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State Auditor

An Audit Report on

The Department of Licensing and Regulation

August 2006
Report No. 06-053



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Overall Conclusion

For the three types of licenses auditors tested—air conditioning and refrigeration contractors, electricians, and legal contract sales representatives—the Department of Licensing and Regulation (Department) has established licensing procedures that, in most cases, result in qualified licensees. The Department followed procedures when it issued approximately 91 percent of the licenses we tested. For the remaining 9 percent, the Department did not follow certain licensing procedures. This indicates that the Department should make improvements to ensure that it consistently follows its licensing procedures.

The Department can improve its licensing procedures by validating the Social Security numbers that applicants provide to establish their identities. Between September 1, 2004, and February 28, 2006, the Department issued 4,729 licenses to individuals who provided invalid Social Security numbers for the three types of licenses audited. Validating the accuracy of Social Security numbers also is important because the Department is required to provide Social Security numbers to the Office of the Attorney General and the Texas Guaranteed Student Loan Corporation to assist those organizations in collecting child support and student loans.

The Department also should strengthen controls to ensure the integrity of the data in its licensing system and follow a change management process and system development life cycle when making modifications to that system. In addition, the Department should document its information technology policies and procedures, provide employees with security awareness training, and update and test its disaster recovery plan. The Department has been given responsibility for a number of licenses in the past few years, including electricians, legal service contract sales representatives, barbers, and cosmetologists. During our audit, we noted that the Department's licensing system was able to handle the increase in licenses without any storage or capacity difficulties.

Background Information

The Department reports that it currently regulates 23 occupations and industries (see Appendix 2 for a list). Its responsibilities include issuing licenses, conducting inspections, investigating complaints, assessing penalties, holding hearings, and setting rules and standards.

The Department issued 257,079 licenses and received \$18.1 million in revenue in fiscal year 2005.

The three licenses selected for audit (air conditioning and refrigeration contractors, electricians, and legal contract sales representatives) represented 62 percent of the Department's licensee population in fiscal year 2005.

In the last two years, the Legislature has made the Department responsible for overseeing additional types of licensees. The Department became responsible for licensing electricians in fiscal year 2004, and it became responsible for licensing barbers and cosmetologists in fiscal year 2006.

This audit was conducted in accordance with Texas Government Code, Sections 321.0131 and 321.0132.

For more information regarding this report, please contact Sandra Vice, Assistant State Auditor, or John Keel, State Auditor, at (512) 936-9500.

The Department collects and spends funds as the Legislature intends; however, it should make certain improvements to ensure that it deposits revenue within three business days of receipt as required by Texas Government Code, Section 404.094. For 30 percent of deposits tested, the Department deposited revenue into the State Treasury within 4 to 10 days of receipt. Not depositing funds in a timely manner increases the risk of theft and decreases the amount of interest that can be earned on those funds. In addition, the Department should strengthen its process for moving funds out of its suspense fund and tracking how much it transfers into its operating fund.

Summary of Management's Response

The Department agrees with the recommendations in this report.

Summary of Information Technology Review

The Department is one of a number of state agencies for which certain information technology resources will be consolidated under the direction of the Department of Information Resources as mandated by House Bill 1516 (79th Legislature, Regular Session). Among the resources to be consolidated are application server hardware and the disaster recovery plan.

The Department has done an effective job of protecting internal information system resources through the layers of physical, network, and server controls. However, as discussed above, this audit identified opportunities to improve data integrity and the need for an information system change management process and a system development life cycle. This audit also identified weaknesses in information technology policies and procedures, security awareness training, and disaster recovery planning. It will be important for the Department to address these issues before the planned consolidation occurs.

Summary of Objectives, Scope, and Methodology

The objectives of the audit were to determine whether the Department is collecting and expending funds as the Legislature intended; performing regulatory functions that protect Texans from unqualified or noncompliant license holders; and managing its licensing software application to ensure data accuracy, security, completeness, and reliability.

For the review of the licensing process, the scope of this audit covered three types of licenses—air conditioning and refrigeration contractors, electricians, and legal contract sales representatives—from September 1, 2004, through February 28, 2006. For tests of revenues and expenditures, the scope included the three types of licenses previously mentioned, as well as the architectural barrier program.

The audit methodology consisted of collecting information, conducting interviews with Department management and staff, performing selected tests and other procedures, and analyzing and evaluating the results of those tests.

Recent SAO Work		
Number	Product Name	Release Date
06-049	An Audit Report on State Agencies' Use of Criminal History Records	July 2006

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Detailed Results

Chapter 1

The Department Should Ensure That It Consistently Follows Licensing Procedures and Validates Applicants' Social Security Numbers

For the three types of licenses tested—air conditioning and refrigeration contractors, electricians, and legal contract sales representatives—the Department of Licensing and Regulation (Department) has established licensing procedures that, in most cases, result in qualified licensees. Its licensing procedures include:

- Reviewing applications to ensure that applicants provide all supporting documentation.
- Ensuring that applicants have passed exams, if required.
- Asking the Department of Public Safety to perform name-based criminal history background checks.
- Investigating license applicants whose criminal history background checks indicate they have had criminal convictions. To ensure that licensees will not pose a danger to the public, the Department denies licenses to license applicants or revokes the licenses of current licensees if they have been convicted of serious criminal offenses. According to the Department, it determines whether an offense is serious on a case-by-case basis and with consideration of the type of license for which applicants are applying.

The Department followed procedures when it issued approximately 91 percent of the licenses we tested. For the remaining 9 percent, although the Department issued licenses, it did not consistently follow its licensing procedures. Examples of deviations from licensing procedures included the following:

- Not conducting a criminal history background check.
- Not verifying work experience.
- Not determining that insurance requirements were met.
- Not retaining the original application.

The Department should validate applicants' Social Security numbers. For the three types of licenses we audited, the Department does not validate applicants' Social Security numbers. Validating Social Security numbers would enable the Department to (1) provide additional assurances that license applicants

meet eligibility requirements and (2) ensure that it provides the Office of Attorney General and the Texas Guaranteed Student Loan Corporation with information necessary to collect child support and student loans.

Between September 1, 2004, and February 28, 2006, the Department issued licenses to 4,729 individuals who provided invalid Social Security numbers. Of those 4,729:

- 2,500 (52.9 percent) provided Social Security numbers that have not been issued by the U.S. Social Security Administration.
- 2,198 (46.5 percent) provided U.S. Social Security numbers that the Social Security Administration issued before the individuals were born.
- 31 (0.6 percent) provided Social Security numbers that do not meet the parameters established by the U.S. Social Security Administration.

In addition, the Department submitted information on potential licensees to the Office of the Attorney General (as required by Texas Family Code, Section 233.302) that was subsequently overwritten. This occurred because the Department currently prepares two electronic lists for the Office of the Attorney General: one from its current licensing system (the Texas Umbrella Licensing Information Project system or TULIP) and one from an older system. The Department names both lists with the same name, which results in one list's being overwritten by the other list. This has been happening since 2003, when the Department implemented TULIP.

The Office of the Attorney General uses the information the Department provides in its Child Support Enforcement Program. In addition, the Office of the Attorney General may issue an order suspending a license to an individual who:

- Owes overdue child support in an amount equal to or greater than the total support due for three months under a support order;
- Has been provided an opportunity to make payments toward the overdue child support under a court-ordered or agreed repayment schedule; and
- Has failed to comply with the repayment schedule.

The Office of the Attorney General also may issue an order suspending a license if a parent or alleged parent has failed, after receiving appropriate notice, to comply with a subpoena.

Recommendations

The Department should:

- Consistently follow its licensing procedures to ensure that all applicants meet eligibility requirements before issuing them licenses.
- Validate applicants' Social Security numbers and follow up on invalid numbers.
- Ensure that it provides all license applicants' information to the Office of the Attorney General and the Texas Guaranteed Student Loan Corporation.

Management's Response

Recommendation

Consistently follow its licensing procedures to ensure that all applicants meet eligibility requirements before issuing them licenses.

Management Response

The Department strives to follow its licensing procedures and will improve consistency.

Responsible party: Director of Information Systems Development

Estimated completion date: Immediately

Recommendation

Validate applicants' Social Security numbers and follow up on invalid numbers.

Management Response

The Department agrees that validation of Social Security numbers is an important objective, particularly as it would assist in the collection of child support and student loans. The Department will undertake a dual-pronged approach to implement this recommendation. The Department is currently developing a module of TULIP that will perform real-time reasonableness checks on Social Security numbers. The methodology is modeled on the Social Security Number Lookup System developed by the Texas State Auditor's Office. The Department will also contact the Social Security Administration (SSA) to determine whether the Department could obtain a

higher level of validation through the SSA, and possibly enter into an agreement with SSA for the service.

Responsible party: Director of Information Systems Development

Estimated completion date: 10/01/06

Recommendation

Ensure that it provides all license applicants' information to the Office of the Attorney General and the Texas Guaranteed Student Loan Corporation.

Management Response

The Department agrees with the recommendation. The Department worked with OAG to resolve this issue.

Responsible party: Director of Information Systems Development

Estimated completion date: The Department worked with OAG to resolve this issue prior to the completion of the State Auditor's field work.

The Department Should Improve Information Technology Controls Related to Data Integrity, Change Management, Policies and Procedures, and Disaster Recovery Planning

The Department should strengthen information technology controls over its network and licensing system to:

- Improve the integrity of the data in its licensing system.
- Establish and follow a change management process and system development life cycle for its licensing system.
- Document its information technology policies and procedures and provide employees with security awareness training.
- Update and test its disaster recovery plan.

These issues increase the risk that the Department will be unable to enforce license eligibility requirements. Addressing these issues also will help the Department prepare for the upcoming consolidation of some of its information technology resources within the state data center. The Department is 1 of 27 agencies for which certain information technology resources will be consolidated as mandated by House Bill 1516 (79th Legislature, Regular Session).

Although auditors did not identify significant errors in the data within the Department's licensing system, the Department should implement certain controls to better ensure the integrity of that system's data. The Commission should improve data entry edits for its licensing system (the Texas Umbrella Licensing Information Project system or TULIP) so that it can better ensure the integrity of the data in that system. For example, if information on gender in TULIP is incomplete or invalid, TULIP does not trigger the initiation of a criminal history background. In addition, if certain information is inaccurate or illogical (such as a birth date in the future), the criminal history background check may not be performed on the correct individual.

While TULIP has some simple edit checks that verify the accuracy of the format of the data in a field (such as ensuring the date entered in the date of birth field is a valid date or the data entered into the Social Security number field is numeric), it does not have sufficient reasonableness/logic checks. Table 1 lists the types of data entry edits that TULIP should strengthen.

Table 1

Data Entry Edits That Should Be Strengthened The Texas Umbrella Licensing Information Project (TULIP) System		
Type of Edit	Description	Examples
Reasonableness/ Logic check	A check to verify the reasonableness or logic associated with the data in a field.	Preventing the user from entering a date of birth in the future. Checking for the reasonableness of an applicant's age for a given license. Ensuring that the Social Security number is a nine-digit number and meets the validity requirements of the U.S. Social Security Administration.
Required field	A check to prevent a user from moving forward without entering data into a field.	Requiring the user to fill out the Social Security number field or to fill out the "Affidavit for No SSN" checkbox. Requiring the user to fill out the field that identifies the licensee by name.

The importance of having adequate data input checks is underscored by the fact that the Department sometimes must transfer data from one licensing system into TULIP. The Department has been given responsibility for a number of licenses in the past few years, including electricians, legal service contract sales representatives, barbers, and cosmetologists. The information for these licenses was contained in different licensing systems at other agencies and either has been or is in the process of being transferred into TULIP. During the transfer process, licensing information should be reviewed for accuracy and completeness before it is transferred into TULIP. However, it appears that this information was not always reviewed with the appropriate checks described in Table 1. This resulted in TULIP having missing or incorrect data. During our audit, we noted that the TULIP system was able to handle the increase in licenses without any storage or capacity difficulties.

The Department should establish and follow a change management process and system development life cycle methodology for its licensing system. The Department does not have a formal change management process for the TULIP system. Programmers can change TULIP applications and data without prior approval from management and users, which increases the risk that they could make unauthorized changes to applications and data without detection.

In addition, change requests for TULIP can be made through multiple methods. TULIP has an e-mail help desk, but not all change requests come through the help desk. Some change requests are made directly by the development staff. If the request is relatively simple, the programmers will make the change themselves and then communicate the change to their managers. If the change request is relatively complex, management approval is obtained prior to making the programming changes. However, this process is conducted through an informal and undocumented process.

The Department also does not follow a system development life cycle methodology for TULIP to help ensure that all system modifications are developed, documented, tested, and made in accordance with Department policies.

The Department should document all of its information technology policies and procedures and provide employees with security awareness training. The Department does not have documented comprehensive security policies and procedures that its staff can use as a reference. In addition, Department employees have not received security awareness training.

Specific security policies and procedures the Department has not documented include the following:

- Acceptable computer/Internet use policy.
- Network access/user account management policy.
- Change/problem management policy and procedures.
- Virus detection and incident management policy and procedures.
- E-mail policy.
- Information systems privacy policy.
- Emergency backup/restore procedures.
- Vendor access policy.
- Comprehensive security awareness training plan.

The Department should update and test its disaster recovery plan. The Department has not updated or tested its disaster recovery plan since fiscal year 2004. The Department of Information Resources will rely on this plan's being up-to-date during the transition to a consolidated state data center.

Recommendations

The Department should:

- Program adequate data entry edits into the TULIP system to ensure the integrity of critical data elements such as Social Security number, date of birth, and name.
- Limit programmer access to the production database and source code for the TULIP system.

- Institute formal, documented change management policies and procedures for the TULIP system.
- Develop, document, and implement a formal system development life cycle methodology for the TULIP system.
- Document updates made to information security policies and procedures.
- Provide regular security awareness training to all employees.
- Update and test its disaster recovery plan.

Management's Response

Recommendation

Program adequate data entry edits into the TULIP system to ensure the integrity of critical data elements such as Social Security number, date of birth, and name.

Management Response

We agree with the recommendation. The Department has developed a comprehensive action plan, including a timeline, that will address each of the recommendations. Per this action plan, the Department has already implemented data entry edits in TULIP pertaining to Social Security number, date of birth, and name that are required prior to license issuance. Additionally, the Department has completed work on producing exception lists for licensing division personnel that will identify those individuals whose key data elements are missing.

Responsible party: Director of Information Systems Development

Completed

Recommendation

Limit programmer access to the production database and source code for the TULIP system.

Management Response

We agree with the recommendation. While limiting programmer access to the source code is not possible with the development tool TDLR utilizes, when the Data Center Services consolidation is completed, all updates to the databases

will be controlled by the contractor and will be accomplished via program interfaces approved by TDLR management.

Responsible party: Director of Information Systems Development

Estimated completion date: Upon completion of Data Center Services consolidation

Recommendation

Institute formal, documented change management policies and procedures for the TULIP system.

Management Response

We agree with the recommendation. TDLR will upgrade its system development software to the newest Agile Business Suite. This release incorporates Borland's StarTeam change control software. By the end of FY2007 all existing TDLR software products and future development projects will be managed utilizing the StarTeam software.

Responsible party: Director of Information Systems Development

Estimated completion date: 08/31/07

Recommendation

Develop, document, and implement a formal system development life cycle methodology for the TULIP system.

Management Response

We agree with the recommendation. TDLR is developing a System Development Life Cycle (SDLC) system based on appropriate portions of the Texas Project Delivery Framework. By the end of FY 2007 all development projects will be managed utilizing this SDLC approach.

Responsible party: Director of Information Systems Development

Estimated completion date: 08/31/07

Recommendation

Document updates to information security policies and procedures.

Management Response

We agree with the recommendation. The department should document updates to its security policies and procedures. TDLR will update these policies as required by 1 Texas Administrative Code, Chapter 202. These include, but are not limited to Acceptable Use, Network Access, Change Management and E-mail policy. Further, Network Services will develop safeguards and procedures necessary to provide protective measures and controls to meet the security requirements specified for systems and data.

Responsible party: Director of Networking

Estimated completion date: 08/31/07

Recommendation

Provide regular security awareness training to all employees.

Management Response

We agree with the recommendations. The agency will enhance its security awareness program which will be mandatory for all staff. Varying methods of offering the security awareness training will be implemented including a web version. The web version will be developed in-house and if required additional software training will be made available to agency's Web Master. Further, ongoing training for new security developments and technologies will also be offered to staff during the course of the year as required.

Responsible party: Director of Networking

Estimated completion date: 03/01/07

Recommendation

Update and test its disaster recovery plan.

Management Response

We agree with the recommendation. Network Services will work with key staff from each of the agency's divisions as a team in a collaborative operation. The team will identify the required changes needed to be implemented in order to update the disaster recovery plan and submit to the Executive

Director for approval. TDLR has also been identified as one of 27 agencies to participate in the data center consolidation project. Data center operations will include not only the development of agency disaster recovery plans, but also coordinated DR testing for each agency.

Responsible party: Director of Networking

Estimated completion date: 08/31/07

The Department Has Adequate Financial Processes But Can Improve Its Timeliness in Depositing Revenues and Its Management of Suspense Funds

The Department's financial processes over revenues and expenditures are adequate. However, it can improve the timeliness with which it deposits revenues and better manage suspense funds. Auditors also reviewed the allocation formula the Department uses to determine program expenditures and to set license fees and concluded that the formula was reasonable.

The Department should improve the timeliness with which it deposits revenues. The Department's revenue processes for four licenses tested—air conditioning and refrigeration contractors, electricians, legal contract sales representatives, and the architectural barrier program—were adequate to ensure that revenues were recorded accurately. The four licenses we selected accounted for 62.5 percent of the \$18.1 million in license revenue for fiscal year 2005. Table 2 presents the revenues from the four licenses tested, as well as all other licenses, in fiscal year 2005.

Table 2

Revenue from Licenses Fiscal Year 2005		
Type of License	Revenue	Percent of Total Revenue
Air conditioning and refrigeration contractors	\$ 1,883,308.96	10.4 %
Electricians	3,593,102.54	19.8%
Legal contract sales representatives	1,244,324.61	6.9%
Architectural barrier program	4,604,386.74	25.4 %
All other types of licenses	6,802,078.85	37.5%
Total	\$18,127,201.70	100 %

Source: Department of Licensing and Regulation *Annual Financial Report For the Year Ended August 31, 2005*

However, the Department should deposit revenue in a more timely manner. For 30 percent of deposits tested, the Department did not deposit revenues within three business days of receipt as required by Texas Government Code, Section 404.094. The Department made these deposits within 4 to 10 days of receipt. Although the amount of revenue not deposited in a timely manner was immaterial, this increases the risk of theft and decreases the amount of interest that can be earned on those funds.

The Department should strengthen its process for moving funds out of its suspense fund and tracking how much it transfers into its operating fund. The Department

investigates funds collected for the architectural barrier program that have been in suspense for more than four years. However, that process is hindered by the fact that the Department does not consistently record project-related information for funds placed in suspense. In addition, the Department does not track how much it “sweeps” from the suspense fund and transfers into the operating fund. After those funds have been placed in the operating fund, the Department spends them for the purpose of administering and enforcing the Architectural Barriers Act (pursuant to Rider 5, page VIII-38, the General Appropriations Act, 79th Legislature). As of May 19, 2006, the suspense fund balance for funds in suspense for more than 180 days totaled \$456,323.

The Department’s expenditure process provides reasonable assurance that expenditures are approved before funds are spent. We judgmentally selected expenditures totaling \$453,016 from fiscal year 2005. These expenditures were tested for approvals and sufficient supporting documentation. We did not identify any issues of noncompliance.

The Department uses a reasonable allocation formula to determine program expenditures and to set license fees. The Department calculates the allocation formula before the fiscal year begins. Therefore, to calculate annual license fees, the Department uses estimates in the formula. The estimates used in the fiscal year 2005 formula were reasonably accurate when compared to actual figures for fiscal year 2005.

Recommendations

The Department should:

- Ensure that it deposits all revenue into the State Treasury within three business days of receipt as required by statute.
- Ensure that it records all project-related information when it receives payments.
- Track the total amount of funds it “sweeps” from the suspense fund and transfers into the operating fund.

Management’s Response

Recommendation

Ensure that it deposits all revenue into the State Treasury within three business days of receipt as required by statute.

Management Response

We agree with the recommendation. We are developing an action plan that will allow immediate financial clearance of deposits, in compliance with statutory provisions. Because this will impact all strategies except enforcement, we anticipate full implementation by August 31, 2007.

Responsible party: Assistant Deputy Executive Director

Estimated completion date: 08/31/07

Recommendation

Ensure that it records all project-related information when it receives payments.

Management Response

We agree with the recommendation. Our action plan calls for development of an invoice numbering system to be used when dealing with other state agencies that is project specific. We will then require the invoice number to be submitted with any payment from another state agency.

Responsible party: Assistant Deputy Executive Director

Estimated completion date: 12/31/06

Recommendation

Track the total amount of funds it “sweeps” from the suspense fund and transfers into the operating fund.

Management Response

We agree with the recommendation. Our action plan calls for development of a system containing identifying information to separately track clearances from suspense which will be reconciled with USAS, which already tracks clearances.

Responsible party: Assistant Deputy Executive Director

Estimated completion date: 08/31/07

Appendices

Appendix 1

Objectives, Scope, and Methodology

Objectives

The objectives of the audit were to determine whether the Department of Licensing and Regulation (Department) is:

- Collecting and expending funds as the Legislature intended.
- Performing regulatory functions that protect Texans from unqualified or noncompliant licenseholders.
- Managing its licensing software application to ensure data accuracy, security, completeness, and reliability.

Scope

For the review of the licensing process, the scope of this audit covered three types of licenses—air conditioning and refrigeration contractors, electricians, and legal contract sales representatives—from September 1, 2004, to February 28, 2006. For tests of revenues and expenditures, the scope included the three types of licenses previously mentioned, as well as the architectural barrier program.

Methodology

The audit methodology included collecting information, conducting interviews with Department management and staff, performing selected tests and other procedures, analyzing and evaluating the results of the tests.

Information collected and reviewed included the following:

- Information from interviews with Department executive management, divisional management, and staff
- Data in the Department's Texas Umbrella Licensing Information Project (TULIP) system and Licensing and Regulation licensing system
- Revenues and expenditures from the Uniform Statewide Accounting System
- Reviewed policies and procedures
- Supporting documentation for expenditures

- Scanned images of original license applications, except for the architectural barrier program, for which we reviewed hard copy files.
- Human resources files for selected employees

Procedures and tests conducted included the following:

- Compared scanned license applications to information entered into TULIP
- Traced license fees received by the Department to USAS
- Tested a sample of licensees for eligibility requirements
- Reviewed the Department's expenditure allocation formula

Criteria used included the following:

- Texas Government Code, Chapters 404 and 411
- Texas Occupations Code, Chapters 51, 953, 1302, and 1305
- Title 16, Texas Administrative Code, Chapters 57, 59, 68, 73, 75
- Texas Family Code, Chapters 231 and 232
- Title 42, United States Code, Chapter 666.

Project Information

Audit fieldwork was conducted from March 2006 through June 2006. This audit was conducted in accordance with generally accepted government auditing standards.

The following members of the State Auditor's staff performed the audit:

- Cesar Saldivar (Project Manager)
- Beverly Bavousett, CPA (Assistant Project Manager)
- Audrey O'Neill
- Paige Paul, MBA
- Cyndie Holmes (Information Systems Audit Team Member)
- Joe Kozak, CPA, CISA (Information Systems Audit Team Member)
- Marlen Randy Kraemer, MBA, CISA (Information Systems Audit Team Member)

- Serra Tamur, MPAff, CISA, CIA (Information Systems Audit Team Member)
- J. Scott Killingworth, CIA, CGFM (Quality Control Reviewer)
- Sandra Vice, CIA, CGAP, CISA (Assistant State Auditor)

Occupations and Industries the Department Regulates

Table 3 presents the occupations and industries the Department regulates. The table also provides information regarding the number of licenses it issued and the licensing revenue it received in fiscal year 2005.

Table 3

Summary of Licenses the Department Issued Fiscal Year 2005		
Type of License	Number of Licenses Issued	Revenue from License
Air conditioning and refrigeration	23,702	\$1,883,308.96
Architectural barriers	20,621	4,604,386.74
Auctioneers	2,863	207,595.57
Barbering ^a	-	-
Boiler safety	56,716	2,076,766.65
Career counselors ^b	18	16,625.00
Combative sports	1,107	299,800.17
Cosmetologists ^a	-	-
Electricians	92,818	3,593,102.54
Elevator/escalator safety	31,413	1,016,639.36
For-profit legal service contract providers	22,218	1,244,324.61
Industrialized housing and buildings	605	508,474.15
Licensed court interpreters	666	82,158.75
Loss damage waivers	83	13,400.00
Personnel employment services	232	18,337.50
Property tax consultants	1,127	371,852.75
Service contract providers	194	1,033,322.50
Staff leasing services	236	336,414.40
Talent agencies	70	31,688.60
Temporary common worker providers	94	61,677.50
Vehicle protection products	36	47,250.00
Water well drillers and pump installers ^c	2,233	671,769.77
Weather modification services	27	8,306.20
Totals	257,079	18,127,201.70
^a The Department became responsible for licensing barbers and cosmetologists in fiscal year 2006. ^b Career counselor licenses were abolished during fiscal year 2005. ^c Water well drillers and pump installers are described in two different statutes. The Department considers these to be two different licenses; therefore, the Department issues a total of 23 different types of licenses.		

Source: Department of Licensing and Regulation and its *Annual Financial Report For the Year Ended August 31, 2005*

Copies of this report have been distributed to the following:

Legislative Audit Committee

The Honorable David Dewhurst, Lieutenant Governor, Joint Chair
The Honorable Tom Craddick, Speaker of the House, Joint Chair
The Honorable Steve Ogden, Senate Finance Committee
The Honorable Thomas “Tommy” Williams, Member, Texas Senate
The Honorable Jim Pitts, House Appropriations Committee
The Honorable Jim Keffer, House Ways and Means Committee

Office of the Governor

The Honorable Rick Perry, Governor

Department of Licensing and Regulation

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