipment (ELE). Plan reviews verify compliance with applicable laws, rules, accessibility standards, building codes, and safety codes. EAB plan reviews ensure buildings and facilities are designed and built in compliance with accessibility standards and are usable by persons with disabilities. IHB plan reviews ensure modular structures (residential and commercial) are designed and built to comply with applicable building and life safety codes; these codes protect the investments and safety of citizens using and residing in these structures. ELE plan reviews for installation of elevators, escalators and related equipment ensure equipment is designed according to safety standards, and that equipment will be installed correctly and operated safely. In addition, reviewing plans prior to construction can identify problems in the design stage, not only making buildings safer and more accessible, but also saving design professionals, builders, manufacturers, and building owners costly reconstruction of incorrectly designed and constructed features.

Authority: Occ. Code 1202.154; Gov't Code 469.101; Health & Safety Code 754.015(10)

452 Department of Licensing and Regulation

GOAL:	2	Protect the Public by Enforcing Laws Administered by the Agency			
OBJECTIVE:	1	Enforce Laws to Achieve Compliance in Regulated Industries/Occupations	Service Categories:		
STRATEGY:	2	Perform Building Plan Reviews	Service: 16	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The EAB, IHB, and ELE programs are directly impacted by the economy and corresponding trends in construction activity. A slowdown in construction activity would decrease the number of plan reviews performed in these programs, while an increase in construction activity would increase these workloads. A lack of availability of tradespeople could also slow the construction industry. Unpredictable disastrous events and public health crises such as COVID-19 may hinder construction activity, but then significantly increase plan review workloads for the EAB, IHB and ELE programs as health crises subside and as rebuilding efforts following disasters get underway. TDLR's ongoing education outreach to design professionals, building officials, and building owners on statutory requirements also help to maintain the number of plans submitted for review.

452 Department of Licensing and Regulation

GOAL:	2	Protect the Public by Enforcing Laws Administered by the Agency
OBJECTIVE:	1	Enforce Laws to Achieve Compliance in Regulated Industries/Occupations
STRATEGY:	2	Perform Building Plan Reviews

Service Categories:

Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$2,265,720	$2,364,282	$98,562	$91,963	Increase of salaries and wages
			$3,595	Increase of projected other personnel costs
			$(6,610)	Decrease of projected consumable costs
			$(2,727)	Decrease of projected utility costs
			$16,865	Increase of projected travel
			$(1,519)	Decrease of projected building rent
			$(958)	Decrease of projected machine and other rent
			$(2,047)	Decrease of projected other operating costs
			$98,562	**Total of Explanation of Biennial Change**

452 Department of Licensing and Regulation

GOAL: 2   Protect the Public by Enforcing Laws Administered by the Agency

OBJECTIVE: 1   Enforce Laws to Achieve Compliance in Regulated Industries/Occupations   Service Categories:

STRATEGY: 3   Enforce Compliance by Settlement, Prosecution, Penalty and Sanction   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Output Measures:						
KEY 1	Number of Complaints Closed	11,284.00	11,353.00	11,403.00	11,857.00	12,313.00
Efficiency Measures:						
KEY 1	Average Time for Closing Complaints (Days)	215.01	192.00	195.00	197.00	201.00
Objects of Expense:						
1001	SALARIES AND WAGES	$4,124,232	$4,455,539	$5,584,536	$5,584,536	$5,584,536
1002	OTHER PERSONNEL COSTS	$99,638	$121,683	$77,580	$91,320	$99,000
2001	PROFESSIONAL FEES AND SERVICES	$194,065	$101,364	$5,988	$5,988	$5,988
2003	CONSUMABLE SUPPLIES	$5,310	$6,386	$9,640	$9,640	$9,640
2004	UTILITIES	$11,256	$14,159	$5,217	$5,217	$5,217
2005	TRAVEL	$8,437	$9,246	$7,500	$7,500	$7,500
2006	RENT - BUILDING	$347,763	$188,761	$188,761	$188,761	$188,761
2007	RENT - MACHINE AND OTHER	$21,582	$10,075	$8,000	$8,000	$8,000
2009	OTHER OPERATING EXPENSE	$416,061	$442,652	$169,558	$202,696	$171,370
5000	CAPITAL EXPENDITURES	$3,422	$0	$0	$0	$0
TOTAL, OBJECT OF EXPENSE		**$5,231,766**	**$5,349,865**	**$6,056,780**	**$6,103,658**	**$6,080,012**

Method of Financing:

452 Department of Licensing and Regulation

GOAL: 2   Protect the Public by Enforcing Laws Administered by the Agency

OBJECTIVE: 1   Enforce Laws to Achieve Compliance in Regulated Industries/Occupations   Service Categories:

STRATEGY: 3   Enforce Compliance by Settlement, Prosecution, Penalty and Sanction   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
1	General Revenue Fund	$4,823,786	$4,853,797	$5,538,888	$5,585,766	$5,562,120
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$4,823,786**	**$4,853,797**	**$5,538,888**	**$5,585,766**	**$5,562,120**
Method of Financing:						
666	Appropriated Receipts	$382,980	$471,068	$492,892	$492,892	$492,892
898	Auction Educ & Rec Trust	$25,000	$25,000	$25,000	$25,000	$25,000
SUBTOTAL, MOF (OTHER FUNDS)		**$407,980**	**$496,068**	**$517,892**	**$517,892**	**$517,892**
Rider Appropriations:						
898 Auction Educ & Rec Trust						
6 1	Auctioneer Education and Recovery				$0	$0
TOTAL, RIDER & UNEXPENDED BALANCES APPROP					**$0**	**$0**
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$6,103,658**	**$6,080,012**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$5,231,766**	**$5,349,865**	**$6,056,780**	**$6,103,658**	**$6,080,012**
FULL TIME EQUIVALENT POSITIONS:		**66.1**	**76.0**	**76.0**	**76.0**	**76.0**

3.A.   Page 30 of 52

452 Department of Licensing and Regulation

GOAL: 2   Protect the Public by Enforcing Laws Administered by the Agency

OBJECTIVE: 1   Enforce Laws to Achieve Compliance in Regulated Industries/Occupations   Service Categories:

STRATEGY: 3   Enforce Compliance by Settlement, Prosecution, Penalty and Sanction   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

STRATEGY DESCRIPTION AND JUSTIFICATION:

The division provides fair, efficient complaint resolution process to resolve cases filed with the agency. Staff prioritize complaints based on risk to public safety or potential for consumer harm while identifying indicators of human trafficking for expedited review. Prosecutors determine the final disposition on all cases, including consumer complaints, license applicant background checks, and inspection findings.

Case resolutions include formal outcomes such as Commission orders following administrative hearings, emergency orders relating to imminent threats to public safety or to trafficking, agreed orders after settlement negotiations, and default orders issued by the Executive Director. Prosecutors may close cases informally when evidence does not support formal action by issuing closing and warning letters. When settling cases involving consumer harm, prosecutors attempt to pursue corrective action, secure restitution and obtain other remedies for consumers. When conducting background checks, the aim is to protect the public from individuals with a history of criminal behavior which makes an individual unsuitable for licensure.

The Enforcement Plan sets ranges of penalties and sanctions for violations. When pursuing formal enforcement action, prosecutors take into consideration the following factors: seriousness of the offense; whether the person acted in good faith to mitigate or correct the violation; whether the person has engaged in similar violations; deterrence of future violations; and any other matter as justice may require.

Authority: Occ. Code 51.252

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

452 Department of Licensing and Regulation

GOAL: 2   Protect the Public by Enforcing Laws Administered by the Agency

OBJECTIVE: 1   Enforce Laws to Achieve Compliance in Regulated Industries/Occupations   Service Categories:

STRATEGY: 3   Enforce Compliance by Settlement, Prosecution, Penalty and Sanction   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

The division's caseload flows from multiple sources, including consumer complaint investigations, periodic, risk-based and specialized inspections referred internally from other divisions such as the Compliance and Field Inspections divisions, and criminal history review for new and renewal license applicants. As new regulatory programs are assigned to TDLR, additional responsibilities are placed on the division which strains existing enforcement resources. The increase in licensees from the new programs as well natural licensee population growth has also add to the number of criminal background reviews that must be done for license applicants and portends increases in consumer complaint filings.

Proactive efforts around the state like sting operations and license sweeps can generate significant numbers of cases based upon unlicensed activity. The Department's social media outreach efforts, traditional media coverage of sting operations, publication of complaint statistics and information on the agency's website, prosecution of enforcement cases, advisory board and commission meetings, and industry conferences all help to enhance consumer awareness of the industries regulated by TDLR.

Lastly, external factors may impact many professionals and industries served by TDLR, for example natural disasters, changes in building and energy codes, emerging technologies, and construction and economic trends can contribute to higher caseloads.

452 Department of Licensing and Regulation

GOAL:	2	Protect the Public by Enforcing Laws Administered by the Agency
OBJECTIVE:	1	Enforce Laws to Achieve Compliance in Regulated Industries/Occupations
STRATEGY:	3	Enforce Compliance by Settlement, Prosecution, Penalty and Sanction

Service Categories:

Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$11,406,645	$12,183,670	$777,025	$1,128,997	Increase of salaries and wages
			$(8,943)	Decrease of projected other personnel costs
			$(95,376)	Decrease of projected professional fees and services
			$3,254	Increase of projected consumable costs
			$(8,942)	Decrease of projected utility costs
			$(1,746)	Decrease of projected travel
			$(2,075)	Decrease of projected machine and other rent
			$(238,144)	Decrease of projected other operating costs
			$777,025	**Total of Explanation of Biennial Change**

452 Department of Licensing and Regulation

GOAL: 2   Protect the Public by Enforcing Laws Administered by the Agency

OBJECTIVE: 1   Enforce Laws to Achieve Compliance in Regulated Industries/Occupations   Service Categories:

STRATEGY: 4   Investigate Complaints   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Explanatory/Input Measures:						
KEY 1	Number of Complaints Opened	13,045.00	11,488.00	11,563.00	12,101.00	12,502.00
Objects of Expense:						
1001	SALARIES AND WAGES	$2,874,445	$3,613,228	$4,185,572	$4,185,572	$4,185,572
1002	OTHER PERSONNEL COSTS	$106,426	$88,789	$82,700	$89,300	$96,580
2001	PROFESSIONAL FEES AND SERVICES	$10,313	$15,895	$12,871	$12,871	$12,871
2002	FUELS AND LUBRICANTS	$5,249	$22,581	$28,000	$28,000	$28,000
2003	CONSUMABLE SUPPLIES	$11,428	$7,907	$10,720	$10,720	$10,720
2004	UTILITIES	$35,328	$24,305	$21,616	$21,616	$21,616
2005	TRAVEL	$67,713	$104,183	$49,400	$49,400	$49,400
2006	RENT - BUILDING	$147,022	$148,810	$152,460	$152,460	$152,460
2007	RENT - MACHINE AND OTHER	$14,933	$7,293	$5,600	$5,600	$5,600
2009	OTHER OPERATING EXPENSE	$302,190	$432,723	$139,538	$172,677	$141,351
5000	CAPITAL EXPENDITURES	$2,674	$0	$0	$0	$0
TOTAL, OBJECT OF EXPENSE		**$3,577,721**	**$4,465,714**	**$4,688,477**	**$4,728,216**	**$4,704,170**
Method of Financing:						
1	General Revenue Fund	$3,577,493	$4,465,714	$4,688,477	$4,728,216	$4,704,170

---

452 Department of Licensing and Regulation

GOAL: 2   Protect the Public by Enforcing Laws Administered by the Agency

OBJECTIVE: 1   Enforce Laws to Achieve Compliance in Regulated Industries/Occupations   Service Categories:

STRATEGY: 4   Investigate Complaints   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$3,577,493**	**$4,465,714**	**$4,688,477**	**$4,728,216**	**$4,704,170**
Method of Financing:						
666	Appropriated Receipts	$228	$0	$0	$0	$0
SUBTOTAL, MOF (OTHER FUNDS)		**$228**	**$0**	**$0**	**$0**	**$0**
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$4,728,216**	**$4,704,170**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$3,577,721**	**$4,465,714**	**$4,688,477**	**$4,728,216**	**$4,704,170**
FULL TIME EQUIVALENT POSITIONS:		**49.4**	**58.0**	**59.5**	**59.5**	**59.5**

STRATEGY DESCRIPTION AND JUSTIFICATION:

3.A.   Page 35 of 52

452 Department of Licensing and Regulation

GOAL: 2   Protect the Public by Enforcing Laws Administered by the Agency

OBJECTIVE: 1   Enforce Laws to Achieve Compliance in Regulated Industries/Occupations   Service Categories:

STRATEGY: 4   Investigate Complaints   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

The division investigates complaints filed against regulated individuals, businesses, and industries. Complaints are received from consumers, governmental agencies, law enforcement, industry, and internally from other divisions. Complaints are reviewed to establish jurisdiction, identify a respondent, and confirm an alleged violation. If these criteria are met, a case is opened and assigned to an investigator. The division prioritizes complaints with indicators of human trafficking and those involving a heightened risk to public health and safety or consumer harm.

Investigators follow standardized procedures, and as unbiased factfinders establish the pertinent facts of each case, conduct witness interviews, collect evidence, and perform on-site investigations of entities as appropriate. After completing the investigation, the investigator prepares a written report that provides detailed findings and summarizes the evidence. Investigators may coordinate with other divisions to perform inspections, and with local law enforcement in complaints involving human trafficking. The case is then forwarded to a prosecutor for the appropriate disposition.

In addition to investigating complaints, Enforcement's investigators conduct sting operations to identify unlicensed activity. They also collaborate with local law enforcement to identify potential violations which may have occurred. Investigators also obtain court records and other criminal history information to assist the prosecutor in the review of criminal history for license eligibility.

Authority: Occ. Code 51.2521

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

452 Department of Licensing and Regulation

GOAL: 2   Protect the Public by Enforcing Laws Administered by the Agency

OBJECTIVE: 1   Enforce Laws to Achieve Compliance in Regulated Industries/Occupations   Service Categories:

STRATEGY: 4   Investigate Complaints   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

The division receives complaints primarily from consumers impacted by individuals, companies and equipment regulated by TDLR. Additionally, a significant number of complaints are received based upon the criminal background review conducted on all license applicants. Complaints are also received from law enforcement and industry, and internally referred from other divisions within the agency.

The department investigates complaints based upon the regulatory authority provided, therefore as additional programs or authority, such as that for emergency shutdowns, is given, complaint numbers will be impacted. As the licensee base increases, or there is population growth, consumer complaint numbers will increase and the resulting increase in license applications will result in an increased number of criminal history reviews.

Proactive efforts like sting operations and license sweeps typically generate significant numbers of unlicensed activity cases. The Department's social media outreach efforts, publication of complaint statistics on TDLR's website, traditional media coverage of sting operations, prosecution of enforcement cases, and industry meetings all help to enhance consumer awareness of the industries regulated by TDLR.

The prioritization of complaints has shifted resources to focus on cases involving human trafficking, consumer harm or health and safety concerns. Additional factors impacting the complaint resolution workload include natural disasters, changes in building and energy codes, new and emerging technologies, as well as construction and economic trends.

452 Department of Licensing and Regulation

GOAL:	2	Protect the Public by Enforcing Laws Administered by the Agency			
OBJECTIVE:	1	Enforce Laws to Achieve Compliance in Regulated Industries/Occupations	Service Categories:		
STRATEGY:	4	Investigate Complaints	Service: 16	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$9,154,191	$9,432,386	$278,195	$572,344	Increase of salaries and wages
			$14,391	Increase of projected other personnel costs
			$(3,024)	Decrease of projected professional fees and services
			$5,419	Increase of projected fuels and lubricants
			$2,813	Increase of projected consumable costs
			$(2,689)	Decrease of projected utility costs
			$(54,783)	Decrease of projected travel
			$3,650	Increase of projected building rent
			$(1,693)	Decrease of projected machine and other rent
			$(258,233)	Decrease of projected other operating costs
			$278,195	**Total of Explanation of Biennial Change**

3.A.   Page 38 of 52

452 Department of Licensing and Regulation

GOAL: 3   Indirect Administration

OBJECTIVE: 1   Indirect Administration   Service Categories:

STRATEGY: 1   Central Administration   Service: 09   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
1001	SALARIES AND WAGES	$3,992,297	$3,954,241	$5,321,409	$5,321,409	$5,321,409
1002	OTHER PERSONNEL COSTS	$185,352	$254,786	$81,180	$24,540	$26,020
2001	PROFESSIONAL FEES AND SERVICES	$102,910	$93,420	$103,767	$103,767	$103,767
2002	FUELS AND LUBRICANTS	$7,187	$27,097	$23,500	$23,500	$23,500
2003	CONSUMABLE SUPPLIES	$13,858	$14,873	$10,400	$10,400	$10,400
2004	UTILITIES	$37,306	$20,761	$19,110	$19,110	$19,110
2005	TRAVEL	$80,437	$70,385	$59,750	$59,750	$59,750
2006	RENT - BUILDING	$194,080	$225,710	$216,897	$216,897	$216,897
2007	RENT - MACHINE AND OTHER	$28,410	$32,131	$23,600	$23,600	$23,600
2009	OTHER OPERATING EXPENSE	$580,378	$556,702	$100,564	$133,703	$102,377
5000	CAPITAL EXPENDITURES	$2,803	$34,899	$0	$0	$0
	TOTAL, OBJECT OF EXPENSE	**$5,225,018**	**$5,285,005**	**$5,960,177**	**$5,936,676**	**$5,906,830**
	Method of Financing:					
1	General Revenue Fund	$2,718,526	$3,601,094	$4,256,236	$4,232,735	$4,202,889
	SUBTOTAL, MOF (GENERAL REVENUE FUNDS)	**$2,718,526**	**$3,601,094**	**$4,256,236**	**$4,232,735**	**$4,202,889**

3.A.   Page 39 of 52

452 Department of Licensing and Regulation

GOAL: 3   Indirect Administration

OBJECTIVE: 1   Indirect Administration   Service Categories:

STRATEGY: 1   Central Administration   Service: 09   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Method of Financing:						
666	Appropriated Receipts	$2,506,492	$1,683,911	$1,703,941	$1,703,941	$1,703,941
SUBTOTAL, MOF (OTHER FUNDS)		**$2,506,492**	**$1,683,911**	**$1,703,941**	**$1,703,941**	**$1,703,941**
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$5,936,676**	**$5,906,830**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$5,225,018**	**$5,285,005**	**$5,960,177**	**$5,936,676**	**$5,906,830**
FULL TIME EQUIVALENT POSITIONS:		**51.2**	**55.0**	**55.0**	**55.0**	**55.0**

STRATEGY DESCRIPTION AND JUSTIFICATION:

3.A.   Page 40 of 52

77

452 Department of Licensing and Regulation

GOAL: 3   Indirect Administration

OBJECTIVE: 1   Indirect Administration   Service Categories:

STRATEGY: 1   Central Administration   Service: 09   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

Central administration provides leadership, oversight, and support for TDLR programs, consisting of executive staff, general counsel, financial services, and human resources.

Executive staff manage daily operations; support the Commission and implement its objectives; support advisory boards; serve as a link between TDLR, advisory boards, and the Commission; manage projects for leadership; ensure HUB compliance; manage media relations; administer TDLR's website; provide budget and policy analysis; use data to guide decisions; act as a liaison between TDLR and lawmakers; and represent the agency before the Texas Legislature.

The Office of the General Counsel provides legal guidance to the Commission and agency, prepares agency rulemaking and Commission orders in contested cases, responds to open records requests, coordinates litigation with the Attorney General's office, works with contracts and interagency agreements, and trains advisory boards, commissioners and staff on the Open Meetings and Public Information Acts.

Financial Services manages fiscal resources to comply with applicable laws, provides statistical analysis, develops legislative appropriations requests, manages purchasing and vendor contracting, monitors the budget, and prepares fiscal reports.

Human Resources promotes a healthy, positive, and equitable work environment, helping to attract, develop, and retain qualified and dedicated employees; and provides support for on-boarding new employees, training, career development, employee benefits, and workplace safety.

Authority: Occ. Code 51.101, 51.104

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

452 Department of Licensing and Regulation

GOAL: 3   Indirect Administration

OBJECTIVE: 1   Indirect Administration   Service Categories:

STRATEGY: 1   Central Administration   Service: 09   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

TDLR's regulatory responsibilities will continue to increase if we are entrusted with more programs by the Texas Legislature.

TDLR had new responsibilities given to it by the 88th Legislature. TDLR will is now responsible for the regulation of electric vehicle charging stations, and is also tasked with assisting the Texas Board of Veterinary Medical Examiners with meeting the Sunset recommendations for the Board and with improving the administration of the agency. This attachment will end in 2027.

452 Department of Licensing and Regulation

GOAL:	3	Indirect Administration
OBJECTIVE:	1	Indirect Administration
STRATEGY:	1	Central Administration

Service Categories:

Service: 09   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$11,245,182	$11,843,506	$598,324	$1,367,168	Increase of salaries and wages
			$(285,406)	Decrease of projected other personnel costs
			$10,347	Increase of projected professional fees and services
			$(3,597)	Decrease of projected fuels and lubricants
			$(4,473)	Decrease of projected consumable costs
			$(1,651)	Decrease of projected utility costs
			$(10,635)	Decrease of projected travel
			$(8,813)	Decrease of projected building rent
			$(8,531)	Decrease of projected machine and other rent
			$(421,186)	Decrease of projected other operating costs
			$(34,899)	Decrease of capital expenditures
			$598,324	**Total of Explanation of Biennial Change**

452 Department of Licensing and Regulation

GOAL: 3   Indirect Administration

OBJECTIVE: 1   Indirect Administration   Service Categories:

STRATEGY: 2   Information Resources   Service: 09   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
1001	SALARIES AND WAGES	$2,860,186	$3,890,638	$4,338,340	$4,338,340	$4,338,340
1002	OTHER PERSONNEL COSTS	$120,568	$164,467	$51,940	$62,680	$66,060
2001	PROFESSIONAL FEES AND SERVICES	$1,674,395	$3,899,887	$1,974,052	$1,943,586	$2,230,953
2003	CONSUMABLE SUPPLIES	$2,319	$4,741	$7,360	$7,360	$7,360
2004	UTILITIES	$9,654	$26,776	$10,700	$10,700	$10,700
2005	TRAVEL	$6,015	$7,805	$5,438	$5,438	$5,438
2006	RENT - BUILDING	$36,252	$168,053	$167,339	$167,339	$167,339
2007	RENT - MACHINE AND OTHER	$16,703	$4,826	$3,500	$3,500	$3,500
2009	OTHER OPERATING EXPENSE	$273,197	$593,385	$60,130	$93,269	$61,943
5000	CAPITAL EXPENDITURES	$1,658	$31,136,754	$0	$4,400,000	$4,400,000
TOTAL, OBJECT OF EXPENSE		**$5,000,947**	**$39,897,332**	**$6,618,799**	**$11,032,212**	**$11,291,633**
Method of Financing:						
1	General Revenue Fund	$4,397,459	$38,562,507	$5,419,041	$9,832,454	$10,091,875
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$4,397,459**	**$38,562,507**	**$5,419,041**	**$9,832,454**	**$10,091,875**
Method of Financing:						
666	Appropriated Receipts	$592,606	$1,334,825	$1,199,758	$1,199,758	$1,199,758

---

452 Department of Licensing and Regulation

GOAL: 3   Indirect Administration

OBJECTIVE: 1   Indirect Administration   Service Categories:

STRATEGY: 2   Information Resources   Service: 09   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
777	Interagency Contracts	$10,882	$0	$0	$0	$0
SUBTOTAL, MOF (OTHER FUNDS)		**$603,488**	**$1,334,825**	**$1,199,758**	**$1,199,758**	**$1,199,758**
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$11,032,212**	**$11,291,633**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$5,000,947**	**$39,897,332**	**$6,618,799**	**$11,032,212**	**$11,291,633**
FULL TIME EQUIVALENT POSITIONS:		**33.1**	**39.0**	**39.0**	**39.0**	**39.0**

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Information Resources strategy consists of Information Technology Services (ITS), Software Development Services (SDS), Licensing System Services (LSS), and Information Security. These units work together to provide a secure network infrastructure, end-user technology tools, and software applications to support the agency's cost-effective business model for administering licensing programs. Responsibilities include systems analysis, application development, cybersecurity, electronic document imaging, web design, computer hardware and software, maintenance of multiple disparate licensing systems, help desk support, quality assurance, and network and phone support.

TDLR's licensing systems process licensing applications and renewals, along with interfacing with other systems to support TDLR's mission critical services, and process payments through the online Texas.gov portal.

Authority: Occupations Code 51.207; Gov't Code Ch. 2054, Subchapter F

452 Department of Licensing and Regulation

GOAL: 3   Indirect Administration

OBJECTIVE: 1   Indirect Administration   Service Categories:

STRATEGY: 2   Information Resources   Service: 09   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Licensees and the public continue to adopt mobile technologies and expect customer-centric experiences. Texas' growing population, recent program transfers, and the possibility of additional programs moving to TDLR will require vigilant security and ongoing modernization of existing systems to ensure the protection of the data of Texas' citizens. Cyberattacks will always pose a threat.

Recruitment, retention, and succession planning for IT staff with key skill sets and experience will continue to be a challenge due to the competitive marketplace for technology workers.

TDLR currently maintains multiple disparate legacy systems with millions of records, many of which contain personally identifiable and personal health information. TDLR also supports programs that require Department of Public Safety data and Criminal Justice Information Services data requiring added layers of security.

452 Department of Licensing and Regulation

GOAL:	3	Indirect Administration
OBJECTIVE:	1	Indirect Administration
STRATEGY:	2	Information Resources

Service Categories:

Service: 09   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$46,516,131	$22,323,845	$(24,192,286)	$447,702	Increase of salaries and wages
			$(87,667)	Decrease of projected other personnel costs
			$(1,699,400)	Decrease of projected professional fees and services
			$2,621	Increase of projected consumable costs
			$(16,078)	Decrease of projected utility costs
			$(2,367)	Decrease of projected travel
			$(714)	Decrease of projected building rent
			$(1,326)	Decrease of projected machine and other rent
			$(498,303)	Decrease of projected other operating costs
			$(22,336,754)	Decrease of capital expenditures
			$(24,192,286)	**Total of Explanation of Biennial Change**

452 Department of Licensing and Regulation

GOAL: 3   Indirect Administration

OBJECTIVE: 1   Indirect Administration   Service Categories:

STRATEGY: 3   Other Support Services   Service: 09   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Objects of Expense:						
1001	SALARIES AND WAGES	$606,019	$788,106	$875,669	$875,669	$875,669
1002	OTHER PERSONNEL COSTS	$59,711	$45,645	$14,620	$44,640	$48,060
2001	PROFESSIONAL FEES AND SERVICES	$2,689	$984	$984	$984	$984
2002	FUELS AND LUBRICANTS	$652	$0	$0	$0	$0
2003	CONSUMABLE SUPPLIES	$3,856	$7,203	$2,560	$2,560	$2,560
2004	UTILITIES	$4,597	$2,350	$1,043	$1,043	$1,043
2005	TRAVEL	$4,349	$8,610	$3,250	$3,250	$3,250
2006	RENT - BUILDING	$23,257	$57,709	$50,197	$50,197	$50,197
2007	RENT - MACHINE AND OTHER	$10,163	$3,849	$3,300	$3,300	$3,300
2009	OTHER OPERATING EXPENSE	$27,578	$56,097	$13,952	$47,091	$15,794
5000	CAPITAL EXPENDITURES	$481	$0	$0	$0	$0
	TOTAL, OBJECT OF EXPENSE	**$743,352**	**$970,553**	**$965,575**	**$1,028,734**	**$1,000,857**
	Method of Financing:					
1	General Revenue Fund	$520,703	$662,655	$647,009	$710,168	$682,291
	SUBTOTAL, MOF (GENERAL REVENUE FUNDS)	**$520,703**	**$662,655**	**$647,009**	**$710,168**	**$682,291**

452 Department of Licensing and Regulation

GOAL: 3   Indirect Administration

OBJECTIVE: 1   Indirect Administration   Service Categories:

STRATEGY: 3   Other Support Services   Service: 09   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
Method of Financing:						
501	Motorcycle Education Acct	$43,450	$35,510	$46,178	$46,178	$46,178
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		**$43,450**	**$35,510**	**$46,178**	**$46,178**	**$46,178**
Method of Financing:						
666	Appropriated Receipts	$179,199	$272,388	$272,388	$272,388	$272,388
SUBTOTAL, MOF (OTHER FUNDS)		**$179,199**	**$272,388**	**$272,388**	**$272,388**	**$272,388**
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$1,028,734**	**$1,000,857**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$743,352**	**$970,553**	**$965,575**	**$1,028,734**	**$1,000,857**
FULL TIME EQUIVALENT POSITIONS:		**11.0**	**16.0**	**16.0**	**16.0**	**16.0**

STRATEGY DESCRIPTION AND JUSTIFICATION:

3.A.   Page 49 of 52

452 Department of Licensing and Regulation

GOAL: 3   Indirect Administration

OBJECTIVE: 1   Indirect Administration   Service Categories:

STRATEGY: 3   Other Support Services   Service: 09   Income: A.2   Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

Other Support Services is responsible for all mail services, purchasing, contract administration, risk management, vehicle fleet compliance, and management of almost $4.3 million in fixed and controlled assets. The contracting and procurement section orders supplies for needed services The Operations team receives, stores, and issues supplies and arranges sourcing for needed services. The section also keeps detailed contracting and purchasing records for fiscal, legal, and operational purposes. TDLR employs qualified procurement professionals, each of whom is trained and certified consistent with guidelines established by the Comptroller of Public Accounts.

Authority: Gov't Code Chs. 2261, 2155, 2156, 2157, 2158

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The Legislature often shores up shortcomings in contracting laws by legislating additional (and sometimes complex) compliance processes for contracting.

TDLR's regulatory responsibilities will continue to increase if we are entrusted with more programs by the Legislature. Additional regulatory responsibilities would result in increased demand for mail processing and procurement.

Supply chain issues and vehicle recalls occasionally continue to make it challenging to obtain replacement vehicles.   Most vehicle types are available but there are certain vehicle types that are sometimes difficult to acquire.

452 Department of Licensing and Regulation

GOAL:	3	Indirect Administration		
OBJECTIVE:	1	Indirect Administration	Service Categories:	
STRATEGY:	3	Other Support Services	Service: 09 Income: A.2 Age: B.3	

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
$1,936,128	$2,029,591	$93,463	$87,563	Increase of salaries and wages
			$32,435	Increase of projected other personnel costs
			$(4,643)	Decrease of projected consumable costs
			$(1,307)	Decrease of projected utility costs
			$(5,360)	Decrease of projected travel
			$(7,512)	Decrease of projected building rent
			$(549)	Decrease of projected machine and other rent
			$(7,164)	Decrease of projected other operating costs
			$93,463	**Total of Explanation of Biennial Change**

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	$45,930,421	$86,206,478	$53,445,856	$57,389,561	$57,389,560
METHODS OF FINANCE (INCLUDING RIDERS):				$57,389,561	$57,389,560
METHODS OF FINANCE (EXCLUDING RIDERS):	$45,930,421	$86,206,478	$53,445,856	$57,389,561	$57,389,560
FULL TIME EQUIVALENT POSITIONS:	489.1	586.2	590.7	590.7	590.7

3.B. Rider Revisions and Additions Request

Agency Code:	Agency Name:	Prepared By:	Date:	Request Level:
452	TX Department of Licensing and Regulation	Karen Sands	08/16/2024	Baseline

Current Rider Number	Page Number in 2024–25 GAA	Proposed Rider Language
2	VIII-26	**Capital Budget.** None of the funds appropriated may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code §1232.103.

		2026	2027	~~2024~~	~~2025~~
a. Acquisition of Information Resource Technologies					
(1) Purchase of Information Resource Technologies - Scheduled PC Replacement		$ 83,580	$ 83,580	~~$ 82,852~~	~~$ 83,580~~
b. Data Center Consolidation					
(1) Data Center Consolidation		$ 1,392,460	$ 1,679,827	~~$ 1,584,357~~	~~$ 1,422,926~~
c. Legacy Modernization					
(1) Acquire a Modern and Comprehensive Licensing System		$ 4,400,000	$ 4,400,000	~~$ 32,900,000~~	~~$ 0~~
Total, Capital Budget		$ 5,876,040	$ 6,163,407	~~$ 34,567,209~~	~~$ 1,506,506~~
Method of Financing (Capital Budget):					
General Revenue Fund		$ 5,876,040	$ 6,163,407	~~$ 34,567,209~~	~~$ 1,506,506~~
Total, Method of Financing		$ 5,876,040	$ 6,163,407	~~$ 34,567,209~~	~~$ 1,506,506~~

This rider has been changed to reflect the 2026-27 Capital Budget Request. An explanation of the requested items and the impact on Agency operation is included in the Capital Budget Schedules.

5	VIII-27	**Contingent Appropriation: Combative Sports Regulation.** In addition to the amounts appropriated above, the Department of Licensing and Regulation is appropriated $30,000 out of funds collected by the agency and deposited to the General Revenue Fund during each fiscal year for the 2026-27~~2024-25~~ biennium, for each combative sports event managed by the department for which ticket sales exceed $2,000,000 (estimated to be one event) contingent upon the Department of Licensing and Regulation assessing fees and taxes sufficient to generate $30,000 for each such combative sports event. The Department of Licensing and Regulation shall complete all necessary actions to assess or increase such additional revenue. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact shall be issued and the contingent appropriation shall be made available for the intended purpose. *This rider has been revised to reflect the 2026-27 biennium.*
7	VIII-27	**Barbering and Cosmetology School Tuition Protection Account.** Out of the amounts appropriated above to the Texas Department of Licensing and Regulation in Strategy A.1.3, Examinations/Continuing Education, the amounts of $85,000 in fiscal year 2026~~2024~~ and $85,000 in fiscal year 2027~~2025~~ are from the GR-Dedicated Barbering and Cosmetology School Tuition Protection Account No. 5192, for the purpose of paying expenses and refunds authorized by the department under the provisions of Occupations Code Section 1603.3608. The Department of Licensing and Regulation, upon completion of necessary actions to assess or increase additional fees, shall furnish copies of the Department of Licensing and Regulation's minutes and other information supporting the estimated revenues to be generated for the 2026-27~~2024-25~~ biennium under the revised fee structure to the Comptroller of Public Accounts. Any unexpended balances as of August 31, 2026~~2024~~, in appropriations made to the Texas Department of Licensing and Regulation for this purpose are appropriated for the same purpose for the fiscal year beginning September 1, 2026~~2024~~. *This rider has been revised to reflect the 2026-27 biennium.*
8	VIII-27	~~**Reimbursement of Advisory Committee Members for Travel Expenses.**[3] Pursuant to Government Code Section 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees: Air Conditioning and Refrigeration Contractors Advisory Board; Advisory Board of Athletic Trainers; Architectural Barriers Advisory Committee; Auctioneer Advisory Board; Barbering and Cosmetology Advisory Board; Behavior Analysts Advisory Board; Board of Boiler Rules; Combative Sports Advisory Board; Code Enforcement Advisory Board; Dietitians Advisory Board; Driver Training and Traffic Safety Advisory Committee; Dyslexia Therapists and Practitioners Advisory Committee; Electrical Safety and Licensing Advisory Board; Elevator Advisory Board; Hearing Instrument Fitters and Dispensers Advisory Board; Texas Industrial Building Code Council; Licensed Breeders Advisory Committee; Massage Therapy Advisory Board; Midwives Advisory Board; Motor Fuel Metering and Quality Advisory Board; Motorcycle Safety Advisory Board;~~

		~~Orthotists and Prosthetists Advisory Board; Podiatric Medical Examiners Advisory Board; Property Tax Consultants Advisory Council; Registered Sanitarian Advisory Committee; Speech-Language Pathologist and Audiologist Advisory Board; Texas Tax Professional Advisory Committee; Towing and Storage Advisory Board; Used Automotive Parts Recycling Advisory Board; Water Well Drillers Advisory Council; and Weather Modification Advisory Committee.~~ ~~Contingent on the enactment of Senate Bill 1213, or similar legislation relating to the establishment of the Mold Assessment and Remediation Advisory Board under the Texas Department of Licensing and Regulation, by the Eighty-Eighth Legislature, Regular Session, the Mold Assessment and Remediation Advisory Board is included as an advisory committee whose members are eligible for reimbursement of travel expenses.~~ *This rider is requested to be removed because the Department of Licensing and Regulation's enabling statute, Chapter 51, Occupations Code, was amended by the 88th Legislature to add that notwithstanding any other law, Chapter 2110, Government Code, does not apply to an advisory board established to advise the Texas Commission of Licensing and Regulation or the department. This rider, required by Sec. 2110.004, is no longer necessary.*
11	VIII-28	**Human Trafficking Prevention.** Notwithstanding Article VIII, Special Provisions Relating to all Regulatory Agencies, Sec. 2, Appropriations Limited to Revenue Collections, out of funds appropriated above for the Department of Licensing and Regulation, $1.553,158~~1,511,967~~ in General Revenue and 22.0 full-time equivalent (FTE) positions for fiscal year 2026~~2024~~, and $1,553,558~~1,489,931~~ in General Revenue and 22.0 FTE for fiscal year 2027~~2025~~ shall be used for education, inspections and enforcement actions by the Texas Department of Licensing and Regulation ~~and its Anti-Trafficking Unit~~ to combat human trafficking in the department's regulated programs. *This rider has been revised to reflect the 2026-27 biennium, to reflect that the Anti-Trafficking Unit has been repurposed and its workload have been distributed to appropriate divisions in the department, and to revise the appropriation amounts to reflect the impending five percent salary increases on September 1, 2024, and the requested salary increases for anti-trafficking FTEs included in Exceptional Item Number 1.*
12	VIII-28	**Financial Crimes Intelligence Center.** Notwithstanding Article VIII, Special Provisions Relating to all Regulatory Agencies, Sec. 2, Appropriations Limited to Revenue Collections, out of funds appropriated above to the Department of Licensing and Regulation, $13,476,546~~4,292,805~~ for fiscal year 2026~~2024~~ and $12,265,512~~3,383,658~~ for fiscal year 2027~~2025~~ from General Revenue shall be used to fund the Financial Crimes Intelligence Center as required by Chapter 2312, Occupations Code. *This rider has been revised to reflect the 2026-27 biennium and reflect the appropriation amounts requested in Exceptional Item Request Number 3.*

13	VIII-28	**Motorcycle Operator Safety and Training.** Amounts appropriated above in Strategy A.1.1, Issue Licenses, Registrations, & Certificates to Qualified Individuals; Strategy A.1.3, Administer Exams to Applicants; Strategy A.1.4, Provide Customer Service; and Strategy C.1.3, Other Support Services, together include ~~a total of $256,441 each fiscal year from the Motorcycle Education Account No. 501 for transfer to the Texas A&M Engineering Extension Service to be used for the development and administration of a motorcycle operator training and safety instruction program, and a total of~~ $287,500 from the Motorcycle Education Account No. 501 each fiscal year for transfer to the Texas A&M Transportation Institute to be used for motorcycle safety research, advocacy, and education. *This rider has been revised to remove the Texas A&M Engineering Extension Service from the rider following the service's removal from Chapter 662, Transportation Code, and its requirements regarding a motorcycle training and safety instruction program.*
14	VIII-29	**14. <u>Unexpended Balances Appropriation:</u> Modern and Comprehensive Licensing System.** Notwithstanding Article VIII, Special Provisions Relating to all Regulatory Agencies, Sec. 2, Appropriations Limited to Revenue Collections, <u>any unobligated and unexpended balances of funds remaining as of August 31, 2025, that were appropriated to the Department of Licensing and Regulation for the 2024-25 biennium for the capital budget item in the Legacy Modernization category are appropriated for the fiscal biennium beginning September 1, 2025, for the same purpose</u> ~~out of funds appropriated above to the Texas Department of Licensing and Regulation in Strategy C.1.2, Information Resources, $32,900,000 for fiscal year 2024 from General Revenue shall be used to develop a cloud-based, standardized licensing platform~~. *This rider has been revised to give the Department of Licensing and Regulation authority to expend any unexpended balance appropriation existing for the development of the department's cloud-based, standardized licensing platform to finish that development.*

3.C. Rider Appropriations and Unexpended Balances Request
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/22/2024**
TIME: **11:33:08AM**

Agency Code: 452 Department of Licensing and Regulation

RIDER	STRATEGY	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
3 1	Special Boiler Inspections	$126,000	$83,500	$0	$0	$0
	2-1-1 CONDUCT INSPECTIONS					

OBJECT OF EXPENSE:

	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
2005 TRAVEL	$126,000	$83,500	$0	$0	$0
Total, Object of Expense	**$126,000**	**$83,500**	**$0**	**$0**	**$0**

METHOD OF FINANCING:

	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
666 Appropriated Receipts	$126,000	$83,500	$0	$0	$0
Total, Method of Financing	**$126,000**	**$83,500**	**$0**	**$0**	**$0**

Description/Justification for continuation of existing riders or proposed new rider

This rider is necessary to ensure that the agency can continue to provide special inspection services (included in Section 755.028 of the Boiler Law) to owners, operators, and manufacturers of boilers. Given the significant health and safety issues associated with the program, it is important that TDLR have this funding flexibility. These special inspection services include comprehensive audits for certification to construct, assemble and/or repair boilers or pressure vessels. Agency staff is able to provide these services at a significantly lower cost than private sector entities, thus saving money for manufacturers and users of boilers and pressure vessels in Texas. These certifications help further the Boiler Program's purpose to protect Texans through the safe construction, operation, and inspection of boilers. These funds also allow staff to:
1) interface with other jurisdictions/states to facilitate interstate commerce in boilers and pressure vessels, and to standardize associated safety requirements;
2) interface with professional engineering societies to affect the development of standard boiler construction and safety codes;
3) interface with national boiler and pressure vessel inspection organizations to affect the development of standard boiler and pressure vessel construction, repair, alteration, and safety inspection codes; and
4) provide training and education to professional organizations involved in the installation, operation, and maintenance of boilers.

3.C. Rider Appropriations and Unexpended Balances Request
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/22/2024**
TIME: **11:33:08AM**

Agency Code: 452 Department of Licensing and Regulation

RIDER	STRATEGY	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
4 1	Elevators and Escalators	$390,812	$1,088,540	$0	$0	$0
	2-1-1 CONDUCT INSPECTIONS					

OBJECT OF EXPENSE:

2009 OTHER OPERATING EXPENSE		$390,812	$1,088,540	$0	$0	$0
Total, Object of Expense		**$390,812**	**$1,088,540**	**$0**	**$0**	**$0**

METHOD OF FINANCING:

666	Appropriated Receipts	$390,812	$1,088,540	$0	$0	$0
Total, Method of Financing		**$390,812**	**$1,088,540**	**$0**	**$0**	**$0**

Description/Justification for continuation of existing riders or proposed new rider

This rider enables the agency to fulfill the program's purpose, to ensure the safety of people in Texas who ride or work on elevators, escalators, moving walks, wheelchair
lifts and related equipment, by allowing staff to:
1) provide timely training, education, and notification to inspectors, contractors, owners and users of elevators and related equipment;
2) review and process a steadily increasing number of inspections and inspectors;
3) electronically image inspection reports to make them available to inspectors and other interested parties via our website;
4) develop expanded on-line services for third party inspectors, building owners and individuals reporting equipment status or unsafe elevators;
5) publicize and administer a public safety awareness program for this equipment;
6) further expand the capabilities and information available through on-line searchable databases; and
7) expand capabilities for online payments and electronic submittals.

3.C. Rider Appropriations and Unexpended Balances Request
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/22/2024**
TIME: **11:33:08AM**

Agency Code: 452 Department of Licensing and Regulation

RIDER	STRATEGY	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
6 1	Auctioneer Education and Recovery 2-1-3 RESOLVE COMPLAINTS	$25,000	$25,000	$25,000	$0	$0

OBJECT OF EXPENSE:

1001 SALARIES AND WAGES		$25,000	$25,000	$25,000	$0	$0
Total, Object of Expense		**$25,000**	**$25,000**	**$25,000**	**$0**	**$0**

METHOD OF FINANCING:

898 Auction Educ & Rec Trust		$25,000	$25,000	$25,000	$0	$0
Total, Method of Financing		**$25,000**	**$25,000**	**$25,000**	**$0**	**$0**

Description/Justification for continuation of existing riders or proposed new rider

The Auctioneer Education and Recovery Fund (AERF) is a trust fund administered by the department to pay claims against licensed auctioneers. Claims are filed by consumers who have been harmed by the actions of an auctioneer. Claims are investigated by Enforcement Division staff. The claimant and the auctioneer are notified of the agency's determination and given the opportunity to request a hearing if they disagree with the determination. Once a claim is paid, an auctioneer is required to repay the fund plus interest. The fund also helps make possible essential and ongoing efforts to educate the auctioneer industry and the public about auctioneering in Texas. In overseeing the AERF, the department serves the important purpose of preventing waste of funds. The proper administration of the fund requires department staff to conduct thorough investigation of each consumer complaint and spend time reviewing and giving careful consideration to any educational grant proposals submitted.

3.C. Rider Appropriations and Unexpended Balances Request
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2024
TIME: 11:33:08AM

Agency Code: 452 Department of Licensing and Regulation

RIDER	STRATEGY	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
SUMMARY:						
OBJECT OF EXPENSE TOTAL		$541,812	$1,197,040	$25,000	$0	$0
METHOD OF FINANCING TOTAL		$541,812	$1,197,040	$25,000	$0	$0

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Recruit, Retain, and Enhance Qualified Workforce		
	Item Priority: 1		
	IT Component: No		
	Anticipated Out-year Costs: Yes		
	Involve Contracts > $50,000: No		
	Includes Funding for the Following Strategy or Strategies: 01-01-01 Issue Licenses, Registrations, & Certificates to Qualified Individuals		
	01-01-02 License Businesses and Facilities		
	01-01-03 Administer Exams to Applicants		
	01-01-04 Provide Customer Service		
	02-01-01 Enforce Laws by Conducting Routine, Complex, and Special Inspections		
	02-01-02 Perform Building Plan Reviews		
	02-01-03 Enforce Compliance by Settlement, Prosecution, Penalty and Sanction		
	02-01-04 Investigate Complaints		
	03-01-01 Central Administration		
	03-01-02 Information Resources		
	03-01-03 Other Support Services		

OBJECTS OF EXPENSE:

CODE	DESCRIPTION	Excp 2026	Excp 2027
1001	SALARIES AND WAGES	2,215,914	2,215,914
2005	TRAVEL	43,200	43,200
2006	RENT - BUILDING	18,750	18,750
2009	OTHER OPERATING EXPENSE	122,093	51,060
	TOTAL, OBJECT OF EXPENSE	**$2,399,957**	**$2,328,924**

METHOD OF FINANCING:

CODE	DESCRIPTION	Excp 2026	Excp 2027
1	General Revenue Fund	2,399,957	2,328,924
	TOTAL, METHOD OF FINANCING	**$2,399,957**	**$2,328,924**
	FULL-TIME EQUIVALENT POSITIONS (FTE):	12.00	12.00

DESCRIPTION / JUSTIFICATION:

Over the past nine years, TDLR has seen a 41% increase in our licensed population, matching growth in Texas' population, and 25 new and transferred programs greatly expanded our workload. While our FTE cap is 590.7, we have struggled to employ more than 510 FTEs, due to below-market and lower state salary averages for roughly two-thirds of our positions.

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

CODE	DESCRIPTION	Excp 2026	Excp 2027

TDLR struggles to competitively compensate its employees because other state agencies and the private sector offer significantly higher pay for comparable work. Of 78 TDLR job postings in the past two years, the average time the posting stayed open is 69 days. Five of the postings were open for over 200 days, eight of them 100-199 days, and 34 open 50-100 days.

Challenges with recruitment and retention stem in part from the labor market and a lack of competitive compensation due to our salaries falling below those offered by other state agencies. Two-thirds of TDLR's classifications are compensated at a lower wage compared to overall state agency average salary for these same classifications. Over the last four years, TDLR has had 180 employees leave employment; of those, 32 percent left for other state agencies. The percentage that has left TDLR and then found employment at other agencies increases each year, reaching 74 percent in FY 2024.

Due to the lack of adequate staffing to work requested events, and the addition of slap fight, TDLR requests the addition of two Program Specialist III FTE positions and one Program Specialist II FTE positions.
The number of water wells drilled each year in Texas, and the number of deteriorated and abandoned wells that pose a constant danger, necessitate a request for one Hydrologist II.
Modular construction is experiencing significant growth, with projections indicating it will double in size within the next five years. To ensure TDLR can continue to perform required certifications, plan reviews, and audits of constructed units, we request one Program Specialist III.

EXTERNAL/INTERNAL FACTORS:

For years TDLR has lost numerous employees to the private sector and other state agencies, employees needed to keep the agency running at the level expected of TDLR. We need to offer compensation that comes close to matching at least those of other state agencies to stem the growing departure to those agencies. As salaries in the private sector and other state agencies increase, TDLR will need to request further funding to attempt to compete with those rising salaries and have any hope of recruiting talented applicants and retaining essential employees.

As the popularity of combative sports grows in Texas, TDLR continues to need additional personnel to oversee the growing number of events requested each week. TDLR has recently not had the staffing needed to approve and work all requested events, but new program specialists will allow the full number of requested events to be approved to take place.

Last year 30,000 new water wells were drilled in Texas, and there are approximately 150,000 abandoned and deteriorated water wells in the state. TDLR hydrologists investigate consumer complaints and perform compliance investigations of numerous types of water wells to ensure compliance with well construction standards. Hydrologists also conduct investigations of abandoned and deteriorated water wells which must be plugged, completed, or capped. The number of water wells will continue to grow as new people move to Texas, increasing the need for more hydrologists to protect our water resources.

Modular construction has grown significantly, and projections indicate it will double in size within five years. Over 75% of these constructions are residential homes, multi-family dwellings, and hotels. As the construction of these buildings continues to increase, the need for program specialists who perform plan reviews, manufacturer certifications, and site inspections, and ensure these building are safe and built to code, will also grow.

PCLS TRACKING KEY:

Agency code:　　**452**　　　　　　　Agency name:　**Department of Licensing and Regulation**

CODE	DESCRIPTION	Excp 2026	Excp 2027

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Continued staff costs.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
$2,328,924	$2,328,924	$2,328,924

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

CODE	DESCRIPTION	Excp 2026	Excp 2027

	Item Name:	Comprehensive Expansion of TDLR's Cybersecurity	
	Item Priority:	2	
	IT Component:	Yes	
	Anticipated Out-year Costs:	Yes	
	Involve Contracts > $50,000:	Yes	
	Includes Funding for the Following Strategy or Strategies:	03-01-02 Information Resources	

OBJECTS OF EXPENSE:

CODE	DESCRIPTION	Excp 2026	Excp 2027
5000	CAPITAL EXPENDITURES	781,500	656,500
	TOTAL, OBJECT OF EXPENSE	**$781,500**	**$656,500**

METHOD OF FINANCING:

CODE	DESCRIPTION	Excp 2026	Excp 2027
1	General Revenue Fund	781,500	656,500
	TOTAL, METHOD OF FINANCING	**$781,500**	**$656,500**

DESCRIPTION / JUSTIFICATION:

TDLR's Information Security Division protects our information technology assets and delivers cybersecurity incident detection and response , vulnerability assessment and remediation, threat assessment, and software security services. To guarantee the secure and efficient operation of TDLR systems for the benefit of all Texans, we are seeking funding to support the Information Security Division in the following areas:

• Advanced Email Security
• Increased Cloud Security Event Logging
• Cloud system zero trust access platform
• Disaster Recovery Testing
• Third-Party Software Patching System
• End-of-Support / End-of-Life Network Hardware/Systems
• WAX/LAN Network Resiliency
• Application Performance Monitoring

EXTERNAL/INTERNAL FACTORS:

Factors include the always advancing but still vulnerable technology used by the state and the attacks on it. The public increasingly relies on the technology and web applications of state agencies to meet their needs when interacting with an agency, and fully functional operating systems are essential to providing the services that accomplish that. The increasing number and sophistication of cyberthreats requires the agency to increase and improve its cyber defenses, to be better than those threats and counter them. The rate at which threats evolve and increase drives the need for ever more modern and advanced responses.

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

CODE	DESCRIPTION	Excp 2026	Excp 2027

PCLS TRACKING KEY:

PCLS_89R_452_1563978

DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:

TDLR needs multiple new security components to ensure our continued ability to protect our systems and data. The modernization project currently underway at TDLR will result in a changing threat landscape and a need to adjust our security infrastructure alongside the new enterprise architecture. This will include advanced email security, increased cloud security event logging, cloud system zero-trust access platform integration, disaster recovery testing, a third-party software patching system, support for our end-of-support and end-of-life network hardware and systems, WAN/LAN network resiliency, and application performance monitoring.

IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?

CURRENT

STATUS:

Some components are in progress, but additional funding to needed to continue improvements.

OUTCOMES:

Acquire tools to significantly improve TDLR's cybersecurity posture and align it with the introduction of new cloud-based technologies and prepare for coming technological initiatives so the cybersecurity program can proactively address threats.

OUTPUTS:

Advanced email security - Continued innovation on prevention and detection of email account takeover, inbound phishing email, and 3rd-party application credential compromise are needed. Additionally, automation of high-risk configuration changes to users, applications, and tenants alerts, and triage/remediation of user-reported emails shortens the time to detection and increases the effectiveness of the cybersecurity teams responses. Increased cloud security event logging - Over time the licensing systems' logging requirements have increased with additional functionality auditing and security logs are needed to be collected, analyzed and retained to ensure events can be traced and the confidentiality and integrity of the system data can be maintained. This requires additional log collection will need to be maintained and processed through the TDLR Security Information and Event Management tools increasing the cost. Cloud system zero trust access platform - As Remote and Hybrid work continues and TDLR increases their cloud based web facing customer interfaces with licensees and the public, the security boundary is stretched away from centralized systems and networks to end user computers. This will require a shift in the mechanisms utilized to protect these connections and interactions from relying on perimeter security to cloud based access controls. Disaster recovery testing - In order to maintain readiness, and in compliance with the DIR Security Controls Catalog CP-4, TDLR needs to test the disaster recovery plan functions. In past years this testing was incorporated in the DCS systems costs. Now this is a separate cost that agencies must bear in order to validate the recovery capabilities of agency systems in the state data center annually. Third-party software patching system - While operating system patching is well established and primarily automated, 3rd-party software patching is a mostly manual process requiring a tool to manage the download and update of additional software in use on TDLR workstations. TDLR's current 3rd-Party software patching tool will go end-of-support in the next biennium and needs to be replaced to ensure that the patching of 3rd-party software is maintained. End of support/end of life network hardware and systems - TDLR has 56 network devices that are currently or will enter end-of-support or end-of-life over the next biennium. Unsupported network devices are a critical vulnerability in the security of TDLR's perimeter defenses. WAN/LAN Network resiliency - Currently TDLR has only one external network interface and connection to the consolidated data center. As TDLR has employed a hybrid workforce the loss of connectivity from the single network demarcation point presents a single point of failure for the agency operations. Application performance monitoring - TDLR needs significantly improved monitoring tools to properly manage and protect our existing assets. This need will be somewhat transitory as our needs will change with the new licensing system. However, in the interim TDLR needs additional tools and services to protect and support our existing systems and infrastructure. Today, we essentially have no visibility into how our systems interact, what normal performance and traffic patterns look like, nor any in-depth capabilities into problems when an event happens.

Agency code:	**452**	Agency name:	**Department of Licensing and Regulation**

CODE	DESCRIPTION	Excp 2026	Excp 2027

TYPE OF PROJECT

Acquisition and Refresh of Hardware and Software

ALTERNATIVE ANALYSIS

TDLR will not be able to achieve adequate cybersecurity protections for the technical environment without these investments. As we continue to pursue modern solutions, we need the tools to adapt our cybersecurity protections to new and changing environments. TDLR can continue to use existing products and tools but may not be able to adequately protect the TDLR environment from emerging threats based on the introduction of new platforms and tools.

ESTIMATED IT COST

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
$0	$0	$781,500	$656,500	$530,900	$530,900	$530,900	$3,030,700

SCALABILITY

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
$0	$0	$0	$0	$0	$0	$0	$0

FTE

2024	2025	2026	2027	2028	2029	2030	
0.0	0.0	0.0	0.0	0.0	0.0	0.0	

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Out-year costs are for cloud software subscriptions, annual DSTS costs, annual maintenance, and annual software licensing.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
$530,900	$530,900	$530,900

APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM :   14.00%

CONTRACT DESCRIPTION :

Contracts for increased cloud security event logging and zero trust access with SaaS providers, and DIR cooperative contracts for network hardware and application

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

CODE	DESCRIPTION	Excp 2026	Excp 2027

performance monitoring.

4.A. Exceptional Item Request Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/22/2024**
TIME: **11:33:08AM**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name:	Expansion and Support for Financial Crimes Intelligence Center	
	Item Priority:	3	
	IT Component:	No	
	Anticipated Out-year Costs:	Yes	
	Involve Contracts > $50,000:	No	
	Includes Funding for the Following Strategy or Strategies:	02-01-01 Enforce Laws by Conducting Routine, Complex, and Special Inspections	

OBJECTS OF EXPENSE:

2009	OTHER OPERATING EXPENSE	10,000,199	9,698,312
	TOTAL, OBJECT OF EXPENSE	**$10,000,199**	**$9,698,312**

METHOD OF FINANCING:

1	General Revenue Fund	10,000,199	9,698,312
	TOTAL, METHOD OF FINANCING	**$10,000,199**	**$9,698,312**

DESCRIPTION / JUSTIFICATION:

The Financial Crimes Intelligence Center (FCIC) became operational in January 2022, and to date has prevented, intercepted, or recovered $261,300,900 in loss to the Texas economy. Additionally, the FCIC is responsible for the arrest of 251 members of organized crime groups and has identified 900 suspects for allied law enforcement. The FCIC is the only intelligence/law enforcement agency of its kind in existence and has become the national clearinghouse for intelligence related to organized financial crime.

It is essential that the FCIC expand its personnel, equipment, facilities, and capabilities to meet the increased and ever-evolving threat of international organized crime. To that end, the FCIC is requesting salary raises based on the standardized pay scale for 16 existing personnel, as well as an additional 25 new FTEs to supplement internal operations, field operations, and the digital forensics laboratory. With the addition of these new FTEs, the FCIC will maintain 27 sworn law enforcement officer positions.

The FCIC is also requesting additional funding for vehicle purchases and leases, upfitting, and maintenance; funding for new field operations equipment, software, and intel subscriptions; and hardware and software upgrades for the Digital Forensics Laboratory located in Tyler.

EXTERNAL/INTERNAL FACTORS:

The amount of criminal activity related to card skimming, fuel theft, and various fraud schemes affects the funding needs the Financial Crimes Intelligence Center. The rate at which criminal organizations evolve and develop new technology in order to counter law enforcement techniques drives the need for FCIC to continuously evolve its technological edge in order to stay ahead of these criminal organizations. The increase in card skimming activity year over year also highlights the increasing need for increasing appropriations, and this funding also allows the FCIC to apprise merchants of the latest security measures implemented by industry, and to respond to an exponential increase in the number of requests for assistance from other law enforcement in investigating Transnational Organized Financial Crime.

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

CODE	DESCRIPTION	Excp 2026	Excp 2027

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Ongoing staff, subscriptions, and equipment costs.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
$9,698,312	$9,698,312	$9,698,312

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

CODE	DESCRIPTION	Excp 2026	Excp 2027

Item Name:	Enforce Emergency Order Closures of Massage Establishments	
Item Priority:	4	
IT Component:	No	
Anticipated Out-year Costs:	Yes	
Involve Contracts > $50,000:	No	
Includes Funding for the Following Strategy or Strategies:	02-01-01	Enforce Laws by Conducting Routine, Complex, and Special Inspections
	02-01-03	Enforce Compliance by Settlement, Prosecution, Penalty and Sanction
	02-01-04	Investigate Complaints

OBJECTS OF EXPENSE:

Code	Description	Excp 2026	Excp 2027
1001	SALARIES AND WAGES	697,503	697,503
2005	TRAVEL	51,300	51,300
2006	RENT - BUILDING	37,500	37,500
2009	OTHER OPERATING EXPENSE	129,894	25,313
	TOTAL, OBJECT OF EXPENSE	**$916,197**	**$811,616**

METHOD OF FINANCING:

		Excp 2026	Excp 2027
1	General Revenue Fund	916,197	811,616
	TOTAL, METHOD OF FINANCING	**$916,197**	**$811,616**

FULL-TIME EQUIVALENT POSITIONS (FTE): 10.00 | 10.00

DESCRIPTION / JUSTIFICATION:

House Bill 3579, passed by the 88th Legislature, authorizes TDLR's executive director to issue an emergency order halting all business at massage establishments where human trafficking activity is suspected by TDLR or law enforcement. This new tool gives TDLR a unique opportunity to further combat human trafficking in our communities.

As of this writing, TDLR has more than 80 open investigations that are under consideration for an emergency order using the HB 3579 authority, and we anticipate that, unfortunately, those numbers will continue to climb. Each case involving human trafficking is escalated and receives the highest priority ranking, which contributes to a significantly increased workload for our already-overworked staff in enforcement, compliance, and field inspections.

Appropriations for this exceptional item include one FTE to provide victim services, pre-hearing preparation, and expert testimony at SOAH hearings; two FTE attorneys and two FTE legal assistants for increased intake, investigation, and prosecution of these cases; and five FTE field inspectors located around the state to conduct risk-based follow-up inspections after an emergency order has been issued.

EXTERNAL/INTERNAL FACTORS:

The number of emergency orders TDLR issues depends on the amount of time law enforcement can spend visiting and investigating massage therapy establishments, and the

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

CODE	DESCRIPTION	Excp 2026	Excp 2027

number inspected by department inspectors. It further depends on how many of those establishments are investigated by law enforcement for an offense in the Penal Code of trafficking of persons, and then law enforcement gives notice to TDLR of, or it learns of, the investigation. It also depends on how many inspected establishments give TDLR reasonable cause to believe the trafficking of persons is being committed at an establishment.

PCLS TRACKING KEY:

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Continued staff costs.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
$811,616	$811,616	$811,616

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Replacement of Helpdesk System		
	Item Priority: 5		
	IT Component: Yes		
	Anticipated Out-year Costs: Yes		
	Involve Contracts > $50,000: Yes		
	Includes Funding for the Following Strategy or Strategies: 03-01-02 Information Resources		

OBJECTS OF EXPENSE:

2009	OTHER OPERATING EXPENSE	100,000	50,000
	TOTAL, OBJECT OF EXPENSE	**$100,000**	**$50,000**

METHOD OF FINANCING:

1	General Revenue Fund	100,000	50,000
	TOTAL, METHOD OF FINANCING	**$100,000**	**$50,000**

DESCRIPTION / JUSTIFICATION:

TDLR currently uses Remedyforce Self Service for its IT helpdesk ticketing system, which is a critical component of TDLR's processes and allows the agency to accept, track, and respond to technology support requests in an organized fashion. The system currently has a license cost of approximately $50,000 annually. BMC Software, the company that provides Remedyforce, is raising the annual cost of the self-service portal, and has stated that Remedyforce ultimately has two years until its end-of-life, which has forced TDLR to find another solution.

EXTERNAL/INTERNAL FACTORS:

This exceptional item is aligned with Goal #1 of TDLR's Agency Operational Goals: Procure and successfully implement the Legacy Systems Replacement Project to replace TDLR's legacy systems.

PCLS TRACKING KEY:

PCLS_89R_452_1563138

DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:

TDLR seeks budget authority to contract for a comprehensive ticketing system that can support TDLR's pursuit of operational excellence. TDLR's current solution is a heavily customized software package that requires specific skills and knowledge to maintain. This maintenance takes resources away from supporting TDLR's mission critical systems. The market has many viable solutions today that will alleviate the burden of TDLR supporting and customizing the current solution. TDLR's current vendor has given an end of life of 2026 for the current solution.

IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?

NEW

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

CODE	DESCRIPTION	Excp 2026	Excp 2027

STATUS:

This is a new project.

OUTCOMES:

Acquire a ticketing system that can store, manage, track, and report on customer support requests. The ticketing system will serve as a central repository for all tickets allowing customers to submit and track their request while allowing the team responsible for resolution of the ticket to seamlessly manage the entire process. This repository (the ticketing solution) will improve communication, increase productivity, and provide improved reporting capabilities.

OUTPUTS:

Shorter time to resolution, increased self-service options, eliminating multiple redundant channels of communication by serving as single source of record (truth). Eliminate the need for TDLR resources to be directly responsible for customizing and maintaining a ticketing system.

TYPE OF PROJECT

Acquisition and Refresh of Hardware and Software

ALTERNATIVE ANALYSIS

TDLR can achieve operational excellence without the requisite tools in place to support our processes. TDLR can continue to use the existing system until the end of life. At that point, the system would no longer be supported. Thus, TDLR would be at risk of having to perform more tasks manually.

ESTIMATED IT COST

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
$0	$0	$100,000	$50,000	$50,000	$50,000	$50,000	$300,000

SCALABILITY

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
$0	$0	$0	$0	$0	$0	$0	$0

FTE

2024	2025	2026	2027	2028	2029	2030	
0.0	0.0	0.0	0.0	0.0	0.0	0.0	

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

There will be an annual cost for support and maintenance.

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

CODE	DESCRIPTION	Excp 2026	Excp 2027

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
$50,000	$50,000	$50,000

APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM :   100.00%

CONTRACT DESCRIPTION :

Contract(s) would be for software, implementation services, on-going support, and possibly staff augmentation.

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

CODE	DESCRIPTION	Excp 2026	Excp 2027

Item Name: Scheduled PC Replacement

Item Priority: 6

IT Component: Yes

Anticipated Out-year Costs: No

Involve Contracts > $50,000: No

Includes Funding for the Following Strategy or Strategies:

01-01-01	Issue Licenses, Registrations, & Certificates to Qualified Individuals	
01-01-02	License Businesses and Facilities	
01-01-03	Administer Exams to Applicants	
01-01-04	Provide Customer Service	
02-01-01	Enforce Laws by Conducting Routine, Complex, and Special Inspections	
02-01-02	Perform Building Plan Reviews	
02-01-03	Enforce Compliance by Settlement, Prosecution, Penalty and Sanction	
02-01-04	Investigate Complaints	
03-01-01	Central Administration	
03-01-02	Information Resources	
03-01-03	Other Support Services	

OBJECTS OF EXPENSE:

		Excp 2026	Excp 2027
5000	CAPITAL EXPENDITURES	280,148	241,920
	TOTAL, OBJECT OF EXPENSE	**$280,148**	**$241,920**

METHOD OF FINANCING:

		Excp 2026	Excp 2027
1	General Revenue Fund	280,148	241,920
	TOTAL, METHOD OF FINANCING	**$280,148**	**$241,920**

DESCRIPTION / JUSTIFICATION:

TDLR is appropriated funding each session for scheduled PC replacement. This upcoming biennium 459 agency PCs are due for replacement. TDLR's current budget of $83,580 is inadequate for this number of replacements. Additional funding is needed to ensure the agency's computers are not dated or obsolete, and consequently vulnerable to reliability and security problems.

EXTERNAL/INTERNAL FACTORS:

The number of computers which will need to be replaced in any given year depends on how many of them become due for replacement in that year as a result of their issuance at the beginning of the computer's life cycle. DIR-recommended life cycles for state government computers are 3 to 4 years for laptops, and 4 to 5 years for desktop

4.A. Exceptional Item Request Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/22/2024**

TIME: **11:33:08AM**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

CODE	DESCRIPTION	Excp 2026	Excp 2027

computers. Funding for computer replacement is dependent on available appropriations and the expenditure priorities of the agency.

PCLS TRACKING KEY:

N/A

DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:

The replacement of desktop computers, notebook computers, and monitors. Computers are scheduled for replacement every four years. Exceptions to the TDLR replacement schedule are made whenever a hardware component cannot meet the demands placed on it or it is more cost effective to replace the component than repair it.

IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?

CURRENT

STATUS:

This is an ongoing information technology project utilizing the DIR Statewide contracts to procure the needed equipment at a lower cost.

OUTCOMES:

The objective for this project is to maintain stable, reliable hardware resources that meets staff needs and perform to expectations. The stability of these systems is measured against the number of incidents recorded in the agency help desk. Utilizing the agency inventory allows us to track obsolete equipment and to prepare for replacements on a scheduled basis.

OUTPUTS:

The objective for this project is to maintain stable, reliable hardware resources that meets staff needs and perform to expectations. The stability of these systems is measured against the number of incidents recorded in the agency help desk. Utilizing the agency inventory allows us to track obsolete equipment and to prepare for replacements on a scheduled basis.

TYPE OF PROJECT

Acquisition and Refresh of Hardware and Software

ALTERNATIVE ANALYSIS

TDLR chooses to purchase instead of lease agency equipment based on the life cycle utilized as well as avoid the possibility of the absence of funding.

ESTIMATED IT COST

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
$0	$0	$208,148	$241,290	$84,800	$86,400	$14,400	$873,600

SCALABILITY

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
$0	$0	$0	$0	$0	$0	$0	$0

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

CODE	DESCRIPTION							Excp 2026	Excp 2027

FTE

2024	2025	2026	2027	2028	2029	2030
0.0	0.0	0.0	0.0	0.0	0.0	0.0

Agency code: **452** Agency name: **Department of Licensing and Regulation**

CODE	DESCRIPTION	Excp 2026	Excp 2027
	Item Name: Expanding TDLR's Vehicle Fleet to Conduct Health and Safety Inspections		
	Item Priority: 7		
	IT Component: No		
	Anticipated Out-year Costs: No		
	Involve Contracts > $50,000: No		
	Includes Funding for the Following Strategy or Strategies: 02-01-01 Enforce Laws by Conducting Routine, Complex, and Special Inspections		

OBJECTS OF EXPENSE:

5000	CAPITAL EXPENDITURES	515,000	0
	TOTAL, OBJECT OF EXPENSE	**$515,000**	**$0**

METHOD OF FINANCING:

1	General Revenue Fund	515,000	0
	TOTAL, METHOD OF FINANCING	**$515,000**	**$0**

DESCRIPTION / JUSTIFICATION:

In the upcoming biennium, TDLR has two pickup trucks which are due for replacement because of age and mileage. TDLR is requesting the replacement of these vehicles at a cost of $55,000 per vehicle.

TDLR is responsible for the regulation of water well drilling and pump installation in Texas. This responsibility requires the agency hydrologists to travel to often remote locations to conduct water well inspections, investigations, and to locate and assess abandoned and deteriorated water wells. TDLR is requesting two SUVs with four-wheel drive capability. The cost of these vehicles is $65,000 per vehicle, or $130,000 in total.

TDLR is responsible for the regulation of motor fuel metering and quality and must often take fuel samples as a result of inspections and fuel quality complaints, then transport the samples to where they can be sent off to a lab for testing. Because of the need to keep the samples separate from the interior of the vehicle and its driver, TDLR is requesting two additional pickups. The cost of the trucks is $55,000 per vehicle, or $110,000 in total.

TDLR is responsible for the regulation of mold assessment and remediation. As part of this responsibility, TDLR conducts inspections of mold-related activity for compliance with state law and rules. This requires the use of specialized equipment, which can become contaminated from use in inspections. TDLR is requesting three additional pickups, again to keep the equipment separate from the interior of the vehicle and its driver. The cost for the three trucks is $165,000.

EXTERNAL/INTERNAL FACTORS:

TDLR adheres to the replacement guidelines in the Comptroller of Public Accounts Texas State Vehicle Management Plan to avoid high maintenance costs associated with older vehicles. Two vehicles are requested to be replaced to conform with best practices guidelines in the plan.

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

CODE	DESCRIPTION	Excp 2026	Excp 2027

Purchase of additional vehicles will save on costs related to travel expenses in personal vehicles, enable agency employees to reach regulated equipment in remote locations, and will protect agency employees for the risks associated with the fuel and mold samples that are transported.

PCLS TRACKING KEY:

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

CODE	DESCRIPTION	Excp 2026	Excp 2027

Item Name: Secure Funding to Use Artificial Intelligence to Improve Agency Functions

Item Priority: 8

IT Component: Yes

Anticipated Out-year Costs: Yes

Involve Contracts > $50,000: Yes

Includes Funding for the Following Strategy or Strategies: 03-01-02   Information Resources

OBJECTS OF EXPENSE:

5000	CAPITAL EXPENDITURES	250,000	250,000
	TOTAL, OBJECT OF EXPENSE	**$250,000**	**$250,000**

METHOD OF FINANCING:

1	General Revenue Fund	250,000	250,000
	TOTAL, METHOD OF FINANCING	**$250,000**	**$250,000**

DESCRIPTION / JUSTIFICATION:

In TDLR's 2025-2029 Strategic Plan, one of our operational goals is to, "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." Over the next biennium, we intend to leverage existing state contracts and relationships with market analysis experts to assess the tools and services available to assist TDLR with its initial GenAI journey. We will engage with leading GenAI solution providers that could support TDLR's customer service goals and identify discrete functional use cases (e.g. internal knowledge base, or external chatbot) where TDLR can deploy proofs of concept. TDLR will participate in AI user groups (such as DIR's AI User Group) to leverage knowledge and experiences of other agencies and better understand value, costs, and ethical considerations.

EXTERNAL/INTERNAL FACTORS:

This exceptional item is aligned with Goal #5 of TDLR's Agency Operational Goals: 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.

PCLS TRACKING KEY:

N/A

DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:

The appropriation would be to acquire AI solution(s), implementation services, and on-going support. The AI will help TDLR leverage existing DIR procurement mechanisms, such as ITSAC, DBITS, and Co-op.

The initial phase will entail data clean-up, establish security infrastructure, deploy internal use cases; and it will establish lifecycle infrastructure including sandbox environment for internal assessment allowing for collaboration, innovation, experimentation, and outcome analysis.

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

CODE	DESCRIPTION	Excp 2026	Excp 2027

Subsequent Phase(s) will deploy production-ready use cases, including external/public facing cases, and mature lifecycle processes, as well as data management, and security infrastructure, policies, and procedures. We will begin testing AI/ML models for advanced forecasting and make TDLR more data driven.

IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?

NEW

STATUS:

TDLR is in the Pre-Procurement and Assessment phase. We are establishing security and governance as well as policy and procedures. A risk assessment is underway as well as a data literacy program and education. We are utilizing existing DIR/DCS contracts to instantiate pilot use cases.

OUTCOMES:

Acquire AI tools and related services to significantly improve TDLR's AI posture and align it with the introduction of new cloud-based technologies.

• Enhanced Efficiency: Automate routine tasks, such as application processing, renewals, and data entry, freeing up staff for complex issues.
• Improved Accuracy: Reduce human error through AI-powered data validation and analysis.
• Faster Processing Times: Streamline application and license approval processes, leading to quicker turnaround times for businesses and individuals.
• Cost Reduction: Optimize resource allocation and reduce operational expenses through automation.
• Risk Mitigation: Identify potential fraud, errors, and compliance issues proactively.

Improve forecasting capabilities to predict future workloads to facilitate resource allocation.

OUTPUTS:

Identify critical success factors and tie them to business objectives. Align metrics with stakeholder expectations. Ensure metrics are SMART (Specific, Measurable, Achievable, Relevant, Time Bound). Include leading and lagging indicators.

In congruence with TDLR's performance measures and internal key performance indicators, attain:

• Increased efficiency and productivity within the department.
• Improved accuracy and reliability of data and decision-making.
• Enhanced customer satisfaction through faster processing times and improved service.
• Cost savings through automation and process optimization.
• Stronger regulatory compliance and enforcement.
• Identification of new revenue opportunities.
• Opportunities for data-driven policymaking and innovation.
• Positive impact on the Texas economy through streamlined business processes.

TYPE OF PROJECT

Acquisition and Refresh of Hardware and Software

Agency code: **452** Agency name: **Department of Licensing and Regulation**

CODE	DESCRIPTION						Excp 2026	Excp 2027

ALTERNATIVE ANALYSIS

TDLR will not be able to modernize its data practices of governance, analytics, and security. We will not be able to address technical debt associated with existing core, critical business processes that are often driven by manual processes. TDLR could continue to use existing products and tools but may not be able to adequately mature the TDLR environment from antiquated processes.

ESTIMATED IT COST

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
$0	$0	$250,000	$250,000	$450,000	$450,000	$150,000	$1,550,000

SCALABILITY

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
$0	$0	$0	$0	$0	$0	$0	$0

FTE

2024	2025	2026	2027	2028	2029	2030	
0.0	0.0	0.0	0.0	0.0	0.0	0.0	

DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :

Maintain AI infrastructure as well as additional funds to implement future new and additional use cases.

ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:

2028	2029	2030
$450,000	$450,000	$150,000

APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM : 100.00%

CONTRACT DESCRIPTION :

Software services, cloud services, and potentially staff augmentation.

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Recruit, Retain, and Enhance Qualified Workforce		
Allocation to Strategy: 1-1-1 Issue Licenses, Registrations, & Certificates to Qualified Individuals		
OUTPUT MEASURES:		
1 Number of New Licenses Issued to Individuals	5,707.00	5,707.00
EXPLANATORY/INPUT MEASURES:		
1 Total Number of Licenses Held by Individuals	5,707.00	5,707.00
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	201,185	201,185
2009 OTHER OPERATING EXPENSE	5,913	4,503
TOTAL, OBJECT OF EXPENSE	**$207,098**	**$205,688**
METHOD OF FINANCING:		
1 General Revenue Fund	207,098	205,688
TOTAL, METHOD OF FINANCING	**$207,098**	**$205,688**
FULL-TIME EQUIVALENT POSITIONS (FTE):	1.0	1.0

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Recruit, Retain, and Enhance Qualified Workforce		
Allocation to Strategy: 1-1-2 License Businesses and Facilities		
EXPLANATORY/INPUT MEASURES:		
<u>1</u> Total Number of Licenses Held by Businesses	2,548.00	2,548.00
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	85,509	85,509
2009 OTHER OPERATING EXPENSE	1,283	1,283
TOTAL, OBJECT OF EXPENSE	**$86,792**	**$86,792**
METHOD OF FINANCING:		
1 General Revenue Fund	86,792	86,792
TOTAL, METHOD OF FINANCING	**$86,792**	**$86,792**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Recruit, Retain, and Enhance Qualified Workforce		
Allocation to Strategy: 1-1-3 Administer Exams to Applicants		
OUTPUT MEASURES:		
1 Number of Courses Approved	500.00	500.00
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	84,717	84,717
2005 TRAVEL	2,800	2,800
2009 OTHER OPERATING EXPENSE	5,148	2,756
TOTAL, OBJECT OF EXPENSE	**$92,665**	**$90,273**
METHOD OF FINANCING:		
1 General Revenue Fund	92,665	90,273
TOTAL, METHOD OF FINANCING	**$92,665**	**$90,273**
FULL-TIME EQUIVALENT POSITIONS (FTE):	1.0	1.0

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Recruit, Retain, and Enhance Qualified Workforce		
Allocation to Strategy: 1-1-4 Provide Customer Service		
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	33,061	33,061
2009 OTHER OPERATING EXPENSE	496	496
TOTAL, OBJECT OF EXPENSE	**$33,557**	**$33,557**
METHOD OF FINANCING:		
1 General Revenue Fund	33,557	33,557
TOTAL, METHOD OF FINANCING	**$33,557**	**$33,557**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Recruit, Retain, and Enhance Qualified Workforce		
Allocation to Strategy: 2-1-1 Enforce Laws by Conducting Routine, Complex, and Special Inspections		
OUTPUT MEASURES:		
1 Total Number of Inspections Completed	3,875.00	3,875.00
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	664,636	664,636
2005 TRAVEL	31,000	31,000
2006 RENT - BUILDING	15,000	15,000
2009 OTHER OPERATING EXPENSE	65,314	17,395
TOTAL, OBJECT OF EXPENSE	**$775,950**	**$728,031**
METHOD OF FINANCING:		
1 General Revenue Fund	775,950	728,031
TOTAL, METHOD OF FINANCING	**$775,950**	**$728,031**
FULL-TIME EQUIVALENT POSITIONS (FTE):	5.0	5.0

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Recruit, Retain, and Enhance Qualified Workforce		
Allocation to Strategy: 2-1-2 Perform Building Plan Reviews		
OUTPUT MEASURES:		
1 Number of Plan Reviews Completed	36.00	36.00
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	75,521	75,521
2005 TRAVEL	9,400	9,400
2006 RENT - BUILDING	3,750	3,750
2009 OTHER OPERATING EXPENSE	14,458	2,618
TOTAL, OBJECT OF EXPENSE	**$103,129**	**$91,289**
METHOD OF FINANCING:		
1 General Revenue Fund	103,129	91,289
TOTAL, METHOD OF FINANCING	**$103,129**	**$91,289**
FULL-TIME EQUIVALENT POSITIONS (FTE):	1.0	1.0

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Recruit, Retain, and Enhance Qualified Workforce		
Allocation to Strategy: 2-1-3 Enforce Compliance by Settlement, Prosecution, Penalty and Sanction		
OUTPUT MEASURES:		
1 Number of Complaints Closed	1,000.00	1,000.00
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	549,254	549,254
2009 OTHER OPERATING EXPENSE	14,029	11,209
TOTAL, OBJECT OF EXPENSE	**$563,283**	**$560,463**
METHOD OF FINANCING:		
1 General Revenue Fund	563,283	560,463
TOTAL, METHOD OF FINANCING	**$563,283**	**$560,463**
FULL-TIME EQUIVALENT POSITIONS (FTE):	2.0	2.0

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Recruit, Retain, and Enhance Qualified Workforce		
Allocation to Strategy: 2-1-4 Investigate Complaints		
EXPLANATORY/INPUT MEASURES:		
1 Number of Complaints Opened	1,200.00	1,200.00
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	245,469	245,469
2009 OTHER OPERATING EXPENSE	3,682	3,682
TOTAL, OBJECT OF EXPENSE	**$249,151**	**$249,151**
METHOD OF FINANCING:		
1 General Revenue Fund	249,151	249,151
TOTAL, METHOD OF FINANCING	**$249,151**	**$249,151**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Recruit, Retain, and Enhance Qualified Workforce		
Allocation to Strategy: 3-1-1 Central Administration		
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	136,075	136,075
2009 OTHER OPERATING EXPENSE	4,936	3,526
TOTAL, OBJECT OF EXPENSE	**$141,011**	**$139,601**
METHOD OF FINANCING:		
1 General Revenue Fund	141,011	139,601
TOTAL, METHOD OF FINANCING	**$141,011**	**$139,601**
FULL-TIME EQUIVALENT POSITIONS (FTE):	1.0	1.0

| Agency code: | **452** | Agency name: | **Department of Licensing and Regulation** |

Code Description	Excp 2026	Excp 2027
Item Name: Recruit, Retain, and Enhance Qualified Workforce		
Allocation to Strategy: 3-1-2 Information Resources		
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	127,942	127,942
2009 OTHER OPERATING EXPENSE	6,646	3,404
TOTAL, OBJECT OF EXPENSE	**$134,588**	**$131,346**
METHOD OF FINANCING:		
1 General Revenue Fund	134,588	131,346
TOTAL, METHOD OF FINANCING	**$134,588**	**$131,346**
FULL-TIME EQUIVALENT POSITIONS (FTE):	1.0	1.0

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Recruit, Retain, and Enhance Qualified Workforce		
Allocation to Strategy: 3-1-3 Other Support Services		
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	12,545	12,545
2009 OTHER OPERATING EXPENSE	188	188
TOTAL, OBJECT OF EXPENSE	**$12,733**	**$12,733**
METHOD OF FINANCING:		
1 General Revenue Fund	12,733	12,733
TOTAL, METHOD OF FINANCING	**$12,733**	**$12,733**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Comprehensive Expansion of TDLR's Cybersecurity		
Allocation to Strategy: 3-1-2 Information Resources		
OBJECTS OF EXPENSE:		
5000 CAPITAL EXPENDITURES	781,500	656,500
TOTAL, OBJECT OF EXPENSE	**$781,500**	**$656,500**
METHOD OF FINANCING:		
1 General Revenue Fund	781,500	656,500
TOTAL, METHOD OF FINANCING	**$781,500**	**$656,500**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Expansion and Support for Financial Crimes Intelligence Center		
Allocation to Strategy: 2-1-1 Enforce Laws by Conducting Routine, Complex, and Special Inspections		
OBJECTS OF EXPENSE:		
2009 OTHER OPERATING EXPENSE	10,000,199	9,698,312
TOTAL, OBJECT OF EXPENSE	**$10,000,199**	**$9,698,312**
METHOD OF FINANCING:		
1 General Revenue Fund	10,000,199	9,698,312
TOTAL, METHOD OF FINANCING	**$10,000,199**	**$9,698,312**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Enforce Emergency Order Closures of Massage Establishments		
Allocation to Strategy: 2-1-1 Enforce Laws by Conducting Routine, Complex, and Special Inspections		
OUTPUT MEASURES:		
1 Total Number of Inspections Completed	2,692.00	2,692.00
2 Total Number of Anti-Trafficking Inspections Completed	161.00	168.00
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	370,949	370,949
2005 TRAVEL	49,800	49,800
2006 RENT - BUILDING	22,500	22,500
2009 OTHER OPERATING EXPENSE	79,024	14,475
TOTAL, OBJECT OF EXPENSE	**$522,273**	**$457,724**
METHOD OF FINANCING:		
1 General Revenue Fund	522,273	457,724
TOTAL, METHOD OF FINANCING	**$522,273**	**$457,724**
FULL-TIME EQUIVALENT POSITIONS (FTE):	6.0	6.0

Agency code:	**452**	Agency name:	**Department of Licensing and Regulation**

Code	Description	Excp 2026	Excp 2027

Item Name: Enforce Emergency Order Closures of Massage Establishments

    Allocation to Strategy: 2-1-3   Enforce Compliance by Settlement, Prosecution, Penalty and Sanction

OUTPUT MEASURES:

1	Number of Complaints Closed	533.00	467.00

OBJECTS OF EXPENSE:

1001	SALARIES AND WAGES	326,554	326,554
2005	TRAVEL	1,500	1,500
2006	RENT - BUILDING	15,000	15,000
2009	OTHER OPERATING EXPENSE	50,870	10,838

TOTAL, OBJECT OF EXPENSE

	$393,924	**$353,892**

METHOD OF FINANCING:

1	General Revenue Fund	393,924	353,892

TOTAL, METHOD OF FINANCING

	$393,924	**$353,892**

FULL-TIME EQUIVALENT POSITIONS (FTE):   4.0   4.0

Agency code: **452** Agency name: **Department of Licensing and Regulation**

Code	Description	Excp 2026	Excp 2027

Item Name: Enforce Emergency Order Closures of Massage Establishments

Allocation to Strategy: 2-1-4 Investigate Complaints

EXPLANATORY/INPUT MEASURES:

Code	Description	Excp 2026	Excp 2027
1	Number of Complaints Opened	673.00	673.00

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Replacement of Helpdesk System		
Allocation to Strategy: 3-1-2 Information Resources		
OBJECTS OF EXPENSE:		
2009 OTHER OPERATING EXPENSE	100,000	50,000
TOTAL, OBJECT OF EXPENSE	**$100,000**	**$50,000**
METHOD OF FINANCING:		
1 General Revenue Fund	100,000	50,000
TOTAL, METHOD OF FINANCING	**$100,000**	**$50,000**

| Agency code: | **452** | Agency name: | **Department of Licensing and Regulation** |

Code Description	Excp 2026	Excp 2027
Item Name: Scheduled PC Replacement		
Allocation to Strategy: 1-1-1 Issue Licenses, Registrations, & Certificates to Qualified Individuals		
OBJECTS OF EXPENSE:		
5000 CAPITAL EXPENDITURES	29,812	25,744
TOTAL, OBJECT OF EXPENSE	**$29,812**	**$25,744**
METHOD OF FINANCING:		
1 General Revenue Fund	29,812	25,744
TOTAL, METHOD OF FINANCING	**$29,812**	**$25,744**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Scheduled PC Replacement		
Allocation to Strategy: 1-1-2 License Businesses and Facilities		
OBJECTS OF EXPENSE:		
5000 CAPITAL EXPENDITURES	9,469	8,177
TOTAL, OBJECT OF EXPENSE	**$9,469**	**$8,177**
METHOD OF FINANCING:		
1 General Revenue Fund	9,469	8,177
TOTAL, METHOD OF FINANCING	**$9,469**	**$8,177**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Scheduled PC Replacement		
Allocation to Strategy: 1-1-3 Administer Exams to Applicants		
OBJECTS OF EXPENSE:		
5000 CAPITAL EXPENDITURES	12,405	10,712
TOTAL, OBJECT OF EXPENSE	**$12,405**	**$10,712**
METHOD OF FINANCING:		
1 General Revenue Fund	12,405	10,712
TOTAL, METHOD OF FINANCING	**$12,405**	**$10,712**

Agency code:	**452**	Agency name:	**Department of Licensing and Regulation**

Code	Description	Excp 2026	Excp 2027
Item Name:	Scheduled PC Replacement		
Allocation to Strategy:	1-1-4 Provide Customer Service		
OBJECTS OF EXPENSE:			
5000	CAPITAL EXPENDITURES	17,049	14,722
TOTAL, OBJECT OF EXPENSE		**$17,049**	**$14,722**
METHOD OF FINANCING:			
1	General Revenue Fund	17,049	14,722
TOTAL, METHOD OF FINANCING		**$17,049**	**$14,722**

Agency code:	**452**	Agency name:	**Department of Licensing and Regulation**

Code	Description	Excp 2026	Excp 2027

Item Name: Scheduled PC Replacement

Allocation to Strategy: 2-1-1 Enforce Laws by Conducting Routine, Complex, and Special Inspections

OBJECTS OF EXPENSE:

		Excp 2026	Excp 2027
5000	CAPITAL EXPENDITURES	82,514	71,254
TOTAL, OBJECT OF EXPENSE		**$82,514**	**$71,254**

METHOD OF FINANCING:

		Excp 2026	Excp 2027
1	General Revenue Fund	82,514	71,254
TOTAL, METHOD OF FINANCING		**$82,514**	**$71,254**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Scheduled PC Replacement		
Allocation to Strategy: 2-1-2 Perform Building Plan Reviews		
OBJECTS OF EXPENSE:		
5000 CAPITAL EXPENDITURES	6,095	5,263
TOTAL, OBJECT OF EXPENSE	**$6,095**	**$5,263**
METHOD OF FINANCING:		
1 General Revenue Fund	6,095	5,263
TOTAL, METHOD OF FINANCING	**$6,095**	**$5,263**

Agency code:	**452**	Agency name:	**Department of Licensing and Regulation**

Code	Description	Excp 2026	Excp 2027

Item Name: Scheduled PC Replacement

Allocation to Strategy: 2-1-3 Enforce Compliance by Settlement, Prosecution, Penalty and Sanction

OBJECTS OF EXPENSE:

		Excp 2026	Excp 2027
5000	CAPITAL EXPENDITURES	31,661	27,341
TOTAL, OBJECT OF EXPENSE		**$31,661**	**$27,341**

METHOD OF FINANCING:

		Excp 2026	Excp 2027
1	General Revenue Fund	31,661	27,341
TOTAL, METHOD OF FINANCING		**$31,661**	**$27,341**

Agency code:	**452**	Agency name:	**Department of Licensing and Regulation**

Code	Description	Excp 2026	Excp 2027

Item Name: Scheduled PC Replacement

Allocation to Strategy: 2-1-4   Investigate Complaints

OBJECTS OF EXPENSE:

		Excp 2026	Excp 2027
5000	CAPITAL EXPENDITURES	24,946	21,542
TOTAL, OBJECT OF EXPENSE		**$24,946**	**$21,542**

METHOD OF FINANCING:

		Excp 2026	Excp 2027
1	General Revenue Fund	24,946	21,542
TOTAL, METHOD OF FINANCING		**$24,946**	**$21,542**

Agency code:	**452**	Agency name:	**Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Scheduled PC Replacement		
Allocation to Strategy: 3-1-1 Central Administration		
OBJECTS OF EXPENSE:		
5000 CAPITAL EXPENDITURES	27,821	24,025
TOTAL, OBJECT OF EXPENSE	**$27,821**	**$24,025**
METHOD OF FINANCING:		
1 General Revenue Fund	27,821	24,025
TOTAL, METHOD OF FINANCING	**$27,821**	**$24,025**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Scheduled PC Replacement		
Allocation to Strategy: 3-1-2 Information Resources		
OBJECTS OF EXPENSE:		
5000 CAPITAL EXPENDITURES	33,339	28,790
TOTAL, OBJECT OF EXPENSE	**$33,339**	**$28,790**
METHOD OF FINANCING:		
1 General Revenue Fund	33,339	28,790
TOTAL, METHOD OF FINANCING	**$33,339**	**$28,790**

4.B. Exceptional Items Strategy Allocation Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/22/2024**
TIME: **11:33:09AM**

Agency code: **452**	Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Scheduled PC Replacement		
Allocation to Strategy: 3-1-3 Other Support Services		
OBJECTS OF EXPENSE:		
5000 CAPITAL EXPENDITURES	5,037	4,350
TOTAL, OBJECT OF EXPENSE	**$5,037**	**$4,350**
METHOD OF FINANCING:		
1 General Revenue Fund	5,037	4,350
TOTAL, METHOD OF FINANCING	**$5,037**	**$4,350**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name:	Expanding TDLR's Vehicle Fleet to Conduct Health and Safety Inspections	
Allocation to Strategy: 2-1-1	Enforce Laws by Conducting Routine, Complex, and Special Inspections	
OBJECTS OF EXPENSE:		
5000 CAPITAL EXPENDITURES	515,000	0
TOTAL, OBJECT OF EXPENSE	**$515,000**	**$0**
METHOD OF FINANCING:		
1 General Revenue Fund	515,000	0
TOTAL, METHOD OF FINANCING	**$515,000**	**$0**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Code Description	Excp 2026	Excp 2027
Item Name: Secure Funding to Use Artificial Intelligence to Improve Agency Functions		
Allocation to Strategy: 3-1-2 Information Resources		
OBJECTS OF EXPENSE:		
5000 CAPITAL EXPENDITURES	250,000	250,000
TOTAL, OBJECT OF EXPENSE	**$250,000**	**$250,000**
METHOD OF FINANCING:		
1 General Revenue Fund	250,000	250,000
TOTAL, METHOD OF FINANCING	**$250,000**	**$250,000**

4.C. Exceptional Items Strategy Request
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2024

TIME: 11:33:10AM

| Agency Code: | **452** | Agency name: | **Department of Licensing and Regulation** |

GOAL: 1 License, Certify, and Register Qualified Individuals and Businesses

OBJECTIVE: 1 Regulate All Applicable Individuals and Facilities According to Law   Service Categories:

STRATEGY: 1 Issue Licenses, Registrations, & Certificates to Qualified Individuals   Service: 16   Income: A.2   Age: B.3

CODE DESCRIPTION	**Excp 2026**	**Excp 2027**
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	201,185	201,185
2009 OTHER OPERATING EXPENSE	5,913	4,503
5000 CAPITAL EXPENDITURES	29,812	25,744
Total, Objects of Expense	**$236,910**	**$231,432**
METHOD OF FINANCING:		
1 General Revenue Fund	236,910	231,432
Total, Method of Finance	**$236,910**	**$231,432**
FULL-TIME EQUIVALENT POSITIONS (FTE):	1.0	1.0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Recruit, Retain, and Enhance Qualified Workforce

Scheduled PC Replacement

4.C. Exceptional Items Strategy Request
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2024
TIME: 11:33:10AM

Agency Code:	**452**	Agency name:	**Department of Licensing and Regulation**

GOAL: 1 License, Certify, and Register Qualified Individuals and Businesses

OBJECTIVE: 1 Regulate All Applicable Individuals and Facilities According to Law   Service Categories:

STRATEGY: 2 License Businesses and Facilities   Service: 17   Income: A.2   Age: B.3

CODE DESCRIPTION	**Excp 2026**	**Excp 2027**
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	85,509	85,509
2009 OTHER OPERATING EXPENSE	1,283	1,283
5000 CAPITAL EXPENDITURES	9,469	8,177
Total, Objects of Expense	**$96,261**	**$94,969**
METHOD OF FINANCING:		
1 General Revenue Fund	96,261	94,969
Total, Method of Finance	**$96,261**	**$94,969**

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Recruit, Retain, and Enhance Qualified Workforce

Scheduled PC Replacement

4.C. Exceptional Items Strategy Request
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2024

TIME: 11:33:10AM

Agency Code: **452**   Agency name: **Department of Licensing and Regulation**

GOAL: 1   License, Certify, and Register Qualified Individuals and Businesses

OBJECTIVE: 1   Regulate All Applicable Individuals and Facilities According to Law   Service Categories:

STRATEGY: 3   Administer Exams to Applicants   Service: 16   Income: A.2   Age: B.3

CODE DESCRIPTION	Excp 2026	Excp 2027
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	84,717	84,717
2005 TRAVEL	2,800	2,800
2009 OTHER OPERATING EXPENSE	5,148	2,756
5000 CAPITAL EXPENDITURES	12,405	10,712
Total, Objects of Expense	**$105,070**	**$100,985**
METHOD OF FINANCING:		
1 General Revenue Fund	105,070	100,985
Total, Method of Finance	**$105,070**	**$100,985**
FULL-TIME EQUIVALENT POSITIONS (FTE):	1.0	1.0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Recruit, Retain, and Enhance Qualified Workforce

Scheduled PC Replacement

4.C. Exceptional Items Strategy Request
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2024

TIME: 11:33:10AM

Agency Code:	**452**			Agency name:	**Department of Licensing and Regulation**	

GOAL:	1	License, Certify, and Register Qualified Individuals and Businesses				
OBJECTIVE:	1	Regulate All Applicable Individuals and Facilities According to Law	Service Categories:			
STRATEGY:	4	Provide Customer Service	Service: 16	Income: A.2	Age: B.3	

CODE	DESCRIPTION	Excp 2026	Excp 2027
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	33,061	33,061
2009	OTHER OPERATING EXPENSE	496	496
5000	CAPITAL EXPENDITURES	17,049	14,722
	Total, Objects of Expense	**$50,606**	**$48,279**
METHOD OF FINANCING:			
1	General Revenue Fund	50,606	48,279
	Total, Method of Finance	**$50,606**	**$48,279**

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Recruit, Retain, and Enhance Qualified Workforce

Scheduled PC Replacement

4.C. Exceptional Items Strategy Request
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2024
TIME: 11:33:10AM

| Agency Code: | **452** | Agency name: | **Department of Licensing and Regulation** |

GOAL: 2   Protect the Public by Enforcing Laws Administered by the Agency

OBJECTIVE: 1   Enforce Laws to Achieve Compliance in Regulated Industries/Occupations   Service Categories:

STRATEGY: 1   Enforce Laws by Conducting Routine, Complex, and Special Inspections   Service: 16   Income: A.2   Age: B.3

CODE DESCRIPTION	**Excp 2026**	**Excp 2027**
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	1,035,585	1,035,585
2005 TRAVEL	80,800	80,800
2006 RENT - BUILDING	37,500	37,500
2009 OTHER OPERATING EXPENSE	10,144,537	9,730,182
5000 CAPITAL EXPENDITURES	597,514	71,254
Total, Objects of Expense	**$11,895,936**	**$10,955,321**
METHOD OF FINANCING:		
1 General Revenue Fund	11,895,936	10,955,321
Total, Method of Finance	**$11,895,936**	**$10,955,321**
FULL-TIME EQUIVALENT POSITIONS (FTE):	11.0	11.0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Recruit, Retain, and Enhance Qualified Workforce

Expansion and Support for Financial Crimes Intelligence Center

Enforce Emergency Order Closures of Massage Establishments

Scheduled PC Replacement

Expanding TDLR's Vehicle Fleet to Conduct Health and Safety Inspections

4.C. Exceptional Items Strategy Request
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2024

TIME: 11:33:10AM

Agency Code:	**452**	Agency name:	**Department of Licensing and Regulation**

GOAL: 2 Protect the Public by Enforcing Laws Administered by the Agency

OBJECTIVE: 1 Enforce Laws to Achieve Compliance in Regulated Industries/Occupations   Service Categories:

STRATEGY: 2 Perform Building Plan Reviews   Service: 16   Income: A.2   Age: B.3

CODE DESCRIPTION	**Excp 2026**	**Excp 2027**
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	75,521	75,521
2005 TRAVEL	9,400	9,400
2006 RENT - BUILDING	3,750	3,750
2009 OTHER OPERATING EXPENSE	14,458	2,618
5000 CAPITAL EXPENDITURES	6,095	5,263
Total, Objects of Expense	**$109,224**	**$96,552**
METHOD OF FINANCING:		
1 General Revenue Fund	109,224	96,552
Total, Method of Finance	**$109,224**	**$96,552**
FULL-TIME EQUIVALENT POSITIONS (FTE):	1.0	1.0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Recruit, Retain, and Enhance Qualified Workforce

Scheduled PC Replacement

4.C. Exceptional Items Strategy Request
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2024
TIME: 11:33:10AM

| Agency Code: | **452** | | Agency name: | **Department of Licensing and Regulation** |

GOAL: 2 Protect the Public by Enforcing Laws Administered by the Agency

OBJECTIVE: 1 Enforce Laws to Achieve Compliance in Regulated Industries/Occupations   Service Categories:

STRATEGY: 3 Enforce Compliance by Settlement, Prosecution, Penalty and Sanction   Service: 16   Income: A.2   Age: B.3

CODE	DESCRIPTION	Excp 2026	Excp 2027
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	875,808	875,808
2005	TRAVEL	1,500	1,500
2006	RENT - BUILDING	15,000	15,000
2009	OTHER OPERATING EXPENSE	64,899	22,047
5000	CAPITAL EXPENDITURES	31,661	27,341
	Total, Objects of Expense	**$988,868**	**$941,696**
METHOD OF FINANCING:			
1	General Revenue Fund	988,868	941,696
	Total, Method of Finance	**$988,868**	**$941,696**
	FULL-TIME EQUIVALENT POSITIONS (FTE):	6.0	6.0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Recruit, Retain, and Enhance Qualified Workforce

Enforce Emergency Order Closures of Massage Establishments

Scheduled PC Replacement

4.C. Exceptional Items Strategy Request
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2024

TIME: 11:33:10AM

Agency Code:	**452**		Agency name:	**Department of Licensing and Regulation**		

GOAL: 2 Protect the Public by Enforcing Laws Administered by the Agency

OBJECTIVE: 1 Enforce Laws to Achieve Compliance in Regulated Industries/Occupations   Service Categories:

STRATEGY: 4 Investigate Complaints   Service: 16   Income: A.2   Age: B.3

CODE DESCRIPTION	**Excp 2026**	**Excp 2027**
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	245,469	245,469
2009 OTHER OPERATING EXPENSE	3,682	3,682
5000 CAPITAL EXPENDITURES	24,946	21,542
Total, Objects of Expense	**$274,097**	**$270,693**
METHOD OF FINANCING:		
1 General Revenue Fund	274,097	270,693
Total, Method of Finance	**$274,097**	**$270,693**

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Recruit, Retain, and Enhance Qualified Workforce

Enforce Emergency Order Closures of Massage Establishments

Scheduled PC Replacement

4.C. Exceptional Items Strategy Request
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2024

TIME: 11:33:10AM

Agency Code:	**452**		Agency name:	**Department of Licensing and Regulation**

GOAL: 3   Indirect Administration

OBJECTIVE: 1   Indirect Administration   Service Categories:

STRATEGY: 1   Central Administration   Service: 09   Income: A.2   Age: B.3

CODE	DESCRIPTION	Excp 2026	Excp 2027
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	136,075	136,075
2009	OTHER OPERATING EXPENSE	4,936	3,526
5000	CAPITAL EXPENDITURES	27,821	24,025
	Total, Objects of Expense	**$168,832**	**$163,626**
METHOD OF FINANCING:			
1	General Revenue Fund	168,832	163,626
	Total, Method of Finance	**$168,832**	**$163,626**
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.0	1.0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Recruit, Retain, and Enhance Qualified Workforce

Scheduled PC Replacement

4.C. Exceptional Items Strategy Request
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2024

TIME: 11:33:10AM

| Agency Code: | **452** | Agency name: | **Department of Licensing and Regulation** |

GOAL: 3 Indirect Administration

OBJECTIVE: 1 Indirect Administration

Service Categories:

STRATEGY: 2 Information Resources

Service: 09   Income: A.2   Age: B.3

CODE DESCRIPTION	**Excp 2026**	**Excp 2027**
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	127,942	127,942
2009 OTHER OPERATING EXPENSE	106,646	53,404
5000 CAPITAL EXPENDITURES	1,064,839	935,290
Total, Objects of Expense	**$1,299,427**	**$1,116,636**
METHOD OF FINANCING:		
1 General Revenue Fund	1,299,427	1,116,636
Total, Method of Finance	**$1,299,427**	**$1,116,636**
FULL-TIME EQUIVALENT POSITIONS (FTE):	1.0	1.0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Recruit, Retain, and Enhance Qualified Workforce

Comprehensive Expansion of TDLR's Cybersecurity

Replacement of Helpdesk System

Scheduled PC Replacement

Secure Funding to Use Artificial Intelligence to Improve Agency Functions

4.C. Exceptional Items Strategy Request
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2024
TIME: 11:33:10AM

Agency Code:	**452**		Agency name:	**Department of Licensing and Regulation**

GOAL:	3	Indirect Administration		
OBJECTIVE:	1	Indirect Administration	Service Categories:	
STRATEGY:	3	Other Support Services	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	**Excp 2026**	**Excp 2027**
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	12,545	12,545
2009	OTHER OPERATING EXPENSE	188	188
5000	CAPITAL EXPENDITURES	5,037	4,350
	Total, Objects of Expense	**$17,770**	**$17,083**
METHOD OF FINANCING:			
1	General Revenue Fund	17,770	17,083
	Total, Method of Finance	**$17,770**	**$17,083**

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Recruit, Retain, and Enhance Qualified Workforce

Scheduled PC Replacement

5.A. Capital Budget Project Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/22/2024**
TIME: **11:33:10AM**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Category Code / Category Name *Project Sequence/Project Id/ Name* **OOE / TOF / MOF CODE**	**Est 2024**	**Bud 2025**	**BL 2026**	**BL 2027**
5005 Acquisition of Information Resource Technologies				
1/1 Purchase of Information Resource Technologies - Scheduled PC Replacement				
OBJECTS OF EXPENSE				
<u>Capital</u>				
General 2009 OTHER OPERATING EXPENSE	$82,852	$0	$0	$0
General 5000 CAPITAL EXPENDITURES	$0	$83,580	$82,852	$83,580
Capital Subtotal OOE, Project 1	$82,852	$83,580	$82,852	$83,580
Subtotal OOE, Project 1	**$82,852**	**$83,580**	**$82,852**	**$83,580**
TYPE OF FINANCING				
<u>Capital</u>				
General CA 1 General Revenue Fund	$82,852	$83,580	$82,852	$83,580
Capital Subtotal TOF, Project 1	$82,852	$83,580	$82,852	$83,580
Subtotal TOF, Project 1	**$82,852**	**$83,580**	**$82,852**	**$83,580**
3/3 Acquire a Modern and Comprehensive Licensing System				
OBJECTS OF EXPENSE				
<u>Capital</u>				
General 2001 PROFESSIONAL FEES AND SERVICES	$1,763,246	$0	$0	$0
General 5000 CAPITAL EXPENDITURES	$31,136,754	$0	$4,400,000	$4,400,000
Capital Subtotal OOE, Project 3	$32,900,000	$0	$4,400,000	$4,400,000
Subtotal OOE, Project 3	**$32,900,000**	**$0**	**$4,400,000**	**$4,400,000**
TYPE OF FINANCING				

5.A. Capital Budget Project Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/22/2024**
TIME: **11:33:10AM**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Category Code / Category Name

Project Sequence/Project Id/ Name **OOE / TOF / MOF CODE**			**Est 2024**	**Bud 2025**	**BL 2026**	**BL 2027**
Capital						
General CA 1 General Revenue Fund			$32,900,000	$0	$4,400,000	$4,400,000
Capital Subtotal TOF, Project		3	$32,900,000	$0	$4,400,000	$4,400,000
Subtotal TOF, Project		3	**$32,900,000**	**$0**	**$4,400,000**	**$4,400,000**
6/6 Artificial intelligence to improve agency functions						
OBJECTS OF EXPENSE						
Capital						
General 5000 CAPITAL EXPENDITURES			$0	$0	$0	$0
Capital Subtotal OOE, Project		6	$0	$0	$0	$0
Subtotal OOE, Project		6	**$0**	**$0**	**$0**	**$0**
TYPE OF FINANCING						
Capital						
General CA 1 General Revenue Fund			$0	$0	$0	$0
Capital Subtotal TOF, Project		6	$0	$0	$0	$0
Subtotal TOF, Project		6	**$0**	**$0**	**$0**	**$0**
Capital Subtotal, Category	5005		$32,982,852	$83,580	$4,482,852	$4,483,580
Informational Subtotal, Category		5005				
Total, Category **5005**			**$32,982,852**	**$83,580**	**$4,482,852**	**$4,483,580**

5006 Transportation Items

4/4 Replace Fleet Vehicles
OBJECTS OF EXPENSE

5.A. Capital Budget Project Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/22/2024**
TIME: **11:33:10AM**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Category Code / Category Name

Project Sequence/Project Id/ Name **OOE / TOF / MOF CODE**		**Est 2024**	**Bud 2025**	**BL 2026**	**BL 2027**
<u>Capital</u>					
General 5000 CAPITAL EXPENDITURES		$590,000	$0	$0	$0
Capital Subtotal OOE, Project	4	$590,000	$0	$0	$0
Subtotal OOE, Project	4	**$590,000**	**$0**	**$0**	**$0**
TYPE OF FINANCING					
<u>Capital</u>					
General CA 1 General Revenue Fund		$590,000	$0	$0	$0
Capital Subtotal TOF, Project	4	$590,000	$0	$0	$0
Subtotal TOF, Project	4	**$590,000**	**$0**	**$0**	**$0**
Capital Subtotal, Category 5006		$590,000	$0	$0	$0
Informational Subtotal, Category 5006					
Total, Category 5006		**$590,000**	**$0**	**$0**	**$0**

7000 Data Center/Shared Technology Services

2/2 Data Center Consolidation

OBJECTS OF EXPENSE

<u>Capital</u>

		Est 2024	**Bud 2025**	**BL 2026**	**BL 2027**
General 2001 PROFESSIONAL FEES AND SERVICES		$1,584,357	$1,422,926	$1,392,460	$1,679,827
Capital Subtotal OOE, Project	2	$1,584,357	$1,422,926	$1,392,460	$1,679,827
Subtotal OOE, Project	2	**$1,584,357**	**$1,422,926**	**$1,392,460**	**$1,679,827**

TYPE OF FINANCING

<u>Capital</u>

5.A. Capital Budget Project Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/22/2024**
TIME: **11:33:10AM**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Category Code / Category Name

Project Sequence/Project Id/ Name **OOE / TOF / MOF CODE**			**Est 2024**	**Bud 2025**	**BL 2026**	**BL 2027**
General	CA	1 General Revenue Fund	$1,584,357	$1,422,926	$1,392,460	$1,679,827
	Capital Subtotal TOF, Project	2	$1,584,357	$1,422,926	$1,392,460	$1,679,827
	Subtotal TOF, Project	2	**$1,584,357**	**$1,422,926**	**$1,392,460**	**$1,679,827**
	Capital Subtotal, Category	7000	$1,584,357	$1,422,926	$1,392,460	$1,679,827
	Informational Subtotal, Category	7000				
	Total, Category	**7000**	**$1,584,357**	**$1,422,926**	**$1,392,460**	**$1,679,827**
9000	**Cybersecurity**					
	5/5 Comprehensive Expansion of Cybersecurity **OBJECTS OF EXPENSE** Capital					
General	5000 CAPITAL EXPENDITURES		$0	$0	$0	$0
	Capital Subtotal OOE, Project	5	$0	$0	$0	$0
	Subtotal OOE, Project	5	**$0**	**$0**	**$0**	**$0**
	TYPE OF FINANCING Capital					
General	CA	1 General Revenue Fund	$0	$0	$0	$0
	Capital Subtotal TOF, Project	5	$0	$0	$0	$0
	Subtotal TOF, Project	5	**$0**	**$0**	**$0**	**$0**

5.A. Capital Budget Project Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/22/2024**
TIME : **11:33:10AM**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Category Code / Category Name

Project Sequence/Project Id/ Name **OOE / TOF / MOF CODE**	**Est 2024**	**Bud 2025**	**BL 2026**	**BL 2027**
Capital Subtotal, Category 9000	$0	$0	$0	$0
Informational Subtotal, Category 9000				
Total, Category 9000	**$0**	**$0**	**$0**	**$0**
AGENCY TOTAL -CAPITAL	**$35,157,209**	**$1,506,506**	**$5,875,312**	**$6,163,407**
AGENCY TOTAL -INFORMATIONAL				
AGENCY TOTAL	**$35,157,209**	**$1,506,506**	**$5,875,312**	**$6,163,407**
METHOD OF FINANCING:				
Capital				
General 1 General Revenue Fund	$35,157,209	$1,506,506	$5,875,312	$6,163,407
Total, Method of Financing-Capital	$35,157,209	$1,506,506	$5,875,312	$6,163,407
Total, Method of Financing	**$35,157,209**	**$1,506,506**	**$5,875,312**	**$6,163,407**
TYPE OF FINANCING:				
Capital				
General CA CURRENT APPROPRIATIONS	$35,157,209	$1,506,506	$5,875,312	$6,163,407
Total, Type of Financing-Capital	$35,157,209	$1,506,506	$5,875,312	$6,163,407
Total,Type of Financing	**$35,157,209**	**$1,506,506**	**$5,875,312**	**$6,163,407**

5.C. Capital Budget Allocation to Strategies (Baseline)
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/22/2024**
TIME: **11:33:11AM**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027

5005 Acquisition of Information Resource Technologies

1/1   *Computer Upgrade*

GENERAL BUDGET

	Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
Capital	3-1-1	CENTRAL ADMINISTRATION	0	0	$0	$0
	3-1-2	INFORMATION RESOURCES	0	0	0	0
	3-1-3	OTHER SUPPORT SERVICES	0	0	0	0
	1-1-1	LICENSE, REGISTER AND CERTIFY	82,852	83,580	82,852	83,580
	1-1-3	EXAMINATIONS/CONTINUING EDUCATION	0	0	0	0
	1-1-4	CUSTOMER SERV.	0	0	0	0
	1-1-2	LICENSE BUSINESSES AND FACILITIES	0	0	0	0
	2-1-1	CONDUCT INSPECTIONS	0	0	0	0
	2-1-3	RESOLVE COMPLAINTS	0	0	0	0
	2-1-2	BUILDING PLAN REVIEWS	0	0	0	0
	2-1-4	INVESTIGATION	0	0	0	0
		TOTAL, PROJECT	$82,852	$83,580	$82,852	$83,580

3/3   *Acquire Licensing System*

GENERAL BUDGET

	Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
Capital	3-1-2	INFORMATION RESOURCES	32,900,000	0	4,400,000	4,400,000
		TOTAL, PROJECT	$32,900,000	$0	$4,400,000	$4,400,000

6/6   *Artificial Intelligence*

GENERAL BUDGET

5.C. Capital Budget Allocation to Strategies (Baseline)
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/22/2024**

TIME: **11:33:11AM**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Category Code/Name

Project Sequence/Project Id/Name

	Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
Capital	3-1-2	INFORMATION RESOURCES	0	0	$0	$0
		TOTAL, PROJECT	$0	$0	$0	$0

5006 Transportation Items

4/4   Replace Fleet Vehicles

GENERAL BUDGET

Capital	2-1-1	CONDUCT INSPECTIONS	590,000	0	0	0
		TOTAL, PROJECT	$590,000	$0	$0	$0

7000 Data Center/Shared Technology Services

2/2   Data Center Consolidation

GENERAL BUDGET

Capital	3-1-2	INFORMATION RESOURCES	1,584,357	1,422,926	1,392,460	1,679,827
		TOTAL, PROJECT	$1,584,357	$1,422,926	$1,392,460	$1,679,827

9000 Cybersecurity

5/5   Cybersecurity

GENERAL BUDGET

Capital	3-1-2	INFORMATION RESOURCES	0	0	0	0
		TOTAL, PROJECT	$0	$0	$0	$0

5.C. Capital Budget Allocation to Strategies (Baseline)
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/22/2024**
TIME: **11:33:11AM**

Agency code: **452**   Agency name: **Department of Licensing and Regulation**

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
	TOTAL CAPITAL, ALL PROJECTS	**$35,157,209**	**$1,506,506**	**$5,875,312**	**$6,163,407**
	TOTAL INFORMATIONAL, ALL PROJECTS				
	TOTAL, ALL PROJECTS	**$35,157,209**	**$1,506,506**	**$5,875,312**	**$6,163,407**

452 Department of Licensing and Regulation

Category Code/Name

Project Number/Name

Goal/Obj/Str			Strategy Name	Excp 2026	Excp 2027

5005 Acquisition of Information Resource Technologies

1   Computer Upgrade

3	1	1	CENTRAL ADMINISTRATION	27,821	24,025
3	1	2	INFORMATION RESOURCES	33,339	28,790
3	1	3	OTHER SUPPORT SERVICES	5,037	4,350
1	1	1	LICENSE, REGISTER AND CERTIFY	29,812	25,744
1	1	3	EXAMINATIONS/CONTINUING EDUCATION	12,405	10,712
1	1	4	CUSTOMER SERV.	17,049	14,722
1	1	2	LICENSE BUSINESSES AND FACILITIES	9,469	8,177
2	1	1	CONDUCT INSPECTIONS	82,514	71,254
2	1	3	RESOLVE COMPLAINTS	31,661	27,341
2	1	2	BUILDING PLAN REVIEWS	6,095	5,263
2	1	4	INVESTIGATION	24,946	21,542
			TOTAL, PROJECT	280,148	241,920

6   Artificial Intelligence

3	1	2	INFORMATION RESOURCES	250,000	250,000
			TOTAL, PROJECT	250,000	250,000

5006 Transportation Items

4   Replace Fleet Vehicles

2	1	1	CONDUCT INSPECTIONS	515,000	0
			TOTAL, PROJECT	515,000	0

9000 Cybersecurity

169

452 Department of Licensing and Regulation

Category Code/Name

Project Number/Name

		Goal/Obj/Str	Strategy Name	Excp 2026	Excp 2027
5	Cybersecurity				
	3	1 2	INFORMATION RESOURCES	781,500	656,500
			TOTAL, PROJECT	781,500	656,500
			TOTAL, ALL PROJECTS	**1,826,648**	**1,148,420**

452 Department of Licensing and Regulation

Category Code / Category Name *Project Number / Name* **OOE / TOF / MOF CODE**	**Excp 2026**	**Excp 2027**
5005 Acquisition of Information Resource Technologies		
_1_ Computer Upgrade		
Objects of Expense		
5000 CAPITAL EXPENDITURES	280,148	241,920
Subtotal OOE, Project 1	**280,148**	**241,920**
Type of Financing		
CA 1 General Revenue Fund	280,148	241,920
Subtotal TOF, Project 1	**280,148**	**241,920**
_6_ Artificial Intelligence		
Objects of Expense		
5000 CAPITAL EXPENDITURES	250,000	250,000
Subtotal OOE, Project 6	**250,000**	**250,000**
Type of Financing		
CA 1 General Revenue Fund	250,000	250,000
Subtotal TOF, Project 6	**250,000**	**250,000**
Subtotal Category **5005**	**530,148**	**491,920**
5006 Transportation Items		
_4_ Replace Fleet Vehicles		
Objects of Expense		
5000 CAPITAL EXPENDITURES	515,000	0
Subtotal OOE, Project 4	**515,000**	**0**
Type of Financing		
CA 1 General Revenue Fund	515,000	0
Subtotal TOF, Project 4	**515,000**	**0**

452 Department of Licensing and Regulation

Category Code / Category Name *Project Number / Name* OOE / TOF / MOF CODE		**Excp 2026**	**Excp 2027**
Subtotal Category	**5006**	**515,000**	**0**
9000 Cybersecurity			
5 Cybersecurity			
Objects of Expense			
5000 CAPITAL EXPENDITURES		781,500	656,500
Subtotal OOE, Project	5	**781,500**	**656,500**
Type of Financing			
CA 1 General Revenue Fund		781,500	656,500
Subtotal TOF, Project	5	**781,500**	**656,500**
Subtotal Category	**9000**	**781,500**	**656,500**
AGENCY TOTAL		**1,826,648**	**1,148,420**
METHOD OF FINANCING:			
1 General Revenue Fund		1,826,648	1,148,420
Total, Method of Financing		**1,826,648**	**1,148,420**
TYPE OF FINANCING:			
CA CURRENT APPROPRIATIONS		1,826,648	1,148,420
Total,Type of Financing		**1,826,648**	**1,148,420**

5.E. Capital Budget Project-OOE and MOF Detail by Strategy   8/22/2024 11:33:11AM
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

452 Department of Licensing and Regulation

Category Code/Name

Project Sequence/Name

Goal/Obj/Str Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027

5005 Acquisition of Information Resource Technologies

1 Computer Upgrade

OOE
Capital
1-1-1 LICENSE, REGISTER AND CERTIFY

General Budget

2009 OTHER OPERATING EXPENSE	82,852	0	0	0
5000 CAPITAL EXPENDITURES	0	83,580	82,852	83,580

1-1-2 LICENSE BUSINESSES AND FACILITIES

General Budget

5000 CAPITAL EXPENDITURES	0	0	0	0

1-1-3 EXAMINATIONS/CONTINUING EDUCATION

General Budget

5000 CAPITAL EXPENDITURES	0	0	0	0

1-1-4 CUSTOMER SERV.

General Budget

5000 CAPITAL EXPENDITURES	0	0	0	0

2-1-1 CONDUCT INSPECTIONS

General Budget

5000 CAPITAL EXPENDITURES	0	0	0	0

2-1-2 BUILDING PLAN REVIEWS

5.E.   Page 1 of 10

5.E. Capital Budget Project-OOE and MOF Detail by Strategy   8/22/2024 11:33:11AM
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

452 Department of Licensing and Regulation

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
1 Computer Upgrade					
	General Budget				
5000	CAPITAL EXPENDITURES	0	0	0	0
2-1-3 RESOLVE COMPLAINTS					
	General Budget				
5000	CAPITAL EXPENDITURES	0	0	0	0
2-1-4 INVESTIGATION					
	General Budget				
5000	CAPITAL EXPENDITURES	0	0	0	0
3-1-1 CENTRAL ADMINISTRATION					
	General Budget				
5000	CAPITAL EXPENDITURES	0	0	0	0
3-1-2 INFORMATION RESOURCES					
	General Budget				
5000	CAPITAL EXPENDITURES	0	0	0	0
3-1-3 OTHER SUPPORT SERVICES					
	General Budget				
5000	CAPITAL EXPENDITURES	0	0	0	0
	TOTAL, OOEs	**$82,852**	**$83,580**	**82,852**	**83,580**

MOF
 GENERAL REVENUE FUNDS
  Capital

5.E. Capital Budget Project-OOE and MOF Detail by Strategy   8/22/2024 11:33:11AM
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

452 Department of Licensing and Regulation

Category Code/Name

Project Sequence/Name

Goal/Obj/Str Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
1 Computer Upgrade				
1-1-1 LICENSE, REGISTER AND CERTIFY				
General Budget				
1 General Revenue Fund	82,852	83,580	82,852	83,580
1-1-2 LICENSE BUSINESSES AND FACILITIES				
General Budget				
1 General Revenue Fund	0	0	0	0
1-1-3 EXAMINATIONS/CONTINUING EDUCATION				
General Budget				
1 General Revenue Fund	0	0	0	0
1-1-4 CUSTOMER SERV.				
General Budget				
1 General Revenue Fund	0	0	0	0
2-1-1 CONDUCT INSPECTIONS				
General Budget				
1 General Revenue Fund	0	0	0	0
2-1-2 BUILDING PLAN REVIEWS				
General Budget				
1 General Revenue Fund	0	0	0	0
2-1-3 RESOLVE COMPLAINTS				
General Budget				
1 General Revenue Fund	0	0	0	0
2-1-4 INVESTIGATION				

5.E. Capital Budget Project-OOE and MOF Detail by Strategy
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

8/22/2024 11:33:11AM

452 Department of Licensing and Regulation

Category Code/Name

Project Sequence/Name

Goal/Obj/Str Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
1 Computer Upgrade				
General Budget				
1 General Revenue Fund	0	0	0	0
3-1-1 CENTRAL ADMINISTRATION				
General Budget				
1 General Revenue Fund	0	0	0	0
3-1-2 INFORMATION RESOURCES				
General Budget				
1 General Revenue Fund	0	0	0	0
3-1-3 OTHER SUPPORT SERVICES				
General Budget				
1 General Revenue Fund	0	0	0	0
TOTAL, GENERAL REVENUE FUNDS	**$82,852**	**$83,580**	**82,852**	**83,580**
TOTAL, MOFs	**$82,852**	**$83,580**	**82,852**	**83,580**

5.E. Capital Budget Project-OOE and MOF Detail by Strategy
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

8/22/2024 11:33:11AM

452 Department of Licensing and Regulation

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
3 Acquire Licensing System					
OOE					
Capital					
3-1-2 INFORMATION RESOURCES					
General Budget					
2001	PROFESSIONAL FEES AND SERVICES	1,763,246	0	0	0
5000	CAPITAL EXPENDITURES	31,136,754	0	4,400,000	4,400,000
	TOTAL, OOEs	**$32,900,000**	**$0**	**4,400,000**	**4,400,000**
MOF					
GENERAL REVENUE FUNDS					
Capital					
3-1-2 INFORMATION RESOURCES					
General Budget					
1	General Revenue Fund	32,900,000	0	4,400,000	4,400,000
	TOTAL, GENERAL REVENUE FUNDS	**$32,900,000**	**$0**	**4,400,000**	**4,400,000**
	TOTAL, MOFs	**$32,900,000**	**$0**	**4,400,000**	**4,400,000**

5.E.   Page 5 of 10

452 Department of Licensing and Regulation

Category Code/Name

Project Sequence/Name

Goal/Obj/Str Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
6 Artificial Intelligence				
OOE				
Capital				
3-1-2 INFORMATION RESOURCES				
General Budget				
5000 CAPITAL EXPENDITURES	0	0	0	0
TOTAL, OOEs	$0	$0	0	0
MOF				
GENERAL REVENUE FUNDS				
Capital				
3-1-2 INFORMATION RESOURCES				
General Budget				
1 General Revenue Fund	0	0	0	0
TOTAL, GENERAL REVENUE FUNDS	$0	$0	0	0
TOTAL, MOFs	$0	$0	0	0

5006 Transportation Items

452 Department of Licensing and Regulation

Category Code/Name

Project Sequence/Name

Goal/Obj/Str Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
4 Replace Fleet Vehicles				
OOE				
Capital				
2-1-1 CONDUCT INSPECTIONS				
General Budget				
5000 CAPITAL EXPENDITURES	590,000	0	0	0
TOTAL, OOEs	$590,000	$0	0	0
MOF				
GENERAL REVENUE FUNDS				
Capital				
2-1-1 CONDUCT INSPECTIONS				
General Budget				
1 General Revenue Fund	590,000	0	0	0
TOTAL, GENERAL REVENUE FUNDS	$590,000	$0	0	0
TOTAL, MOFs	$590,000	$0	0	0

7000   Data Center/Shared Technology Services

5.E. Capital Budget Project-OOE and MOF Detail by Strategy
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

8/22/2024 11:33:11AM

452 Department of Licensing and Regulation

Category Code/Name

Project Sequence/Name

Goal/Obj/Str Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
2 Data Center Consolidation				
OOE				
Capital				
3-1-2 INFORMATION RESOURCES				
General Budget				
2001 PROFESSIONAL FEES AND SERVICES	1,584,357	1,422,926	1,392,460	1,679,827
TOTAL, OOEs	**$1,584,357**	**$1,422,926**	**1,392,460**	**1,679,827**
MOF				
GENERAL REVENUE FUNDS				
Capital				
3-1-2 INFORMATION RESOURCES				
General Budget				
1 General Revenue Fund	1,584,357	1,422,926	1,392,460	1,679,827
TOTAL, GENERAL REVENUE FUNDS	**$1,584,357**	**$1,422,926**	**1,392,460**	**1,679,827**
TOTAL, MOFs	**$1,584,357**	**$1,422,926**	**1,392,460**	**1,679,827**

9000 Cybersecurity

452 Department of Licensing and Regulation

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2024	Bud 2025	BL 2026	BL 2027
5 Cybersecurity					
OOE					
Capital					
3-1-2 INFORMATION RESOURCES					
General Budget					
5000	CAPITAL EXPENDITURES	0	0	0	0
	TOTAL, OOEs	**$0**	**$0**	**0**	**0**
MOF					
GENERAL REVENUE FUNDS					
Capital					
3-1-2 INFORMATION RESOURCES					
General Budget					
1	General Revenue Fund	0	0	0	0
	TOTAL, GENERAL REVENUE FUNDS	**$0**	**$0**	**0**	**0**
	TOTAL, MOFs	**$0**	**$0**	**0**	**0**

5.E. Capital Budget Project-OOE and MOF Detail by Strategy
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

8/22/2024 11:33:11AM

452 Department of Licensing and Regulation

		Est 2024	Bud 2025	BL 2026	BL 2027
CAPITAL					
General Budget					
GENERAL REVENUE FUNDS		$35,157,209	$1,506,506	5,875,312	6,163,407
	TOTAL, GENERAL BUDGET	35,157,209	1,506,506	5,875,312	6,163,407
	TOTAL, ALL PROJECTS	**$35,157,209**	**$1,506,506**	**5,875,312**	**6,163,407**

6.A. Historically Underutilized Business Supporting Schedule
89th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/22/2024**
Time: **11:33:12AM**

Agency Code: **452**   Agency: **Department of Licensing and Regulation**

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year - HUB Expenditure Information

Statewide HUB Goals	Procurement Category	HUB Expenditures FY 2022				Total Expenditures FY 2022	HUB Expenditures FY 2023				Total Expenditures FY 2023
		% Goal	% Actual	Diff	Actual $		% Goal	% Actual	Diff	Actual $	
21.1%	Building Construction	0.0 %	0.0%	0.0%	$0	$2,238	0.0 %	0.0%	0.0%	$0	$3,300
32.9%	Special Trade	0.0 %	0.0%	0.0%	$0	$6,792	0.0 %	0.0%	0.0%	$0	$33,239
23.7%	Professional Services	0.0 %	0.0%	0.0%	$0	$48,286	0.0 %	0.0%	0.0%	$0	$100,921
26.0%	Other Services	26.0 %	11.8%	-14.2%	$542,743	$4,584,613	26.0 %	8.6%	-17.4%	$436,911	$5,054,712
21.1%	Commodities	41.0 %	43.1%	2.1%	$630,283	$1,463,056	41.0 %	48.9%	7.9%	$592,010	$1,210,863
	Total Expenditures		**19.2%**		**$1,173,026**	**$6,104,985**		**16.1%**		**$1,028,921**	**$6,403,035**

B. Assessment of Attainment of HUB Procurement Goals

Attainment:

TDLR exceeded agency goals for half of the designated applicable categories in fiscal year 2022 and 2023. Additionally, the agency met or exceeded the statewide HUB goals in 40% of the applicable spending categories consistently both reported fiscal years.

Applicability:

Heavy Construction was not applicable to the agency's operations in fiscal years 2022 and 2023. No HUB expenditures were recorded by the agency for Building Construction, Special Trade, or Professional Services in either year. When comparing TDLR to the state as a whole, the agency exceeded HUB reported spending by 7.4% in fiscal year 2022 and 3.3% in fiscal year 2023.

Factors Affecting Attainment:

As the agency continues to grow in size with the addition of new programs to regulate, it becomes difficult to find HUB vendors for its expanding needs such as phones and phone service, network software and maintenance, etc. in the Other Services category.

The agency's HUB strategy identifies the following activities to increase HUB attainment.
• Identifying HUB vendors for all goods and services through the CPA Centralized Master Bidders List (CMBL).
• Attending statewide HUB events and conferences, representing TDLR and expanding vendor prospects.
• Complying with CPA's HUB program rules, purchasing procedures, and reporting requirements.
• Utilizing the Department of Information Resources' list of HUB resellers for information technology purchases.
• Hosting internal HUB forums in which businesses are invited to deliver presentations that demonstrate their ability to do business with TDLR

Agency Code: **452**   Agency: **Department of Licensing and Regulation**

C. Good-Faith Efforts to Increase HUB Participation

Outreach Efforts and Mentor-Protégé Programs:

TDLR staff attended several HUB focused events during FY2022 - FY2023. Highlights include:

Greater Houston Black Chamber of Commerce 2nd Annual Procurement Expo (2022), Houston Minority Supplier Development Council Spot Bid Fair & Expo (2022 & 2023), University of North Texas System, HUB Vendor Fair & Government Agency Mixer (2022), Bexar County & Small, Minority, Women and Veteran Business Owners Business Expo (2022 & 2023), U.S. Small Business Administration, Houston Business Match Maker Event (2022 & 2023), The University of Texas at San Antonio Virtual Matchmaking Event (2022), Marketing for Success (2022 & 2023) (TDLR Co-hosted), Senator West's Doing Business Texas Style (2022 & 2023), Teacher Retirement System of Texas 20th Annual Purchasing HUB Connection Networking Forum (2022), Golden Triangle Minority Business Council HUB Expo (2022 & 2023), CPA Contracts and Procurement HUB Mini-Fair (2023), CPA Statewide Annual Expo (2023), Texas Health & Human Services Commission (HHS), Annual HUB Forum (2022 & 2023).

Additionally, TDLR co-hosted a Mentor-Protégé Virtual Networking Event in 2022 and had two active mentor-protege agreements in 2022 & 2023.

HUB Program Staffing:

TDLR has two (2) staff members dedicated to increasing participation of HUBs.

Staff – 1 45% of this staff member's time is dedicated to HUB activities.

Staff – 2 10% of this staff member's time is dedicated to HUB activities

The Contract and Procurement Manager serves as TDLR's HUB Coordinator.

Both staff members attend as many outreach programs as possible and assist vendors with knowledge of the State of Texas HUB Program and Mentor Protege Program.

Current and Future Good-Faith Efforts:

TDLR will continue to achieve and exceed state-established HUB goals through the following program activities:

-exploring new opportunities to increase HUB contract awards;

-engaging with HUBs at vendor conferences and fairs;

-collaborating with other state agency HUB coordinators to identify and implement best practices for improving TDLR 's HUB contracting results;

-providing leadership and essential information to agency staff about HUBs;

-pursuing TDLR's goal to regularly exceed the requisite number of HUB contracts and subcontracts awarded annually.

TDLR began, in FY2024, hosting annual HUB Expos called "Breaking Boundaries" in which state agencies and vendors are invited to network, learn about state procurement and exchange possible business opportunities. This is done in collaboration with the Department of Information Resources and Comptroller of Public Accounts.

6.B. Current Biennium Onetime Expenditure Schedule
Summary of Onetime Expenditures

Agency Code:	Agency Name:	Prepared By:	Date:
452	TX Department of Licensing and Regulation	Karen Sands	08/16/2024

Projects	Estimated 2024	Budgeted 2025	Requested 2026	Requested 2027
Acquire a Modern and Comprehensive Licensing System	$24,100,000	$0	$0	$0
Combat Financial Fraud in Texas	$1,376,756	$256,160	$0	$0
Replace Aging Fleet Vehicles	$590,000	$0	$0	$0
0	$0	$0	$0	$0
Total, All Projects	$26,066,756	$256,160	$0	$0

6.B. Current Biennium Onetime Expenditure Schedule
Strategy Allocation from 2024-25 Biennium to 2026-27 Biennium

Agency Code:	Agency Name:		Prepared By:	Date:
452	TX Department of Licensing and Regulation		Karen Sands	08/16/2024

2024-25		2026-27	
PROJECT:	Acquire a Modern and Comprehensive Licensing System	**PROJECT:**	
ALLOCATION TO STRATEGY: Information Resources		**ALLOCATION TO STRATEGY:**	

Strategy Code	OOE/MOF Code	Strategy Allocation	Estimated 2024	Budgeted 2025	Requested 2026	Requested 2027
		Object of Expense:				
C.1.2	5000	Capital Expenditures	$24,100,000	$0	$0	$0
		Total, Object of Expense	$24,100,000	$0	$0	$0
		Method of Financing:				
C.1.2	0001	General Revenue	$24,100,000	$0	$0	$0
		Total, Method of Financing	$24,100,000	$0	$0	$0

Project Description for the 2024-25 Biennium:

TDLR seeks budget authority to contract for a comprehensive, cloud-based licensing and regulatory solution that is delivered as a Software-as-a-Service (SaaS) subscription, ensuring the scalability of the solution and efficient use of resources, and meets specified functional and non-functional requirements with minimal custom development. This solution would replace nine disparate legacy systems. TDLR anticipates the scope to include full Implementation services including project management, solution design and configuration, integration, data migration, documentation, testing, training, solution provisioning, and support.

Project Description and Allocation Purpose for the 2026-27 Biennnum:

6.B. Current Biennium Onetime Expenditure Schedule
Strategy Allocation from 2024-25 Biennium to 2026-27 Biennium

Agency Code:	Agency Name:	Prepared By:	Date:
452	TX Department of Licensing and Regulation	Karen Sands	08/16/2024

2024-25	2026-27
PROJECT: **Combat Financial Fraud in Texas**	**PROJECT:**
ALLOCATION TO STRATEGY: Conduct Inspections	**ALLOCATION TO STRATEGY:**

Strategy Code	OOE/MOF Code	Strategy Allocation	Estimated 2024	Budgeted 2025	Requested 2026	Requested 2027
		Object of Expense:				
B.1.1	2009	Other Operating Expenses	$1,376,756	$256,160	$0	$0
		Total, Object of Expense	$1,376,756	$256,160	$0	$0
		Method of Financing:				
B.1.1	0001	General Revenue	$1,376,756	$256,160	$0	$0
		Total, Method of Financing	$1,376,756	$256,160	$0	$0

Project Description for the 2024-25 Biennium:

Card fraud at Texas gas pumps costs consumers, retailers, and financial institutions millions of dollars each year. Now, criminals have expanded their operations to use stolen card information to initiate fuel theft, costing retailers thousands of dollars and causing costly damages to fuel pumps. The Financial Crimes Intelligence Center (FCIC) is working to prevent fraud and assist TDLR and law enforcement in response to these crimes.

Since beginning operations in January 2022, the FCIC estimates that more than $10.6 million in fraudulent transactions have been prevented or losses recovered – a quadruple return on investment compared to their biennial budget of $2.6 million. The FCIC has also seen an increase in requests for assistance from law enforcement, financial institutions, and the fuel industry. FCIC staff have conducted training in skimmer and fraud detection and prevention for nearly 900 law enforcement officers, recovered more than 1,600 credit cards, and coordinated nearly 70 multi-jurisdictional cases.

This request is necessary to meet the increasing demands on the FCIC and develop new tools to stay ahead of criminal organizations targeting our fuel industry , financial institutions, and Texas consumers.

Project Description and Allocation Purpose for the 2026-27 Biennum:

6.B. Current Biennium Onetime Expenditure Schedule
Strategy Allocation from 2024-25 Biennium to 2026-27 Biennium

Agency Code:	Agency Name:		Prepared By:	Date:
452	TX Department of Licensing and Regulation		Karen Sands	08/16/2024

2024-25	2026-27
PROJECT: **Replace Aging Fleet Vehicles**	PROJECT:
ALLOCATION TO STRATEGY: Conduct Inspections	ALLOCATION TO STRATEGY:

Strategy Code	OOE/MOF Code	Strategy Allocation	Estimated 2024	Budgeted 2025	Requested 2026	Requested 2027
		Object of Expense:				
B.1.1	2009	Other Operating Expense	$590,000	$0	$0	$0
		Total, Object of Expense	$590,000	$0	$0	$0
		Method of Financing:				
B.1.1	0001	General Revenue	$590,000	$0	$0	$0
		Total, Method of Financing	$590,000	$0	$0	$0

Project Description for the 2024-25 Biennium:
Following passage of Senate Bill 2119 (86R) and Senate Bill 616 (86R), TDLR received 20 vehicles from Texas Department of Agriculture as part of the motor fuel program transfer and three vehicles from DPS as part of the motorcycle and ATV program transfer. Due to the age, condition and mileage of the vehicles, 12 of those vehicles are now in need of replacement. TDLR received a fleet replacement allocation for eight vehicles from the 87th Legislature but is still in the process of procurement due to supply chain and vendor issues. Because we lack unexpended balance authority across biennia, some of these funds will lapse.

Project Description and Allocation Purpose for the 2026-27 Biennum:

Agency Code: **452** Agency name: **Department of Licensing and Regulation**

FUND/ACCOUNT	Act 2023	Exp 2024	Est 2025	Est 2026	Est 2027
1 **General Revenue Fund**					
Beginning Balance (Unencumbered):	$0	$0	$0	$0	$0
Estimated Revenue:					
3030 Com'l Driver Training Sch Fees	1,782,805	1,569,634	1,568,429	1,567,223	1,567,223
3035 Commercial Transportation Fees	5,522,886	5,707,928	5,785,731	5,863,535	5,863,535
3146 Combative Sports Admissions Tax	945,647	1,056,220	1,104,076	1,151,931	1,151,931
3147 Combative Sports Licenses	117,245	122,150	126,392	130,634	130,634
3160 Mfg/Ind Housing Reg Fees	324,300	342,363	346,590	350,817	350,817
3161 Mfg/Ind Housing Inspect Fees	426,066	561,399	598,172	634,946	634,946
3164 Boiler Inspection Fees	2,897,446	3,233,590	3,283,895	3,300,199	3,300,199
3175 Professional Fees	22,701,373	24,122,615	24,691,213	25,259,286	25,259,811
3180 Health Regulation Fees	547,697	636,273	685,337	734,400	734,400
3247 Fuel Metering & EV Supply Equipment	0	9,691,079	10,371,867	11,052,655	11,052,655
3366 Business Fees-Natural Resources	544,176	751,989	761,398	770,807	770,807
3414 Agriculture Inspection Fees	8,536,488	0	0	0	0
3560 Medical Exam & Registration	103,450	81,940	77,897	73,854	73,854
3562 Health Related Profession Fees	5,239,486	5,783,075	5,934,316	6,085,556	6,085,556
3727 Fees - Administrative Services	4,630,593	4,569,137	4,538,402	4,507,668	4,507,668
3770 Administrative Penalties	1,984,769	2,561,223	2,076,464	2,326,735	2,326,735
3790 Deposit to Trust or Suspense	239,191	245,467	248,550	251,634	251,634
Subtotal: Actual/Estimated Revenue	56,543,618	61,036,082	62,198,729	64,061,880	64,062,405
Total Available	**$56,543,618**	**$61,036,082**	**$62,198,729**	**$64,061,880**	**$64,062,405**
DEDUCTIONS:					
Expended/Budgeted/Requested	(37,309,068)	(76,805,260)	(44,717,605)	(48,516,990)	(48,516,889)
Unemployment Benefits	(2,234)	(9,987)	0	0	0
Transfer Employee Benefits	(8,907,950)	(8,698,560)	(11,687,634)	(11,687,634)	(11,687,634)
Total, Deductions	**$(46,219,252)**	**$(85,513,807)**	**$(56,405,239)**	**$(60,204,624)**	**$(60,204,523)**
Ending Fund/Account Balance	**$10,324,366**	**$(24,477,725)**	**$5,793,490**	**$3,857,256**	**$3,857,882**

Agency Code: **452** Agency name: **Department of Licensing and Regulation**

FUND/ACCOUNT	Act 2023	Exp 2024	Est 2025	Est 2026	Est 2027

REVENUE ASSUMPTIONS:

REVENUE ASSUMPTIONS: Reduction in dishonored payment fee – 2023; Deregulation of continuing education courses for registered accessibility specialists – 2023; Addition of license type in Motorcycle Operator and Safety Program – 2024; Increase in licenses in Licensed Breeder Program – 2024; Reduction in license fees for Midwives – 2024; Increase in events in Combative Sports program – 2024; Addition of Electric Vehicle Supply Equipment fees – 2025

CONTACT PERSON:

Karen Sands

Agency Code: **452**   Agency name: **Department of Licensing and Regulation**

FUND/ACCOUNT	Act 2023	Exp 2024	Est 2025	Est 2026	Est 2027
501 **Motorcycle Education Acct**					
Beginning Balance (Unencumbered):	$18,814,041	$19,751,914	$20,275,884	$20,799,854	$21,323,825
Estimated Revenue:					
3025 Driver License Fees	1,506,462	1,453,885	1,453,885	1,453,885	1,453,885
Subtotal: Actual/Estimated Revenue	1,506,462	1,453,885	1,453,885	1,453,885	1,453,885
Total Available	**$20,320,503**	**$21,205,799**	**$21,729,769**	**$22,253,739**	**$22,777,710**
DEDUCTIONS:					
Expended/Budgeted/Requested	(568,589)	(929,915)	(929,915)	(929,915)	(929,915)
Total, Deductions	**$(568,589)**	**$(929,915)**	**$(929,915)**	**$(929,915)**	**$(929,915)**
Ending Fund/Account Balance	**$19,751,914**	**$20,275,884**	**$20,799,854**	**$21,323,824**	**$21,847,795**

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Karen Sands

Agency Code: **452**   Agency name: **Department of Licensing and Regulation**

FUND/ACCOUNT	Act 2023	Exp 2024	Est 2025	Est 2026	Est 2027
666 **Appropriated Receipts**					
Beginning Balance (Unencumbered):	$0	$0	$0	$0	$0
Estimated Revenue:					
3164 Boiler Inspection Fees	126,000	83,500	0	0	0
3175 Professional Fees	390,812	1,088,540	0	0	0
3719 Fees/Copies or Filing of Records	334,565	375,415	375,415	375,415	375,415
3752 Sale of Publications/Advertising	7,129,261	6,983,368	6,983,368	6,983,368	6,983,368
3802 Reimbursements-Third Party	43,320	28,897	28,897	28,897	28,897
Subtotal: Actual/Estimated Revenue	8,023,958	8,559,720	7,387,680	7,387,680	7,387,680
Total Available	**$8,023,958**	**$8,559,720**	**$7,387,680**	**$7,387,680**	**$7,387,680**
DEDUCTIONS:					
Expended/Budgeted/Requested	(8,023,958)	(8,559,720)	(7,387,680)	(7,387,680)	(7,387,680)
Total, Deductions	**$(8,023,958)**	**$(8,559,720)**	**$(7,387,680)**	**$(7,387,680)**	**$(7,387,680)**
Ending Fund/Account Balance	**$0**	**$0**	**$0**	**$0**	**$0**

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Karen Sands

Agency Code: **452** Agency name: **Department of Licensing and Regulation**

FUND/ACCOUNT	Act 2023	Exp 2024	Est 2025	Est 2026	Est 2027
777 **Interagency Contracts**					
Beginning Balance (Unencumbered):	$0	$0	$0	$0	$0
Estimated Revenue:					
3765 Supplies/Equipment/Services	11,519	7,255	499,073	445,066	445,066
Subtotal: Actual/Estimated Revenue	11,519	7,255	499,073	445,066	445,066
Total Available	**$11,519**	**$7,255**	**$499,073**	**$445,066**	**$445,066**
DEDUCTIONS:					
Expended/Budgeted/Requested	(11,519)	(7,255)	(499,073)	(445,066)	(445,066)
Total, Deductions	**$(11,519)**	**$(7,255)**	**$(499,073)**	**$(445,066)**	**$(445,066)**
Ending Fund/Account Balance	**$0**	**$0**	**$0**	**$0**	**$0**

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Karen Sands

Agency Code: **452**   Agency name: **Department of Licensing and Regulation**

FUND/ACCOUNT	Act 2023	Exp 2024	Est 2025	Est 2026	Est 2027
898 **Auction Educ & Rec Trust**					
Beginning Balance (Unencumbered):	$360,108	$408,719	$494,192	$490,115	$486,038
Estimated Revenue:					
3175 Professional Fees	62,850	89,550	0	0	0
3851 Interest on St Deposits & Treas Inv	13,057	20,923	20,923	20,923	20,923
Subtotal: Actual/Estimated Revenue	75,907	110,473	20,923	20,923	20,923
Total Available	**$436,015**	**$519,192**	**$515,115**	**$511,038**	**$506,961**
DEDUCTIONS:					
Expended/Budgeted/Requested	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Claims and Judgements	(2,296)	0	0	0	0
Total, Deductions	**$(27,296)**	**$(25,000)**	**$(25,000)**	**$(25,000)**	**$(25,000)**
Ending Fund/Account Balance	**$408,719**	**$494,192**	**$490,115**	**$486,038**	**$481,961**

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Karen Sands