# Table of Contents

## SUMMARY

<table>
<thead>
<tr>
<th></th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUMMARY</td>
<td>1</td>
</tr>
</tbody>
</table>

## ISSUES / RECOMMENDATIONS

<table>
<thead>
<tr>
<th></th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 The Board’s Oral Examination of Psychologist Candidates Has</td>
<td>5</td>
</tr>
<tr>
<td>Minimal Public Protection Value</td>
<td></td>
</tr>
<tr>
<td>2 The Psychological Associate Advisory Committee Is Not</td>
<td>11</td>
</tr>
<tr>
<td>Needed to Advise the Board on the Interests of Psychological</td>
<td></td>
</tr>
<tr>
<td>Associates in Texas</td>
<td></td>
</tr>
<tr>
<td>3 Key Elements of the Board’s Licensing and Regulatory Functions</td>
<td>17</td>
</tr>
<tr>
<td>Do Not Conform to Commonly Applied Licensing Practices</td>
<td></td>
</tr>
<tr>
<td>4 Decide on Continuation of the Board After Completion of Sunset</td>
<td>27</td>
</tr>
<tr>
<td>Reviews of Other Professional Licensing Agencies</td>
<td></td>
</tr>
</tbody>
</table>

## ACROSS-THE-BOARD RECOMMENDATIONS

<table>
<thead>
<tr>
<th></th>
<th>33</th>
</tr>
</thead>
</table>

## AGENCY INFORMATION

<table>
<thead>
<tr>
<th></th>
<th>35</th>
</tr>
</thead>
</table>

## APPENDICES

<table>
<thead>
<tr>
<th></th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appendix A — Equal Employment Opportunity Statistics</td>
<td>43</td>
</tr>
<tr>
<td>Appendix B — Historically Underutilized Businesses Statistics</td>
<td>45</td>
</tr>
<tr>
<td>Appendix C — Staff Review Activities</td>
<td>47</td>
</tr>
</tbody>
</table>
Texas State Board of Examiners of Psychologists

Texas has regulated the practice of psychology since 1969, when the Legislature created the Texas State Board of Examiners of Psychologists, to ensure the protection of vulnerable populations receiving psychological services. The Board's responsibilities have increased since then, with the added regulation of psychological associates in 1993, and the transfer of the regulation of specialists in school psychology from the Texas Education Agency to the Board in 1995.

Because of the potential impact of psychological services on Texans’ well being, the Board seeks to ensure that only qualified individuals provide such services. The Board accomplishes this task by administering examinations, issuing licenses, and enforcing the Psychologists’ Licensing Act.

The Sunset review examined the Board's policies and practices for licensing and regulating psychological service providers, focusing on the fairness and effectiveness of these activities. Sunset staff found that the Board’s oral examination introduces subjectivity into the licensing process, diminishing the exam’s usefulness as an indicator of minimum competence to practice independently. Elimination of the examination should result in a fairer licensing process. Sunset staff also determined that the Psychological Associate Advisory Committee is not an effective resource for the Board, and that the Board would be better served by seeking input from all stakeholders early in its rule development process. Additionally, the review sought to ensure that the Board’s regulatory activities conformed with model licensing standards observed and developed over 25 years of Sunset reviews.

Finally, the review determined that while the State should continue to regulate psychological service providers to ensure public protection, the decision on the specific organizational structure for the agency should be made after the Sunset reviews of other health licensing agencies have been completed. The report presents several options for how to structure this regulatory effort, including maintaining the independent agency, increasing coordination with other agencies, and consolidating with similar agencies. The report also contains advantages and disadvantages of each option. A recommendation on structuring this agency, and other health licensing agencies under Sunset review, will be presented later this year.

A summary of the recommendations in this report is provided in the following material.
Issues/Recommendations

Issue 1

The Board’s Oral Examination of Psychologist Candidates Has Minimal Public Protection Value.

Key Recommendation

- Discontinue the Board’s oral examination of candidates for licensure as psychologists.

Issue 2

The Psychological Associate Advisory Committee Is Not Needed to Advise the Board on the Interests of Psychological Associates in Texas

Key Recommendations

- Abolish the Psychological Associate Advisory Committee.
- Require the Board to develop guidelines for the early involvement of stakeholders in its rulemaking process.

Issue 3

Key Elements of the Board’s Licensing and Regulatory Functions Do Not Conform to Commonly Applied Licensing Practices.

Key Recommendations

- Standardize the Board’s licensing functions by streamlining the licensing process for out-of-state applicants, allowing the Board to grant temporary privileges, and changing the basis for assessing late renewal fees.
- Revise the Board’s enforcement activities by requiring common licensing model elements, such as analyzing complaints and investigating them according to risk, including a public member in the informal settlement process, adopting a more specific schedule of sanctions, and providing for restitution.
Issue 4

**Decide on Continuation of the Board After Completion of Sunset Reviews of Other Professional Licensing Agencies.**

**Key Recommendation**

- Decide on continuation of the Texas State Board of Examiners of Psychologists as a separate agency upon completion of upcoming Sunset reviews of other health and mental-health licensing agencies.

**Fiscal Implication Summary**

This report contains two recommendations that would have a fiscal impact to the State. The fiscal impact of each recommendation is summarized below.

- **Issue 1** – Eliminating the oral exam would result in a net loss of $17,050 a year.
- **Issue 3** – Changing the basis on which the agency assesses late renewal fees would result in a loss of about $5,000 per year. The cost of requiring the Board to grant temporary privileges to out-of-state psychological professionals would be offset by a fee the Board would charge to cover its administrative costs. Applying other licensing and enforcement procedural improvements would require minor costs to update the agency’s licensing database.

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Summary

Key Recommendation

- Discontinue the Board’s oral examination of candidates for licensure as psychologists.

Key Findings

- The oral examination adds little evaluation value beyond other Board licensing requirements, and creates an undue burden on candidates.

- The oral exam’s questionable validity and administration introduces subjectivity into the licensing process.

- The use of oral examinations by psychology boards has decreased nationwide.

Conclusion

The Board has responsibility for protecting public safety by ensuring that those who provide psychology services are qualified and competent practitioners. In addition to ensuring education, experience, and written examination requirements, the Board administers an oral examination as the last major step in the process of licensing individuals to independently practice psychology. Sunset staff evaluated the oral examination to see if it is needed and if it fairly and accurately assesses candidates’ competence to practice psychology in Texas. The staff found that other licensing requirements adequately ensure a person’s competence, that the oral exam does not provide an accurate assessment of candidates’ abilities, and that it may be an unnecessary barrier to licensure. Discontinuing the use of the oral examination should result in a more consistent and unbiased licensing process.
Support

The Board administers an oral examination as the last major step in licensing psychologists for independent practice.

- Since 1987, state law has required the Board to administer an oral examination as a step in becoming a psychologist. The one-hour exam consists of questions about a case vignette representative of clients and situations encountered in the practice of psychology. The exam must be taken by both first-time licensure candidates and licensed candidates from other states who have less than five years of professional experience. The Board tested 136 candidates in fiscal year 2002, and 128 candidates in fiscal year 2003.

- Board members originally developed the oral exam, with a group of Texas psychologists considered to be experts in specific areas of practice, by writing vignettes and exam questions and creating scoring standards. The Board updates its exam with new vignettes and exam questions submitted by psychologists, as well as changes suggested by examiners and candidates following an exam. The Board’s Oral Exam Subcommittee reviews the submissions, and brings selected vignettes and ideas for improvement to the Board for a vote.

- Board-trained, licensed psychologists conduct the oral exams. The Board maintains a pool of about 400 examiners, solicited through Board newsletters and announcements, and screened to ensure competency and good standing with the Board. The day before an exam, Board members spend about three hours training examiners on administration and scoring procedures.

- Examinations take place twice a year at the University of Texas at Austin, in rooms equipped with two-way mirrors that allow Board members to monitor individual examinations. The Board assigns two examiners per candidate, matching them by the examiners’ and candidates’ areas of specialization. Candidates answer questions regarding a case vignette, and examiners score each candidate according to criteria within 10 specific content areas related to psychological practice, including diagnosis and treatment, and ethical and legal issues.

The oral examination adds little evaluation value beyond other Board licensing requirements, and creates an undue burden on candidates.

- The Board administers its oral exam ostensibly to ensure that all candidates have minimal competence to practice psychology. However, exam candidates already demonstrate their mastery of fundamental knowledge and skills necessary for competent practice through other licensing requirements. Requirements include a doctorate in psychology, professional references, passage of the national exam on the professional practice of psychology and the state exam on Texas psychology laws and rules, and completion of two years of supervised practice.

- The Board already obtains information, via checklist forms, about candidates’ competence to practice psychology independently from other individuals who have professional relationships with them. However, the Board could request additional narrative information from
supervisors and other licensed psychologists who can judge candidates’ clinical abilities, having observed them firsthand in doctoral programs and supervised practiced.

- The Board passes more than 95 percent of its oral exam candidates, giving the appearance that the exam is more of a tradition, or rite of passage, than an evaluation of minimal competence. The chart, Oral Exam Passage Rates, details candidates’ passage and failure rates. Candidates may retake the oral exam, the same day or on other scheduled dates, until they pass it. If a candidate chooses to retake the exam, the Board assigns a new pair of examiners, who have knowledge of the candidate’s previous failure. About 60 percent of candidates who initially fail the exam retake and pass it during the second attempt.

- Infrequent scheduling of the oral exam limits candidates’ ability to quickly complete the licensing process. The oral exam takes place twice a year, in January and July, in Austin, requiring candidates to travel potentially long distances and pay for accommodations and other travel expenses, adding to the cost of licensure. Board staff estimate that a provisional licensee takes an average of six to eight months to become a fully licensed psychologist, partly due to the potential six month wait to take the oral exam.

The oral exam’s questionable validity and administration introduces subjectivity into the licensing process.

- The Board has not tested its oral exam for validity. Instead, the Board relies on the assumed expertise of Board members and licensees, who help develop and update the exam, as a measure of the oral exam’s validity. The validity of the exam is the extent to which it actually measures the competencies it claims, with a clear standard for judging competency in relation to the job or activity performed. The textbox, Licensing Examination Development Standards, describes accepted standards for creating licensing exams. Because it has not tested the validity of the exam, the Board cannot be sure that it has been appropriately developed and is free of content bias. Also, the Board and its licensees may be experts in psychology, but not necessarily in licensing examination development.

- The Board uses the oral exam, in part, as a final screening tool to observe candidates’ character.\(^\text{2}\) Many who fail the exam tend to be nervous, or present themselves unprofessionally and seem less serious about the exam. The Board has concerns that those candidates might present a negative image of the profession of psychology. Character observation makes

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<th>Oral Exam Passage Rates</th>
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The oral exam’s validity has never been independently verified.

Licensing Examination Development Standards\(^1\)

- Licensing exams should only be used to identify persons with the minimum knowledge and experience necessary to perform competently, not as a means to ensure the future success of licensees or identify highly qualified candidates.
- Since licensing exams are designed to protect the public, the primary responsibility of boards is to ensure the validity, reliability, and integrity of exams.
- Valid exams should be based on standardized definitions of competency and job analyses specifically linked to the exam.
- Individuals should be specifically trained in writing licensing exam questions, since the process is significantly different from academic and employment test writing.
scoring of the exam a subjective, unfair process requiring examiners to consider the potential effect of personality traits, rather than education and experience, on a candidate’s ability to practice psychology.

- One of the exam’s content areas requires examiners to assess candidates’ personal characteristics, which the Board uses to make licensing decisions. The textbox, *Scoring Criteria*, details criteria the Board uses to assess psychological fitness to practice. The examiners’ procedures manual lists questions to be asked for each content area, along with scoring criteria. However, for the scoring criteria discussed in the textbox, instructions say that in some cases, observations would suffice in lieu of asking questions.

- The Board does not inform candidates of the character evaluation before the exam. The oral examination handbook for candidates shares the scoring criteria that the examiners are supposed to use to evaluate minimal competence, including an assessment of awareness of personal limitations and freedom from “...dysfunctions that might impair professional conduct.” Examiners, however, receive instruction to judge candidates on personal traits potentially unrelated to competent practice, such as arrogance, depression and anxiety, suggesting elements of a psychological evaluation not specifically discussed in the candidates’ handbook.

- The Board destroys all audiotapes and paperwork related to the exams, except tapes of failed exams and copies of failure feedback forms provided to failed candidates. This prevented a complete assessment by Sunset staff of the consistency and fairness of exam administration and scoring. However, a review of audiotapes of failed candidates revealed that examiners do not consistently administer the examination, despite training and standardized administration procedures, suggesting that each candidate does not experience the same exam. For example, some examiners asked candidates only the questions listed in the procedure manual, while others asked clarifying questions or even steered candidates towards answers by offering hints as to what responses were expected.

This inconsistency was especially apparent for the content area described in the textbox, *Scoring Criteria*. Some examiners voiced confusion over whether to ask questions or not, some formulated questions designed to assess candidates’ awareness of personal limitations and others did not ask any questions, and presumably relied on personal opinion of candidates to score this content area.
The Board does not define criteria for entry-level knowledge or minimal competence for examiners. For example, at a recent oral examiner training, Board members highlighted the need to assess candidates for entry-level skill, but did not provide information on how to judge such a skill level. According to Board members, examiners have also disagreed on the degree to which a candidate should be able to demonstrate skill. Failed candidate feedback forms confirm the confusion over what constitutes minimal competency; even when both examiners failed a candidate, examiners did not always agree on which competencies the candidate lacked, indicating subjectivity in the scoring process that training cannot eliminate.

The use of oral examinations by psychology boards has decreased nationwide.

- The number of states using an oral exam as part of the licensure process for psychology has declined from 32 in the 1980s to 25 states in 2003. Concerns about limited reliability and validity have led to legal and legislative opposition to oral exams, and some states cannot support the high administrative costs associated with the exams.

Both California and Arizona recently discontinued using oral exams after independent reviews identified questionable administration and scoring practices. The California review assessed disciplinary data from states without an oral exam, and found no relationship between public safety and the use of oral exams. A recent Colorado Sunset recommendation is pending before its Legislature to eliminate that state’s psychology board’s oral exam, citing questionable public protection value.

- Examination experts believe that the use of oral examinations as part of the licensure process for psychologists will continue to decline, due to ongoing concerns about examiner subjectivity and exam validity. Even the organization that develops the national psychology written examination has begun to consider the potential elimination of the oral exam requirement from its credentialing program, citing the declining use of oral exams nationally and potential problems with license mobility for psychologists practicing in states that don’t require an oral exam.

Recommendation

Change in Statute

1.1 Discontinue the Board’s oral examination of candidates for licensure as psychologists.

This recommendation would eliminate the requirement for a candidate to pass an oral examination to prove minimal competence in psychological practice. To be licensed, a candidate would still need to submit proof of completion of a doctorate degree in psychology, two years of supervised experience, passing scores from the national written and Texas jurisprudence exams, and three reference letters from licensed psychologists. If the Board needs additional information regarding candidates’ clinical abilities, it can update its referral letters to request additional information from individuals, such as supervisors or doctoral professors, who have had multiple opportunities to observe candidates.
Impact

Discontinuing the Board’s oral exam is meant to remove a subjective process from psychology licensing in Texas without reducing the assurance of competent practitioners. In doing so, the Board can assure candidates that the licensure process is fair and consistent, and does not present unnecessary hurdles to timely licensure.

Fiscal Implication

Elimination of the oral exam would result in a slight loss to the General Revenue Fund. The Board raises about $42,000 per fiscal year in examination fees, but the loss of these fees would be partially offset by savings associated with the discontinuation of the oral examination. Additionally, staff accrue and use 180 compensatory hours annually for time spent administering and organizing the oral exams. These staff hours could be redirected to other agency functions.

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2 Texas State Board of Examiners of Psychologists meeting (Austin, Texas, November 1-2, 2001).

3 Texas State Board of Examiners of Psychologists, “Orientation For Examiners For the Oral Examination.”


5 Telephone interview with Association of State and Provincial Psychology Boards staff (Austin, Texas, November 11, 2003).
The Psychological Associate Advisory Committee Is Not Needed to Advise the Board on the Interests of Psychological Associates in Texas.

Summary

Key Recommendations

- Abolish the Psychological Associate Advisory Committee.
- Require the Board to develop guidelines for the early involvement of stakeholders in its rulemaking process.

Key Findings

- The Psychological Associate Advisory Committee does not provide a useful service to the Board.
- The Board’s rulemaking process could provide greater opportunities for input from affected groups.

Conclusion

The Legislature created the Psychological Associate Advisory Committee in 1991 to represent the concerns of psychological associates before the Board. The Sunset review examined the responsibilities and work of the Committee to judge its effectiveness in the Board’s rulemaking process. Sunset staff concluded that the Committee is not an effective resource for the Board and that the Board would be better served by seeking input from all stakeholders early in its rule development process.
Support

The Legislature established the Psychological Associate Advisory Committee to represent the concerns of psychological associates before the Board.

- The Psychological Associate Advisory Committee (PAAC), created in 1991, consists of six members appointed by the Governor. Of the six members, three must be psychological associates, one must be a psychologist, and two must represent the public. PAAC’s statutory duties consist of developing and recommending rules to the Board related to the licensure of psychological associates, who are master’s level psychology professionals. Also, the Board may seek PAAC’s advice in setting standards for the issuance of psychological associate licenses.

The Psychological Associate Advisory Committee does not provide a useful service to the Board.

- PAAC’s statutory responsibilities are limited to the point that it cannot provide ongoing assistance to the Board. The Committee’s statute requires it to propose rules in seven categories related to the licensure of psychological associates. However, the Board is not required to take any action regarding PAAC’s proposed rules. The textbox, PAAC Rule Development Responsibilities, lists the seven categories, how PAAC has addressed these responsibilities, and how the Board has responded to the Committee’s suggestions. The Board has made few changes to its rules as a result of PAAC’s work. In fact, few of the Board’s rules specifically address psychological associates, relating instead to psychologists or to all licensees. In addition, the Board is not required to seek comment from PAAC on rules affecting licensed psychological associates that the Board has developed on its own.

As a result of its statutory limitations, PAAC has had few significant accomplishments. For example, PAAC reports to the Board over the past two years show that its only activities have been proposing a rule that was rejected by the Board, researching licensing requirements for masters level psychologists in other states, requesting clarification on Medicaid billing guidelines, and discussing the Board’s evaluation of the Committee’s performance.

- The recent elimination of PAAC’s travel funds has further limited its ability to advise the Board. In 2003, the Legislature, through the appropriations process, cut the funding for travel reimbursements for many advisory committees, including PAAC, in an effort to save money. As a result, PAAC can no longer meet unless its members agree to pay for their own travel.

- PAAC cannot help psychological associates achieve their ultimate goal of being able to practice independently, without the supervision of a licensed psychologist. Over the years, psychological associates have attempted to gain independent practice through PAAC, by suggesting changes to the Board’s rules requiring supervision. However, the question of independent practice is complicated, requiring more than just a change in the Board’s rules. Psychological associates would need
changes in state law to effectively achieve their goal, but PAAC has no formal ability to influence passage of such legislation.

- While the Committee’s mission is limited by statute, its goal of providing input for psychological associates is currently available through other means. Two of the nine members of the Psychology Board are required by statute to be psychological associates, thus providing representation of the license group’s interests.

The Board’s rulemaking process could provide greater opportunities for input from affected groups.

- While the Psychology Board has three well-defined groups of licensees and an advisory committee representing one of these groups, it does not have a process for seeking stakeholder input in the development of

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<td>Permitted activities and services within the practice of a psychological associate.</td>
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<td>Schedule of disciplinary sanctions that applies to a psychological associate.</td>
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<td>Continuing education requirements for a psychological associate.</td>
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<td>Proportional billing guidelines for services provided by a psychological associate with less than five years of experience.</td>
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<tr>
<td>Guidelines, including additional educational requirements, for practice with minimal supervision for a psychological associate with at least five years of experience.</td>
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rules. Since the Board is not required to consult with PAAC on proposed rules, it relies mainly on the expertise of its two psychological associate members when developing rules. Other license groups, such as specialists in school psychology who do not have an advisory committee, may be affected in the same way. As a result, the Board may pass rules concerning certain groups of licensees without knowing the full impact on those licensees. The Board follows the Administrative Procedure Act, which provides opportunities for public comment on proposed rules, but these measures do not allow input in the early stage of rule development. By seeking input earlier in the process, the Board could better ensure that it considers the potential effects on all license groups before the formal public comment period begins.

- Involving stakeholders earlier in the rule development process is a more effective way of soliciting input on proposed rules. The Legislature encourages agencies to involve affected groups, particularly in the development of controversial rules, through a negotiated rulemaking process, as described in Government Code, Chapter 2008. Other state agencies, such as the Department of Health and the Commission on Environmental Quality, take advantage of stakeholder input early in rule development to avoid controversies and allow for more efficient rulemaking. While the Psychology Board may not need such formal rulemaking processes, it would benefit from asking its licensees for input when developing rules that will affect them. Further, the Board can solicit input through low-cost methods, such as e-mail or its semiannual newsletter.

**Recommendations**

**Change in Statute**

2.1 **Abolish the Psychological Associate Advisory Committee.**

This recommendation would abolish the Committee and remove the requirement for the Governor to appoint its members. The Governor would continue to appoint two psychological associate members to the Board, thus maintaining adequate representation of this license group. This recommendation would not change psychological associates’ scope of practice, including the requirement for supervision by licensed psychologists.

2.2 **Require the Board to develop guidelines for the early involvement of stakeholders in its rulemaking process.**

The Board should provide psychology professionals in all license groups with the opportunity for a stronger role in the development of rules, before formal proposal in the *Texas Register*. This process could prove more effective in providing input to the Board than PAAC. Allowing stakeholders who will be most affected by a proposed rule to provide advice and opinions earlier in the process will result in better rules that take the perspectives of all license groups into consideration. One option for early involvement would be to include the proposed rules in the Board’s newsletter to solicit input. Once the Board receives this input, it would still publish the proposed rules according to the Administrative Procedure Act, and allow the public an opportunity to oppose the rules or suggest alternatives during the comment period.
**Impact**

These recommendations would abolish PAAC, but provide the Board with a more meaningful process for seeking input on proposed rules. Further, licensees in all groups would have greater opportunity to provide their opinions on rules in the early stages of development. As a result, the Board will be better able to craft rules that take stakeholders’ concerns into consideration before they are published in the *Texas Register*.

**Fiscal Implication**

Abolishing the Committee will have no fiscal impact to the State. Since the Legislature already cut funding for travel reimbursements, the State will not save money by eliminating the Committee.
Key Elements of the Board’s Licensing and Regulatory Functions Do Not Conform to Commonly Applied Licensing Practices.

Summary

Key Recommendations

- Standardize the Board’s licensing functions by streamlining the licensing process for out-of-state applicants, allowing the Board to grant temporary privileges, and changing the basis for assessing late renewal fees.

- Revise the Board’s enforcement activities by requiring common licensing model elements, such as analyzing complaints and investigating them according to risk, including a public member in the informal settlement process, adopting a more specific schedule of sanctions, and providing for restitution.

Key Findings

- Licensing provisions of the Board’s statute do not follow model licensing practices and could potentially affect the fair treatment of licensees and the agency’s ability to protect consumers.

- Nonstandard enforcement provisions of the Board’s statute could reduce the agency’s effectiveness in protecting consumers.

Conclusion

Various licensing, enforcement, and administrative processes in the Psychologists’ Licensing Act do not match model licensing standards developed by Sunset staff from experience gained through more than 80 occupational licensing reviews over the last 25 years. The Sunset review compared the Board’s statute, rules, and practices to the model licensing standards to identify variations. Based on these variations, staff identified the recommendations needed to bring the Board in line with the model standards.
Support

Regulating occupations, such as psychology, requires common activities that the Sunset Commission has observed and documented over more than 25 years of reviews.

- The mission of the Texas State Board of Examiners of Psychologists is to protect the public by ensuring that those who provide psychological services are qualified, competent, and adhere to established professional standards. To provide this protection, the Board performs several standard licensing and enforcement activities. Currently, the Board licenses nearly 6,000 psychology professionals, including psychologists, psychological associates, and specialists in school psychology. The Board enforces the Psychologists’ Licensing Act and Board rules by investigating complaints against providers of psychological services and taking disciplinary action when necessary.

- The Sunset Advisory Commission has a historic role in evaluating licensing agencies, as the increase of occupational licensing programs served as an impetus behind the creation of the Commission in 1977. Since then, the Sunset Commission has completed more than 80 licensing agency reviews.

- Sunset staff has documented standards in reviewing licensing programs to guide future reviews of licensing agencies. While these standards provide a guide for evaluating a licensing program’s structure, they are not intended for blanket application. The following material highlights areas where the Board’s statutes and rules differ from these model standards, and describes the potential benefits of bringing the statutes and rules into conformity with standard practices.

Licensing provisions of the Board’s statute do not follow model licensing practices and could potentially affect the fair treatment of licensees and the agency’s ability to protect consumers.

- **Equivalency.** Qualified professionals from other states should be allowed to obtain permanent licensure in Texas without barriers that unnecessarily complicate or delay the effort. An already-licensed practitioner should still meet all of Texas’ licensing requirements, but should be spared the cost and time required to meet all of the same requirements previously met in another state. Licensing agencies should still ensure that the process protects the public interest and imposes uniform requirements on all applicants. The following material addresses equivalency practices that would reduce the burden on out-of-state applicants, while still ensuring public protection.

  Experience requirement. Licensed applicants from other states who meet Texas’ requirements should not be required to have practiced for any length of time to be eligible for licensure in Texas. The Psychology Board’s rules require out-of-state professionals to have five years of experience in independent practice before applying through a streamlined licensing process. Psychology professionals with less than five years of experience may still apply, but must go through a lengthier licensing process. This requirement places undue burden on applicants from...
other states and limits entry of qualified individuals into the profession. The requirement presumes that psychology professionals with four years of experience are less qualified than those with five years of experience, even though they have already received their license and practiced independently in another state.

**Supervision requirement.** Professionals who move to Texas and meet the minimum licensing requirements should be allowed to practice under a temporary license while agencies process their applications. The Psychology Board grants out-of-state applicants provisional licenses pending permanent licensure, but requires each applicant to practice under the supervision of another licensee. The supervision requirement places an undue burden on psychology professionals who have already practiced independently in another state.

**Credentialing.** Credentials granted by national professional organizations are one way to provide proof that applicants have completed the basic educational and experience requirements standard to their profession. Currently, three national psychology organizations provide credentialing services, but the Board accepts credentials from only two of these organizations. By having the authority to accept credentials from all national organizations, the Board can ensure that out-of-state applicants meet the needed qualifications to practice psychology in Texas.

- **Temporary privileges.** Professionals often travel to other states to perform short-term work, such as for court cases or contract work. Licensing agencies need to know about these professionals, in case complaints arise and they need to take enforcement action. However, these professionals are only working for a short period of time and should not be unduly burdened by another state’s licensing requirements. While the Psychology Board grants temporary privileges for up to 30 days, it does not have statutory authority to do so. Further, temporary licensees do not take the jurisprudence exam and are not supervised, so the Board cannot ensure that they are practicing according to Texas laws. Allowing the Board to grant temporary privileges, under supervision, to qualified psychology professionals from other states for specified time periods would provide better control over these individuals who travel to Texas to perform short-term work.

- **Late renewal penalties.** Licensees who fail to renew their licenses on time should pay a penalty set at a level that is reasonable to ensure timely payment, and that provides comparable treatment for all licensees. The Psychology Board’s penalty for late renewal is based on the cost of the examination the licensee took to gain licensure. The Board bases the fee for psychologists and psychological associates on the national licensing exam and the fee for specialists in school psychology on the jurisprudence exam, which all licensees take. The result is that late psychologists and psychological associates may pay up to $450, while late specialists in school psychology will only pay up to $200, in addition to the standard renewal fee. A fairer, more reasonable practice would be to require delinquent licensees to pay a penalty of one and a half to two times the renewal fee, instead of the examination fee.
Nonstandard enforcement provisions of the Board’s statute could reduce the agency’s effectiveness in protecting consumers.

- **Complaint trend analysis.** Licensing agencies should analyze the sources and types of complaints they receive to identify problem areas and trends. Identifying such trends can help an agency manage its resources more effectively, leading to greater protection of consumers. Additionally, such information can be used by an agency to create educational materials for licensees about common violations of statutes and rules.

The Board currently has no method for performing trend analysis. The staff attempts to address what it perceives to be common violations by including informational material in its semiannual newsletter. However, a formal system to analyze the sources and types of complaints would lead to better enforcement and increased administrative efficiency.

- **Complaint investigations.** Complaints should be placed in priority order so that the most serious problems are handled first. Addressing complaints based on seriousness places the agency’s attention where it is most needed. While the Board’s rules define five priority levels, in fiscal year 2003, nearly 97 percent of all complaints fell in one category, as shown in the accompanying textbox. As a result, the Board handles nearly all complaints on a first-come, first-served basis. A more relevant priority system would help the agency use its limited investigative resources more effectively.

- **Informal settlement conferences.** The Legislature, through legislation regarding alternative dispute resolution, has encouraged boards to settle enforcement cases using informal proceedings. Structured informal settlement conferences allow an agency to explore resolution without resorting to contested case hearings at the State Office of Administrative Hearings, thus saving time and resources. When a licensing board chooses to use a panel of its members to conduct informal settlement conferences, the panel should include at least one public member to help ensure a balance between occupational and public interests. While the Psychology Board does ask for volunteers from among its public members to participate in informal settlement conferences, it is not statutorily required to do so and therefore cannot ensure public membership at all conferences.

- **Schedule of sanctions.** Agencies that impose sanctions for violations of law or rule should use a schedule of sanctions to establish appropriate actions for specific violations. The schedule helps to ensure fair and consistent treatment of all violators. The schedule should be adopted by an agency’s policymaking body in rule so that opportunity exists for public awareness and debate.

Statute requires the Psychology Board to develop a broad schedule of sanctions. However, the resultant rule does not list what actions, other
than revocation, the Board may take in response to specific violations. The Board also has a schedule of sanctions in policy, but the policy does not cover all possible sanctions, such as administrative penalties for substantive complaints. Further, licensees and the public cannot readily access the sanctions policy as they can Board rules. Requiring the Board to adopt a more specific schedule of sanctions in rule would help ensure fair treatment of all violators.

- **Restitution authority.** The goal of restitution is to allow a complainant to regain some or all of what was lost as a result of the act that caused the complaint. Restitution can be granted when a consumer has been defrauded or subjected to a loss that can be quantified, such as the cost of therapy sessions with a psychologist. The Board’s enforcement tools are designed to correct licensee behavior, but do not allow for compensation to the aggrieved party.

- **Enforcement information.** Agencies should make enforcement information, such as final disciplinary orders and sanctions, available to the public in an easily accessible format. This information helps to protect consumers and ensures procedural fairness for all licensees. The Psychology Board does not make enforcement decisions easily accessible to the public. While the Board publishes a semiannual newsletter for its licensees that contains disciplinary orders and sanctions, consumers of psychological services may not know to check the newsletter for disciplinary information. Consumers who wish to check the disciplinary history of a particular licensee must either read through old newsletters or call Board staff.

- **Dismissal notification.** As part of its complaint process, an agency must periodically notify the parties of the status of the complaint investigation. Such notification keeps the parties informed and assures them that the agency takes the complaint, and its complaint process, seriously. This same notification should explain why an agency dismissed a complaint. While the Board currently sends a dismissal letter to the complainant and respondent, the standard letter does not provide information as to why it dismissed the complaint other than to say the Board, upon review, did not find a violation. The letter does not include statutory or rule references to indicate the nature of the alleged violation or a summary of the Board’s findings. Such explanation would help all parties better understand the Board’s actions.

To check the disciplinary history of licensees, the public must either read through old newsletters or call Board staff.
Recommendations

Licensing

Change in Statute

3.1 Allow qualified psychology professionals from other states to apply for licensure in Texas through a streamlined process without meeting minimum practice requirements, as long as they meet all other licensing requirements.

This recommendation would prohibit the Board from placing additional burdens of proof on already-licensed applicants from other states who have not practiced for a specific length of time, but are authorized to practice independently. Psychology professionals in good standing with other boards should be allowed to seek a license in Texas through the same abbreviated process, regardless of the length of their practice experience. These applicants would still be required to meet Texas’ licensing requirements, including passing the jurisprudence exam.

3.2 Provide an exemption from the provisional license supervision requirement for applicants who are already licensed to practice independently in other states.

Allowing qualified psychologists from other states to practice independently in Texas while the Board processes their applications would remove a barrier to entry into the profession. As long as a psychologist has a license to practice independently, is in good standing in another state, and meets Texas’ licensing requirements, the Board should allow independent practice in Texas. Even without supervision, provisionally licensed psychologists still practice under the authority of the Board and are subject to enforcement action.

3.3 Authorize the Board to accept all national credentials as proof of meeting basic licensing requirements.

Authorizing the Board to accept all national credentials would streamline the licensing process for qualified psychology professionals moving to Texas from other states. Rather than requiring applicants to resubmit documentation of their education and experience, the Board would simply verify the information with the credentialing organization. However, the Board should reserve the right to reject an applicant's credentials if it feels the credentials do not provide proof of the minimum licensing requirements. Also, the Board would still require an out-of-state applicant to pass the jurisprudence exam.

3.4 Authorize the Board to grant temporary privileges to psychology professionals from other states who wish to practice in Texas for a short, specified period of time.

This recommendation would allow qualified psychology professionals from other states to practice temporarily in Texas. In addition, those receiving temporary privileges would be required to practice under supervision during their stay in Texas. In granting these temporary privileges, the Board should confirm that applicants are licensed in good standing in their state of origin, and specify the time period in which they may practice in Texas. In return, the Board may charge a processing fee to recover the administrative costs of providing temporary privileges. Having authority to grant privileges would allow the Board to have information about psychology professionals practicing in Texas for short terms and to take enforcement action should complaints arise.
3.5 Change the basis for the Board’s late renewal penalties.

This recommendation would require the Board to use the standard renewal fee as the basis for its late renewal penalties, rather than the cost of the exams required for licensure. For example, the Board would charge a person whose license has been expired for 90 days or less the standard renewal fee plus a penalty equal to one and a half times the renewal fee. For those whose licenses have been expired for more than 90 days, but less than one year, the Board would charge the standard renewal fee plus a penalty of twice the renewal fee. In calculating the late penalty, the Board would not include the $200 professional fee assessed on psychologists.

Enforcement

Change in Statute

3.6 Require the Board to develop a system for complaint trend analysis.

Requiring the Board to analyze the sources and types of complaints it receives should lead to stronger enforcement, a better understanding among licensees of the Board’s law and rules, and greater administrative efficiency. The type of information the Board should analyze includes the reason or basis for each complaint; the outcome of each case and what type of disciplinary action was taken, if any; and the nature of and action taken on complaints that are nonjurisdictional.

3.7 Require the Board to investigate complaints according to risk.

This recommendation would require the Board to handle complaints according to a more relevant priority system than currently used by the agency. Addressing complaints based on seriousness would ensure that the agency places attention on its most serious cases first and makes more effective use of its investigative resources.

3.8 Require the Board to include one of its public members in the informal settlement process.

This recommendation would ensure that the Board includes at least one public member in its informal settlement conferences. These conferences help the Board determine whether a violation occurred and what action to take, and therefore should always include public membership to ensure consumer interests are properly represented in the enforcement process.

3.9 Require the Board to adopt a more specific schedule of sanctions in rule.

This recommendation would require the Board to establish, in rule, a schedule to use when determining sanctions for violators, and to ensure that these actions relate appropriately to different violations of the Psychologists’ Licensing Act and Board rules. The schedule should cover all possible sanctions, including administrative penalties for substantive complaints and the fee the Board often assesses to recover its administrative costs for conducting informal settlement conferences. In developing this schedule, the Board should take into account factors including the licensee’s compliance history, seriousness of the violation, or the threat to the public’s health and safety. By requiring the Board to adopt the schedule in rule, the public would have opportunity to comment and licensees would better understand the potential consequences of violations.

3.10 Authorize the Board to require restitution as part of the settlement process.

Under this recommendation, the Board would be allowed to include restitution as a part of an agreed order reached in an informal settlement conference. Restitution authority would be limited to ordering a refund not to exceed the amount the complainant paid for their psychological services. Any restitution order would not include an estimation of other damages or harm. The restitution may be in lieu of or in addition to a separate Board order for sanctions against a licensee.
Management Action

3.11 The Board should post information about disciplinary orders and sanctions on its Web site in a format that consumers may access easily.

Under this recommendation, consumers would have improved access to disciplinary information. Increasing accessibility could include creating a quarterly listing of all enforcement orders and sanctions arranged alphabetically by licensee name. In addition to helping the public, this listing may reduce the amount of time staff must dedicate to handling consumer inquiries.

3.12 The Board should provide explanations of its complaint dismissals to complainants and respondents.

The Board should provide sufficient information to a complainant and respondent as to why it dismissed a complaint. Rather than simply stating that it found no violation, the Board should provide an explanation of its decision, including a summary of its findings.

Impact

The application of these recommendations to the Board would result in efficiency and consistency from fairer processes for licensees, additional protection for consumers, and standardization of Board procedures. The chart, Benefits of Recommendations, categorizes the recommendations according to their greatest benefits.

Fiscal Implication

These recommendations would not have a significant fiscal impact to the State. The recommendations are procedural improvements that should require only minor costs to update the agency’s licensing database. The cost of requiring the Board to check an out-of-state licensee’s references before granting temporary privileges would be offset by a fee the Board would charge to cover its administrative costs. Changing the basis on which the agency assesses late renewal fees would result in lost revenue to the State of approximately $5,000 annually.

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<tr>
<th>Fiscal Year</th>
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<tr>
<td>2006</td>
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<td>2009</td>
<td>$5,000</td>
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<tr>
<td>2010</td>
<td>$5,000</td>
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### Benefits of Recommendations

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Efficiency of Operations</th>
<th>Administrative Flexibility</th>
<th>Fairness to Licensee</th>
<th>Public Protection</th>
</tr>
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<tbody>
<tr>
<td><strong>Licensing</strong></td>
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<tr>
<td>3.1 Allow qualified psychology professionals from other states to apply for licensure in Texas through a streamlined process without meeting minimum practice requirements, as long as they meet all other licensing requirements.</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>3.2 Provide an exemption from the provisional license supervision requirement for applicants who are already licensed to practice independently in other states.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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</tr>
<tr>
<td>3.3 Authorize the Board to accept all national credentials as proof of meeting basic licensing requirements.</td>
<td>✓</td>
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</tr>
<tr>
<td>3.4 Authorize the Board to grant temporary privileges to psychology professionals from other states who wish to practice in Texas for a short, specified period of time.</td>
<td></td>
<td></td>
<td>✓</td>
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<tr>
<td>3.5 Change the basis for the Board’s late renewal penalties.</td>
<td>✓</td>
<td></td>
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<tr>
<td><strong>Enforcement</strong></td>
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<tr>
<td>3.6 Require the Board to develop a system for complaint trend analysis.</td>
<td>✓</td>
<td></td>
<td>✓</td>
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<tr>
<td>3.7 Require the Board to investigate complaints according to risk.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>3.8 Require the Board to include one of its public members in the informal settlement process.</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>3.9 Require the Board to adopt a more specific schedule of sanctions in rule.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>3.10 Authorize the Board to require restitution as part of the settlement process.</td>
<td></td>
<td>✓</td>
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<td>✓</td>
<td></td>
</tr>
<tr>
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<td></td>
<td>✓</td>
<td>✓</td>
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**Issue 4**

**Decide on Continuation of the Board After Completion of Sunset Reviews of Other Professional Licensing Agencies.**

**Summary**

**Key Recommendation**

- Decide on continuation of the Texas State Board of Examiners of Psychologists as a separate agency upon completion of upcoming Sunset reviews of other health and mental health licensing agencies.

**Key Findings**

- Texas has a continuing need to regulate providers of psychological services.
- Different organizational options for regulating psychological practitioners offer advantages and disadvantages.
- All 50 states regulate psychological practitioners, generally within umbrella licensing agencies.
- A complete study of organizational options should also consider the results of the Sunset Commission’s reviews of other health and mental health licensing agencies this review cycle.

**Conclusion**

The Sunset review evaluated the continuing need for regulation of psychologists, psychological associates, and specialists in school psychology in Texas, as well as the need for the Texas State Board of Examiners of Psychologists as the agency to provide these functions. While the review found that the State should continue to regulate psychological service providers, several options exist for how to structure this regulatory effort, ranging from continuing the Board as an independent agency, enhancing coordination of administrative functions through a council like the Health Professions Council, and consolidating the Board with other mental health or health professions agencies. The review concluded that the decision on the appropriate structure of the agency responsible for these regulations should be delayed until the Sunset reviews of other health and mental health licensing agencies are completed later this year, to draw on insights gained from those reviews.
Support

The mission of the Texas State Board of Examiners of Psychologists is to protect the public by licensing and enforcing standards on psychological service providers.

- Texas has regulated psychologists since 1969, when the Legislature created the Texas State Board of Examiners of Psychologists. The Board began certifying psychological associates in 1970. Since then, the State increased the level of regulation of psychological associates, in 1993, and transferred the regulation of specialists in school psychology from the Texas Education Agency to the Board, in 1995.

- The Board seeks to protect the public by ensuring that only qualified psychologists, psychological associates, and specialists in school psychology practice in Texas. To achieve this goal, the Board licenses psychological service providers, and ensures compliance with the Psychologists’ Licensing Act by investigating and resolving complaints regarding its licensees.

Texas has a continuing need to regulate providers of psychological services.

- Many Texans use psychological services, but the provision of such services can place the public at risk. Incompetent or unethical practice can potentially harm the mental health of psychological service providers’ vulnerable client base – children, the elderly, and individuals with mental illness or emotional distress. Additionally, the dependent nature of the psychological service provider-client relationship can put clients at risk of emotional, financial, or sexual exploitation.

- The Board licenses individuals to ensure their competence to provide psychological services to the public. The Board also develops and implements rules and regulations to ensure that licensees engage in safe and ethical practices. The Psychologists’ Licensing Act is designed to protect clients and give them recourse if laws are violated. Further, the public needs an agency that can receive and investigate complaints about psychological service providers and, if necessary, discipline those who violate the law to bring them into compliance.

Different organizational options for regulating psychological practitioners offer advantages and disadvantages.

- The regulation of psychological practitioners could occur through several organizational structures – an independent board, a coordinating council similar to the Health Professions Council, or a consolidation of similar licensing agencies. The advantages and disadvantages of each of these organizational structures are described in the chart, Organizational Structure Options.

- Traditionally, Texas has approached the regulation of psychology through an independent agency that pays for itself through licensing and professional fees, focuses on customer service, and provides expertise for the regulation of its licensees. The Board currently operates as an independent agency, with 14 staff to handle the regulation of nearly 6,000 psychology professionals.
The Health Professions Council (HPC) currently functions as a coordinating council for 15 health and mental health agencies representing 35 professional licensing boards and programs. Member agencies, including the Psychology Board, colocate in one state office building to facilitate resource sharing, including shared board and conference rooms, an imaging system, courier services, and information technology staff. HPC is currently making plans to coordinate human resources and financial activities among member agencies. The

<table>
<thead>
<tr>
<th>Type of Organization</th>
<th>Description</th>
<th>Advantages</th>
<th>Disadvantages</th>
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</table>
| Independent Agency   | Board appointed by Governor to represent psychological practitioners and make final decisions for regulation with own staff and budget. | - Expertise in psychology, applied to regulation of licensees.  
- Better accountability for licensing and enforcement decisions.  
- Improved customer service by Board and staff dedicated to single profession. | - Duplication of effort with other licensing agencies performing common functions.  
- Limited resources for administrative and enforcement functions, information technology, and staff.  
- Lack of coordination with agencies with similar responsibilities. |
| Coordinating Council | Board appointed by Governor to make final decisions for regulation with own staff for licensing and enforcement. Receives some or all administrative support from coordinating council composed of comparable agencies, such as Health Professions Council, which may rely on staff from member agencies or may employ own staff. | - Administrative efficiency from standardizing functions among member agencies.  
- Better access to equipment and staff not afforded with smaller appropriations.  
- Better focus of limited resources on core licensing and enforcement functions. | - Less autonomy for Board in meeting administrative program needs.  
- Fracturing of administrative services among agencies, with some favored more than others.  
- Duplication of effort with other licensing agencies performing common functions. |
| Consolidation of Similar Agencies | Advisory Board that makes recommendations to consolidated licensing oversight board, either for regulation of psychological practitioners specifically, or as part of unified regulation of all health professions. | - Single point of contact for consumers to obtain information or lodge complaints.  
- Improved coordination and standardization of rules and policies, especially among similar professions.  
- Improved economies of scale for administrative, licensing, and enforcement functions.  
- Reduced potential for regulated profession to dominate regulations. | - Neglect of individual professions in favor of larger, more powerful groups.  
- Diminished customer service and accountability, resulting in increased response times for licensing and enforcement actions.  
- Lack of staff expertise in a specific profession. |
Legislature augmented the activities of HPC in 2003, by establishing the Office of Patient Protection, which will assist consumers with complaints about HPC member agencies. HPC could be given additional authority to coordinate all of the agencies’ administrative functions, leaving member agencies to perform only licensing and enforcement functions.

- Texas’ mental health boards and programs could be consolidated into one mental health agency. Such a consolidated agency could be overseen by a single board that represents all mental health professions and makes final regulatory decisions, or by a public board, assisted by advisory committees representing each profession. The advisory boards could be advisory only, or they could be given authority to make final decisions on licensing and enforcement actions. The board, whether public or professional, would hire staff to carry out the administrative, licensing, and enforcement activities for all of the professions.

Consolidation of the mental health entities could reduce confusion for the public, who generally does not distinguish between the various mental health professionals, noted in the accompanying textbox.

A single umbrella health licensing agency could regulate all of health professions currently regulated under 35 separate boards and programs – including the mental health professions. A public board would oversee all regulation, assisted by advisory committees that could provide expertise in the regulation of the various health and mental health professions. The structure of the agency could be modeled after the Texas Department of Licensing and Regulation, which has a structure for occupational and professional examination, licensing, and enforcement for more than 20 regulatory programs. The agency’s public board receives assistance from statutorily created advisory committees, composed of regulated trades, businesses, industries, and occupations.

All 50 states regulate psychological practitioners, generally within umbrella licensing agencies.

- The chart, Regulation of Psychologists in the United States, describes the structure of psychological regulatory agencies in the United States. Few states use a separate, stand-alone agency. Instead, most states place regulation of psychological services within an umbrella agency, although the organizational structure of such agencies varies. Most states use either a general licensing or a health and mental health licensing agency to regulate psychological service providers.

Only one state lacks a separate psychology board. Instead, a mental health board, composed of members from various mental health professions, regulates all mental health professionals in that state.
A complete study of organizational options should also consider the results of the Sunset Commission’s reviews of other health and mental health licensing agencies during this review cycle.

- Sunset reviews of other health and mental health licensing agencies are scheduled for completion in the fall of 2004, after the completion of this agency’s review. The textbox, Mental Health and Health Boards Under Sunset Review, lists the professional licensing agencies that will undergo a Sunset review by the fall of 2004.

- The results of these reviews may indicate that further administrative efficiencies can be gained among these agencies. Opportunities may also exist to provide for greater coordination and consistent regulation across Texas’ mental health and health licensing agencies. Delaying decisions on continuation of the Psychology Board until that time will allow Sunset staff to finish its work on all the professional licensing agencies. Thus, the Sunset Commission can then base its recommendations on the most complete information.

**Recommendation**

**Change in Statute**

4.1 Decide on continuation of the Texas State Board of Examiners of Psychologists as a separate agency upon completion of upcoming Sunset reviews of other health and mental health licensing agencies.

This recommendation would postpone the Sunset Commission’s decision on the status of the Board as a separate agency until completion of the Sunset reviews of other health and mental health licensing agencies being reviewed this biennium.

**Impact**

Though the State should continue to regulate psychologists, psychological associates, and specialists in school psychology, Sunset staff recommends that the Sunset Commission delay its decision on continuation of the Board as a separate agency until the Sunset reviews of other health and mental health licensing agencies are completed. At that time, Sunset staff will make recommendations to the Commission regarding the continuation of the Board. The results of each agency review should be used to determine if administrative efficiencies and greater coordination can be achieved in the organization of the State’s separate health and mental health licensing agencies.

**Fiscal Implication**

This recommendation will not have a fiscal impact to the State.
ACROSS-THE-BOARD RECOMMENDATIONS
<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Across-the-Board Provisions</th>
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<tbody>
<tr>
<td>Already in Statute</td>
<td>1. Require public membership on the agency’s policymaking body.</td>
</tr>
<tr>
<td>Update</td>
<td>2. Require provisions relating to conflicts of interest.</td>
</tr>
<tr>
<td>Already in Statute</td>
<td>3. Require unbiased appointments to the agency’s policymaking body.</td>
</tr>
<tr>
<td>Apply</td>
<td>4. Provide that the Governor designate the presiding officer of the policymaking body.</td>
</tr>
<tr>
<td>Update</td>
<td>5. Specify grounds for removal of a member of the policymaking body.</td>
</tr>
<tr>
<td>Update</td>
<td>6. Require training for members of the policymaking body.</td>
</tr>
<tr>
<td>Update</td>
<td>7. Require separation of policymaking and agency staff functions.</td>
</tr>
<tr>
<td>Already in Statute</td>
<td>8. Provide for public testimony at meetings of the policymaking body.</td>
</tr>
<tr>
<td>Update</td>
<td>9. Require information to be maintained on complaints.</td>
</tr>
<tr>
<td>Apply</td>
<td>10. Require the agency to use technology to increase public access.</td>
</tr>
<tr>
<td>Apply</td>
<td>11. Develop and use appropriate alternative rulemaking and dispute resolution procedures.</td>
</tr>
</tbody>
</table>
Agency at a Glance

The Texas State Board of Examiners of Psychologists protects the public by ensuring that those who provide psychological services are qualified, competent, and adhere to established professional standards. The Legislature created the Board in 1969 to regulate the profession of psychology. To accomplish its mission, the Board:

- licenses qualified psychologists, provisionally licensed psychologists, psychological associates, and specialists in school psychology;
- ensures compliance with the Psychologists’ Licensing Act and Board rules by investigating and resolving complaints alleging illegal or incompetent practice of psychology, and by taking disciplinary action when necessary; and
- provides information to licensees and the public.

Key Facts

- **Funding.** In fiscal year 2003, the Board spent more than $681,000, funded primarily from licensing and examination fees.
- **Staffing.** The Board has 14 staff, all based in Austin.
- **Licensing.** The Board regulates nearly 6,000 psychology professionals. In fiscal year 2003, the Board issued 416 new licenses and renewed 6,685 existing licenses. Approximately 1,000 people hold more than one type of license from the Board.
- **Enforcement.** The Board received 82 complaints from the public in fiscal year 2003. That same year, the Board initiated 75 complaints. The Board resolved 175 complaints in fiscal year 2003, with 17 resulting in sanctions against a licensee.

Organization

Policy Body

The State Board of Examiners of Psychologists consists of nine members appointed by the Governor. The Board is composed of four licensed psychologists who have engaged in independent practice, teaching, or research for at least five years; two psychological associates who have been licensed for at least five years; and three public members. Of the nine members, the Governor must appoint at least two members who provide psychological services, one member who conducts research in psychology, and one member who is a faculty member at a psychological training...
The Texas State Board of Examiners of Psychologists is a regulatory body that sets policies and rules to regulate the profession of psychology. The Board approves applicants for licensure, participates in disciplinary proceedings, and appoints the agency's Executive Director. Individual Board members participate in committees to work directly with staff on issues such as compliance with enforcement orders, the agency's budget, and technology resources. The Board receives assistance from one statutorily created advisory committee—the Psychological Associate Advisory Committee.

### Staff

The Board has 14 staff, all based in Austin. Employees perform two main functions—licensing and enforcement. The Executive Director, under the direction of the Board, manages the agency's day-to-day operations and implements Board policy. Generally, the Board's staff administer exams, process license applications, renewals, and fees; oversee continuing education requirements; and investigate complaints. The Texas State Board of Examiners of Psychologists Organizational Chart shows the agency's structure. The Board is a member of the Health Professions Council, which coordinates functions among various healthcare licensing agencies. The Council provides services to the Board, such as information technology and accounting assistance, and access to a courier service and imaging equipment. A comparison of the

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### Texas State Board of Examiners of Psychologists Organizational Chart

<table>
<thead>
<tr>
<th>Member</th>
<th>Residence</th>
<th>Qualification</th>
<th>Term Expiration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arthur E. Hernandez, Ph.D., Chair</td>
<td>San Antonio</td>
<td>licensed psychologist, licensed specialist in school psychology, faculty member, provider of psychological services</td>
<td>2007</td>
</tr>
<tr>
<td>Pauline A. Clancy, Ed.D., Vice Chair</td>
<td>Houston</td>
<td>licensed psychologist, licensed specialist in school psychology, provider of psychological services</td>
<td>2007</td>
</tr>
<tr>
<td>Gary R. Elkins, Ph.D.</td>
<td>Temple</td>
<td>licensed psychologist, faculty member, provider of psychological services</td>
<td>2009</td>
</tr>
<tr>
<td>Catherine B. Estrada</td>
<td>Dallas</td>
<td>public member</td>
<td>2009</td>
</tr>
<tr>
<td>Michael Nogueira</td>
<td>Fredericksburg</td>
<td>public member</td>
<td>2005</td>
</tr>
<tr>
<td>Ruben Rendon, Jr., M.S.</td>
<td>Dallas</td>
<td>licensed psychological associate, licensed specialist in school psychology, provider of psychological services</td>
<td>2005</td>
</tr>
<tr>
<td>Carl E. Settles, Ph.D.</td>
<td>Killeen</td>
<td>licensed psychologist, provider of psychological services</td>
<td>2009</td>
</tr>
<tr>
<td>Stephanie Sokolosky, M.P.S.</td>
<td>Wichita Falls</td>
<td>licensed psychological associate, licensed specialist in school psychology, provider of psychological services</td>
<td>2005</td>
</tr>
<tr>
<td>Jess Ann Thomason</td>
<td>Midland</td>
<td>public member</td>
<td>2007</td>
</tr>
</tbody>
</table>

The Board sets policies and rules to regulate the profession of psychology, approves applicants for licensure, and participates in the disciplinary proceedings of licensees. In addition, the Board appoints the agency's Executive Director, and individual Board members participate in committees to work directly with staff on issues such as compliance with enforcement orders, the agency's budget, and technology resources. The Board receives assistance from one statutorily created advisory committee—the Psychological Associate Advisory Committee. Although the Board is required by statute to meet at least twice a year, it typically meets four or five times a year.
The Board’s licensees paid nearly $1.8 million in fees and penalties in fiscal year 2003.

The Board spent 60 percent of its budget on licensing functions and 40 percent on enforcement.

agency’s composition to the minority civilian labor force is provided in Appendix A. Although the agency has a small staff, it has generally exceeded the civilian labor force guidelines for most job categories.

**Funding**

**Revenues**

In fiscal year 2003, the regulation of the psychology profession generated total revenue of almost $1.8 million through various fees and assessments. As a licensing agency, the Board covers its administrative costs through licensing, renewal, and examination fees; and through appropriated receipts from charges for services, such as providing written verification of a license. Revenue generated through these licensing fees and service charges totaled $1,099,579 during fiscal year 2003. The agency also assesses administrative penalties, but in fiscal year 2003, these penalties totaled only $4,250, or less than 1 percent of all revenue generated. In addition, the Board collects a $200 professional fee from licensed psychologists for the General Revenue Fund and a $5 fee from all licensees for the Texas Online system. The revenue from these fees and penalties, which totaled $662,599 in fiscal year 2003, is not used to cover the agency’s operating costs, but goes to the General Revenue Fund.

**Expenditures**

In fiscal year 2003, the Board spent $681,441 in two areas: licensing and enforcement. Of this amount, $401,112, or 60 percent, is spent on licensing, while $280,329, or 40 percent, is spent on enforcement. In addition to the Board’s operating expenditures, the Legislature has directed it and other licensing agencies that are funded by fees to also cover direct and indirect costs appropriated to other agencies that provide support services to the Board. Examples of these costs include a portion of the bond payment for the building in which the agency is housed, employee benefits paid by the Employees Retirement System, and accounting services provided by the Comptroller of Public Accounts. In fiscal year 2003, these indirect costs totaled $250,127. The chart, *Flow of Agency Revenues and Expenditures*, shows the overall impact of these revenues and expenditures on the General Revenue Fund. Subtracting the agency’s operating expenditures and the direct and indirect costs incurred by other agencies from the total revenue generated, approximately $830,610 went to the General Revenue Fund in fiscal year 2003 to be used for other state purposes.

Appendix B describes the Board’s use of Historically Underutilized Businesses (HUBs) in purchasing goods and services for fiscal years 2000 to 2003. The Board uses HUBs in the categories of commodities and other services. While the agency has fallen behind the goal for other services, it has consistently surpassed the goal for commodities. The majority of the Board’s spending in the other services category is for its sole source contract for information services through the Department of Information Resources.
Flow of Agency Revenues and Expenditures
FY 2003

Total: $1,762,178
* Includes $4,250 in administrative penalties assessed by the Board.

Agency Operations

To ensure that only qualified individuals provide psychological services in Texas, the Board performs two core regulatory functions: licensing and enforcement.

Licensing and Examination

The Board regulates four types of psychological service providers – psychologists, provisionally licensed psychologists, psychological associates, and specialists in school psychology. The graph, Licensees, shows the number of licensees for each of the Board’s license types, including the number of people who hold multiple licenses with the Board.

- **Psychologists** provide mental health services, conduct research, and teach at universities and colleges. The Board requires psychologists to have a doctoral degree in psychology; meet specific experience requirements; pass written exams on the practice of psychology and on state laws and regulations; and pass an oral examination. Fully licensed psychologists may practice independently, without direct supervision.

Before full licensure, the Board requires applicants to obtain a provisional license. Provisionally licensed psychologists can provide the same services as fully licensed psychologists, but must practice under the supervision of a licensed psychologist, until the licensee has passed the oral examination and been granted full licensure by the Board.

Licensees - FY 2003

LP = Licensed Psychologist
LSSP = Licensed Specialist in School of Psychology
LPA = Licensed Psychological Associate
PLP = Provisionally Licensed Psychologist
- **Psychological Associates** provide mental health services, conduct research, and administer psychological tests and assessments under the direct supervision of a licensed psychologist. The license requires a master’s degree in psychology, and the passage of the written exams on the practice of psychology and state laws and regulations.

- **Specialists in School Psychology** work in elementary and secondary schools or school district offices to resolve students’ learning and behavior problems. A person may become a licensed specialist by completing an accredited graduate-level school psychology training program, and passing written examinations on school psychology and on state laws and regulations. In addition, licensed psychologists and psychological associates may become a licensed specialist by passing the national School Psychology Exam and completing 1,200 internship hours. The Legislature established the license in 1995, removing the exemption for public schools from the Board’s practice act, thus requiring persons working in schools to be licensed.

*Examinations.* All licensees must pass a national examination and the Board’s jurisprudence exam to be eligible to practice psychology in Texas. Psychologists must also pass the Board’s oral examination. The Board’s four examinations are described below.

- **Examination for Professional Practice of Psychology** is a computerized test developed by the Association of State and Provincial Psychology Boards. Candidates register with a national testing service, after receiving Board approval to do so, to take the exam at independent testing centers located throughout the state. Applicants for licensure as a psychologist, and as a psychological associate, must pass this examination.

- **National School Psychology Examination** is a two-hour, computerized exam developed by the National Association of School Psychologists, and administered by a national testing service at testing centers statewide. The Board requires this examination for all applicants for a license as a specialist in school psychology, including already licensed psychologists and psychological associates.

- **Jurisprudence Examination** is a mail-out, open-book exam that tests applicants’ knowledge of state laws and rules regulating the practice of psychology. Licensed psychologists develop the test questions, with monthly grading by the University of Texas at Austin. Applicants have three weeks to complete the exam, which all applicants for licensure must pass.

- **Oral Examination** evaluates provisional licensees’ minimal competence as a psychological practitioner before they may attain full licensure as a psychologist. Board members develop case vignettes that candidates must answer questions about. The Board administers the examination at the University of Texas at Austin twice a year. Board-trained psychologists conduct and score the exam.

*Supervision.* Supervision generally refers to a licensed psychologist providing professional guidance to another psychological services provider.
Supervisors provide guidance to interns, provisionally licensed persons, and licensed psychological associates. Only specialists in school psychology may provide supervision for other licensed specialists. Topics for supervision include ethical, legal, and clinical considerations. Supervisors have legal responsibility for the psychological services provided by supervised persons. The Board does not require a specific number of supervision hours for its licensees after licensure.

**Continuing Education.** Once licensed, the Board requires its licensees to complete 12 hours of continuing education annually for license renewal. Three of the 12 hours must be related to ethical practice, professional responsibility, or the Board’s Rules of Conduct. At each renewal period, staff randomly audit 10 percent of its licensees who are then required to submit evidence of completion of continuing education.

The chart, *Licensing Requirements*, details the education, examination, and experience each licensee must obtain before licensure.

### Licensing Requirements

<table>
<thead>
<tr>
<th>Provisionally Licensed Psychologists</th>
<th>Practical Experience</th>
<th>Exams</th>
<th>Fees</th>
<th>Continuing Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ph.D. in psychology</td>
<td>1,500 hour internship</td>
<td>Examination for Professional Practice of Psychology (EPPP)</td>
<td>EPPP $450**</td>
<td>12 hours per year</td>
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<tr>
<td></td>
<td>One year of post-doctoral supervised practice</td>
<td>Jurisprudence Exam</td>
<td>Application $335</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Jurisprudence Exam</td>
<td>Jurisprudence Exam $210</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>License Renewal</td>
<td>License Renewal $86</td>
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<table>
<thead>
<tr>
<th>Psychologists</th>
<th>Practical Experience</th>
<th>Exams</th>
<th>Fees</th>
<th>Continuing Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ph.D. in psychology</td>
<td>Provisional licensure</td>
<td>Oral Exam</td>
<td>Application $175</td>
<td>12 hours per year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Oral Exam $320</td>
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<tr>
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<td>License Renewal $181**</td>
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<tr>
<th>Psychological Associates</th>
<th>Practical Experience</th>
<th>Exams</th>
<th>Fees</th>
<th>Continuing Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA in psychology</td>
<td>450 hour internship</td>
<td>EPPP</td>
<td>EPPP $450</td>
<td>12 hours per year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jurisprudence Exam</td>
<td>Jurisprudence Exam $185</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jurisprudence Exam</td>
<td>Jurisprudence Exam $210</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>License Renewal</td>
<td>License Renewal $91</td>
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</table>

<table>
<thead>
<tr>
<th>Specialists in School Psychology</th>
<th>Practical Experience</th>
<th>Exams</th>
<th>Fees</th>
<th>Continuing Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA in psychology*</td>
<td>1,200 hour internship</td>
<td>National School Psychology Examination</td>
<td>Application $215</td>
<td>12 hours per year</td>
</tr>
<tr>
<td></td>
<td>One year as a trainee</td>
<td>Jurisprudence Exam</td>
<td>Jurisprudence Exam $210</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>License Renewal</td>
<td>License Renewal $34</td>
<td></td>
</tr>
</tbody>
</table>

* Need to complete specific course work related to school psychology or complete a graduate training program in school psychology accredited by the American Psychological Association.
** The $200 professional fee is added to this fee.

### Enforcement

The Board regulates the profession of psychology by investigating complaints against licensed and unlicensed individuals and, if necessary, taking enforcement action against those who violate the Psychologists’ Licensing Act or Board rules. The public may file a complaint with the Board using a standard complaint form. A listing of the most common allegations is presented in the textbox, *Top Allegations*. In addition to the form, complainants must submit waivers allowing the Board to access their personal psychological records; the Board needs access to confidential patient records to thoroughly investigate a complaint.

<table>
<thead>
<tr>
<th>Top Allegations - FY 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Failure to report continuing education</td>
</tr>
<tr>
<td>Child custody cases</td>
</tr>
<tr>
<td>Records violations</td>
</tr>
<tr>
<td>Incompetent practice</td>
</tr>
<tr>
<td>Unlicensed practice</td>
</tr>
</tbody>
</table>
Once the Board receives a complaint, enforcement staff review it to assess its merits. Staff have authority to dismiss all complaints that are not within the Board's jurisdiction, such as those against individuals licensed by other Boards, or against individuals practicing in exempt governmental facilities. If a complaint involves the unlicensed practice of psychology, staff handle the case through cease and desist action, without Board involvement. Staff investigate all other complaints to determine whether sufficient evidence of a violation exists. All records and hearings related to the Board's complaint cases are confidential, except the formal hearing discussed below.

**Investigations.** The staff's investigation involves reviewing all materials submitted with the complaint, reviewing the licensee's response to the complaint, requesting patient records from the licensee, interviewing witnesses by telephone, and reviewing other relevant materials, such as insurance or court documents. For cases involving complex issues, staff may request a professional review of the case by an independent licensed psychologist. If staff determine that a violation occurred, they prepare the case for an informal settlement conference. If staff find no evidence of a violation, they recommend to the Board that the case be dismissed.

**Informal Settlement Conferences.** Three members of the Board, chosen to serve on a disciplinary review panel, conduct the informal settlement conferences. The panel interviews the complainant and licensee separately to gather more information about the complaint. If the panel agrees that a violation occurred, it instructs the agency's general counsel to draft an agreed order containing its recommended disciplinary action. The panel may also recommend that a complaint be dismissed if it does not find sufficient evidence to support a violation.

**Sanctions.** If a licensee agrees with the panel's recommended disciplinary action, the case goes before the full Board for final approval and is closed. The Board can apply a variety of sanctions including reprimand, probation, suspension, and revocation of a person's license. The most commonly applied sanctions are reprimand and probation, in which the Board develops a plan for remedial action or probationary terms for the licensee. For example, in a reprimand, the Board may require a licensee to take additional continuing education hours. Under probation, the Board may require that the licensee be monitored for one to three years by a licensed psychologist.

**Formal Hearings.** If a licensee does not agree with the panel's recommended disciplinary action, the licensee may request a formal hearing before an administrative law judge at the State Office of Administrative Hearings. These hearings are open to the public. The Board makes a decision about how to resolve a complaint based on the recommendation of the judge. Two licensees requested a formal hearing in fiscal year 2003.

**Continuing Education Complaints.** The Board also initiates complaints on its own, often for administrative violations, such as when a licensee does not complete all required continuing education hours within a year. Roughly half of all complaints resolved by the Board involve incomplete continuing education requirements. The Board's staff handle most of these violations through an administrative process that results in the licensee satisfying the continuing education requirements and paying a fine before the agency will
The Board has consistently decreased the time needed to resolve complaints.

dismiss the complaint. The Board fined 18 licensees in fiscal year 2003. However, if a licensee violates the continuing education requirements multiple times, the Board considers the case through an informal settlement conference and may impose stricter penalties.

The table, Complaint Activity, details the number of complaints received from the public and initiated by the Board and shows the disposition of all complaints resolved by the Board in fiscal year 2003. The graph, Average Time in Days for Complaint Resolution, shows that the Board has consistently decreased the amount of time needed to resolve complaints.
Appendix A

Equal Employment Opportunity Statistics

2000 to 2003

In accordance with the requirements of the Sunset Act, the following material shows trend information for the Texas State Board of Examiners of Psychologists employment of minorities and females in all applicable categories.\(^1\) The agency maintains and reports this information under guidelines established by the Texas Commission on Human Rights.\(^2\) In the charts, the solid lines represent the percentages of the statewide civilian workforce for African-Americans, Hispanics, and females in each job category. These percentages provide a yardstick for measuring agencies’ performance in employing persons in each of these groups. The diamond-dashed lines represent the agency’s actual employment percentages in each job category from 2000 to 2003. The agency does not employ persons in some job categories – technical, protective services, skilled craft, service/maintenance, and paraprofessionals.

Administration

The Board exceeded the state goal for female employment, but fell short of the goals for Hispanics and African-Americans each year.

Professional

The agency generally exceeded the civilian labor force percentages for all three groups in this job category.
The Board met the goals for Hispanic employment, but fell short of the goals for African-American and female employment in this category.

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1 Texas Government Code, sec. 325.011(9)(A).

2 Texas Labor Code, sec. 21.501. The Texas Human Rights Commission (HRC) has been the agency responsible for collecting and distributing EEO data. During the 2003 Session, the Legislature passed HB 2933 transferring the functions of HRC to a new civil rights division within the Texas Workforce Commission (TWC). The legislation is to take effect upon certification of the TWC civil rights division by the appropriate federal agency; no specific date has yet been established.
Historically Underutilized Businesses Statistics

2000 to 2003

The Legislature has encouraged state agencies to increase their use of Historically Underutilized Businesses (HUBs) to promote full and equal opportunities for all businesses in state procurement. The Legislature also requires the Sunset Commission to consider agencies’ compliance with laws and rules regarding HUB use in its reviews.¹ The review of the Texas State Board of Examiners of Psychologists revealed that the agency is complying with all state requirements concerning HUB purchasing.

The following material shows trend information for the Texas State Board of Examiners of Psychologists’ use of HUBs in purchasing goods and services. The agency maintains and reports this information under guidelines in the Texas Building and Procurement Commission’s statute.² In the charts, the flat lines represent the goal for HUB purchasing in each category, as established by the Texas Building and Procurement Commission. The diamond-dashed lines represent the percentage of agency spending with HUBs in each purchasing category from 2000 to 2003. Finally, the number in parentheses under each year shows the total amount the agency spent in each purchasing category. The agency has not met the State’s goals except for the purchase of commodities.

In 2002 and 2003, the Board spent a small amount of money on professional services, but made no HUB purchases.
The Board has fallen short of the State’s goal for HUB spending on other services for the past four years, due to its sole source contract for information services through the Department of Information Resources.

The Board has exceeded the State’s goal for HUB spending on commodities for the past four years.

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1 Texas Government Code, sec. 325.011(9)(B).
2 Texas Government Code, ch. 2161.
Staff Review Activities

The Sunset staff engaged in the following activities during the review of the Texas State Board of Examiners of Psychologists.

- Worked extensively with agency staff.
- Attended a Board meeting, reviewed audiotapes and minutes of Board meetings, and interviewed Board members.
- Attended a Psychological Associate Advisory Committee (PAAC) meeting and reviewed minutes of PAAC meetings.
- Attended a Health Professions Council (HPC) meeting and interviewed HPC staff.
- Met with in person, or interviewed over the phone, staff from the Legislative Budget Board, the State Auditor’s Office, the Governor’s Office, Speaker of the House, Texas Department of Criminal Justice, Texas Department of Health, and the House Public Health Committee.
- Conducted interviews with and solicited written comments from national, state, and local interest groups.
- Surveyed licensees and complainants.
- Researched the functions of psychology regulatory agencies in other states.
- Reviewed audiotapes and observed administration of the Board’s oral examination.
- Reviewed agency documents and reports, reviewed complaint files, state statutes, legislative reports, previous legislation, and literature on psychology issues.
- Performed background and comparative research using the Internet.
SUNSET REVIEW OF THE
TEXAS STATE BOARD OF
EXAMINERS OF PSYCHOLOGISTS

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