

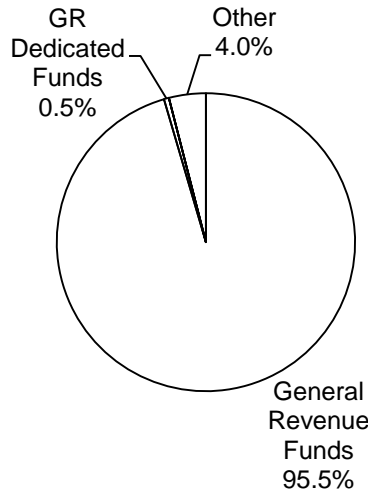
Section 1

Method of Financing	2012-13 Base	2014-15 Recommended	Biennial Change	% Change
General Revenue Funds	\$45,947,193	\$46,075,034	\$127,841	0.3%
GR Dedicated Funds	\$262,081	\$262,081	\$0	0.0%
Total GR-Related Funds	\$46,209,274	\$46,337,115	\$127,841	0.3%
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$1,906,764	\$1,931,764	\$25,000	1.3%
All Funds	\$48,116,038	\$48,268,879	\$152,841	0.3%

	FY 2013 Budgeted	FY 2015 Recommended	Biennial Change	% Change
FTEs	392.2	370.2	(22.0)	(5.6%)

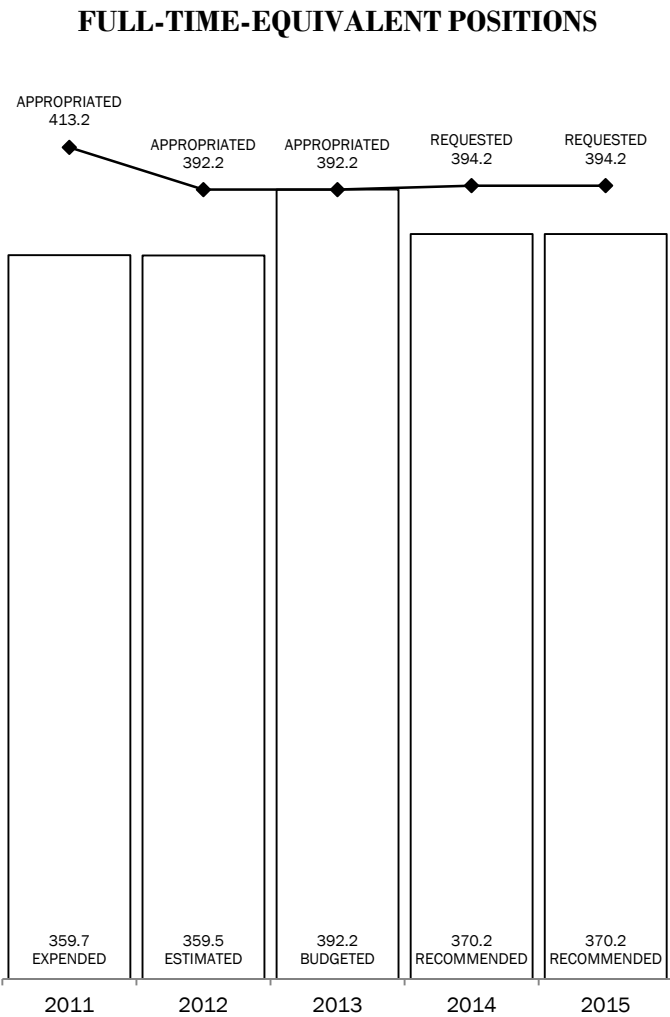
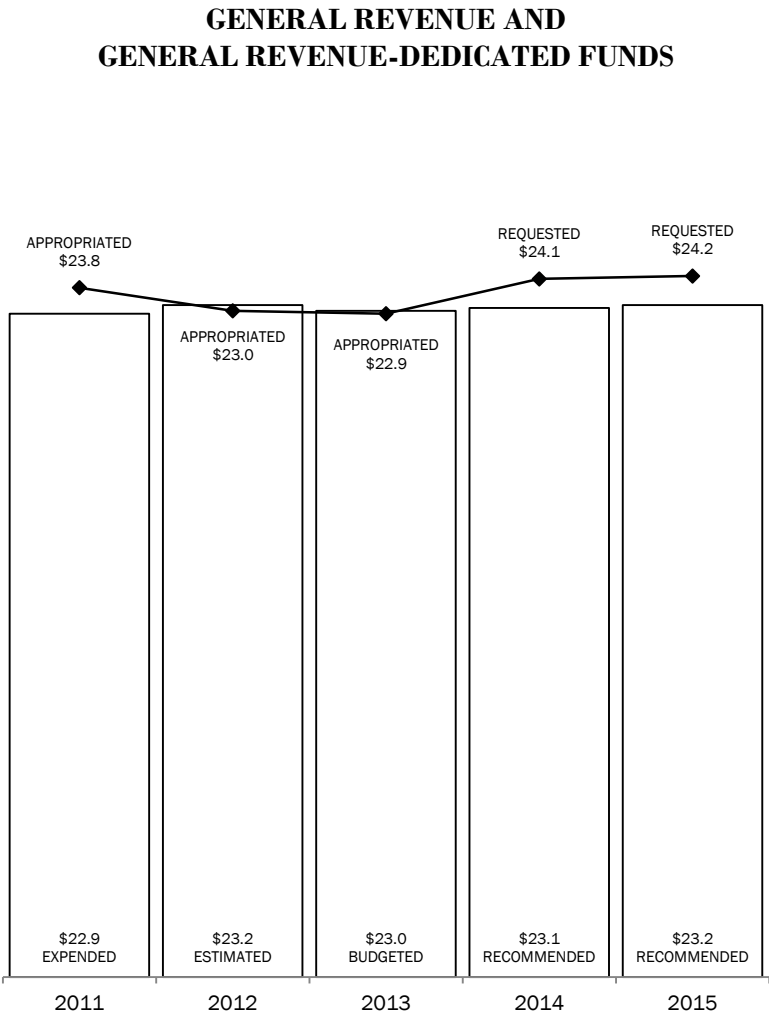
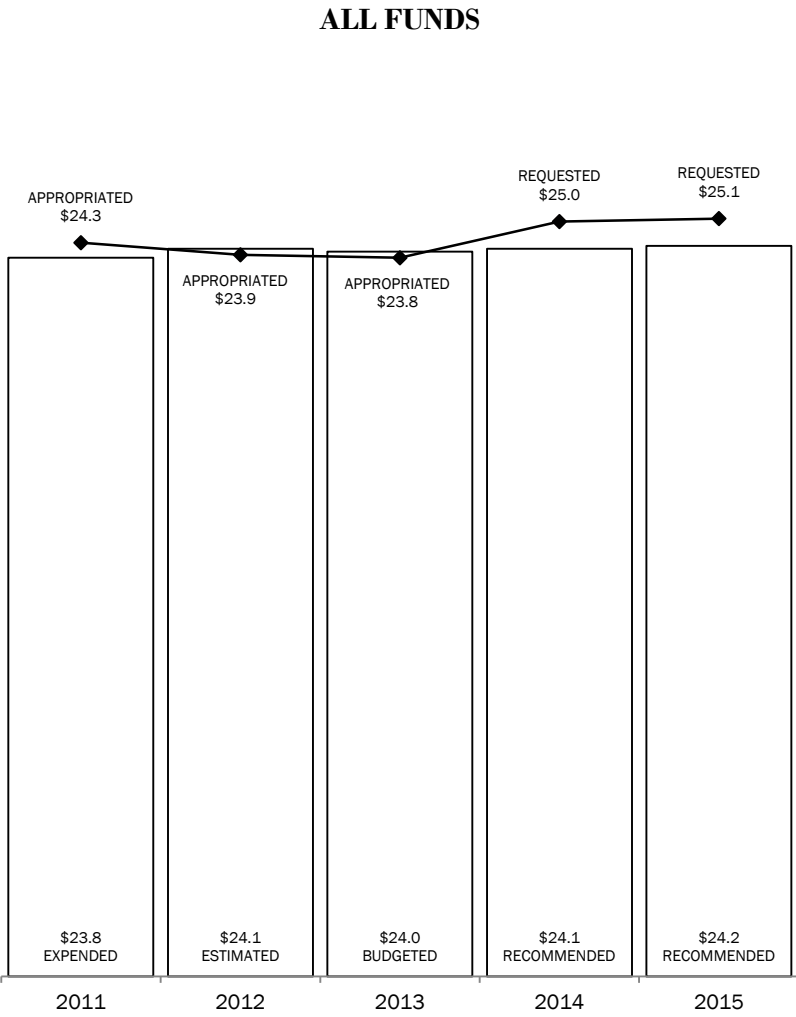
The bill pattern for this agency (2014-15 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2014-15 biennium.

RECOMMENDED FUNDING
BY METHOD OF FINANCING



Section 1
Department of Licensing and Regulation
2014-2015 BIENNIUM
IN MILLIONS

TOTAL= \$48.3 MILLION



Section 2

Department of Licensing and Regulation
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
LICENSE, REGISTER AND CERTIFY A.1.1	\$4,852,226	\$4,960,226	\$108,000	2.2%	Recommendations increase General Revenue for 2014-15 in alignment with the agency's request due to increasing numbers of licensees to be regulated for Dog and Cat Breeders and Dealers, Barbers, and Cosmetologists.
LICENSE BUSINESSES AND FACILITIES A.1.2	\$1,771,912	\$1,731,912	(\$40,000)	(2.3%)	
EXAMINATIONS/CONTINUING EDUCATION A.1.3	\$1,346,762	\$1,346,762	\$0	0.0%	
CUSTOMER SERV. A.1.4	\$3,137,022	\$2,822,902	(\$314,120)	(10.0%)	Recommendations decrease General Revenue funding due to a reallocation of staff and other operating expenses to strategy A.1.1, License, Register and Certify and strategy B.1.1, Conduct Inspections in alignment with the agency's request.
TEXAS.GOV A.1.5	\$934,400	\$934,400	\$0	0.0%	
Total, Goal A, LICENSING	\$12,042,322	\$11,796,202	(\$246,120)	(2.0%)	
CONDUCT INSPECTIONS B.1.1	\$13,251,663	\$13,517,434	\$265,771	2.0%	Recommendations for 2014-15 align with the agency's request due to an increase in training for Boiler Inspectors and new regulatory duties for Dog and Cat Breeders and Dealers, Barbers, and Cosmetologists. Recommendations also increase General Revenue by \$30,000 in contingency appropriations for Combative Sports Regulation (see Selected Fiscal and Policy Issues #3).
BUILDING PLAN REVIEWS B.1.2	\$2,217,794	\$2,217,794	\$0	0.0%	
RESOLVE COMPLAINTS B.1.3	\$5,998,680	\$5,998,680	\$0	0.0%	
INVESTIGATION B.1.4	\$5,865,874	\$5,865,874	\$0	0.0%	
Total, Goal B, ENFORCEMENT	\$27,334,011	\$27,599,782	\$265,771	1.0%	
CENTRAL ADMINISTRATION C.1.1	\$4,718,358	\$4,718,358	\$0	0.0%	Recommendations increase General Revenue funding by \$97,841 due to an updated agency allocation of DataCenter Service costs for fiscal years 2014-15 (see Selected Fiscal and Policy Issues #2).
INFORMATION RESOURCES C.1.2	\$3,314,285	\$3,447,475	\$133,190	4.0%	
OTHER SUPPORT SERVICES C.1.3	\$707,062	\$707,062	\$0	0.0%	
Total, Goal C, INDIRECT ADMINISTRATION	\$8,739,705	\$8,872,895	\$133,190	1.5%	
Grand Total, All Strategies	\$48,116,038	\$48,268,879	\$152,841	0.3%	Recommendations increase Appropriated Receipts by \$25,000 for the increased sale of Rule and Law Books for the Barbers and Cosmetologists.

Section 3

Department of Licensing and Regulation Selected Fiscal and Policy Issues

1. **Staffing Levels.** Recommendations include a decrease of 22.0 FTEs for unfunded positions. The agency has historically not maintained staffing levels equivalent to its authorized FTEs and has averaged 46.5 FTEs below its cap since Fiscal Year 2008. The State Auditor's Full-Time Equivalent System database shows the agency had lapses of 69.7, 28.1, 34.8, 53.5 FTEs from Fiscal Year 2008 to Fiscal Year 2011, respectively. The agency has redistributed funding from the unused FTEs for the increased operational cost in its licensing and inspecting divisions (see Items Not Included in the Recommendations #1).
2. **Capital Budget.** Recommendations increase capital budget funding and authority for the Data Center Consolidation project by \$97,841 in General Revenue in fiscal years 2014-15 to maintain current obligations and align with current service levels identified by the Department of Information Resources. Recommendations also reflect additional authority for the regularly scheduled replacement of computers, servers, and laptops in the amounts of \$82,812 for fiscal year 2014 and \$83,608 for fiscal year 2015 (\$166,420 for the biennium). This increase accurately reflects amounts the agency has been spending for the replacement of information technology equipment in each biennium.
3. **Combative Sports.** Recommendations continue contingency rider appropriations of \$60,000 (\$30,000 each fiscal year) for the administration of Mega Events in the state. The recommendations also increase appropriations by \$30,000 in General Revenue over the 2014-15 base due to an expectation that the rider will not be activated in 2013. The agency obtained certification in Fiscal Year 2012 for the Ultimate Fighting Champion event in Houston but has not submitted documents for certification for Fiscal Year 2013 as of February 6, 2013. The appropriations are contingent upon a combative sports event having ticket sales in excess of \$2 million and the agency assessing fees and taxes sufficient to generate revenues in excess of the Comptrollers' biennial revenue estimate in each fiscal year.
4. **Revenue Collections and Expenditure Reporting Requirements with Appropriation Adjustments.** Recommendations add new quarterly reporting requirements to Rider 3, Appropriation: Travel Expense and Fee Reimbursements, and Rider 12, Additional General Revenue, that the agency provide quarterly reports in a format prescribed by the Legislative Budget board for the amount of revenues collected and expenditures made for the purposes of enforcing the laws related to Boiler Inspections as well as elevators, escalators, and related equipment in addition to the Architectural Barriers Act. Recommendations authorize the Legislative Budget Board to direct the comptroller to reduce appropriation authority to be within the amount of revenue expected to be available (see Rider Highlights #3 and #12 and Items Not Included in Recommendations #5 and #6).

Section 4

Texas Department of Licensing and Regulation (TDLR)
Performance Review and Policy Report Highlights

Reports & Recommendations	Report Page	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Included in Introduced Bill	Action Required During Session
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NO RELATED RECOMMENDATIONS

Section 5

Department of Licensing and Regulation Rider Highlights

3. **Appropriation: Travel Expense and Fee Reimbursements.** Recommendations update the target reimbursement amount (from \$182,400 to \$312,600 each fiscal year) to match reimbursements certified and collected in fiscal years 2012-13. Recommendations also add a new reporting requirement in a format prescribed by the Legislative Budget Board for the amount of revenues collected and expenditures made for the purpose of administering and enforcing laws relating to the Boiler Inspections. If the actual and/or projected revenue collections are insufficient to offset costs, the Legislative Budget Board may direct the Comptroller to reduce the appropriation authority to be within the amount of revenue expected to be available. The report must be submitted quarterly and in a format prescribed by the Legislative Budget Board and a copy of the certification letter must be sent within 10 business days of receipt (see Selected Fiscal and Policy Issues #4 and Items Not Included in the Recommendations #5).
10. **Reimbursement of Advisory Committee Members for Travel Expenses.** Recommendations update the rider to reflect the addition of the Licensed Breeders Advisory Committee created by the 82nd Legislature.
12. **Additional General Revenue.** Recommendations continue funding and 2012-13 revenue target requirements and add a new reporting requirement in a format prescribed by the Legislative Budget Board for the amount of revenues collected and expenditures made for the purpose of administering and enforcing laws relating to the elevators, escalators and related equipment program and Architectural Barriers Act. If the actual and/or projected revenue collections are insufficient to offset costs, the Legislative Budget Board may direct the Comptroller to reduce the appropriation authority to be within the amount of revenue expected to be available. The report must be submitted quarterly and in a format prescribed by the Legislative Budget Board (see Selected Fiscal and Policy Issues #4 and Items Not Included in Recommendations #6).
13. **(former) Contingent Revenue Rider.** Recommendations delete this rider. Additional revenues were generated and appropriations were increased during the 2012-13 biennium for the purposes of this rider. These amounts were included in the agency's 2012-13 expenditures and in the 2014-15 recommendations.
15. **(former) Motor Vehicle Towing Report.** Recommendations delete this rider. The rider requirements were completed and the report was distributed to the presiding officer of the standing committee of each house of the legislature with primary jurisdiction over issues involving incident management motor vehicle towing.

Section 6

Department of Licensing and Regulation
Items not Included in Recommendations - Senate

	2014-15 Biennial Total	
	GR & GR-Dedicated	All Funds
In Agency Priority Order		
1. Increase in the FTE cap by 22.0 each year (see Selected Fiscal and Policy Issues #1). 8.0 Inspectors 5.0 Program Specialists 3.0 Investigators 2.0 Licensing and Permitting Specialists 1.0 Manager 1.0 Customer Service Representative 1.0 Legal Assistant 1.0 Accountant	\$ -	\$ -
2. General Revenue funding for merit salary increases for classified staff which includes 12 attorneys, 9 systems analysts, 15 boiler inspectors, 40 legal assistants, and 36 customer service representatives.	\$ 1,460,000	\$ 1,460,000
3. General Revenue funding for an increase in postage costs.	\$ 240,390	\$ 240,390
4. General Revenue funding and 2.0 additional FTEs each year for a Hydrologist II and Administrative Assistant III position: a. Salaries and wages (\$172,176 for the biennium) \$103,152 for 1.0 Hydrologist II (\$51,576 each year) \$69,024 for 1.0 Administrative Assistant III (\$34,512 each year) b. Other operating expenses (\$34,550 for the biennium) \$18,750 for other personnel costs \$10,800 for rent-building \$5,000 for travel	\$ 206,726	\$ 206,726

Section 6

Department of Licensing and Regulation
Items not Included in Recommendations - Senate

	2014-15 Biennial Total	
	GR & GR-Dedicated	All Funds
5. Agency request to retain amounts in Rider 3, Appropriation: Travel Expenses and Fee Reimbursements, of fees collected for reimbursments for enforcing and administering the Architectural Barrier Act (\$182,400 instead of \$312,600) (see Selected Fiscal and Policy Issues #4 and Rider Highlights #3).	\$ -	\$ -
6. Agency request to reduce amounts in Rider 12, Additional General Revenue, (from \$4,624,050 to \$4,400,000) for boiler inspections (see Selected Fiscal and Policy Issues #4 and Rider Highlights #12).	\$ -	\$ -
Total, Items Not Included in the Recommendations	\$ 1,907,116	\$ 1,907,116