

**Department of Licensing and Regulation
Summary of Recommendations - Senate**

Page VIII-29

Brian Francis, Executive Director

Jennifer Quereau, LBB Analyst

Method of Financing	2016-17 Base	2018-19 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$58,184,560	\$58,990,069	\$805,509	1.4%
GR Dedicated Funds	\$50,000	\$50,000	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$58,234,560</i>	<i>\$59,040,069</i>	<i>\$805,509</i>	<i>1.4%</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$8,795,760	\$8,741,764	(\$53,996)	(0.6%)
All Funds	\$67,030,320	\$67,781,833	\$751,513	1.1%

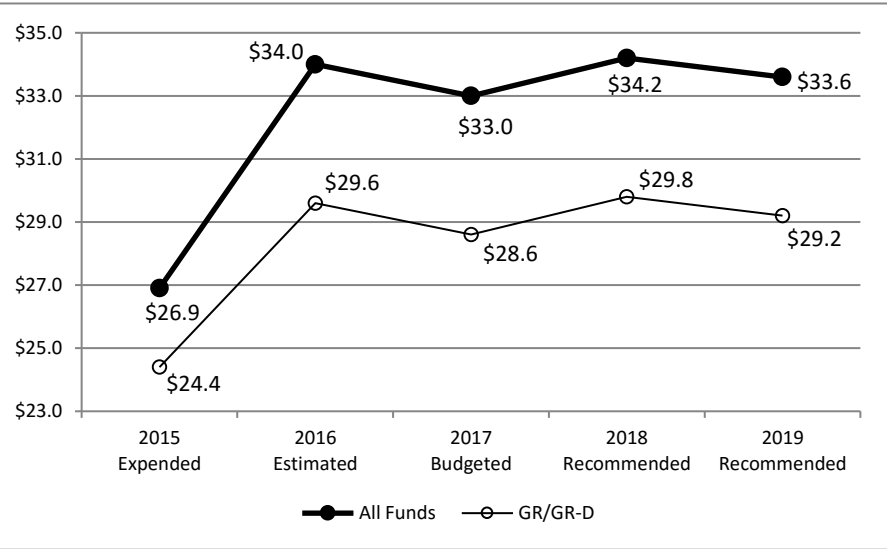
	FY 2017 Budgeted	FY 2019 Recommended	Biennial Change	Percent Change
FTEs	448.2	458.2	10.0	2.2%

Agency Budget and Policy Issues and/or Highlights

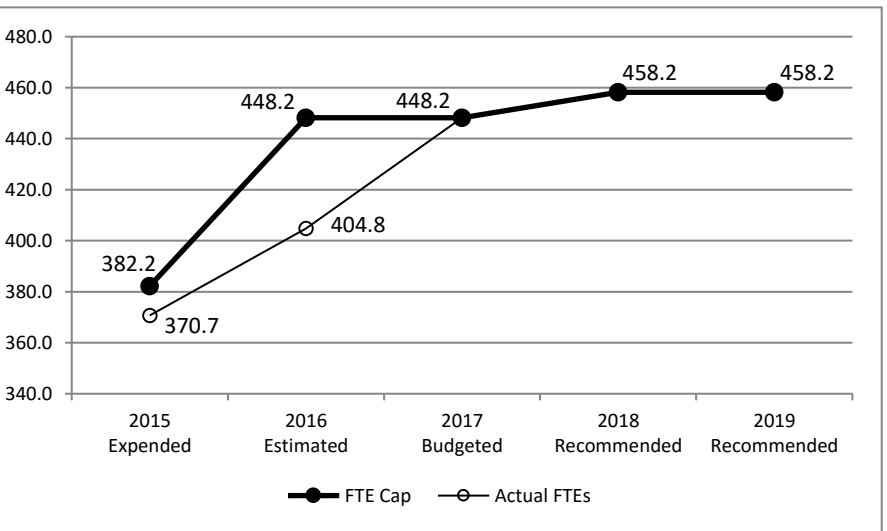
Recommendations include \$3.5 million in General Revenue and 25 FTEs for programs scheduled to transfer from the Department of State Health Services on September 1, 2017 pursuant to Senate Bill 202 (84R).

The bill pattern for this agency (2018-19 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2018-19 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



Department of Licensing and Regulation
Summary of Funding Changes and Recommendations - Senate

Section 2

Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
---	----------------------------	---------------------	--------------------------	--------------------	------------------	-----------------------------------

SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):

A)	Decrease of 1) \$766,972 for one-time capital expenses incurred in the first phase of program transfers from the Department of State Health Services (DSHS) per SB 202 (84R); and 2)\$1,562,410 for the elimination of 14 FTE positions agency-wide. Both reductions together make up the agency's four percent reduction.	(\$2.3)	\$0	\$0	\$0	(\$2.3)	11 strategies
B)	One-time expenses for the implementation of program transfers from Texas Education Agency and Department of Public Safety pursuant to HB 1786 (84R), including \$106,776 for background checks not needed in the 2018-19 biennium and \$105,313 for office and computer equipment.	(\$0.2)	\$0	\$0	\$0	(\$0.2)	4 strategies
C)	One-time funding to address Gartner IT security assessment findings in the 2016-17 biennium.	(\$0.6)	\$0	\$0	\$0	(\$0.6)	4 strategies
D)	Funding to implement the Centralized Accounting and Payroll/Personnel System in the 2016-17 biennium.	(\$0.1)	\$0	\$0	\$0	(\$0.1)	4 strategies
E)	Increase for Data Center Services to align with Department of Information Resources estimates of ongoing costs.	\$0.5	\$0	\$0	\$0	\$0.5	C.1.2
F)	Increase of funds to implement the second phase of program transfers from DSHS, per SB 202 (84R), occurring in the 2018-19 biennium.	\$3.5	\$0	\$0	\$0	\$3.5	7 strategies

OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):

G)	Contingency appropriation for Combative Sports Regulation providing \$60,000 in funding for the regulation of combative sports events.	\$0.1	\$0	\$0	\$0	\$0.1	B.1.1
H)	Decrease of 1) \$43,400 in Appropriated Receipts for boiler inspection travel and fee reimbursements and 2) \$10,596 in Interagency Contracts from the Texas Commission on Environmental Quality for a federal grant; not anticipated in the next biennium.	\$0	\$0	\$0	(\$0.1)	(\$0.1)	4 strategies

TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	\$0.8	\$0	\$0	(\$0.1)	\$0.8	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>	<i>\$4.1</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$4.1</i>	<i>As Listed</i>
<i>SIGNIFICANT & OTHER Funding Decreases</i>	<i>(\$3.2)</i>	<i>\$0</i>	<i>\$0</i>	<i>(\$0.1)</i>	<i>(\$3.3)</i>	<i>As Listed</i>

NOTE: Totals may not sum due to rounding.

**Department of Licensing and Regulation
Selected Fiscal and Policy Issues - Senate**

1. **One-Time Expenses.** Recommendations for the Texas Department of Licensing and Regulation (TDLR) include a decrease of \$938,201 from the 2016-17 base related to one-time capital and operating expenses for the following items.
 - **House Bill 1786.** One-time expenses for the implementation of driver and traffic safety education programs from Texas Education Agency and Department of Public Safety pursuant to HB 1786 (84R), include \$106,776 for background checks not needed in the 2018-19 biennium and \$105,313 for office and computer equipment for 19.5 FTEs. Recommendations include a total decrease of \$212,089 from the 2016-17 base.
 - **Gartner IT security.** The agency received \$590,000 in one-time funding to address the Gartner IT security assessment findings in the 2016-17 biennium. Recommendations include a decrease by this amount from the 2016-17 base (See Items Not Included In Recommendations #1).
 - **Centralized Accounting and Payroll/Personnel System (CAPPS).** The agency implemented the Financials CAPPS system in the 2016-17 biennium and is scheduled to implement the HR/Payroll CAPPS system in the 2018-19 biennium. Recommendations include a funding decrease of \$136,112 and a FTE decrease of 1.0 FTE received for the implementation of CAPPS in the 2016-17 biennium (See Items Not Included In Recommendations #4).
2. **Data Center Services.** Recommendations include an increase of \$509,506 in the 2018-19 biennium to maintain current obligations for the Data Center as identified by the Department of Information Resources.
3. **Program Transfers from DSHS.** SB 202 (84R) transferred 13 occupational regulatory programs from DSHS to TDLR in two phases. Seven programs transferred in the 2016-17 biennium (Phase 1) and six programs will transfer in the 2018-19 biennium (Phase 2).
 - **Phase 1.** TDLR was appropriated \$5.9 million in the 2016-17 biennium to regulate the first phase of transferring programs. Pursuant to Article IX, Section 18.56, Contingency for SB 202, the Comptroller of Public Accounts (CPA) concluded that insufficient revenue would be generated to cover the full appropriation in fiscal year 2016. As a result, the agency's appropriation was reduced to \$4.8 million in the 2016-17 biennium. TDLR's operating expenses were less than estimated, which allowed the agency to implement the programs within the partial appropriation. DSHS operated the programs in fiscal year 2016 through an interagency contract and TDLR assumed the regulation of the seven programs on October 3, 2016. For the 2018-19 biennium, recommendations include the reduction of \$0.8 million in one-time capital expenses submitted as part of the agency's four percent reduction and the continuation of \$4.0 million to regulate these programs.
 - **Phase 2.** DSHS reported total expenditures of approximately \$1.7 million in fiscal year 2015 to regulate the second phase of transferring programs. Recommendations include a funding increase of \$3.5 million and a FTE increase of 25.0 FTEs in the 2018-19 biennium for TDLR with a corresponding reduction in funding at DSHS.
4. **Combative Sports Regulation.** Recommendations include \$60,000 in contingency appropriations for Combative Sports Regulation in the 2018-19 biennium, an increase of \$60,000 over the 2016-17 base due to the rider not being activated in the 2016-17 biennium. The rider allows TDLR to access additional revenue to cover the travel and contract costs involved in managing mega combative sports events. The appropriations are contingent upon a combative sports event having ticket sales exceed \$2.0 million and the agency assessing fees sufficient to generate revenues in excess of the CPA's Biennial Revenue Estimate in each fiscal year. (See Rider Highlights #12)
5. **Tuition Protection Accounts.** Three beauty schools closed in the fall of 2016, displacing 667 students. TDLR has authority and is required under the Texas Occupations Code to establish and maintain a Private Beauty Culture School Tuition Protection Account with a balance of \$200,000 and a Barber School Tuition Protection Account with a balance of \$25,000. If a beauty or barber school closes, the department shall refund tuition from the tuition protection accounts. Recommendations in the introduced bill provide that \$20,000 for the biennium from the General Revenue-Dedicated Private Beauty Culture School Tuition Protection Account and \$5,000 from the General Revenue-Dedicated Barber School Tuition Protection Account is appropriated for the purpose of paying refunds authorized by

the department. TDLR requests access to the additional \$180,000 in the beauty school and \$20,000 in the account each year. From the closure of one of the beauty schools in September 2016, the claims for refunds total approximately \$70,000. TDLR is assessing the claims from the other two beauty school closures. Due to federal regulations that changed in July 2015, TDLR anticipates that more beauty and barber school closures are likely. The revenue for the tuition protection accounts come from fees applied to private beauty and barber schools. (See Items Not Included in Recommendations #5)

**Department of Licensing and Regulation
Rider Highlights - Senate**

Modification of Existing Riders

2. **Capital Budget.** Recommendations include a decrease in capital budget authority totaling \$1.8 million in General Revenue due to the removal of one-time expenses for Senate Bill 202 (84R), Gartner IT security, and Centralized Accounting and Payroll/Personnel System (See Selected Fiscal and Policy Issues #1). Recommendations also include capital funding and authority for PC replacements with outdated operating systems (\$0.2 million for the biennium), SB 202 (84R) Phase 2 (\$0.4 million for the biennium), and Data Center Consolidation (\$2.1 million for the biennium).
10. **Reimbursement of Advisory Committee Members for Travel Expenses.** Revise rider to include the Dyslexia Therapists and Practitioners Advisory Committee and the Sanitarians Advisory Committee from the SB 202 (84R) program transfers from the Department of State Health Services. Revisions also include renaming the Medical Advisory Committee to the Combative Sports Advisory Committee, pursuant to HB 3315 (84R).
11. **Additional General Revenue.** Delete the Architectural Barrier program from rider. This rider appropriates additional general revenue for the Elevator and Architectural Barrier programs if additional appropriations are required to maintain adequate levels of program performance and additional revenue is generated from these programs. Additional revenue for the Architectural Barrier program has not been accessed or needed in recent years and the agency reports this change will not impact program performance.
12. **Combative Sports Regulation.** Continue the rider providing the agency with contingent appropriations to regulate combative sporting events. The rider allows the Texas Department of Licensing and Regulation (TDLR) to access additional revenue to cover the additional travel and contract costs involved in managing mega combative sports events. Under provisions of the rider, TDLR is appropriated \$30,000 in General Revenue each fiscal year for each combative sports event when gross ticket sales exceed \$2.0 million, subject to the assessment of additional fees above the Biennial Revenue Estimate and certification by the Comptroller of Public Accounts (CPA). (See Selected Fiscal and Policy Issue #4)
14. **Combative Sports Program Attendance Report.** Current rider language only applies to employees of the department and their guests who attend a combative sports event in the state with complimentary or reduced rate tickets provided by the promoter. Revisions expand the reporting requirement for commissioners and their guests as well as any employees, commissioners, and guests who attend the event in the technical zone.

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

Section 5

	2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items - In Agency Priority Order

1)	Gartner IT security and physical security enhancements. Request includes \$581,700 to address Gartner IT security assessment findings and \$55,000 for cameras and lighting for the E.O. Thompson Building headquarters. (See Selected Fiscal and Policy Issue #1)	\$636,700	\$636,700	0.0	Yes	Yes	\$347,700
2)	Five FTE positions for enforcement, field operations, and education and examination efforts reduced pursuant to the four percent reduction. Request includes \$430,440 in salaries and \$106,306 in other operating expenses.	\$536,746	\$536,746	5.0	No	No	\$536,746
3)	Three FTE positions for customer service, licensing, and executive management efforts reduced pursuant to the four percent reduction. Request includes \$250,176 in salaries and \$24,184 in other operating expenses.	\$274,360	\$274,360	3.0	No	No	\$274,360
4)	Funding for the implementation of the Centralized Accounting and Payroll/Personnel System in the 2018-19 biennium. (See Selected Fiscal and Policy Issue #1)	\$108,336	\$108,336	1.0	Yes	No	\$0
5)	Increased funding from General Revenue-Dedicated Tuition Protection Accounts to provide refunds to students of beauty and barber schools that close before instruction is complete. Agency requests additional \$180,000 per fiscal year from the Private Beauty Culture School Protection Account No. 108, and \$20,000 from the Barber School Tuition Protection Account No. 5081. TDLR is currently appropriated \$20,000 from the Private Beauty School Tuition Account and \$5,000 from the Barber School Tuition Protection Account. Three beauty schools closed in fall of 2016, resulting in at least \$70,000 in claims for refunds. Federal regulations changed in July 2015, which may make barber and beauty school closures more likely. (See Selected Fiscal and Policy Issues #5)	\$400,000	\$400,000	0.0	No	No	\$400,000

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

		2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
		GR & GR-D	All Funds	FTEs			
6)	Revise Rider 13, Judgements and Settlements, to include that judgments and settlements awarded under state law shall be paid by the CPA and not from funds appropriated to TDLR. Current rider language only applies to payments of judgments and settlements, including attorney's fees, awarded under federal law that arise from claims challenging the validity or constitutionality of a state law.	\$0	\$0	0.0	No	No	\$0
TOTAL Items Not Included in Recommendations		\$1,956,142	\$1,956,142	9.0			\$1,558,806

NOTE: Exceptional Items #2 and #3 are related to the four percent reduction. Out of the agency's required four percent reduction of \$2.3 million, \$1.6 million was for the elimination of 14 FTE positions. The agency is requesting \$0.8 million and 8 FTE positions in the exceptional items related to the four percent reduction.

Department of Licensing and Regulation
Appendices - Senate

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	9
B	Summary of Federal Funds	*
C	FTE Highlights	13
D	Performance Measure Highlights	14
E	Summary of Ten Percent Biennial Base Reduction Options	15

* Appendix is not included - no significant information to report

Department of Licensing and Regulation
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
LICENSE, REGISTER AND CERTIFY A.1.1	\$7,406,927	\$7,925,811	\$518,884	7.0%	All Funds net increase due to the following: -Decrease of \$153,917 in General Revenue for the elimination of 1 FTE and related expenses for the four percent reduction; -Increase of \$722,233 in General Revenue for 7 FTEs and related expenses for the SB 202 Phase 2 program transfer; and -Decrease of \$49,432 in Appropriated Receipts for boiler inspection travel and fee reimbursements not anticipated in the next biennium.
LICENSE BUSINESSES AND FACILITIES A.1.2	\$2,521,878	\$2,501,370	(\$20,508)	(0.8%)	General Revenue decrease of \$20,508 in operating expenses for the four percent reduction.
EXAMINATIONS/CONTINUING EDUCATION A.1.3	\$2,659,223	\$2,828,488	\$169,265	6.4%	All Funds net increase due to the following: -Decrease of \$131,867 in General Revenue for the elimination of 1 FTE and related expenses for the four percent reduction; -Increase of \$251,132 in General Revenue for 2 FTEs and related expenses for the SB 202 Phase 2 program transfer; and -Increase of \$50,000 for GR-Dedicated barber and beauty school funds reallocated from Strategy A.1.4.
CUSTOMER SERV. A.1.4	\$4,844,680	\$5,366,080	\$521,400	10.8%	All Funds net increase due to the following: -Decrease of \$78,794 in General Revenue for one-time expenses related to HB 1786, Gartner IT security, and CAPPs; -Increase of \$363,654 in General Revenue for a reallocation of funding to customer service; -Increase of \$286,540 in General Revenue for 3 FTEs and related expenses for the SB 202 Phase 2 program transfer; and -Decrease of \$50,000 for GR-Dedicated barber and beauty school funds reallocated to Strategy A.1.3.
TEXAS.GOV A.1.5	\$1,000,000	\$1,000,000	\$0	0.0%	
Total, Goal A, LICENSING	\$18,432,708	\$19,621,749	\$1,189,041	6.5%	

Department of Licensing and Regulation
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
CONDUCT INSPECTIONS B.1.1	\$14,771,009	\$15,546,575	\$775,566	5.3%	All Funds net increase due to the following: -Decrease of \$215,472 in General Revenue for the elimination of 5 FTEs and related expenses for the four percent reduction; -Increase of \$941,633 in General Revenue for 6 FTEs and related expenses for the SB 202 Phase 2 program transfer; -Increase of \$60,000 in General Revenue for the continuation of Rider 12, Combative Sports Regulation; and -Decrease of \$10,595 in Other Funds due to interagency contracts not anticipated in the 2018-19 biennium.
BUILDING PLAN REVIEWS B.1.2	\$2,799,156	\$2,750,854	(\$48,302)	(1.7%)	General Revenue decrease of \$48,302 in operating expenses for the four percent reduction.
RESOLVE COMPLAINTS B.1.3	\$7,335,907	\$7,959,090	\$623,183	8.5%	General Revenue net increase due to the following: -Decrease of \$154,975 in operating expenses for the four percent reduction; and -Increase of \$778,158 for 6 FTEs and related expenses for the SB 202 Phase 2 program transfer.
INVESTIGATION B.1.4	\$6,219,835	\$6,019,218	(\$200,617)	(3.2%)	General Revenue decrease of \$200,617 for the elimination of 2 FTEs and related expenses for the four percent reduction.
Total, Goal B, ENFORCEMENT	\$31,125,907	\$32,275,737	\$1,149,830	3.7%	

Department of Licensing and Regulation
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
CENTRAL ADMINISTRATION C.1.1	\$7,626,255	\$7,233,285	(\$392,970)	(5.2%)	All Funds net decrease due to the following: -Decrease of \$441,256 in General Revenue for the elimination of 2 FTEs and related expenses for the four percent reduction; -Decrease of \$106,634 in General Revenue for one-time expenses related to HB 1786, Gartner IT security, and CAPPs; -Increase of \$159,771 in General Revenue for 1 FTE and related expenses for the SB 202 Phase 2 program transfer; and -Decrease of \$4,851 in Appropriated Receipts not anticipated in the next biennium.
INFORMATION RESOURCES C.1.2	\$8,966,567	\$7,809,365	(\$1,157,202)	(12.9%)	All Funds net decrease due to the following: -Decrease of \$1,347,283 in General Revenue for the elimination of 2 FTEs and SB 202 Phase 1 capital expenses for the four percent reduction; -Decrease of \$184,920 in General Revenue for one-time expenses related to HB 1786, Gartner IT security, and CAPPs; -Increase of \$364,119 in General Revenue for capital expenditures related to the SB 202 Phase 2 program transfer; and -Increase of \$10,882 in Appropriated Receipts reallocated from other strategies.
OTHER SUPPORT SERVICES C.1.3	\$878,883	\$841,697	(\$37,186)	(4.2%)	General Revenue net decrease due to the following: -Decrease of \$58,347 for one-time expenses related to HB 1786, Gartner IT security, and CAPPs; and -Increase of \$21,161 for a reallocation of funding for administrative support services.
Total, Goal C, INDIRECT ADMINISTRATION	\$17,471,705	\$15,884,347	(\$1,587,358)	(9.1%)	

Department of Licensing and Regulation
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
Grand Total, All Strategies	\$67,030,320	\$67,781,833	\$751,513	1.1%	All Funds net increase due to the following: -Decrease of \$2,329,382 in General Revenue for the elimination of 14 FTE positions and SB 202 Phase 1 one-time capital expenses pursuant to the four percent reduction; -Decrease of \$212,089 in General Revenue for office and computer equipment one-time expenses for the implementation of HB 1786 as well as funding for background checks not anticipated in the 2018-19 biennium; -Decrease of \$590,000 in General Revenue for one-time expenses to address Gartner IT security assessment findings; -Decrease of \$136,112 in General Revenue for one-time funding for the implementation of CAPPs; -Increase of \$509,506 in General Revenue for Data Center Services to align with the Department of Information Resources estimates of ongoing costs; -Increase of \$3,503,586 in General Revenue for the SB 202 Phase 2 program transfer from DSHS; -Increase of \$60,000 in General Revenue for the continuation of Rider 12, Combative Sports Regulation; and -Decrease of \$53,996 in Other Funds due to appropriated receipt collections and interagency contracts not anticipated in the 2018-19 biennium.

**Department of Licensing and Regulation
FTE Highlights - Senate**

Appendix C

Full-Time-Equivalent Positions	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
Cap	382.2	448.2	448.2	458.2	458.2
Actual/Budgeted	370.7	404.8	448.2	NA	NA

Schedule of Exempt Positions (Cap)

Executive Director, Group 5	\$175,000	\$179,375	\$179,375	\$179,375	\$179,375
-----------------------------	-----------	-----------	-----------	-----------	-----------

Notes:

a) The agency's 2018-19 recommended FTE cap is 458.2, which is a net increase of 10.0 FTEs from 2017 budgeted levels. Recommendations include 1) a decrease of 14 FTEs related to the four percent reduction; 2) a decrease of 1 FTE related to the implementation of Centralized Accounting and Payroll/Personnel System in the 2016-17 biennium; and 3) an increase of 25 FTEs related to the implementation of the second phase of program transfers from the Department of State Health Services, per Senate Bill 202 (84) occurring in the 2018-19 biennium.

b) The 2016 actual FTE level is 43.4 FTEs below the cap because 1) 21.5 FTEs is related to the Article IX, Section 18.56, Contingency for SB 202, partial appropriation received in fiscal year 2016 as a result of the CPA review concluding that insufficient revenue would be generated to cover the full appropriation; and 2) 21.9 FTEs is related to employee turnover.

**Department of Licensing and Regulation
Performance Measure Highlights - Senate**

Appendix D

	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
Licensing					
• <i>Number of New Licenses Issued to Individuals</i>	107,989	119,283	121,571	126,308	127,903
• <i>Number of Licenses Renewed for Individuals</i>	233,935	246,224	245,810	264,243	267,894
• <i>Total Number of Licenses Held by Individuals</i>	455,076	476,734	512,239	571,206	579,926
• <i>Total Number of Licenses Held by Businesses</i>	197,312	202,546	207,541	215,200	219,538
Enforcement					
• <i>Percent of Complaints Closed within Six Months</i>	59.6%	71.5%	60%	67%	68%
• <i>Total Number of Inspections Completed</i>	121,400	125,769	122,392	125,195	126,755
• <i>Number of Complaints Closed</i>	13,155	12,316	10,609	12,547	13,023
• <i>Number of Complaints Opened</i>	10,511	11,305	12,143	11,791	12,208

Notes:

a) The performance measures above represent all impacts on key performance measure targets due to the implementation of program transfers from the Department of State Health Services, per Senate Bill 202 (84R). Phase 1 occurred during the 2016-17 biennium and included a transfer of seven occupations while six occupations will transfer during the 2018-19 biennium.

Department of Licensing and Regulation
Summary of Ten Percent Biennial Base Reduction Options - Senate

Appendix E

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs			
1)	Enforcement Program Layoffs	Twenty one FTE positions would be affected, including 1) the elimination of 12 FTEs in inspections, 2) the elimination of 3 FTEs in complaints resolution, and 3) the elimination of 6 FTEs in investigations. The reduction would impact program performance resulting in the increased processing time of inspections, complaint resolution, and continuing education course approval.	\$2,047,894	\$2,047,894	21.0	\$0	7.4%	N
2)	Enforcement Program Operations	The agency would reduce program operating costs resulting in the increased processing time of inspections, plan reviews, complaint resolution, and continuing education course approval.	\$747,364	\$747,364	0.0	\$0	2.7%	N
3)	Administration Program Layoffs	Five FTE positions would be affected, including 1) the elimination of 2 FTEs in central administration, 2) the elimination of 2 FTEs in information technology, and 3) the elimination of 1 FTE in other support services. The reduction would impact program performance resulting in the increased processing time of fee payments, revenue deposits, licenses, and purchasing. Also, the deployment of new programming features and systems would be impacted.	\$538,174	\$538,174	5.0	\$0	3.4%	N
4)	Administration Program Operations	The agency would reduce program operating costs resulting in increased time required to complete administrative tasks.	\$235,586	\$235,586	0.0	\$0	1.5%	N
5)	Licensing Program Layoffs	Fifteen FTE positions would be affected, including 1) the elimination of 3 FTEs in licensing, 2) the elimination of 2 FTEs in examination, 3) the elimination of 6 FTEs in customer service, 4) the elimination of 3 FTEs in inspections, and 5) the elimination of 1 FTE in investigations. The reduction would impact program performance resulting in the increased processing time of licenses, continuing education course approvals, customer service calls and emails, inspections, and investigations.	\$1,278,740	\$1,278,740	15.0	\$0	3.6%	N

Department of Licensing and Regulation
Summary of Ten Percent Biennial Base Reduction Options - Senate

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs			
6)	Licensing Program Operations	The agency would reduce program operating costs resulting in increased processing time of licenses, continuing education course approvals, customer service calls and emails, pre-license inspections, complaint resolution, and investigations.	\$746,760	\$746,760	0.0	\$0	2.1%	N
TOTAL, 10% Reduction Options			\$5,594,518	\$5,594,518	41.0	\$0		