



*Texas Real Estate Commission
and
Texas Appraiser Licensing and Certification Board*

**STRATEGIC PLAN
2013-2017**

*Stephen F. Austin Building
1700 N. Congress Ave., Ste. 400*

July 6, 2012



*Texas Real Estate Commission
and
Texas Appraiser
Licensing and Certification Board*

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Broker Member
2007-2013/McAllen

Robert C. (Chris) Day
Public Member
2007-2013/Jacksonville

Jaime Blevins Hensley
Broker Member
2009-2015/Lufkin

Joanne Justice
Broker Member
2009-2015/Arlington

Avis G. Wukasch
Broker Member/Chair
2008-2013/Round Rock

Dona Scurry
Public Member
2009-2015/El Paso

Troy C. Alley, Jr.
Broker Member
2011-2017/Arlington

Bill Jones
Broker Member
2011-2017/Temple

Weston Martinez
Public Member
2011-2017/San Antonio

Donna L. Walz
Public Member
2008-2013/Lubbock

Walker R. Beard
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2009-2013/El Paso

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2010-2012/Dallas

Sheryl R. Swift
Public Member
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B O A R D M E M B E R S

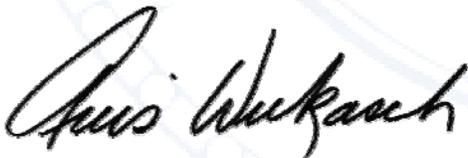
Laurie Fontana
Appraiser Member
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Shannon McClendon
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Jamie Wickliffe
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2011-2013/Midlothian

Mark McAnally, Ex Officio
Veterans Land Board
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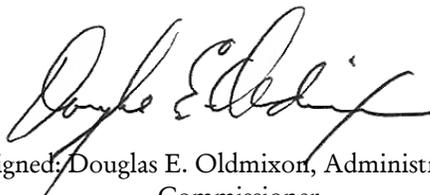
Luis F. De La Garza Jr.
Appraiser Member/Chair
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Approved: Avis G. Wukasch, Chair



Approved: Luis F. De La Garza Jr., Chair



Signed: Douglas E. Oldmixon, Administrator/
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Vision Texas

Strengthening Our Prosperity

March 2012

Fellow Public Servants:

Since the last round of strategic planning began in March 2010, our nation's economic challenges have persisted, but Texas' commitment to an efficient and limited government has kept us on the pathway to prosperity. Our strong economic position relative to other states and the nation is not by accident. Texas has demonstrated the importance of fiscal discipline, setting priorities and demanding accountability and efficiency in state government. We have built and prudently managed important reserves in our state's "Rainy Day Fund," cut taxes on small businesses, balanced the state budget without raising taxes, protected essential services, and prioritized a stable and predictable regulatory climate to help make the Lone Star State the best place to build a business and raise a family.

Over the last several years, families across this state and nation have tightened their belts to live within their means, and Texas followed suit. Unlike people in Washington, D.C., here in Texas we believe government should function no differently than the families and employers it serves. As we begin this next round in our strategic planning process, we must continue to critically examine the role of state government by identifying the core programs and activities necessary for the long-term economic health of our state, while eliminating outdated and inefficient functions. We must continue to adhere to the priorities that have made Texas a national economic leader:

- ensuring the economic competitiveness of our state by adhering to principles of fiscal discipline, setting clear budget priorities, living within our means and limiting the growth of government;
- investing in critical water, energy and transportation infrastructure needs to meet the demands of our rapidly growing state;
- ensuring excellence and accountability in public schools and institutions of higher education as we invest in the future of this state and make sure Texans are prepared to compete in the global marketplace;
- defending Texans by safeguarding our neighborhoods and protecting our international border; and
- increasing transparency and efficiency at all levels of government to guard against waste, fraud and abuse, ensuring that Texas taxpayers keep more of their hard-earned money to keep our economy and our families strong.

I am confident we can address the priorities of our citizens with the limited-government principles and responsible governance they demand. I know you share my commitment to ensuring that this state continues to shine as a bright star for opportunity and prosperity for all Texans. I appreciate your dedication to excellence in public service and look forward to working with all of you as we continue to chart a strong course for our great state.

Sincerely,



Rick Perry
Governor of Texas

The Mission of Texas State Government

TEXAS STATE GOVERNMENT MUST BE LIMITED, EFFICIENT, AND COMPLETELY ACCOUNTABLE. IT SHOULD FOSTER OPPORTUNITY AND ECONOMIC PROSPERITY, FOCUS ON CRITICAL PRIORITIES, AND SUPPORT THE CREATION OF STRONG FAMILY ENVIRONMENTS FOR OUR CHILDREN. THE STEWARDS OF THE PUBLIC TRUST MUST BE MEN AND WOMEN WHO ADMINISTER STATE GOVERNMENT IN A FAIR, JUST, AND RESPONSIBLE MANNER. TO HONOR THE PUBLIC TRUST, STATE OFFICIALS MUST SEEK NEW AND INNOVATIVE WAYS TO MEET STATE GOVERNMENT PRIORITIES IN A FISCALLY RESPONSIBLE MANNER.

AIM HIGH . . . WE ARE NOT HERE TO ACHIEVE INCONSEQUENTIAL THINGS!

The Philosophy of Texas State Government

The task before all state public servants is to govern in a manner worthy of this great state. We are a great enterprise, and as an enterprise, we will promote the following core principles:

- First and foremost, Texas matters most. This is the overarching, guiding principle by which we will make decisions. Our state, and its future, is more important than party, politics, or individual recognition.
- Government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes.
- Decisions affecting individual Texans, in most instances, are best made by those individuals, their families, and the local government closest to their communities.
- Competition is the greatest incentive for achievement and excellence. It inspires ingenuity and requires individuals to set their sights high. Just as competition inspires excellence, a sense of personal responsibility drives individual citizens to do more for their future and the future of those they love.
- Public administration must be open and honest, pursuing the high road rather than the expedient course. We must be accountable to taxpayers for our actions.
- State government has a responsibility to safeguard taxpayer dollars by eliminating waste and abuse and providing efficient and honest government.
- Finally, state government should be humble recognizing that all its power and authority is granted to it by the people of Texas, and those who make decisions wielding the power of the state should exercise their authority cautiously and fairly.

Texas General Government Goals and Benchmarks

Priority Goals:

To provide citizens with greater access to government services while reducing service delivery costs and protecting the fiscal resources for current and future taxpayers by supporting effective, efficient, and accountable state government operations

Benchmark:

Number of state services available by internet

Benchmark:

Total savings realized in state spending by making reports/documents/processes available by internet and accepting information in electronic format

Regulatory Goals and Benchmarks

Priority Goals:

To ensure Texans are effectively and efficiently served by high-quality professionals and businesses by: Implementing clear standards; Ensuring compliance; Establishing market-based solutions; and Reducing the regulatory burden on people and business.

Benchmark:

Percent of state professional licensee population with no documented violations

Benchmark:

Percent of new professional licensees as compared to the existing population

Benchmark

Percent of documented complaints to licensing agencies resolved within six months

Benchmark:

Percent of individuals given a test for licensure who received a passing score

Benchmark:

Percent of new and renewed licenses issued via Internet



FOREWORD

Since 2008, the Texas Real Estate Commission (TREC) and the Texas Appraiser Licensing and Certification Board (TALCB) have prepared, approved, and submitted a unified strategic plan and through FY2011, a single legislative appropriations request. TALCB is an independent subdivision of TREC, overseen by its own independent board appointed by the Governor and subject to federal government audit by the Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examinations Council (FFIEC).

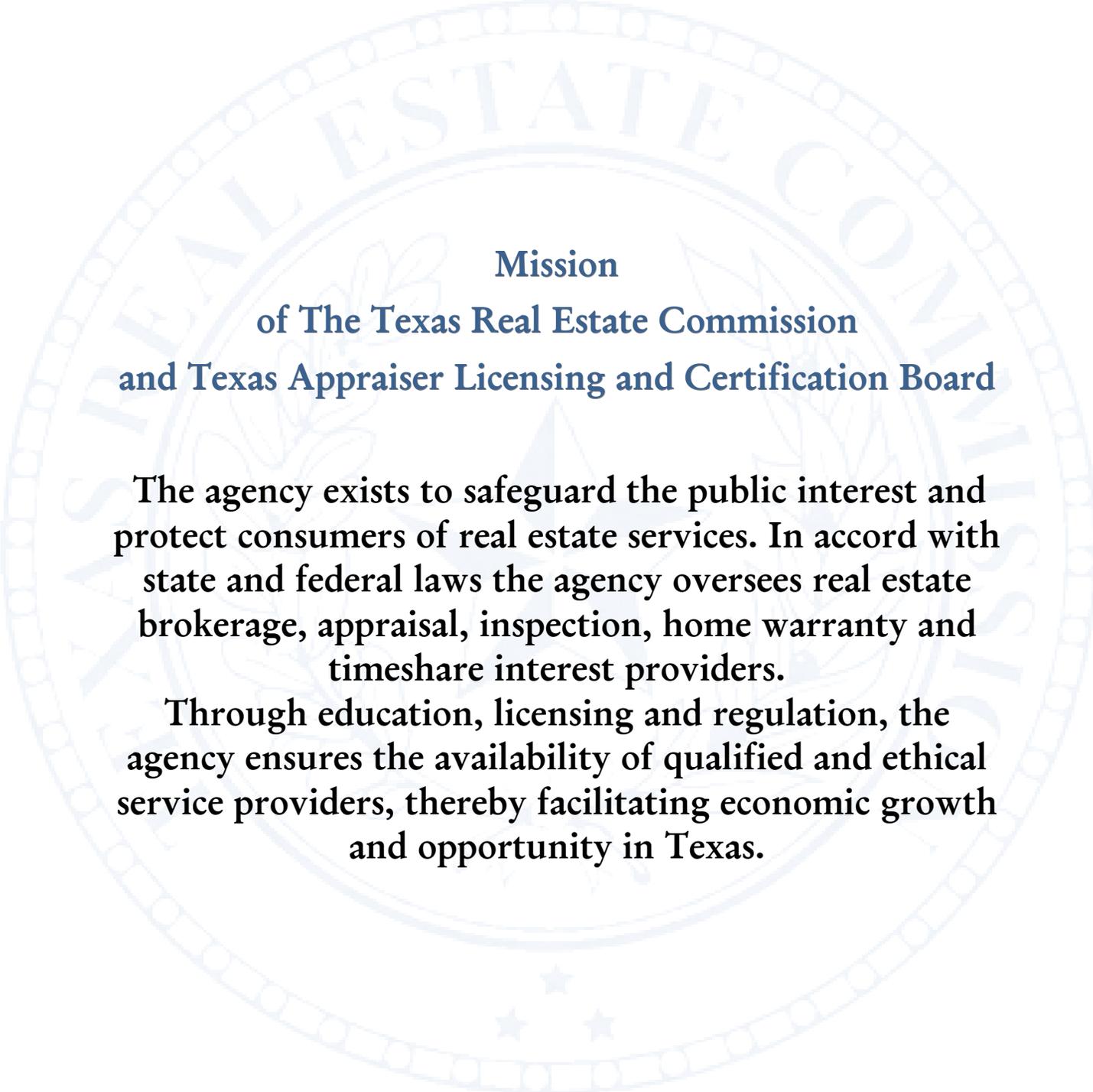
The 80th Legislature adopted the Sunset Commission's recommendation to integrate TREC and TALCB to the fullest extent possible while preserving TALCB's identity as a separate regulatory body. All available measures have been taken to implement this directive, promoting greater efficiency, but vital safeguards have also been strengthened to assure TALCB's continued independence. The portions of this plan dealing with those operational aspects which are fully integrated, or which are primarily support functions, describe the combined activities of the entire agency. Where appropriate in certain areas, especially enforcement, TREC and TALCB are treated separately.

In SB 1000, the 82nd Legislature granted the agency "self-directed, semi-independent" status, including both TREC and TALCB. By creating a unified document, the inter-relationship of this strategic plan with the agency's operations and budgets should be more manageable and easier to understand. This is our goal.



Douglas E. Oldmixon

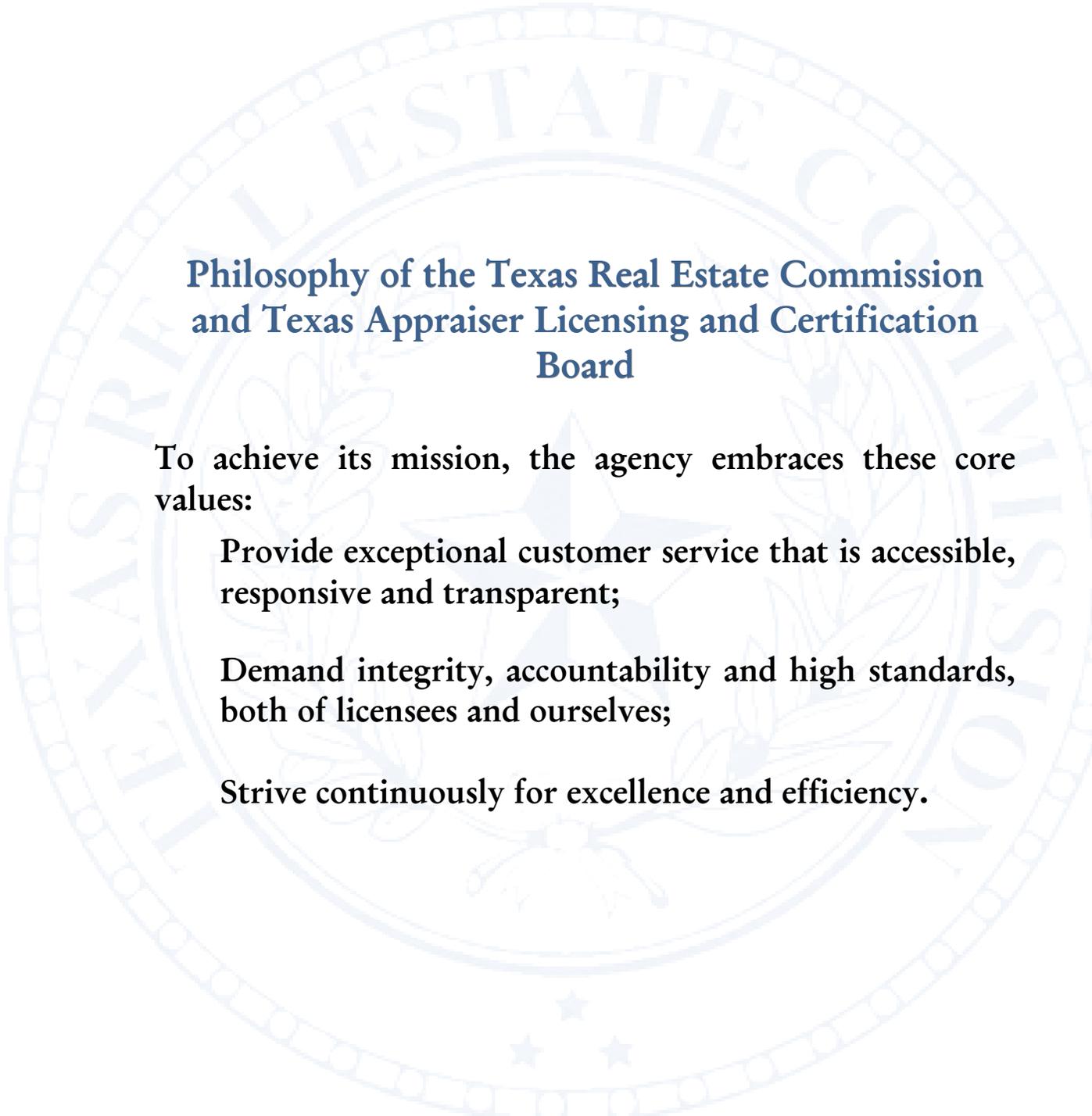
Douglas E. Oldmixon
TREC Administrator
TALCB Commissioner



Mission
of The Texas Real Estate Commission
and Texas Appraiser Licensing and Certification Board

The agency exists to safeguard the public interest and protect consumers of real estate services. In accord with state and federal laws the agency oversees real estate brokerage, appraisal, inspection, home warranty and timeshare interest providers.

Through education, licensing and regulation, the agency ensures the availability of qualified and ethical service providers, thereby facilitating economic growth and opportunity in Texas.



**Philosophy of the Texas Real Estate Commission
and Texas Appraiser Licensing and Certification
Board**

To achieve its mission, the agency embraces these core values:

Provide exceptional customer service that is accessible, responsive and transparent;

Demand integrity, accountability and high standards, both of licensees and ourselves;

Strive continuously for excellence and efficiency.



External/Internal Assessment

A. SCOPE AND FUNCTION

With the advent of the GI Bill providing unprecedented educational opportunities for a new generation of families, and the VA Home Loan Guaranty program enabling home mortgage loans with low down-payments and federal insurance, the nation dramatically shifted toward a substantial increase in home-ownership potential shortly after World War II.

Created in 1949 to establish safeguards for the rapidly growing field of real estate brokerage, the Texas Real Estate Commission (TREC) administers six laws: The Real Estate License Act (Texas Occupations Code, Chapter 1101), license laws for Home Inspectors (Texas Occupations Code, Chapter 1102), the Texas Appraiser Licensing and Certification Act (Texas Occupations Code, Chapter 1103), The Texas Appraisal Management Company Registration and Regulation Act (Texas Occupations Code, Chapter 1104), The Residential Service Company Act (Texas Occupations Code, Chapter 1303), and The Texas Timeshare Act, (Texas Property Code, Chapter 221). TREC regulates:

- real estate brokers and salespersons;
- real estate inspectors;
- real estate appraisers;
- education providers for real estate, home inspection and appraisal courses;
- appraisal management companies;
- residential service companies;
- timeshare developers; and
- easement or right-of-way agents.

The TREC Commission is composed of nine members - 6 licensed real estate brokers and 3 members of the general public - appointed by the Governor with the concurrence of the Senate. The members are appointed for six-year terms, with the terms of three members (2 brokers and 1 public member) expiring every two years.

In 1989 the Financial Institutions Regulatory Reform and Enforcement Act (FIRREA) became federal law. Title XI of FIRREA addressed weaknesses in the way real property was valued in connection with federally insured mortgage loans (sometimes called “federally-related transactions” or FRTs) by creating a system under which individual states would implement programs for the licensing and regulation of appraisers. FIRREA further provides for federal oversight of the states’ regulatory programs through the Appraisal Subcommittee (ASC) to ensure minimum federal standards are met. Only appraisers licensed or certified under a compliant state program may appraise real property in connection with FRTs.

The Texas Appraiser Licensing and Certification Board (TALCB) was created in 1991 to enable Texas to implement such a program. TALCB regulates real estate appraisers and administers the Texas Appraiser Licensing and Certification Act (Texas Occupations Code, Chapter 1103). TALCB is an independent subdivision of TREC with its own nine-member board.

The TALCB Board is composed of nine members - 4 licensed real estate appraisers and 4 members of the general public - appointed by the Governor with the concurrence of the Senate, and the Executive Secretary of the Texas Veterans Land Board as an ex-officio member. The appointed members serve two-year terms, with the terms of four members expiring every year. No appointed member may serve more than six years.

In the 82nd Legislature, HB 1146 added Appraisal Management Companies (AMCs) as an additional regulated entity to the agency’s responsibilities. The law was enacted as a response to the reported decline in appraisal quality and economic and other pressures on appraisers, and anticipating the requirements of the Dodd-Frank Act. Commencing March 1, 2012, TALCB began registering AMCs operating in Texas. As of July 1, 132 AMCs have registered with the agency, with 24 additional applications pending. The ASC reviews the TALCB’s program on a regular basis to ensure compliance with federal law. If the review identifies deficiencies, the ASC may decertify the program, resulting in Texas appraisers not being allowed to perform appraisals in connection with FRTs. As FRTs comprise the vast majority of the mortgage market, decertification of the Texas program would have grave impact on the Texas real estate economy.

The ASC audited the Texas program in May 2010 and has just completed an audit in May 2012. The results of the most recent audit showed that Texas was in compliance regarding (1) Statutes, Regulations, Policies and Procedures, (2) Temporary Practice, (3) National Registry, (4) Application Process, (5) Reciprocity, and (6) Education.

Regarding Enforcement, the ASC audit also focused on the timeliness with which TALCB SES addresses and resolves complaints. While the ASC found the agency to be noncompliant in this area, it was also noted that Texas has made significant progress to alleviate the backlog and to meet the ASC Policy Statement 10E requirement that all complaints filed against appraisers be resolved within one year of the filing date. At the time of the audit, Texas had 375 complaints (down from 491 in 2010) in-house, of which 129 (up from 110 in 2010) had been unresolved for more than one year. However, 67 (up from 41 in 2010) of these cases fell within the category of “specially documented circumstances” including the Texas Mortgage Fraud Task Force’s jurisdiction, which does not allow TALCB SES to begin investigation of a complaint until it has been released by one of the partnering law enforcement agencies. The remaining count is 62 cases,

down from 69 in 2010. Despite the criminal nature of some complaints, delays due to State Office of Administrative Hearings (SOAH) procedures, and significant resource restrictions, a new agency organizational structure was implemented in 2009 to focus the agency's commitment to meeting the federal enforcement guidelines. The markedly increased pace of resolutions and the reduction in aged cases has been a direct result of these changes, which also included the revitalization of Peer Investigative Committees. In addition, more staff were hired based on the passage of HB 1146 which added the regulation of Appraisal Management Companies to the Board's jurisdiction. A training and transition period has allowed these staff to focus on resolution of older cases as well.

The ASC was pleased with Texas' progress and commented to the Board that they expected to see continued progress toward a benchmark of less than 10% of all cases exceeding the 1 year standard for resolution. A 30% decrease in complaints in Texas in the last two years (down to 457 from 673) in TALCB SES should also help. Estimated numbers of complaints against AMCs is unclear at this time.

The agency, as a whole, serves as a licensing agency for real estate service providers in Texas. In addition to monitoring education requirements and licensing standards, TREC and TALCB have distinct enforcement divisions that separately handle enforcement cases based on complaints filed with the agency. In this manner, the agency works in parallel fields to ensure the integrity and honesty of licensees.

While the agency's primary responsibility is to protect the public by providing qualified licensees into the market-place, a notable number of phone calls are received from home-buyers who have questions about the home-buying process in general. The agency has a role in providing this type of consumer information via its websites in addition to capitalizing on the partnership with other public entities, like the Real Estate Center (REC) at Texas A&M University.

The relationship with the REC is statutory – REC is to provide market-place and economic trends research and education – but it has potential to be a great deal more. Renewed efforts are already underway to work more closely with REC and provide a better and more comprehensive public service to Texans, including consumer education.

In addition to this partnership, the agency is also a member of the state's Mortgage Fraud Task Force which also includes the Texas Department of Public Safety (DPS), the Texas Department of Insurance (TDI), the Office of Consumer Credit Commissioner (OCCC), the Texas Department of Banking, the Credit Union Department, the Department of Savings and Mortgage Lending (TDSML), and the Office of the Attorney General (OAG). Because of the limited size of the agency, opportunities for efficiencies and enhanced relations with other entities are always on the top of the

priority list. The agency must continue to seek out and nurture these relationships in order to provide the best possible service to the consumer.

B. ORGANIZATION

The agency functions as one entity, comprised of a Commission and a Board. The relationship between the Commission and the Board is formalized by a Memorandum of Understanding, which was most recently updated in September 2011. An agency-wide reorganization in 2009 created the Administration & Management Services Division (AMS) to oversee and provide support for the day-to-day management of the agency, designated the General Counsel to serve as the Deputy Administrator for TREC, appointed an in-house General Counsel to the Board, hired a Public Affairs Specialist, and established six distinct agency divisions whose directors report directly to the agency's executive director:

- Reception & Communication Services (RCS) Division;
- Education & Licensing Services (ELS) Division;
- TREC Standards & Enforcement Services (TREC SES) Division;
- TALCB Standards & Enforcement Services (TALCB SES) Division;
- Information & Technology Services (ITS) Division; and
- Staff & Support Services (SSS) Division.

TREC SES and TALCB SES handle discretionary enforcement matters and act as the staff legal arm of TREC and TALCB, respectively. Aside from this important separation, employees in the four remaining divisions all work on both TREC and TALCB matters.

As of July 2011, the offices of the agency are located in rented space on the fourth floor of the Stephen F. Austin State Office Building at 1700 North Congress Avenue, Suite 400, Austin, Texas 78701. TREC has no field offices, however 8 TREC investigators located in Lewisville, Humble, Austin, Sherman, Kingwood, Beeville, Lindsay, and Magnolia, Texas are assigned to work on TREC enforcement cases in the regions near those cities.

Administration & Management Services (AMS) Division

The agency has many divisions, roles, and responsibilities. While the appointed members of the Commission and the Board determine the overall policy direction, the AMS Division, led by the agency's executive director, oversees and provides agency-wide support and day-to-day management. The division has six staff positions.

In protecting the consumers of real estate services, AMS performs several important functions to further the agency's programs of education, licensing, and industry regulation. These include:

cooperating with consumer groups, industry trade associations, professional associations, educator groups for real estate service providers, and other regulatory agencies;

serving as a liaison with oversight bodies and public officials;

providing administrative supervision of the staff responsible for carrying out the functions of the agency;

serving as the agency's hub for open records requests;

assisting the public desiring to legally access monies from the Real Estate Recovery Trust Account and Real Estate Inspection Recovery Fund;

drafting proposed rules for consideration by the appropriate policy body;

distributing information about the agency's functions and activities to the public and the media, including publication of the online e-newsletter: TREC Advisor/TALCB Bulletin / Inspector Insight;

coordinating and providing staff support to the advisory committees, working groups, and task forces of the Commission and Board; and

overseeing the administration of all statutory requirements.

The Administrator of TREC/Commissioner of TALCB provides overall agency direction. This person serves in a dual role as the agency's executive director and is the primary representative of TREC and TALCB to other agencies, organizations, and to the public.

The TREC General Counsel and TREC Deputy General Counsel provide general legal advice to the TREC Commissioners. These individuals serve as staff liaisons to the Texas Real Estate Broker-Lawyer Committee and are responsible for drafting proposed rules and statutory clarifications. The TREC Deputy General Counsel reviews and responds to claims by consumers for payment of judgments against licensees from the Real Estate Recovery Trust Account and Real Estate Inspection Recovery Fund. The TALCB's own General Counsel, a half-time position, provides general legal advice to the TALCB Board Members.

AMS is responsible for coordinating the agency's publications and communications, including the online e-newsletter, published eight times per year, the Strategic Plan and the Annual Report, as well as periodic news releases to the media, consumers, and license holders.

Two advisory committees authorized by the TREC enabling legislation consist of individuals who volunteer their time to assist TREC in critical areas. Both of these committees meet

on an as-needed basis in Austin to review proposed forms and rules and make recommendations to the Commission.

One advisory committee, the Texas Real Estate Broker-Lawyer Committee (Broker-Lawyer Committee), develops standard contract forms and addenda that are recommended to the Commission and promulgated for mandatory use by real estate brokers and salespersons. The committee is composed of six brokers appointed by the Commission, six attorneys appointed by the President of the State Bar of Texas, and a public member appointed by the Governor.

By utilizing the varied interests and points of view of its members, the Broker-Lawyer Committee helps to ensure that the contract forms promulgated by the Commission balance the interests of the parties, reduce controversy and misunderstanding, and contain adequate safeguards for all involved. On a regular basis, the Broker-Lawyer Committee reviews and revises all contract forms to ensure that these documents are usable in the current market and that they address any significant new issues in a timely manner.

The Texas Real Estate Inspector Committee (Inspector Committee) provides recommendations and assistance to the Commission on matters relating to the licensing and regulation of real estate home inspectors. It consists of six licensed professional inspectors and three public members appointed for six-year terms by the Commission. The Inspector Committee is authorized to review and revise the inspection "standards of practice" and make recommendations to the Commission for changes in licensing and education rules and procedures.

In addition, the Commission appoints working groups as deemed necessary to collect and analyze information on a variety of specific topics and report to the Commission its findings and any recommendations for policy review by the Commission. Two working groups recently examined issues involved in Education and Broker Responsibility, making significant recommendations for changes that the Commission adopted. A new Education Standards Advisory Committee appointed by the Commission will soon begin the process of reviewing curriculum standards for both pre-license education (Core) and continuing education (MCE) courses.

Reception and Communication Services (RCS) Division

RCS is the agency's centralized customer service department and is the primary point of contact for all telephone, email, and walk-in inquiries. Additionally, RCS handles all website customer survey responses for the agency, and maintains, and updates information on the TREC and TALCB websites. The division has 14 staff positions.

RCS answers all incoming calls for the Commission and the Board from 7:00 a.m. to 6:00 p.m., Monday through Friday.

The division answers thirty phone lines for TREC and TALCB. Staff are carefully trained and kept up to date on TREC and TALCB laws, rules, fees, policies, procedures, forms, and processes. Division staff has access to the agency’s licensee database to better assist callers with information on the status of their applications, education requirements, and any other licensing issues. RCS also helps callers navigate the agency’s websites to download specific forms, data files, and other agency information. The walk-in reception area is staffed Monday through Friday from 8:00 a.m. to 5:00 p.m. to assist the public directly with any inquiries and offer assistance with the agency’s online services via two reception area computers.

Education and Licensing Services (ELS) Division

The ELS division reviews and processes applications, renewals, informational changes, and histories for real estate brokers or salespersons, appraisers, inspectors, and easement or right-of-way registrants to ensure compliance with all necessary educational, experience, examination and application requirements. The division assists walk-in customers when requested, and provides information on the status of licensees and registrants to other sections of the agency, when needed. The division also oversees real estate education, including the registration of broker and salesperson education providers, instructors, and courses for both pre-licensure and continuing education. The division has 18 staff positions.

At the conclusion of Fiscal Year (FY) 2011, the agency licensed a total of 139,235 brokers and salespersons, 3,046 inspectors, 2,165 easement or right-of-way registrants, and 6,049 appraisers. The number of real estate brokers has remained relatively consistent over the last five years. However, the number of salespersons has decreased over that same period.

The following table depicts the trends in real estate licensees over the past five years:

Trends in Real Estate Licensees over the past five years

	FY07	FY08	FY09	FY10	FY11	5 Yr. Change
<i>Original Applications</i>	23,877	17,165	13,068	13,838	15,622	-35%
<i>Individuals Examined</i>	21,302	16,140	12,009	12,408	11,782	-45%
<i>Licensed Salespersons</i>	110,810	105,618	101,183	100,963	95,885	-13%
<i>Licensed Brokers</i>	42,351	42,809	43,036	43,435	43,350	+2%
<i>Licensed Inspectors</i>	4,260	4,018	3,533	3,461	3,046	-28%
<i>Licensed Appraisers</i>	6,807	6,758	6,305	6,091	6,049	-11%

License renewal rates are higher than in previous years, with 85.1% of brokers choosing to renew their licenses timely while 83.3% renewed timely during FY 2010. The overall renewal rates for both brokers and salespersons are also

higher for FY 2011: Up to 76.5% from 74.8% during FY 2010. Approximately 19% of all real estate licensees (26,588) are “inactive,” held by those who wish to retain a license for possible future use. ELS is also responsible for the review and accreditation of proprietary schools (providers of core education), approval of Mandatory Continuing Education (MCE) providers, proprietary school and MCE course instructors, and the review and approval of courses offered by these education providers.

While accredited colleges and universities in Texas can provide pre-licensure real estate courses without agency pre-approval, a proprietary school or association wishing to offer pre-licensure courses must obtain approval from the agency. MCE providers, including accredited colleges and universities, must obtain agency approval as an MCE provider as well as approval for each continuing education course they wish to offer. At the end of FY 2011 there were 51 approved providers of pre-licensure education in Texas and 315 approved MCE providers. These totals have remained relatively stable as proprietary schools totaled 56 and approved MCE providers totaled 313 during FY 2010.

The division ensures that both pre-licensure and continuing education courses for appraisers are acceptable. The agency maintains a list of education providers on its website to ensure that licensees have immediate access to current information. Approximately 622 pre-licensure courses and over 2,000 continuing education courses have been approved for education providers to offer.

ELS is also responsible for ensuring that qualifying exams are administered properly and exam results are posted accurately to the agency’s database system. Pursuant to a legislative requirement, the Commission has established a method for calculating the exam passage rates for TREC approved proprietary schools. Average passage rates for each license type are calculated and an approved proprietary school must certify that the percentage of their graduates who have passed the licensing exam on their first attempt is at the level of industry average or better, as shown on the agency’s website. The Commission must consider this in addition to a variety of other factors in determining whether a school qualifies for reaccreditation.

The following table depicts the first time exam pass rates for all license types for FY 2010 and FY 2011. Effective January 1, 2010, the professional inspector exam pass rate was decreased from 80% to 75%, and the broker exam pass rate was increased from 70% to 75% on September 1, 2010.



TREC Standards and Enforcement Services (TREC SES) Division

TREC is committed to the protection of the citizens of Texas. TREC SES accomplishes this through timely, fair, and consistent enforcement of The Real Estate License Act, Commission rules, Chapter 1102 of the Texas Occupations Code (governing real estate inspectors), the Texas Timeshare Act, and the Residential Service Company Act. In addition, TREC SES oversees the sanctions of licensees who were found to have violated various regulatory requirements. The division has 28 staff positions.

TREC SES handles a high volume of signed, written complaints from the public and licensees, primarily concerning alleged statutory and administrative violations by brokers and salespersons. During FY 2011, the division opened a total of 1442 complaints, and closed 1792 complaints (the higher number of closed complaints is due to carryover of pending complaints from the previous fiscal year). While most complaints from the public relate to the purchase, lease, or inspection of a home, they may also include charges ranging from misleading advertising to unlicensed activity. Some complaints are closed with no action taken because of a lack of agency jurisdiction or lack of evidence. Once it is determined that the complaint is within the agency's jurisdiction, the agency notifies the licensee, gives the licensee an opportunity to respond, and begins an investigation of the complaint. For complaints where evidence suggests a violation has occurred, attempts will first be made to resolve the complaint through alternative dispute resolution (ADR) methods, such as informal settlement discussions or mediation. When ADR is not effective or appropriate, TREC SES will pursue formal disciplinary action and a hearing may be set at the State Office of Administrative Hearings in Austin, Texas.

The division also implements standards, reviews applications for licensure, and makes determinations of moral character to assess the honesty, trustworthiness, and integrity of applicants. In FY 2011, the division reviewed and closed 433 applications and moral character determinations.

TREC SES is also responsible for administering the Texas Timeshare Act. The Act requires entities that desire to offer timeshare interests for sale to Texas residents to register such

plans with the agency regardless of the location of these plans. The division reviews the registrations, as well as amendment applications, to ensure that they meet the requirements of the Act and will not approve the registration until the plan is found to be in full compliance.

The Residential Service Company Act requires the agency to license any company wishing to offer home warranties covering existing residential properties in Texas. TREC SES monitors any residential service companies licensed to conduct business in this state to ensure compliance with the Act, including a companies' ability to meet financial obligations to Texas contract holders, and assists consumers with any issues related to claim delays or denials. As of April 1, 2012, there are 30 licensed residential service companies in Texas.

TALCB Standards & Enforcement Services (TALCB SES) Division

Consumer protection is integral to the operations of TALCB. TALCB SES fulfills this function through timely, fair, and consistent enforcement of the Texas Appraiser Licensing and Certification Act (Texas Occupations Code Ch. 1103) and as of March 2012, the Texas Appraisal Management Company Registration and Regulation Act (Texas Occupations Code Ch. 1104). Division staff also reviews applications for licensure, conducts audits of applicants' submitted experience and moral character determinations to assess the honesty, integrity and trustworthiness of appraiser applicants. Staff reviews applicants' criminal history and oversees sanction compliance of licensees who have violated various legal requirements regulated by the division. The division has 14 staff positions.

TALCB SES investigates complaints and imposes disciplinary and remedial sanctions when deemed appropriate. Licensed or certified appraisers who violate appraisal regulatory requirements are disciplined in a uniform and consistent manner, in accordance with a board approved discipline matrix. Complaints may involve only minor or technical violations of standards or rules and in such cases a warning letter or deferred prosecution may be the most appropriate way to remedy the situation. Sanctions are utilized when the resolution of a more serious complaint involves agreed discipline, default proceeding, and contested disciplinary hearing. Sanctions can include: (1) public reprimand, (2) administrative penalties, (3) remedial education (including mentorship), (4) re-examination, (5) adoption of preventative policies and procedures, (6) suspension, (7) probation, (8) voluntary surrender, (9) revocation, (with or without terms of reinstatement), and/or (10) any combination of these sanctions. In addition, the division provides assistance to law enforcement and prosecutors upon request through the Texas Residential Mortgage Fraud Task Force.

The regulation of appraisal management companies (AMCs) is a new area of jurisdiction for TALCB SES resulting from the implementation of Texas Appraisal Management Company Registration and Regulation Act (82nd Legislature). Consequently, the division has no regulatory history to report regarding AMCs. However, in anticipation of its increased regulatory responsibilities, the division has recently added 4 new staff members. The division processes and investigates a high volume of signed written complaints from consumers, financial institutions, licensees and other state and federal agencies alleging violations of state law and the Uniform Standards of Professional Appraisal Practice (USPAP - adopted by the Texas legislature, and nationwide, as the minimum professional standards for conducting reliable real estate appraisal activities). In addition to staff investigations, statutorily authorized Peer Investigative Committees (PICs) review appraisals that are the subject of complaints filed with the Board. Each PIC consists of two licensees, one appraiser who is a TALCB Board member and one appraiser who is a certified USPAP instructor.

TALCB SES received 322 complaints in FY 2009 and 351 complaints filed in FY 2010. The division received 257 complaints in FY 2011, a decrease of 27% from FY 2010 and is on pace to have a 17% decrease in complaints from FY 2011 to FY 2012. The majority of the complaints relate to allegations of violations of USPAP and potential mortgage fraud. In FY 2011, 32% of regulatory complaints were resolved within 6 months, a 46% increase from FY 2009. While 257 new complaints were filed with TALCB SES during FY 2011, for the same period 247 previously filed complaints were resolved and closed. Approximately 56% of all complaints received by TALCB are closed with no action taken because of a lack of jurisdiction or lack of evidence supporting any violation of state law.

Upon receipt of a complaint, the divisions notifies the licensee and requests that the licensee responds in writing and submit the work files related to the complaint. If fraud is alleged, the complaint is handled covertly as required by the laws governing the Texas Residential Mortgage Fraud Task Force. If an agreement cannot be reached between staff and the respondent, TALCB SES pursues formal disciplinary action via the contested case hearing process at the State Office of Administrative Hearings (SOAH). In FY 2011, approximately 96.2% of TALCB licensees had no recent documented violations, a 3.4% decrease from FY 2009; in which year 99.6% of TALCB licensees had no recent documented violations.

In accordance with House Bill 716, 80th Legislative Session, TALCB SES has been assisting and participating actively in the Texas Residential Mortgage Fraud Task Force. Since

September 2008, 115 requests for assistance from state and federal law enforcement and prosecutorial agencies have been received, 43 of these have been resolved. This assistance has led to several indictments, prosecutions and convictions of certified or licensed appraisers for criminal conduct incident to allegations of mortgage fraud. The division continues to receive accolades from many law enforcement entities and state and federal prosecutors which have requested assistance in such matters.

The division is charged with conducting experience audits of all certified residential and general appraiser licensees and reviewing licensee work product for compliance with USPAP. Typically, two properties from the applicant's experience log are requested and reviewed by a staff investigator for compliance with USPAP. Fiscal year-to-date, 33 experience audits have been processed, with 3 resulting in application denials and/or complaints. For FY 2011, 95 experience audits were completed, 13 of which culminated in application denials and / or complaints.

Information and Technology Services (ITS) Division

ITS develops and maintains the technical infrastructure supporting the agency's business requirements. In doing so, ITS adheres to the Texas Department of Information Resources (DIR) standards, and utilizes industry best practices to ensure utility, reliability and security. Through the technical infrastructure, ITS is able to support agency initiatives necessary to provide services to the public and licensees. The technical infrastructure of application development, network management, and support are managed through a staff of 9. Records management supports the divisions through management of current and historical licensee information and is managed through a staff of 3.

ITS offers public access to a wide range of online information including licensee search, online renewal and application submission, data downloads, forms, and newsletter publications. Internet technology has enabled the agency to expand the hours of availability for certain operations while reducing costs for those same services.

ITS creates and maintains business applications to fulfill legislative mandates, respond to public inquiries, and support employee productivity. These include:

- license issuance and renewal;
- submission of education requirements;
- fee receipt and accounting;
- open records access;
- education provider approval systems; and

complaint tracking.

The technical infrastructure is the foundation for the agency's continued productivity and must allow for an expansion of automation and services. As the dependency on technology increases due to the agency's needs and the expectations of the public and licensees that it serves, the necessity to maintain a high level of availability, security, and integrity is paramount and essential. An ever growing risk to delivering these services is technology obsolescence. TREC addressed a segment of their obsolete infrastructure two years ago through the replacement of core software application and server hardware. The agency has begun an initiative to overhaul and update its website. However, remaining obsolete infrastructure poses a significant vulnerability to the agency and its processes that requires replacement.

ITS has established a relationship with several entities to help the agency fulfill its long-term goals and mission:

- TexasOnline Authority in the electronic process of applications and renewals;
- The Texas Guaranteed Student Loan Corporation (TGSLOC) in the collection of delinquent student loans;
- OAG in the collection of delinquent child support;
- DPS in background checks of applicants;
- REC in licensee demographic and address data;
- TDSML on issues affecting real estate licensees and mortgage brokers; and
- DPS, TDI, OCCC, the Texas Department of Banking, the Credit Union Department, and TDSML for the Mortgage Fraud Task Force.

The agency takes advantage of services offered by DIR that allow for expanded and shared technical resources that would otherwise be unattainable. The utilization of their standard contracts and security team can provide cost and time savings to the agency.

Staff & Support Services (SSS) Division

The SSS Division performs all of the accounting, purchasing, mail and cash handling functions, human resources administration, and property management for the agency. The division provides these support services to the Commissioners, Board Members and agency staff, and is the center of day-to-day monetary and budget operations. The division has 14 staff positions.

The accounting section provides accounting, payroll, revenue forecasting and tracking services to the agency, and all budgeting functions for the annual budget of TREC (\$9.4

million dollars) and TALCB (\$1.7 million dollars). This section also maintains the statutory recovery funds which are used to pay certain judgments against agency licensees. The purchasing section purchases goods and services in compliance with all state regulations, and provides equipment and facilities management services. Emphasis is placed on utilizing historically underutilized businesses and recycled goods, when possible. The cashier section receives and distributes incoming mail and processes revenue received by mail.

The human resources section plans, develops, reviews, and implements human resources policies, directives, and procedures while ensuring that state and federal guidelines are followed. This section also compiles and analyzes human resources reports. The director of SSS serves as the investment officer for the recovery funds in accordance with the Public Funds Investment Act.

The Commission's independent auditor, Garza-Gonzalez & Associates, reviewed the agency's compliance with the Public Funds Investment Act. In its FY 2011 report to the State Auditor's Office (SAO), the independent auditor made no recommendations for modifications related to compliance with the Public Funds Investment Act. In addition, a review by the SAO published March 2010 concluded that the agency had fully complied with provisions in the Public Funds Investment Act.

SSS is also responsible for monitoring the agency space allocation plan. In July 2011, the agency moved from leased space to the fourth floor of the Stephen F. Austin Building in the Capitol Complex. The agency negotiated a five year lease effective September 1, 2011 with the Texas Facilities Commission (TFC) for 21,350 square feet. Cost is \$555,100 for fiscal years 2012 and 2013 and thereafter drops to \$427,000 annually for fiscal year 2014 through 2016. The lease is more in the first two years to amortize the cost of modular furniture purchased by TFC and subsequently transferred to the agency. The current lease is a turn-key lease wherein TFC pays for lease services such as utilities, janitorial services, and pest control. The Department of Public Safety provides security.

C. FISCAL ASPECTS

Appropriations

September 1, 2011, the Texas Real Estate Commission became a self-directed semi-independent (SDSI) state agency as authorized by Senate Bill 1000 passed during the 82nd Legislative Session. That same bill authorized appropriations for FY2012 and FY2013 in the amount of one-half of the 2011 adjusted appropriation to serve as a bridge loan during the

transition period. Each loan must be repaid within the fiscal year in which it is granted. Appropriated amounts are reflected in the table below.

collected in professional fees imposed on brokers, and \$443,918 was revenue dedicated to the Real Estate Recovery Trust Account and Real Estate Inspection Recovery Fund. The remaining revenue supported appropriations of \$7,460,501 plus other direct and indirect costs in the amount of \$1,295,851. In FY 2012, revenue of \$9,953,860 is projected to support budget of \$9,436,500 which includes employee benefits.

<i>Appropriations by Strategy</i>				
	FY 2010	FY 2011	FY 2012	FY 2013
Ensure Standards	2,779,853	3,300,562	1,527,546	1,527,546
Enforce Regulations	1,785,342	1,780,382	848,923	848,923
Provide Education	828,606	859,777	295,879	295,879
Indirect Administration	1,773,377	1,519,780	722,944	722,944
TALCB	879,373	826,362	407,444	407,444
Subtotal	8,323,851	8,441,734	3,813,736	3,813,736
Other Direct and Indirect Costs	1,449,875	\$1,501,566	-0-	-0-
TOTAL	\$9,773,726	\$9,943,300,	\$3,813,736	\$3,813,736,

In FY2011, TALCB collected revenue of \$1,329,011. Of this amount, \$142,750 was collected for the Appraiser National Registry and the remaining

\$1,186,261 supported appropriations of \$981,233 plus other direct and indirect costs in the amount of \$205,715.

From 1991 forward, TALCB's appropriations have been listed as "Goal D" in the Legislative Appropriations Request of TREC. As an independent subdivision of the Texas Real Estate Commission, TALCB is also in SDSI status.

Fees Collected

TREC and TALCB receive funding from fees submitted by licensees and applicants. Through 2011, an appropriations bill rider (Article VIII, Rider 2, 82nd Legislature) required revenue to cover all appropriations plus other direct and indirect costs. Other direct and indirect costs cover employee benefit costs appropriated to other agencies and a pro rata share of support agencies, such as the Comptroller. The amount was designated in the appropriation bill pattern, which was allocated between TREC and TALCB based on budgeted employee salaries. Although the amount of revenue varied each year due to the number of individuals who renew or obtain a new license, the agency was appropriated a fixed sum of money by the General Appropriations Act and was unable to spend beyond that amount. The agency was also subject to mandated budget reductions.

By both statute and federal law, TALCB collected fees for the Appraiser National Registry of twenty-five dollars (\$25) per year per certified and licensed appraiser through December 31, 2011. The fees increased to forty (\$40) per year effective January 1, 2012. These fees are deposited in a separate account and are not available for any other use.

Revenue collected is remitted to the federal Appraiser Subcommittee (ASC) monthly.

Employees

SDSI status has allowed the agency to make progress in moving toward pay equity for its employees. This is imperative not only to retain existing leadership skills and abilities, but also to reduce the likelihood of turnover in agency management.

As a result of its SDSI status, the agency is no longer required to administer salaries in accordance with the SAO salary classification plan, but has elected to continue to do so. The SAO guidelines provide the agency a familiar structure with which to classify its employees in a manner consistent with their education, experience, skills, and duties. It also provides the most practical way for the agency to offer salaries at a level that is commensurate with other state agencies with similar missions, licensee populations, and responsibilities.

As a self-directed semi-independent state agency, the budget is set by the Commission and the Board, respectively, not the Legislature. TREC is responsible for all costs of operations. SB 1000 requires that the agency pay retainers to the State Office of Administrative Hearings & the Office of the Attorney General in the amount of \$75,000 annually, as well as a \$10,000 annual retainer to the State Auditor's Office. TREC must also make an annual contribution to the general revenue fund of \$750,000. Funds are deposited to the Texas Treasury Safekeeping Trust Company.

Staffing needs are assessed on a regular basis to ensure that the number of full time equivalent (FTE) employees and salary levels are sufficient to address planned operations and agency goals. All positions at the agency are evaluated, documented and classified using the SAO classification guidelines.

In FY 2011, TREC collected revenue of \$19,864,959. Of this amount, \$2,923,060 was collected for operations of the Texas A&M Real Estate Research Center; \$6,914,400 was

Minority Hiring Figures						
September 1, 2010 through August 31, 2011						
White	Hispanic	Black	Hispanic	Black	White	Total
Female	Female	Female	Male	Male	Male	New Hires
7	4	1	1	1	4	18
38%	22%	6%	6%	6%	22%	100%

The agency continues to strive for diversity in its workforce. Currently, the agency's workforce is budgeted 106 full time equivalent (FTE) employees. The preceding chart shows the result of agency hiring practices from September 1, 2010 to August 31, 2011.

The following table compares the percentage of African-American, Hispanic and female employees to the state-wide availability of African-Americans, Hispanics, and females in the civilian workforce. The Texas workforce statistics were extrapolated from the 2009 American Community Survey for Texas from the U.S. Census Bureau. The agency percentages are based on workforce as of August 31, 2011.

<i>Characteristics of Agency Employees Compared to Texas Civilian Workforce</i>						
<i>December 31, 2011</i>						
Job Category	African-American		Hispanic		Female	
	Texas	Agency	Texas	Agency	Texas	Agency
Administration	8%	11%	15%	22%	39%	67%
Professional	10%	9%	20%	9%	55%	57%
Technical	14%	0%	26%	0%	56%	0%
Para-Professional	14%	15%	30%	27%	40%	98%
Admin. Support	12%	46%	32%	18%	67%	82%

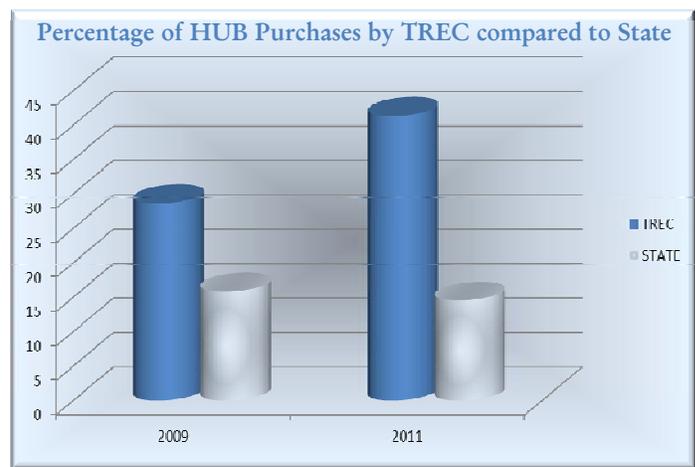
- Soliciting a minimum of three bids from certified HUB vendors for purchases over \$5,000;
- Attending HUB related meetings and forums to network with vendors and gain new knowledge of HUB vendors;
- Encouraging and assisting vendors who qualify as HUB vendors to become HUB certified by the Texas Procurement and Support Services Division of the Comptroller's office and to maintain their HUB certification;
- Encouraging non-HUB vendors to sub-contract with certified HUB vendors; pairing mentors with protégés;
- Exceeding the bid advertisement requirement of obtaining more than two HUB bids from the CMBL on purchases over \$2,000; and
- Maintaining positive working relationships with current HUB vendors.

The following figure reflects the overall HUB performance of FY 2009 and 2011:

D. HISTORICALLY UNDERUTILIZED BUSINESS PLAN

The agency is committed to making a good faith effort to increase business with Historically Underutilized Businesses (HUBs). Staff actively encourages purchasing from HUBs to provide goods and services for the agency's operations. The agency's goal is to award 30% of its overall expenditures to HUBs. Agency good faith efforts to promote HUB participation include the following:

- Utilizing HUB vendors for non-competitive spot purchases of \$5,000 or less whenever possible;



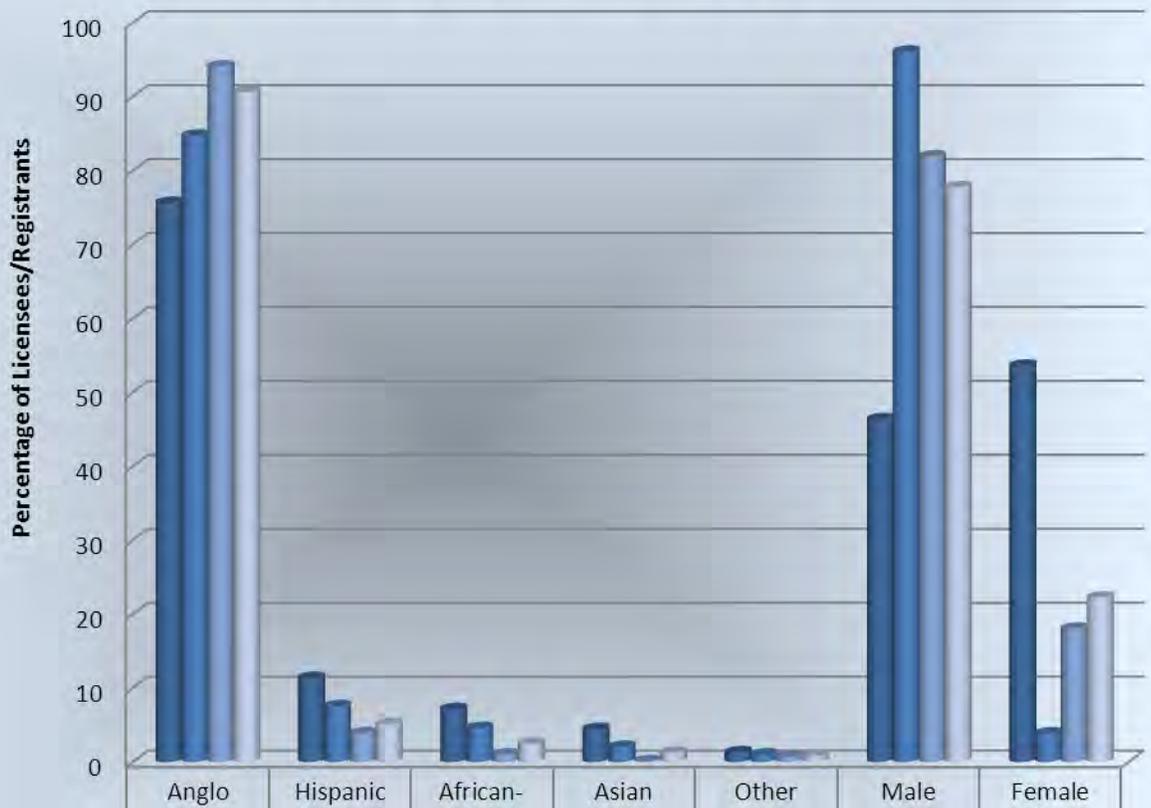
E. SERVICE POPULATION DEMOGRAPHICS

A state economy as large and as diverse as Texas' presents special challenges for an agency that is charged with serving over 150,000 licensees across 268,820 square miles. The two primary ways that the agency interacts directly with its stakeholders is through the license application and renewal process (licensing examinations are administered by agency-approved test providers at 25 locations around the state) and through the complaint resolution process.

The agency has a number of bilingual staff to assist the large number of Spanish speaking Texans. The agency also encourages the development of Spanish language skills, including voluntary classes to learn and improve staffs' Spanish language skills.

As more individuals enter the profession, the ethnic, racial, and gender diversity of real estate licensees are projected to continue increasing, falling more in line with the overall population. The racial breakdown of licensees is provided in the following table:

Ethnic, Racial and Gender Characteristics of Licensees as of December 31, 2011



■ Broker and Salesperson	75.64	11.39	7.17	4.46	1.34	46.38	53.62
■ Inspector	84.74	7.57	4.6	2.06	1.03	96.11	3.89
■ Easement and Right-of-way	94.11	3.9	1.03	0.13	0.71	81.94	18.06
■ Appraisers	90.65	5.1	2.48	1.29	0.84	77.75	22.25

F. TECHNOLOGICAL DEVELOPMENTS

The agency utilizes technology in virtually every aspect of its operations and has adopted and implemented systems and procedures based upon DIR and industry standards. Employees have electronic access to vital licensee and applicant information directly from their workspace.

Public Access Initiatives

1. World Wide Web Services

The agency's websites are often the first point of contact for customers. It is the agency's philosophy to make as much information as possible available on its website in order to provide services on demand through a self-service initiative. With this goal in mind the websites allow for online renewal and application submission and provide a wealth of other useful information, including: contact information, FAQ's, forms, laws, policies, procedures, and customer surveys.

The most frequently used pages on both websites include:

- **Licensee Look Up** - Real estate professionals and the public can verify information on salespersons, brokers, inspectors, and ERW registrants through use of the "Licensee Look Up" function on TREC's website. Verification of an appraiser can be done through the ASC's website, which is directly linked to the TALCB website. Through this feature visitors can verify whether an individual has an active real estate license, determine a sponsoring industry mentor, and check the permanent mailing address of the licensee.
- **E-Government Services** - Using the TexasOnline Authority as a payment portal, the agency currently provides online license renewals for salespersons, brokers, inspectors, ERW agents, and appraisers. Individuals can submit an initial application for a broker and salesperson license and Appraisal Management Companies can submit initial applications online as well.
- **Forms and Contracts** - Forms and contracts are made available for download. Fillable Experience Log forms and application forms are also available.
- **Customer Feedback** - Website visitors can complete a Customer Service Survey online. The website also allows email access to TREC Commissioners, TALCB Board Members, and the agency head.
- In addition, the TREC website also provides the following helpful information to visitors:
- **Disciplinary Action Update** - Individuals have the ability to search for TREC disciplinary actions by specific type of offense, by name or by month.
- **Licensee Education Records** - Up-to-date information on

the core real estate and continuing education completed by all real estate licensees is available to the public.

- **Permanent Mailing Address** - All TREC licensees can correct and update their permanent mailing address online at no charge ensuring more accurate data entry.
- **Primary Email Address** - All TREC licensees can correct and update their primary email address online at no charge facilitating the convenient electronic delivery of information and services to them.
- **Business Phone Number** - All TREC licensees can correct update their contact phone number and thereby ensure successful contact by others interested in reaching the licensee.

2. E-Government Services

- The agency is pleased to have been the first licensing agency to provide online license renewals in the State of Texas.
- During FY 2011, 35% of offered applications and 79% of offered license renewals were processed online. Licensees make payment for all online transactions by credit card.

3. Electronic Mail Services (Email)

Email has become a major information delivery mechanism expanding the public's access to the agency. In FY 2011, the agency received an average of 1434 emails a week, up significantly from an average of 370 per week in 2010. This increase is due in part to a change in agency procedure, which routed all general email inquiries to agency through RCS to increase efficiency and consistency. In addition, the agency has provided the RCS email to individuals contacting the agency by phone, via recorded message, providing them an opportunity to immediately contact the agency by email with their questions or concerns. A technical issue that has since been addressed also contributed to the increase. To date in FY 2012, the average weekly email count is down by 9%. Emails sent to the agency are most often responded to within 48 hours.

4. File Transfer Protocol (FTP)

The TREC and TALCB FTP sites allow for the downloading of files for storage and viewing. In addition, TREC utilizes FTP to exchange data with many other state agencies and receives daily the results of the real estate and inspector examinations from the contracted vendor. Licensee database information is also shared with the REC. TALCB uses the FTP site most specifically for their Peer Investigative Committee-work so that all participants can have access to the same large files simultaneously and at their leisure.

5. Licensing Management System

In FY 2011, the agency replaced its existing licensing management system with one approved by DIR because the previous application was no longer flexible enough to support the agency strategies. This new product is expected to provide the agency a stronger technical foundation to allow it to increase agency efficiency, make current services more convenient to the license holders and to the public, and bring additional services to the public and licensees.

The agency is currently dependent upon a significant number of paper files to conduct its daily business; TREC's hard copy licensing files currently fill an approximately 3,000 square foot file room. In an effort to increase agency production, TREC is moving toward imaging as a primary document management tool. It is anticipated that the licensing management system and the document management system will work together allowing staff full access to licensee information from their desk.

Future Technological Advancements

TREC has long been dedicated to providing as many services as possible online; and as TALCB and the TREC have been integrated over the years, that same focus and dedication to online services has been extended to the TALCB website.

In FY 2011, thousands of transactions were conducted online by individuals seeking to apply or renew a license with the agency. Over 230,000 email addresses are now maintained on the agency email notification system and more than 34 million TREC web pages and 1 million TALCB web pages were accessed by licensees and the public.

Utilizing the Internet enhances the agency's ability to communicate with its stakeholders, both in providing information, and in receiving requests and transactions. In 2010, the agency began an initiative emphasizing electronic communication by email rather than through the use of the United States Postal Service. The agency conducted a four month trial and received very positive comments from licensees and continues to expand this service. Making use of this technology is more convenient for the agency's licensees and the public, and has the potential to save the agency significant expenses related to printing and postage.

79% of TREC license renewals and 68% of TALCB license renewals are completed online, and more than 35% of all initial license applications come to the agency via the TexasOnline Authority. As more transactions become available and more individuals become familiar with the process, we anticipate that these percentages will increase substantially, providing both additional convenience and

reducing processing time and manual data input effort by staff. Expanding additional online services to licensees and the public is a major strategic initiative. The long-range vision of the agency is to provide all services online and handle all official communications electronically. This will allow customers 24-hour access to agency services, reduce data transcription errors and allow staff to focus on improving both the quality and quantity of agency services to an expanded customer base.

G. ECONOMIC AND LEGAL VARIABLES

Key Economic Values

The overall state of the economy is reflected in such things as housing prices, demand for housing, and the availability of financing at reasonable rates. A strong and stable economy, as reflected in a strong and stable housing market, is the primary economic factor that influences a decision to enter and pursue a career in a real estate service profession. Although no state can ever be immune to national concerns about the economy and mortgage markets, Texas has remained quite strong and stable by comparison with other leading markets. As a result the number of real estate licensees in Texas has not fluctuated dramatically.

Compared to many other states, the "affordability index" for housing in Texas remains favorable. Nonetheless, an increased emphasis on credit quality has been reflected in Texas mortgage markets, offsetting to a degree the beneficial effect of historically low interest rates. The combination of strong performance of the Texas economy, as reflected in low levels of unemployment and solid job growth, coupled with the continuation of low interest rates, supports Texas mortgage and real estate markets.

Legal Issues

All divisions of the agency monitor changes in state and federal law to ensure that the agency identifies and, to the extent possible, is proactive with respect to changes that will affect licensees and services.

Federal law provides oversight or regulation in these areas:

- real estate appraiser licensing and certification, Title XI of FIRREA;
- discrimination in housing, the Federal Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988;
- services provided in connection with the closing of the sale, the Real Estate Settlement Procedures Act of 1974

- (RESPA), as amended;
- anti-competitive real estate industry practices, the Sherman Anti-Trust and Clayton Anti-Trust Acts;
 - discrimination based on disability, the Americans with Disabilities Act of 1990 (ADA);
 - protection from lead based paint, the Residential Lead-Based Paint Hazard Reduction Act; and
 - financial regulatory reform addressing in part the “Appraiser Independence” standards under the Truth in Lending Act (TILA) and the regulation of appraisal management companies, The Dodd-Frank Wall Street Reform and Consumer Protection Act.

Real Estate Recovery Trust Account and Real Estate Inspection Recovery Fund

TREC maintains two recovery funds that are used to pay judgments obtained by consumers against TREC licensees or registrants. The Real Estate Recovery Trust Account is available to consumers harmed by brokers, salespersons, or registered ERW agents. The Real Estate Inspection Recovery Fund provides a similar remedy for consumers holding an unsatisfied judgment against a real estate inspector.

H. SELF EVALUATION AND OPPORTUNITIES FOR IMPROVEMENT

TREC and TALCB continue to embrace the need for change and updating major processes. Staff is encouraged to continually evaluate agency policies and procedures to find opportunities for improvement. Staff is empowered to identify solutions and take the necessary steps towards implementation at the appropriate level of authority and responsibility. Staff’s willingness to continuously re-evaluate the agency’s effectiveness, and their dedication to excellence, allows the agency to continue to evolve toward more effective and efficient program services. The executive director initiated an informal bottom-up review in February 2012 to allow staff to identify obstacles hindering the agency’s effectiveness and efficiency, and suggest remedies, select solutions, and prioritize the top concerns from each department for completion. Many reoccurring items were identified throughout the agency and staff is currently prioritizing and implementing these items.

Staff was also invited to participate in the Strategic Planning process, and provide input on how the agency can continue to improve. Staff’s suggestions, along with comments received from licensees, stakeholders, and the public, at one of the five Strategic Plan Input Meetings held around the state (Corpus Christi, Galveston, College Station, Dallas and Midland) or by electronic submission via the agency’s website, together

form the basis for the following section’s analysis and recommendations.

Strategic Planning inputs were collected and analyzed using these questions as a guide for discussion:

Communications: TREC/TALCB is working to improve communications with its license holders.

- Is e-mail the best way to contact you about agency issues? What about social media?
- Are you effectively informed about rules and policy changes that may affect your license?
- Would you prefer weekly, monthly or quarterly news from the agency? Online format or PDF?
- **Website: TREC/TALCB is working on a major update/revision of its website to be more user friendly.**
- How often do you access the TREC/TALCB website? What do you do while online?
- What would you like to be able to do on the TREC/TALCB website that is not yet available?
- What, if any, changes would you make to the TREC/TALCB website?

Education: TREC/TALCB has revised some of the real estate pre-license and MCE requirements.

- Are pre-license education requirements adequate for a sales person’s license? Any changes needed?
- Are MCE requirements adequate for sales persons? Same question for brokers? Any changes needed?

TREC SES: Enforcement processes seek to protect consumers and to deter unethical acts by license holders.

- If a license has been revoked, is a waiting period needed before reapplying for a license? How long?
- Should a license be suspended if an administrative penalty remains unpaid or no satisfactory payment arrangements have been met within a reasonable time of the ordered payment? How long?
- Should the agency be able to recoup actual costs of a hearing from a licensee if the agency prevails?
- Do you think that the current statutory criminal sanctions for unlicensed activity are sufficient to deter that activity? (Currently a Class A Misdemeanor and a maximum fine of \$4,000).

TALCB SES: Appraisal Management Companies are a brand new category of business required to register.

- For AMCs – how is your experience dealing with the agency so far? For Appraisers – what is your experience

dealing with AMCs since registration has now begun? Has there been a change? How?

- In general for appraisers; what works well about the complaints and enforcement process; what does not work well; any suggestions for how the process could be improved, etc.?

Home Inspector Issues:

- Are there areas of inspection regulation that are not adequately addressed under current law and where consumer protection would be improved if TREC's jurisdiction were expanded?
- Should the rules include any exceptions for single-component inspections? Which ones?

In General:

- What is on your mind that we have not asked about? What are we missing in our plans to improve?

There were a number of key issues that continued to be brought up at each meeting.

Findings by Topic

Communications:

Email is a great way to communicate with the licensee base. Most prefer a monthly update like the newsletter. Additional communications are hard to keep up with and the respondents want to keep the messages as simple as possible. Social media is not an effective way to communicate with the license holders. (This could be a reflection of the audience in attendance.) Wait times on phone calls and emails is still too long; at all meetings this issue was brought up.

Website:

License holders go to the website for a wide range of reasons and with varied frequency. This might be reflected in the position they hold (broker, association executive, supervisor, etc.). Many said the licensee look up tool was important to them, but updating it and making it more user friendly would help. All mentioned some form of streamlining and updating the website to be more user friendly. It was mentioned several times that the license holders would like a way to search for appraisers, AMC's and up to date business alias names (DBAs). Online renewal, although improved, can still be confusing. A simple mobile tool would be greatly appreciated.

Education:

There were a wide range of responses when asked if education requirements are sufficient. Some said they

were frustrated by the process, and needed to have more access to up to date information on requirements. Some responded that education requirements were still not strong enough, and it should be harder to be a license holder and/or a broker. Clearing up the data to be more user friendly on the licensee look up would be helpful, but complicated. This would have to be a long term fix to a larger issue. The new Education Standards committee will be able to evaluate some of these concerns as they improve the overall education environment for the agency.

TREC SES:

All who were asked about a waiting period after license revocation responded with a "yes". The license holder should have to wait to reapply and typically called for a wait of 2 years. TALCB currently has this standard.

TALCB SES:

Many people were concerned about appraisers driving from too far away to do an appraisal. Their work is affected because they might not know the area well enough to do a competent appraisal. It was suggested that TALCB should make the complaint process more open as well as publishing questions that an agent could ask appraisers.

Home Inspector Issues:

Throughout the state the response was the same every time. The inspection has become a tool for buyers to tally up repairs and ask for money. There is a range of report styles and although it is up to the inspector on how he/she does it, it would be helpful to have a breakdown between "cosmetic", "code update" and "must be repaired" items. Updating the report to allow for single component inspections could be favorable, as long as the purpose was clear. The issue was raised that this item could be a consumer protection issue since inspectors cannot directly benefit from telling the consumer that work is needed and offering to do it.

Recommendations, Opportunities & Obstacles

The results of these strategic planning input meetings have helped identify several key action items for the agency. Updating the communication strategy with the license holders is necessary to reach agency goals such as becoming paperless, targeting messages and making communicating with the agency easier. These issues directly correlate with the need for a complete website update. Staff has already begun the fundamental research necessary to develop a better website that will encompass all the needs of the license holders, and equally important those of the consumer. Resources will be required to implement a major website overhaul in a timely and effective manner. Accumulation of a reserve fund to pay

the cost for such improvements is a high priority item for the next two years.

Education and the need to have an easy to understand process was also a common theme during these meetings. TREC has already begun the process of appointing members to the Education Standards Advisory Committee. This committee will be essential in looking at all of the education functions of the agency, and will help to balance revenues with the expenses of administering the program and streamline the process for educators, instructors, applicants and license holders. TREC is also implementing a new broker responsibility course in September, 2012 for all supervising brokers and salespersons. This course is required every two years in conjunction with their mandatory continuing education (MCE). Additional opportunities exist to improve educational offerings by better quality control over course content, provider qualifications, instructor training and education records maintenance and display.

In the Inspector arena, the Committee has completed the first draft of a comprehensive review of the Standards of Practice rules and has recommended a simplified report form. This should help with potential consumer and agent confusion on the use of reports. One area of continued concern is the lack of effective consumer voices on the Committee. The last 3 public members appointed have failed to complete even two years of their appointment. Consideration of a shorter term than the current 6 years set by rule should be considered to assist with endurance. In addition, there is a need to consider a "housekeeping" bill for Chapter 1102 during the upcoming legislative session, to include all of the previously identified matters requiring improvement and revisit the effectiveness of the Recovery Fund, especially in light of mandatory insurance coverage requirements.

For TALCB, implementation of the AMC registration system and the online "Panel Management Tool" (PMT) are high priority items for the near term and ensuring this regulatory scheme works effectively is the longer term goal. The PMT is an online tool that AMCs are required to use to manage the composition of the panel of Texas appraisers to whom they will offer work assignments. Some AMCs are resisting this requirement and may seek to amend the law to prevent the agency from requiring its use. However, the PMT actually serves many legitimate regulatory functions and provides valuable services to AMCs. Two other areas of high attention are the issues surrounding the requirement for AMCs to pay "reasonable and customary fees" and potential violations of "appraiser independence" rules and standards. The Board still has additional work to do to interpret the requirements of HB 1146 into rule language and will be proposing additional rules to provide clarity of scope and applicability on certain provision, such as appraisal reviews.

TALCB has received several complaints from Central

Appraisal Districts regarding the lack of USPAP compliance in certain "uniform and equal" (U&E) studies or reports prepared by licensed or certified appraisers. Such reports were prepared in conjunction with property tax appeals on behalf of homeowners protesting the assessed value of their property before the Appraisal Review Board. While certainly a primary enforcer, TALCB does not have sole jurisdiction over USPAP applications, nor are appraisers the only license holders allowed to perform U&E studies. In Texas, among other licensed professionals, both Property Tax Professionals and Property Tax Consultants, both regulated by the Texas Department of Licensing & Regulation, are permitted to perform such U&E studies for property tax valuation purposes. Many TALCB licensed appraisers also have Property Tax Consultant licenses. Finding the appropriate interpretation and balance of legislative and regulatory intent has prompted TALCB to seek jurisdictional clarification from the office of the Attorney General. A recent OAG decision essentially instructs the Board that it can assert jurisdiction if it does so under a consistent interpretation of its enabling statute. Further consideration of the many ramifications of having multiple agencies with jurisdiction over the same valuation activity will require significant coordination to avoid unequal treatment and unintentional loopholes, while providing adequate consumer protection.

For TALCB, other items need short term attention but also have long term implications. The market has developed so that clients and insurance carriers are asking appraisers to disclose all known "complaints filed" regardless of whether the complaint was dismissed with no disciplinary action taken. The mere existence of a complaint has become, in some cases, a cause of concern and prevents or delays a client from making an appraisal assignment, or may even raise the premium charged for an errors and omission insurance policy. Other regulatory agencies in Texas have complaint processes that include a full screening for jurisdiction, "failure to state a claim" and "no evidence of violation" before the filed "grievance" is converted by staff action into a "complaint" requiring further investigation. At that time the appraiser would be notified and given an opportunity to respond to the allegations or answer any potential questions raised in the review. This revised system may offer some promise for addressing the abuses mentioned and should be reviewed for potential adoption.

Although TALCB is an independent subdivision of the agency, there is no official "liaison" policy between the Board and the Commission on shared policies that affect both, such as IT and Staff Support functions. The Board has expressed an interest in exploring the potential to establish a more formal liaison between the two bodies. This will be discussed in future meetings of each body to determine the best method for moving this forward.

After a very full legislative session in 2011, TREC and

TALCB have successfully implemented rules and processes necessary to comply with the agency's new SDSI status. More remains to be done and the agency is working closely with the Comptroller's office to ensure GASB accounting consistency among SDSI agencies. During the strategic planning input meetings TREC/TALCB staff identified several key issues that may require rule or policy changes in the coming year. In the inspector realm, agency staff and the Texas Real Estate Inspector committee will be looking into the concerns of license holders on inspection reports. In enforcement TREC/TALCB staff will be researching the concerns raised by license holders.

Furthermore, staff is working on a number of internal efficiency and effectiveness improvements. Since implementation of the new internal database the agency has faced many growing pains. Staff has been able to manage these issues, but the agency is still feeling the effects of a rough transition in September 2010. Moving forward, agency staff will be working with the database vendor to grow and customize the product for both staff and license holders. In early 2012, with the assistance of many key stakeholders and license holders, TREC/TALCB launched a new user interface for the agency's online renewal system: "My License Online Services". This product update features an easy to understand three step process with updated menus and user tools. Additional revisions to make these tools easier to use will reap benefits in both efficiency and effectiveness.

Continuing consumer and licensee concerns surrounding the agency's phone systems require an in-depth review of the system's capabilities and limitations. The agency uses the state's primary phone system, but it has come to our attention that other agencies with high call volume have purchased other hardware and software enhancements to better manage call volume and responsiveness. Additional resource reserves may be required to address and solve these issues if they persist.

The agency continues to work closely with the Federal Bureau of Investigation (FBI) and DPS to fully implement the fingerprinting requirement for salespersons and brokers. Staff has outstanding relationships with federal law enforcement and United State District Attorney's offices as they collaborate on mortgage fraud cases. Increased use of secure distance conferencing and meeting technology saves travel expenses and allows for more frequent collaboration with these important partners, these technologies are also utilized with agency field investigators, and advisory and working group participants. These partnerships are vital to the agency's goal to protect the public and the citizens of Texas.

The following list details some of the more serious and substantive comments received and recommendations made during the public input process. As proposed, not all are endorsed by the agency, but several are fully consistent with

agency long-range goals. Some of these recommendations could be enacted immediately, while others require a longer period of time. Likewise, some policy or procedural changes can be made at the staff level while others will require modification of rules by the Commission or the Board, statutory changes, or additional rule making. A number of comments have suggested good recommendations that are consistent with existing rules or policies, and which could be completed by staff in short order. Some of these have already been implemented or are in the process of being completed.

Public Comments and Recommendations

Communications

- Communicate directly with license holder associations to relay information directly to members.
- Offer refresher courses for association staff to help keep staff up to date on current TREC issues and online tools so they may help their membership.
- Direct messaging to specific license types is needed to help make the messages easier to understand.
- When collecting each supervisor's information, add a key designator, so they can get specific notices.
- Create one page notice of what Broker is supposed to have as written policies.
- Create more significant consumer assistance information via agency website; both owned and aggregated.

Website

- Make website more user friendly. License holder general feedback says it is hard to find information on the site.
- Would like a customer service survey that is better advertised. Make it more interactive or provide incentives for filling it out.
- Can the renewal notice be updated to be more interactive? Make it a link and a click? Mobile version?
- Create a mobile version so public and license holders can access website information from anywhere.
- Create a monitoring tool showing current transaction processing times on the website for each application and collectively for type of application.
- Allow education and other documents to be attached to applications so process does not require two steps.
- Separate MCE and SAE in the licensee look up tool
- Define, or add date of exam to licensee look up tool on website.

- Can initial license date be added to the website?
- Would like email addresses for all departments so the public can ask questions to a specific department.
- Live “stream” and store Commission and Board meetings on the website.

Education

- Implement broker responsibility course.
- Clarify who needs to take the broker responsibility course and when.
- Simplify calculating how many MCE credits license holders have taken for their renewal period.
- Make identifying education courses taken and needed on the licensee look up tool easier to understand.

TREC Enforcement

- Change waiting period so person would not be able to reapply for license right away after licensee is revoked. Suggested amount of time would be at least two years.
- Redline rule changes with comparisons and notes on the website before and after they are approved.
- Confirm and improve process of how a complaint on an agent is reported to broker.
- Educate consumers on the complaint process.

TALCB Enforcement

- Begin regulating AMCs.
- Explain the AMCs regulation and complaint process to appraisers.
- Make complaint and investigative process in TALCB more understandable and clear to license holders and consumers.

Home Inspector Issues

- Make reports more consistent. Due to a wide range in report styles, consumers and real estate license holders are having a hard time knowing what they should expect from an inspection report.
- Allow inspectors to complete single component inspections.



Agency Goals

- I. **To determine that applications for licensure meet legal requirements for real estate license issuance.** (Texas Occupations Code, Chapters 1101, 1102, 1103 and 1104 and Texas Property Code Chapter 221)
- II. **To act promptly and aggressively to enforce the laws and rules of the agency in a fair and evenhanded manner.** (Texas Occupations Code, Chapters 1101, 1102, 1103 and 1104 and Texas Property Code Chapter 221)
- III. **To communicate effectively with the public and licensees concerning matters within the agency's jurisdiction.** (Texas Occupations Code, Chapters 1101, 1102, 1103 and 1104 and Texas Property Code Chapter 221)
- IV. **To protect the public and ensure the availability of qualified appraisers by implementing and enforcing the Texas Appraiser Licensing and Certification Act and by providing information to appraisers and to the general public for the maintenance of high professional standards and informed consumer decisions in real estate transactions in all areas of Texas.** (Texas Occupations Code, Chapter 1103)
- V. **To establish and implement policies governing purchasing that foster meaningful and substantive inclusion of historically underutilized businesses (HUBs).** (Government Code §2161.123)



Objectives /Outcome Measures

Goal I Ensure Standards

To determine that applicants for licensure meet legal requirements for real estate license issuance. (*Texas Occupations Code, Chapter 1101, 1102, 1303 and Texas Property Code, Chapter 221*)

Objective 01-01

To maintain procedures through 2017 to evaluate applicants for honesty, integrity, trustworthiness, competency and legal qualifications through education evaluations, requirement of continuing education, and criminal history background checks.

Outcome Measures:

- Percent of licensees with no recent violations
- Percent of licensees who renew online
- Percent of new individual licenses issued online

Goal II Enforce Regulations

To act promptly and aggressively to enforce the laws and rules of the Commission in a fair and evenhanded manner. (*Texas Occupations Code, Chapter 1101, 1102, 1303 and Texas Property Code, Chapter 221*)

Objective 02-01

To resolve 85% of documented complaints within six months by 2017.

Outcome Measures:

- Percentage of complaints resolved resulting in disciplinary action
- Percentage of documented complaints resolved within six months

Goal III Communicate Effectively

To communicate effectively with the public and licensees concerning matters within the Commission's jurisdiction. (*Texas Occupations Code, Chapter 1101, 1102, 1303 and Texas Property Code, Chapter 221*)

Objective 03-01

To maintain a communications center that is available via telephone ten hours daily Monday through Friday and responds to e-mails promptly; produce a minimum of eight newsletters annually, and maintain a website that provides clear, concise information through 2017.

Outcome Measures:

- None

Goal IV Ensure Availability of Qualified Appraisers

To protect the public and ensure the availability of qualified appraisers by implementing and enforcing the Texas Appraiser Licensing and Certification Act and by providing information to appraisers and to the general public for the maintenance of high professional standards and informed consumer decisions in real estate transactions in all areas of Texas. (*Texas Occupations Code, §1103.156*)

Objective 04-01

To maintain procedures to evaluate applicants for honesty, integrity, trustworthiness, competency and legal qualifications to ensure qualified real estate appraisers through 2017.

Outcome Measures:

- Percent of licensed or certified appraisers with no recent violations.
- Percent of licensees who renew online.
- Percent of new individual licenses issued online.

Objective 04-02

To enforce the provisions of the Texas Appraiser Licensing and Certification Act and the Uniform Standards of Professional Appraisal Practice by resolving 50% of complaints within six months by August 31, 2017.

Outcome Measures:

- Percent of Complaints Resulting in Disciplinary Action
- Recidivism Rate for Those Receiving Disciplinary Action
- Percent of Documented Complaints Resolved Within Six Months

Goal V Working with HUBs

To establish and implement policies governing purchasing that foster meaningful and substantive inclusion of historically underutilized businesses (HUBs). (*Texas Government Code, § 2161.123*)

Objective 04-01

To include historically underutilized businesses (HUBs) in at least 30 percent of the total value of contracts and subcontracts awarded annually by the agency in purchasing.

Outcome Measures: Percent of Total Dollar Value of Purchasing Contracts Awarded to HUB

Strategies and Output, Efficiency and Explanatory Measures

Strategy 01-01-01

Real Estate Licensing

Perform the Commission's licensing function by: reviewing applications; issuing exam eligibility letters.; evaluating education; processing criminal history background checks; and issuing licenses.

Output Measures:

- Number of new licenses issued to individuals
- Number of licenses renewed (individuals)

Efficiency Measures:

- Average time for individual license issuance (days)
- Average time for individual license renewal
- Percentage of new individual licenses issued within 10 days
- Percentage of individual license renewals issued within 7 days

Explanatory Measures:

- Total number of individuals licensed

Strategy 02-01-01

Real Estate Enforcement

Administer an effective system of enforcement and adjudication which includes investigating and resolving valid complaints.

Output Measures:

- Number of complaints resolved
- Number of orders issued by the commission

Efficiency Measures:

- Average time for complaint resolution (days)

Explanatory Measure:

- Jurisdictional complaints received

Strategy 03-01-01

Real Estate Public Education

Maintain a communications center, which responds to inquiries via telephone and email promptly; produce newsletters; provide an informative website and maintain an online customer survey.

Output Measures:

- Number of calls received
- Number of inquiries answered via email

Strategy 04-01-01

Provide Sufficient Qualified Real Estate Appraisers

Process appraiser license applications; issue licenses and renewals; approve appraisal educational coursework offered by proprietary schools, appraisal organizations, and colleges and universities; and develop standards and agreements for reciprocity with other states for appraiser licensing and certification.

Output Measures:

- Number of new licenses/certifications/registrations issued to individuals
- Number of licenses and certifications renewed (Individuals)

Efficiency Measures:

- Percentage of new individual licenses issued within 10 days
- Percentage of individual license renewals issued within 7 days

Explanatory Measures:

- Total number of individuals licensed

Strategy 04-02-01

Resolve Complaints in a Timely Manner

Investigate and resolve complaints, imposing penalties when appropriate.

Output Measures:

- Number of complaints resolved
- Number of Requests for Assistance Completed

Efficiency Measures:

- Average time for complaint resolution (days)

Explanatory Measure:

- Jurisdictional complaints received

Strategy 05-01-01

Historically Underutilized Businesses

Implement the Commission's plan aimed at increasing the amount of HUBs through purchasing contracts and subcontracts.

Output Measures:

- Number of HUB contractors contacted for Bid Proposals
- Number of HUB Contracts Awarded
- Dollar Value of HUB Contracts Awarded

Technology Resource Planning

The licensees, potential licensees and public are becoming very comfortable in the use of technology. As such, they are expecting the agency to offer services that are routinely common in their daily life. With this and the agency's commitment to improving customer service, employee efficiency, and the security of information, the use of technology will expand and continue to advance. The agency will continue to adopt and implement technology based upon DIR, industry standards, and best practices to meet these demands.

TECHNOLOGY INITIATIVE ASSESSMENT AND ALIGNMENT

Customer Service

- Expansion of self-service offerings.
- As the first agency to utilize the TexasOnline Authority's services, TREC understands the impact that this service can have on licensees and employees. The expansion of the tools using the TexasOnline Authority service will allow the agency the ability to increase its self service offerings, thus providing more convenience to customers and providing efficiencies within the agency.
- Modernization of agency website to expand the availability of information and services available to licensees and public.
- Improvement and expansion of communication channels to the licensee and public to ensure the agency message is being effectively distributed. Strengthen existing communication channels such as email and expanding to additional channels allowing access to a broader customer base.
- Establishing services for trading partners to allow for more prompt receipt and delivery of information supporting licensing activities. Develop tools allowing providers of services to submit electronic data more timely for our licensees while reducing manual processing of information internally.

Employee Efficiency

Continued focus in reducing the receipt of paper and converting paper into electronic content. Utilizing this electronic content to then drive the automation of manual process through workflow, Optical Character Recognition (OCR) and image.

- The elimination of paper allows for significant workplace efficiencies as resources can be shared effectively across multiple locations, manual processes can become automated, and service to the customer can become more efficient.
- Continue to grow our vendor product to push vendor to offer additional automation and web services rather than manual interactions with their licensing product.
- Upgrade of internal network providing for more technical stability and constancy while providing the opportunity to implement current tools that offer additional functionality.

Data Protection

- Continued focus of ensuring technical security to protect agency assets.
- Utilizing annual security test allows the agency to ensure the safety of data and the consistent availability of services. Implementation of security recommendations allows the agency to strengthen the data environment and align with statewide standards.

DEVELOPMENT GUIDES

Expansion in utilization of TexasOnline Services

As the first agency to utilize the TexasOnline Authority's services, TREC understands the impact that this service can have on licensees and employees. The expansion of the tools using the TexasOnline Authority service will allow the agency the ability to increase its self service offerings, thus providing more convenience to customers and providing efficiencies within the agency.

Associated Projects

- Implementation of additional initial and renewal applications across non-participating license types
- Collection of miscellaneous fees for other services
- Collection of secondary application fees

Agency objectives

- Expansion of self service offerings
- Continued focus of reduction of paper and increase of automation

Statewide Technology Priorities

- Mobility

Guiding Principles

- TexasOnline provides the infrastructure for online payment transactions allowing the agency the ability to automate transactions. The agency has a long track record utilizing this service for renewal and initial applications, but does not yet offer this service for all license types. Expanding utilization allows the agency to take advantage of these benefits with minimal additional costs.

Anticipated Benefits

- Automation of these transactions reduces paper and manual intervention of staff. Many of these transactions can be processed by the licensee without a intervention of staff allowing the agency to focus on additional objectives. Additionally, the turnaround time for processing some application may be reduced as the inherent delay of submission of information through the traditional postal service is eliminated.

Capabilities or Barriers

- The existing licensing system has some limitations on what can be offered online and may need to be enhanced to provide required features for the processing of some applications. Additionally, for some initial and renewal applications the fee structure of TexasOnline may not be a cost effective way of delivery service.

Modernization of agency website

- Modernization of agency website to expand the availability of information, ease of utilization and services available to licensees and public.

Associated Projects

- Enhance to support mobile services
- Enhance tracking of application status
- Enhance for tracking of application processing times
- Clarify education status and requirements
- Update of website addressing ease of use
- Update of website addressing available automated services

Agency objectives

- Improving and expanding upon external communication

- Provide easy to find information regarding licensing requirements

Statewide Technology Priorities

- Mobility
- Infrastructure
- Legacy Applications
- Open Data
- Data Sharing

Guiding Principles

- The current website is a legacy application which exposes the agency to risk and instability of services. By redeveloping the website the agency will reanalyze the requirements of our customers and be in a position to provide services that are not currently offered online. Additionally, the ability to find information is cumbersome so even though information is available many are not able to identify solutions to their questions requiring a phone call or email.

Anticipated Benefits

- Improving usability of the website and increasing desired information will reduce the need for the public to phone or email the agency with questions. Allowing the public to complete transactions which traditionally were completed by staff will make staff and public more efficient.

Capabilities or Barriers

- Agency network and infrastructure upgrades will be necessary to complete this initiative.

Improvement and Expansion of communication channels

- Improvement and expansion of communication channels to the licensee and public to ensure the agency message is being effectively distributed. Strengthen existing communication channels such as email and expanding to additional channels (such as select social media) allowing access to a broader customer base.

Associated Projects

- Target of mailing lists to business segments
- Modernization of mailing list and mass mailing services within agency
- Modernization of agency website

Agency objectives

- Expansion of self service offerings
- Provide easy to find information regarding licensing requirements

Statewide Technology Priorities

- Mobility
- Infrastructure
- Legacy Applications
- Open Data
- Data Sharing

Guiding Principles

- The current mass mailing process is cumbersome and not flexible to target communications to special audiences. Improving upon the ability for the agency to communicate and provide information to public and licensees allows them access and understanding of services.

Anticipated Benefits

- With the ability to target various audiences the agency can tailor communication to specific groups encouraging more effective distribution of information.

Capabilities or Barriers

- Agency network and infrastructure upgrades will be necessary to complete this initiative.

Electronic submission of licensing data

Establish services for trade partners to allow for more prompt receipt and delivery of information supporting licensing activities. Develop tools allowing providers of services to submit electronic data more timely for our licensees while reducing manual processing of information internally.

Associated Projects

- Expanding types of education that can be received electronically

Agency objectives

- Expansion of self service offerings

Statewide Technology Priorities

- Legacy Applications

Guiding Principles

- Expanding upon the services available with our trading partners allowing them to electronically submit data for licensees provides faster delivery of agency services and creates agency efficiencies in offloading workload.

Anticipated Benefits

- Improved efficiency in the collection and processing of licensing data.

Capabilities or Barriers

- Agency network and infrastructure upgrades will be necessary to complete this initiative.
- Knowledge and technical structure of each of the trading partners may limit their interaction with our services.

Reduction of paper documents

The elimination of paper allows for significant workplace efficiencies as resources can be shared effectively across multiple locations, manual processes can become automated, and service to the customer can become more efficient.

Associated Projects

- Expanding types of education related data that can be received electronically through website
- Expanding utilization of TexasOnline Services

- Continuation of converting paper to electronic images

Agency objectives

- Expansion of self service offerings

Statewide Technology Priorities

- Legacy Applications

Guiding Principles

- Expanding upon the services available with our trading partners allowing them to electronically submit data for licensees provides faster delivery of agency services and creates agency efficiencies in offloading workload.
- TexasOnline provides the infrastructure for online payment transactions allowing the agency the ability to automate transactions. The agency has a long track record utilizing this service for renewal and initial applications, but does not yet offer this service for all license types. Expanding utilization allows the agency to take advantage of these benefits with minimal additional costs.

Anticipated Benefits

- Improved efficiency in the collection and processing of licensing data.

Capabilities or Barriers

- Available agency resources to continue the conversion of paper to electronic documents in a timely manner
- Knowledge and technical structure of each of the trading partners may limit their interaction with our services
- TexasOnline fee structure allowing for cost effective conversion to online fee collection

Improve vendor licensing application services

Continue to grow our vendor product to push vendor to offer additional automation and web services rather than manual interactions with their licensing product.

Associated Projects

- Expand upon online functionality supporting licensing services.
- Expand upon back office functions within product.
- Improve current application configuration for additional efficiencies.

Agency objectives

- Expansion of self service offerings
- Staff efficiencies in working with the processing of licensing information

Statewide Technology Priorities

- Data Management
- Legacy Applications

Guiding Principles

- Expanding upon online services by expanding existing and proven technologies to additional license types

Anticipated Benefits

- Improved efficiency in the collection and processing of licensing data

Capabilities or Barriers

- Delivery timelines from vendor may impact schedule of improvements

Technical infrastructure upgrades

Upgrade of internal network providing for more technical stability and constancy while providing the opportunity to implement current tools that offer additional functionality

Associated Projects

- Upgrade of legacy DNS servers
- Upgrade of legacy of Active directory services
- Replacement of Servers and Data storage infrastructure

Agency objectives

- Maintain technical stability and provide continued support for technical infrastructure through technology refresh activities.

Statewide Technology Priorities

- Legacy Applications
- Network

Guiding Principles

- Expanding upon online services by expanding existing and proven technologies to additional license types

Anticipated Benefits

- Improved network stability and allow for the ability to create current technical solutions without the limitations of obsolete infrastructure

Capabilities or Barriers

- Upgrade paths on some products are not supported and may be difficult to implement.

Data and technical agency security

Utilizing annual security test allows the agency to ensure the safety of data and the consistent availability of services. Implementation of security recommendations allows the agency to strengthen the data environment and align with statewide standards.

Associated Projects

- Annual CPT security test conducted by DIR

Agency objectives

- Maintain proper custodian responsibilities of licensee data.

Statewide Technology Priorities

- Security and Privacy

Guiding Principles

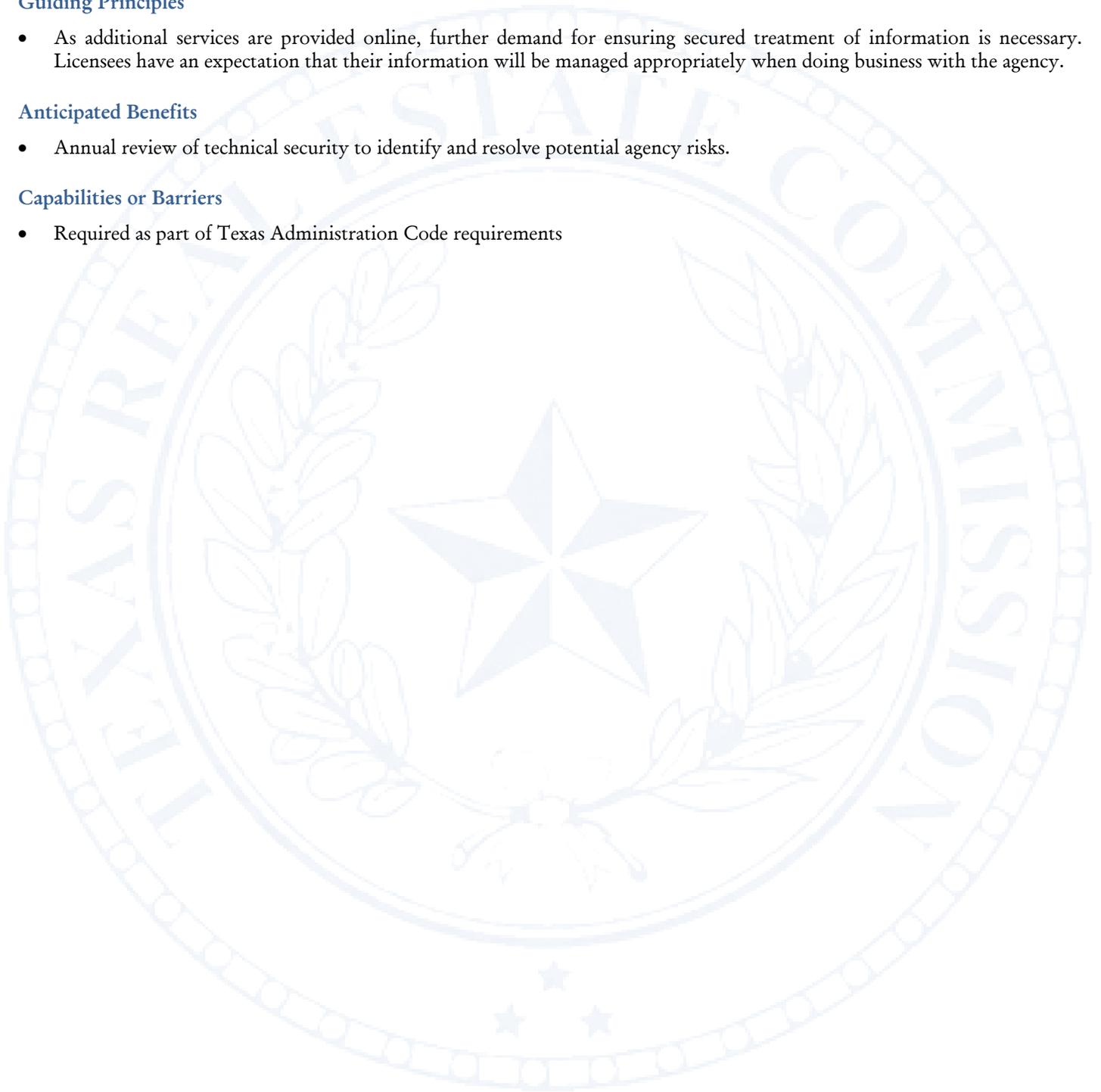
- As additional services are provided online, further demand for ensuring secured treatment of information is necessary. Licensees have an expectation that their information will be managed appropriately when doing business with the agency.

Anticipated Benefits

- Annual review of technical security to identify and resolve potential agency risks.

Capabilities or Barriers

- Required as part of Texas Administration Code requirements





APPENDIX A

Strategic Planning Process

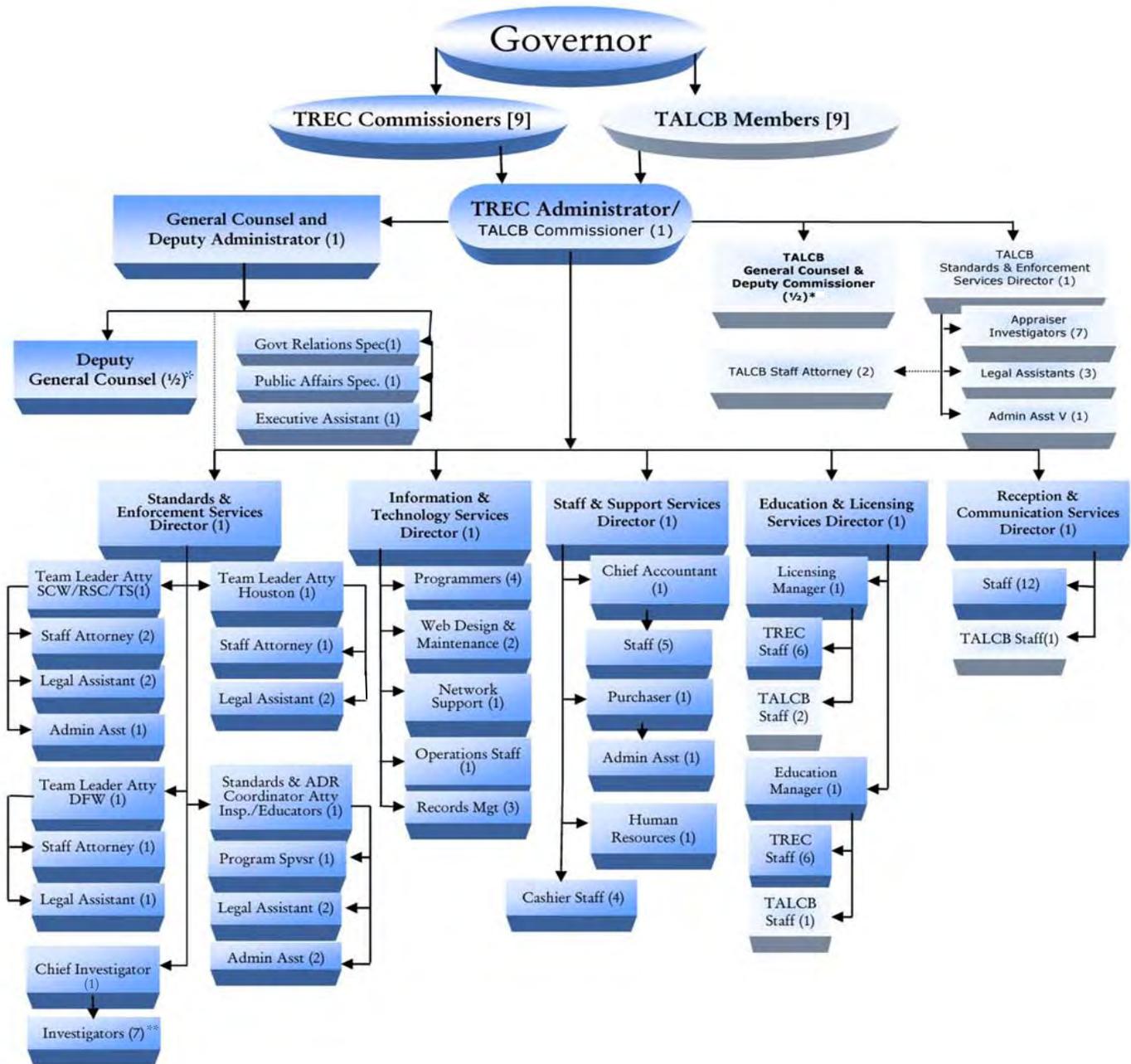
Texas state agencies are asked to review and update their five-year Strategic Plan every two years. The Strategic Plan becomes a road map for the direction in which the agency intends to proceed over the next five years. To ensure the development of a meaningful Strategic Plan which reflects the needs and desires of both consumers and licensees, the Texas Real Estate Commission (TREC) and Texas Appraiser Licensing and Certification Board (TALCB), together referred to as the “agency”, once again undertook an extensive program of outreach to seek public input from all concerned and interested stakeholders.

With the passage of Senate Bill 1000, the Texas Real Estate Commission and the Texas Appraiser Licensing and Certification Board now have Self Directed Semi Independent (SDSI) status. This status removes the agency from the appropriations process and gives the agency more flexibility to use its judgment as it compiles the results of the findings from the staff “bottom up review” and the strategic planning input meetings. SDSI status will help give agency staff the ability to apply resources to areas that may never have been able to be addressed in the past. This is a major change for the agency and is reflected throughout the entire strategic plan.

In early 2012, the agency embarked on an extensive outreach effort to ensure an opportunity for all interested parties to participate in and submit recommendations for the plan. The interested parties included the general public, license holders and agency staff. Notification of the strategic planning process was posted in the February issue of the agency’s electronic newsletter, on the TREC and TALCB websites, and a news release was issued February 28, 2012 noting the process and dates/locations for upcoming Strategic Plan Input Meetings throughout the state. The Real Estate Center and professional associations of several groups of license holders voluntarily advertised these sessions also. Several of the meetings were held in conjunction with the professional association regular membership meetings, but were made open to the public and all license holders.

Five public forums were held during March 2012 in Corpus Christi, Galveston, Bryan/College Station, Midland/Odessa and Dallas. Various Commissioners, Board members, Inspector Committee members and staff participated in these forums and catalogued all recommendations, suggestions and comments, whether requiring statutory, rule, or policy changes. After collecting recommendations from a wide range of sources, the staff prepared a draft Strategic Plan that was approved by the Commission at its meeting on May 7, 2012, and by the Board on May 18, 2012. Currently, staff is organizing the proposed recommendations gathered during the planning process and creating an implementation plan for review and approval by the Commission and Board at their respective meetings in August. This report is the result of this carefully considered process.

APPENDIX B TREC/TALCB Organization Chart



* TREC Deputy General Counsel/TALCB General Counsel & Deputy Commissioner positions are held by same person

** Investigators are assigned to work with one or more of the four geographic and topic area teams

**APPENDIX C
Outcome Projections**

Texas Real Estate Commission

Projection of Outcomes for Five-Year Planning Horizon

Texas Real Estate Commission Outcomes 2013-2017					
Outcome	2013	2014	2015	2016	2017
Percentage of Licensees With No Recent Violations	99%	99%	99%	99%	99%
Percent of Licensees Who Renew Online	83%	85%	85%	85%	85%
Percent of New Individual Licenses Issued Online	75%	77%	77%	78%	78%
Percentage of Complaints Resolved Resulting in Disciplinary Action	30%	30%	30%	30%	30%
Percent of Documented Complaints Resolved Within Six Months	70%	75%	80%	80%	800%
Percentage of Total Dollar Value of Purchasing Contracts Awarded to HUBs	30%	30%	30%	30%	30%

Texas Appraiser Licensing and Certification Board

Projection of Outcomes for Five-Year Planning Horizon

Texas Appraiser Licensing and Certification Board Outcomes 2013-2017					
Outcome	2013	2014	2015	2016	2017
Percentage of Licensees With No Recent Violations	99%	99%	99%	98%	98%
Percent of Licensees Who Renew Online	75%	80%	80%	80%	80%
Percent of New Individual Licenses Issued Online	50%	60%	60%	60%	60%
Percentage of Complaints Resolved Resulting in Disciplinary Action	40%	45%	45%	48%	48%
Recidivism Rate for Those Receiving Disciplinary Action	28%	30%	30%	30%	30%
Percent of Documented Complaints Resolved Within Six Months	40%	45%	45%	45%	45%

APPENDIX D

Performance Measure Definitions

Goal 01: Determine the Eligibility of TREC Applicants for Licensure

Outcome Measures:

(Key) Percent Of Licensees With No Recent Violations

Definition:	The percent of the total number of licensed, registered, or certified individuals at the end of the reporting period who have not incurred a violation within the current and preceding two years (three years total).
Purpose:	Licensing, registering, or certifying individuals helps ensure that practitioners meet legal standards for professional education and practice which is a primary agency goal. This measure is important because it indicates how effectively the agency's activities deter violations of professional standards established by statute and rule.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The Director of Standards & Enforcement Services is responsible for this measure. Data is stored in the Standards & Enforcement Services Division.
Methodology:	The total number of individuals currently licensed, registered, or certified by the agency who have not incurred a violation within the current and preceding two years (numerator) is divided by the total number of individuals currently licensed, registered, or certified by the agency (denominator). The numerator for this measure is calculated by subtracting the total number of licensees with violations during the three-year period from the total number of licensees at the end of the reporting period. The denominator is the total number of licensees at the end of the reporting period. The result is multiplied by 100 to achieve a percentage. The period included must be through the last date of the fiscal year being reported. The period goes back two full fiscal years from the beginning of the current fiscal year. (Example: FY 2012, inception date must be September 1, 2009.) This would include all of FY 2010, all of FY 2011 and all of FY 2012.
Data Limitation:	Economic conditions sometimes impact the number of violations of the License Act and Commission Rules.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 99% and 99%)

(Key) Percent of Licensees Who Renew Online

Definition:	Percent of the total number of licensed, registered or certified individuals that renewed their license, registration, or certification online during the reporting period.
Purpose:	To track use of online renewal technology by the licensee population.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records which produce reports of online renewal transactions issued during the reporting period. The Director of Information & Technology Services is responsible for this measure. Data is stored in the Director of Information & Technology Services' office.
Methodology:	Total number of licenses, registrations, or certifications renewed online divided by the total number of corresponding licenses, registrations, or certifications renewed during the reporting period. The result is multiplied by 100 to achieve a percentage.

Data Limitation:	Factors beyond the agency’s control may affect this measure.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 83% and 83%)

(Key) Percent of New Licenses Issued Online

Definition:	Percent of all new licenses, registrations or certifications issued online to individuals during the reporting period.
Purpose:	To track use of online license issuance technology by the licensee population.
Data Source:	Data is derived from the Texas Real Estate Commission’s automated records which produce reports of online renewal transactions issued during the reporting period. The Director of Information & Technology Services is responsible for this measure. Data is stored in the Director of Information & Technology Services’ office.
Methodology:	Total number of new licenses, registrations, or certifications issued online divided by the total number of corresponding new licenses, registrations, or certifications issued during the reporting period. The result is multiplied by 100 to achieve a percentage.
Data Limitation:	Factors beyond the agency’s control may affect this measure.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance	Higher than Target (Targets for FY 2012 and 2013: 75% and 75%)

Output Measures:

(Key) Number of New Licenses Issued To Individuals

Definition:	The number of new licenses issued during the reporting period to previously unlicensed and unregistered individuals and to previously licensed individuals who did not renew timely whose license has been expired more than one year.
Purpose:	This measure provides data as to the number of individuals who are entering the real estate profession or upgrading to a higher level of licensure, or whose license has been expired more than one year.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the Education & Licensing Services Division.
Methodology:	Report the number of new licenses issued to previously unlicensed individuals and to previously licensed individuals whose license has been expired more than one year. Licenses are counted as new for persons who were previously licensed or whose license has been expired more than one year.

Data Limitation:	Economic conditions and other factors beyond the agency’s control may affect the number of individuals desiring to enter the real estate industry for the first time or return to the industry if previously licensed.
Calculation Type:	Cumulative
New Measure:	No
Desired Performance	Higher than Target (Targets for FY 2012 and 2013: 75% and 75%)

(Key) Number of Licenses Renewed (Individuals)

Definition:	The number of licenses issued during the reporting period to licensed individuals who renewed timely or renewed a license that has been expired less than one year.
Purpose:	This measure provides data on the number of licenses issued during the reporting period to individuals who currently hold a valid license and renewed timely or renewed a license that has been expired less than one year who wish to remain in the real estate profession.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the Education & Licensing Services Division.
Methodology:	This measure is calculated by querying the licensing data base to produce the total number of licenses issued to individuals who currently hold a valid license and renewed timely or who renewed a license that has been expired less than one year.
Data Limitation:	Economic conditions and other factors beyond the agency’s control may affect the number of individuals desiring to remain in the real estate industry.
Calculation Type:	Cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 63,000 and 63,000)

Efficiency Measures:

(Key) Average Time for Individual License Issuance (Days)

Definition:	Average number of calendar days for a license to be issued during the reporting period.
Purpose:	This measure is intended to show how effectively the agency processes new license applications for individuals and the average time period for the issuance of a license from the time the application is received until a license is issued.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the Education & Licensing Services Division.
Methodology:	Total number of days involved with each application from date of receipt of the application until a license is issued (numerator) is divided by the total number of licenses issued (denominator) during the reporting period. The total number of days begins when an application is received and ends when the examination is passed and a license is issued.

Data Limitation:	This measure is directly affected by how quickly an applicant passes the examination. The agency cannot control how many times or how soon applicants take an exam. Applicants have six months to complete the examination requirement.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Lower than Target (Targets for 2012 and 2013: 35 and 35)

Average Time for Individual License Renewal

Definition:	Average number of calendar days for a renewal license to be issued during the reporting period. This definition includes timely renewals and renewal of licenses that have been expired less than one year.
Purpose:	This measure is intended to show how effectively the agency processes renewal license applications for licensees and the average time period for the issuance of a license from the time the renewal application is received until a license is issued.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the Education & Licensing Services Division.
Methodology:	Total number of days involved with each renewal application from date of receipt of the application until a license is issued (numerator) is divided by the total number of renewal licenses issued (denominator) during the reporting period. The total number of days begins when a renewal application is received and ends when a license is issued.
Data Limitation:	There are few influencing factors beyond the agency's control that would affect this measure. A power failure or other catastrophic occurrence could cause a delay in the issuance of licenses.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Lower than Target (Targets for FY 2012 and 2013: 2.75 and 2.75)

(Key) Percentage of New Individual Licenses Issued within 10 Days

Definition:	The percentage of initial individual license applications that were processed during the reporting period within 10 days measured from the time in days elapsed from receipt of the initial completed application until the date the license is mailed. This measure includes late renewal applications for licenses expired more than one year.
Purpose:	This measures the ability of the agency to process new applications in a timely manner and its responsiveness to applicants.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the Education & Licensing Services Division.

Methodology:	This measure counts the number of days elapsed from the date each completed application is received by the agency until the license is issued to the individual. Examination requirements must be satisfied before an application is deemed complete. Any licenses issued after 10 days are noted. The number of completed applications where the license is issued within 10 days is divided by the total number of completed applications received to obtain a percentage. The result should be multiplied by 100 to achieve a percentage.
Data Limitation:	There are factors beyond the agency's control that would affect this measure. A system failure or other catastrophic occurrence could cause a delay in the issuance of licenses.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 90% and 90%)

(Key) Percentage of Individual License Renewals Issued within 7 Days

Definition:	The percentage of individual license renewal applications that were processed during the reporting period within 7 days of when the application is complete.
Purpose:	This measures the ability of TREC to process renewal applications in a timely manner and its responsiveness to its licensees.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the Education & Licensing Services Division.
Methodology:	This measure counts the number of days elapsed from the date each completed renewal application is received by the agency until the license or registration is issued to the individual. The counting of calendar days begins when the application is complete, not when it is received. The definition of "complete" is when all requirements for renewal have been met, including acceptable continuing education and all curative issues are resolved. Any licenses issued after 7 days are noted. The number of completed renewal applications where the licenses or registrations are issued within 7 days is divided by the total number of completed applications received to obtain a percentage. The result should be multiplied by 100 to achieve a percentage.
Data Limitation:	There are factors beyond the agency's control that would affect this measure. A system failure or other catastrophic occurrence could cause a delay in the issuance of licenses.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance	Higher than Target (Targets for FY 2012 and 2013: 95% and 95%)

Explanatory Measures:

Total Number of Licenses

Definition:	Total number of licenses and registrations at the end of the reporting period.
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Purpose:	The measure shows the total number of licenses and registrations currently issued.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the Education & Licensing Services Division.
Methodology:	This measure identifies the number of licenses and registrations (brokers, salespersons, inspectors, easement or right-of-way agents) at the end of the reporting period.
Data Limitation:	Economic conditions and other factors beyond the agency's control may affect the number of individuals desiring to remain in the real estate industry.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 155,000 and 155,000)

Goal 02: Enforce the TREC laws and rules in a fair and evenhanded manner

Outcome Measures:

Percent of Complaints Resulting In Disciplinary Action

Definition:	Percent of complaints which were resolved during the reporting period that resulted in disciplinary action.
Purpose:	This measure is intended to show the extent to which the agency exercises its disciplinary authority in proportion to the number of complaints received. It is important that both the public and licensees have an expectation that the agency will work to ensure fair and effective enforcement of the act and this measure seeks to indicate agency responsiveness to this expectation.
Data Source:	Data is derived from Texas Real Estate automated records. The Director of Standards & Enforcement Services is responsible for this measure. Data is stored in the Standards & Enforcement Services Division.
Methodology:	The total number of complaints resolved during the reporting period that resulted in disciplinary action (numerator) is divided by the total number of complaints resolved during the reporting period (denominator). The result is multiplied by 100 to achieve a percentage. Disciplinary action includes agreed orders, reprimands, advisory letters, suspensions, probation, revocation, restitution, and/or administrative penalties agreed to by the licensee. Complaints determined to be non-jurisdictional are not resolved complaints for purposes of this measure, and application inquiries and moral character determination related closings are not considered for purposes of this measure.
Data Limitation:	Staffing, data sources and equipment availability, complexity of the complaints, legal representation by the respondent, SOAH findings, and Commission action all affect this measure
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 30% and 30%)

(Key) Percent of Documented Complaints Resolved Within Six Months

Definition:	The percent of complaints resolved during the reporting period that were resolved within a six month period from the time they were initially received by the agency
Purpose:	This measure is intended to show the percentage of complaints which are resolved within a reasonable period of time as well as the effectiveness and efficiency of the enforcement and complaint resolution process.
Data Source:	Data is derived from Texas Real Estate Commission's automated records. The Director of Standards & Enforcement Services is responsible for this measure. The data is stored in the Standards & Enforcement Services Division.
Methodology:	The number of complaints resolved within a period of six months or less from the date of receipt (numerator) is divided by the total number of complaints resolved during the reporting period (denominator). The result should be multiplied by 100 to achieve a percentage. Complaints determined to be non-jurisdictional are not resolved complaints for purposes of this measure, and application inquiries and moral character determination related closings are not considered for purposes of this measure.
Data Limitation:	Workloads and staffing levels, complexity of the complaints, SOAH proceedings, and commission meeting schedules all affect this measure.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 80% and 85%)

Output Measures:

(KEY) Number of Complaints Resolved

Definition:	The total number of complaints resolved during the reporting period.
Purpose:	Measures the efficiency and effectiveness of the enforcement and complaint resolution process and investigative process.
Data Source	Data is derived from Texas Real Estate Commission's automated records. The Director of Standards & Enforcement Services is responsible for this measure. The data is stored in the Standards & Enforcement Services Division .
Methodology:	The total number of complaints during the reporting period upon which final action was taken by the commission or for which a determination is made that a violation did not occur, regardless of the period in which the complaint was received. A complaint that, after preliminary investigation, is determined to be non-jurisdictional is not a resolved complaint. Application Inquiries and Moral Character Determinations are not complaints for purposes of this measure. Cases entitled 'Request for More Information' and 'RSC Request for More Information' which are opened on the day received and the file is held open for pending receipt of said information are included in this measure. If the information is not received within 30 days then the case is closed as a failure of the complainant to prosecute the case, which is a valid and recognized resolution.
Data Limitation: :	Workloads, staffing and SOAH proceedings may affect this measure.

Calculation Type:	Cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 2,100 and 2,100)

Number of Orders Issued by the Commission

Definition:	The total number of orders issued by the Commission during the reporting period.
Purpose:	This measure indicates the number of complaints that require the issuance of orders by the Commission. These complaints generally indicate more serious violations of the Real Estate
Data Source:	Data is derived from Texas Real Estate Commission's automated records. The Director of Standards & Enforcement Services is responsible for this measure. The data is stored in the
Methodology:	This measure identifies the number of orders issued by the commission during the reporting period. This measure is comprised of orders issued by the commission as a result of an administrative hearing, such as a proposal for decision, or other matter brought before them for resolution or by an order executed by the administrator, including an agreed order, or default order. This measure includes orders regarding application and moral charac-
Data Limitation:	Types (degree of severity) of complaints may affect this measure.
Calculation Type:	Cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 200 and 200)

Efficiency Measures

(Key) Average Time for Complaint Resolution (Days)

Definition:	The average length of time to resolve a complaint, for all complaints resolved during the reporting period
Purpose:	Measures the efficiency and effectiveness of the enforcement and complaint resolution and investigative process.
Data Source:	Data is derived from Texas Real Estate Commission's automated records. The Director of Standards & Enforcement Services is responsible for this measure. The data is stored in the Standards & Enforcement Services Division.
Methodology:	The total number of calendar days per complaint resolved, summed for complaints resolved during the reporting period, that elapsed from the receipt of a request for agency intervention to the date upon which final action on the complaint was taken by the commission (numerator) divided by the number of complaints resolved during the reporting period (denominator). The calculation excludes complaints determined to be non-jurisdictional of the agency's statutory responsibilities.

Data Limitation:	The number of pending cases, complexity of the complaints, available staffing, Board meeting schedules, SOAH scheduling and reporting, and funding all may impact this measure.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	: Lower than Target (Targets for FY 2012 and 2013: 275 and 250)

Explanatory Measures

(Jurisdictional Complaints Received)

Definition:	The total number of complaints received or opened during the reporting period which are within the agency's jurisdiction of statutory responsibility.
Purpose:	This measure shows the number of jurisdictional complaints which helps determine agency workload.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The TALCB Director of Standards & Enforcement Services is responsible for this measure. Data is stored in TALCB's Standards & Enforcement Services Division.
Methodology:	The agency sums the total number of complaints received only relative to its jurisdiction. The agency keeps track of the total number of complaints that are not in their jurisdiction but does not use that figure in this calculation. Requests for Assistance are not included in this measure. Requests for Assistance reflect the work performed by TALCB as a result of the statutory requirement in HB 716 to assist law enforcement agencies investigating mortgage fraud cases
Data Limitation:	TREC does not control who files complaints or the type of complaints filed, and may only respond to written and signed complaints.
Calculation Type:	Cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 2,000 and 2,000)

Goal 03: To communicate effectively with the public and licensees

Output Measures:

(Key) Number of Calls Received

Definition:	The figure reflects all calls received at TREC headquarters, including local calls and calls received on toll-free telephone
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Purpose:	This measure indicates the information demand of the public and the real estate industry and the corresponding workload of TREC
Data Source:	Data is derived from the Commission's Call Management Software (CMS) which produces reports of incoming calls. The Director of Reception & Communication Services is responsible for this measure. Data is stored in the Director of Reception & Communication Services' office.
Methodology:	This measure identifies all calls received at TREC headquarters, including local calls and calls received on telephone lines.
Data Limitation:	Factors beyond the agency's control, such as answering questions about new laws, may affect this measure.
Calculation Type:	Cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 315,000 and 315,000)

Number of Inquiries Answered via E-mail

Definition:	The figure reflects all requests for information received by the Reception & Communications Division via e-mail which were responded to by return e-mail.
Purpose:	This measure indicates the information demand of the public and the real estate industry and the corresponding workload of TREC. It also reflects the shift from communication by telephone to e-mail.
Data Source:	The Director of Reception & Communications Services maintains a record on the total number of each e-mail response handled by Reception & Communications Services staff on inquires and requests for information. Records are kept in the office of the Director of Reception & Communications Services.
Methodology:	The e-mail application on the computers in the Reception & Communications Division provides a count of e-mails, which are filed electronically by fiscal year and by month. This includes responses from customer service responses.
Data Limitation:	Factors beyond the agency's control, such as current economic conditions or the need to answer questions about new laws, may affect this measure.
Calculation Type:	Cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 20,000 and 20,000)

Goal 04: Implement and Enforce TALCB and Standards Goal

Objective 01: Provide Sufficient Qualified Real Estate Appraisers Objective 01: Provide Sufficient

Outcome Measures:

(Key) Percent of Licensed Appraisers with No Recent Violations

Definition:	The percent of the total number of licensed, registered or certified individuals who have not incurred a violation within the current and preceding two years (three years total).
Purpose:	Licensing, registering, or certifying individuals helps ensure that practitioners meet legal standards for professional education and practice which is a primary agency goal. This measure is important because it indicates how effectively the agency's activities deter violations of professional standards established by statute and rule.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The TALCB Director of Standards and Enforcement is responsible for this measure. Data is stored in TALCB's Standards and Enforcement Division and in Versa, the agency's centralized database system. Data is also stored in Versa, the agency's centralized database system.
Methodology:	The total number of individuals currently licensed, registered, or certified by the agency who have not incurred a violation within the current and preceding two years (numerator) is divided by the total number of individuals currently licensed, registered, or certified by the agency (denominator). The numerator for this measure is calculated by subtracting the total number of licensees with violations during the three-year period from the total number of licensees at the end of the reporting period. The denominator is the total number of licensees at the end of the reporting period. The result is multiplied by 100 to achieve a percentage. The period included must be through the last date of the fiscal year being reported. The period goes back two full fiscal years from the beginning of the current fiscal year. (Example: FY 2012, inception date of report must be September 1, 2009.) This would include all of FY 2010, all of FY 2011 and all of FY 2012.
Data Limitation:	Economic conditions as well as federal and state legislation may sometimes impact the number of violations.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 99% and 99%)

(Key) Percent of Licensees Who Renew Online

Definition:	Percent of the total number of licensed, registered or certified individuals that renewed their license, registration, or certification online during the reporting period.
Purpose:	To track use of online renewal technology by the licensee population.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records which produce reports of online renewal transactions issued during the reporting period. The Director of Information & Technology Services is responsible for this measure. Data is stored in the Director of Information & Technology Services' office.
Methodology:	Total number of individual licenses, registrations, or certifications renewed online divided by the total number of corresponding licenses, registrations, or certifications renewed during the reporting period. The result is multiplied by 100 to achieve a percentage.
Data Limitation: :	Factors beyond the agency's control may affect this measure.

Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 70% and 75%)

Number of Orders Issued by the Commission

Definition:	The total number of orders issued by the Commission during the reporting period.
Purpose:	This measure indicates the number of complaints that require the issuance of orders by the Commission. These complaints generally indicate more serious violations of the Real Estate License Act.
Data Source:	Data is derived from Texas Real Estate Commission's automated records. The Director of Standards & Enforcement Services is responsible for this measure. The data is stored in the Standards & Enforcement Services Division.
Methodology:	This measure identifies the number of orders issued by the commission during the reporting period. This measure is comprised of orders issued by the commission as a result of an administrative hearing, such as a proposal for decision, or other matter brought before them for resolution or by an order executed by the administrator, including an agreed order, or default order. This measure includes orders regarding application and moral character determination cases as well.
Data Limitation:	Types (degree of severity) of complaints may affect this measure.
Calculation Type:	Cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 200 and 200)

Percent of New Licenses Issued Online

Definition:	The average length of time to resolve a complaint, for all complaints resolved during the reporting period.
Purpose:	To track use of online license issuance technology by the licensee population.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records which produce reports of online license issuance transactions issued during the reporting period. The Director of Information & Technology Services is responsible for this measure. Data is stored in the Director of Information & Technology Services' office.
Methodology:	Total number of new licenses, registrations, or certifications issued online divided by the total number of corresponding new licenses, registrations, or certifications issued during the
Data Limitation: :	Factors beyond the agency's control may affect this measure.

Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 25% and 50%)

Output Measures:

(Key) Number of New Licenses and Certifications Issued to Individuals

Definition:	The number of new licenses, certifications and registrations issued to previously unlicensed, uncertified, and unregistered individuals during the reporting period.
Purpose:	This measure provides data as to the number of individuals who are entering the appraisal profession or upgrading to a higher level of licensure.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the Education & Licensing Services Division.
Methodology:	Report the number of new licenses, certifications and registrations issued to previously unlicensed, uncertified, or unregistered individuals during the reporting period.
Data Limitation:	Economic conditions, federal requirements and other factors beyond the agency's control may affect the number of individuals desiring to enter the appraiser industry.
Calculation Type:	Cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 650 and 650)

(Key) Number of Licenses and Certifications Renewed (Individuals)

Definition:	The number of licenses, certifications and provisional licenses issued to appraisers renewing their licenses and certifications during the reporting period.
Purpose:	This measure provides data on the number of licenses issued during the reporting period to individuals who currently hold a valid license, certification, or registration who renewed timely and wish to remain in the appraiser profession.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the Education & Licensing Services Division.
Methodology:	This measure is calculated by querying the Texas Real Estate Commission's automated records to produce the total number of licenses issued to individuals who currently hold a valid license and renewed timely.
Data Limitation: :	Economic conditions, success as an appraiser, and other factors beyond the agency's control affect the renewal of appraiser certification and licensing.

Calculation Type:	Cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 3,000 and 3,000)

Efficiency Measures:

Percentage of New Individual Licenses Issued within 10 days

Definition:	The percentage of initial individual license applications that were processed during the reporting period within 10 days measured from the time in days elapsed from receipt of the initial completed application until the date the license is mailed.
Purpose:	This measures the ability of the agency to process new applications in a timely manner and its responsiveness to applicants.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the Education & Licensing Services Division.
Methodology:	This measure counts the number of days elapsed from the date each completed application is received by the agency until the license is issued to the individual. Examination requirements and required experience must be satisfied before an application is deemed complete. Any licenses issued after 10 days are noted. The number of completed applications where the license is issued within 10 days is divided by the total number of completed applications received to obtain a percentage. The result should be multiplied by 100 to achieve a percentage.
Data Limitation:	There are factors beyond the agency's control that would affect this measure. A system failure or other catastrophic occurrence could cause a delay in the issuance of licenses.
Calculation Type:	Non-Cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 90% and 90%)

Percent of Individual License Renewals Issued within 7 Days

Definition:	The percentage of individual license and certification renewals applications that were processed during the reporting period within seven days of when the application is complete.
Purpose:	This measure indicates the relative efficiency of the TALCB and its service to applicants.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the

Methodology:	This measure counts the number of days elapsed from the date each completed renewal application is received by the agency until the license, certification, or registration is issued to the individual. The counting of calendar days begins when the application is complete, not when it is received. The definition of "complete" is when all requirements for renewal have been met, including acceptable continuing education and all curative issues are resolved. Any licenses issued after 7 days are noted. The number of completed renewal applications where the licenses, certifications, or registrations are issued within 7 days is divided by the total number of completed applications received. The result is multiplied by 100 to achieve a percentage.
Data Limitation: :	There are factors beyond the agency's control that would affect this measure. A system failure or other catastrophic occurrence could cause a delay in the issuance of licenses.
Calculation Type:	Non-Cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 95% and 95%)

Explanatory Measures:

Total Number of Licenses, Certifications, or Registrations

Definition:	The total number of licenses, certifications, and registrations issued by TALCB.
Purpose:	This measure identifies the total number of appraiser licenses, certifications, and registrations currently issued.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. Data is stored in the Education & Licensing Services Division.
Methodology:	Report the total number of licenses, certifications, and registrations (General Certified, Residential Certified, State Licensed, Trainees, and Provisional Licenses, and Non-resident Registrations) issued by TALCB.
Data Limitation:	Economic conditions, federal requirements and other factors beyond the agency's control.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 6,500 and 6,500)

Goal 04: Implement and Enforce TALCB and Standards Goal

Objective 02: Resolve TALCB Complaints in a Timely Manner

Outcome Measures:

Percent of Complaints Resulting in Disciplinary Action

Definition:	The number of complaints which were resolved during the reporting period that resulted in disciplinary action.
Purpose:	This measure is intended to show the extent to which the agency exercises its disciplinary authority in proportion to the number of complaints received . It is important that both the public and licensees have an expectation that the agency will work to ensure fair and effective enforcement of the act and this measure seeks to indicate agency responsiveness to this expectation.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The TALCB Director of Standards & Enforcement Services is responsible for this measure. Data is stored in TALCB's Standards & Enforcement Services Division. Data is also stored in Versa, the agency's centralized database system.
Methodology:	The total number of complaints resolved during the reporting period that resulted in disciplinary action (numerator) is divided by the total number of complaints resolved during the reporting period (denominator). The result is multiplied by 100 to achieve a percentage. Disciplinary action includes agreed orders, reprimands, suspensions, probation, revocation, restitution, and/or administrative penalties agreed to by the licensee. Complaints determined to be non-jurisdictional and Requests for Assistance (RFA) are not resolved complaints for purposes of this measure. Requests for Assistance reflect the work performed by TALCB as a result of the statutory requirement in HB 716 to assist law enforcement agencies investigating mortgage fraud cases. Also, complaints resolved through deferred prosecution are not part of this measure.
Data Limitation:	Staffing, data sources and equipment availability, complexity of the complaints, mortgage fraud, legal representation by the respondent, SOAH findings, and Board action all affect this measure. Informal complaint resolution options and increased reporting due to mandatory reporting requirements under the Dodd-Frank Act and jurisdictional expansion over AMCs.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 40% and 40%)

Recidivism Rate for Those Receiving Disciplinary Action

Definition:	The number of repeat offenders as a percentage of all offenders during the most recent three-year period.
Purpose:	Measures the effectiveness of the enforcement process and of the penalties and sanctions imposed. It may also indicate if changes are needed.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The TALCB Director of Standards & Enforcement Services is responsible for this measure. Data is stored in TALCB's Standards & Enforcement Services Division. Data is also stored in Versa, the agency's centralized database system.
Methodology:	The number of individuals against whom two or more disciplinary actions were taken by the board within the current and preceding two fiscal years divided by the total number of individuals receiving disciplinary actions within the current and preceding two fiscal years . The result is multiplied by 100 to achieve a percentage. Non-jurisdictional complaints are not included in this calculation.

Data Limitation: :	Licensee integrity, honesty and education, economic conditions (mortgage fraud), receipt of written complaints, and investigation and board activity all impact this measure. Federal and state legislation may also impact the number of violations.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 26% and 28%)

(Key) Percent of Documented Complaints Resolved within 6 Months

Definition:	The percent of complaints resolved during the reporting period that were resolved within a six month period from the time they were initially received by the agency.
Purpose:	This measure is intended to show the percentage of complaints which are resolved within a reasonable period of time as well as the effectiveness and efficiency of the enforcement and complaint resolution process.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The TALCB Director of Standards & Enforcement Services is responsible for this measure. Data is stored in TALCB's Standards & Enforcement Services Division. Data is also stored in Ver-sa, the agency's centralized database system.
Methodology:	The number of complaints resolved within a period of six months or less from the date of receipt (numerator) is divided by the total number of complaints resolved during the reporting period (denominator). The result should be multiplied by 100 to achieve a percentage. Complaints determined to be non-jurisdictional and Requests for Assistance (RFA) are not resolved complaints for purposes of this measure. Requests for Assistance reflect the work performed by TALCB as a result of the statutory requirement in HB 716 to assist law enforcement agencies investigating mortgage fraud cases.
Data Limitation:	Workloads and staffing levels, complexity of the complaints, SOAH proceedings, board meeting schedules, and Peer Investigative Committees all affect this measure. Also, federal and state legislation may also impact the number of violations.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 35% and 40%)

Output Measures:

(Key) Number of Complaints Resolved

Definition:	The total number of complaints resolved during the reporting period.
Purpose:	Measures the efficiency and effectiveness of the enforcement and complaint resolution process and investigative process.

Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The TALCB Director of Standards & Enforcement Services is responsible for this measure. Data is
Methodology:	The total number of complaints during the reporting period upon which final action was taken by the board or for which a determination is made that a violation did not occur, regardless of the period in which the complaint was received. Complaints determined to be non-jurisdictional and Requests for Assistance (RFA) are not resolved complaints for purposes of this measure. Requests for Assistance reflect the work performed by TALCB as a result of the statutory requirement in HB 716 to assist law enforcement agencies investigat-
Data Limitation:	Workloads and staffing levels, complexity of the complaints, SOAH proceedings, board
Calculation Type:	Cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 350 and 360)

Number of Requests for Assistance Completed

Definition:	The total number of requests for assistance completed by TALCB staff during the reporting
Purpose:	This measure shows the workload associated with requests for assistance.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The TALCB Director of Standards & Enforcement Services is responsible for this measure. Data is
Methodology:	The total number of requests for assistance during the reporting period that were completed by TALCB staff regardless of the period in which an associated regulatory complaint was
Data Limitation:	The total number of requests for assistance received and available staff affect this measure.
Calculation Type:	Cumulative
New Measure:	No
Desired Performance:	Higher that Target (Targets for FY 2012 and 2013: 20 and 20)

Efficiency Measures:

(Key) Average Time for Complaint Resolution (Days)

Definition:	The average length of time to resolve a complaint, for complaints resolved during the re-
Purpose:	Measures the efficiency and effectiveness of the enforcement and complaint resolution and

Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The TALCB Director of Standards & Enforcement Services is responsible for this measure. Data is stored in TALCB's Standards & Enforcement Services Division.
Methodology:	The total number of calendar days per complaint resolved, summed for complaints resolved during the reporting period, that elapsed from the receipt of a request for agency intervention to the date upon which final action on the complaint was taken by the commission (numerator) divided by the number of complaints resolved during the reporting period (denominator). The calculation excludes complaints determined to be non-jurisdictional of the agency's statutory responsibilities.
Data Limitation:	The number of pending cases, complexity of the complaints, available staffing, Board meeting schedules, SOAH scheduling and reporting, and funding all may impact this measure.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Lower than Target (Targets for FY 2012 and 2013: 275 and 250)

Explanatory Measures

Jurisdictional Complaints Received

Definition:	The total number of complaints received or opened during the reporting period which are within the agency's jurisdiction of statutory responsibility.
Purpose:	This measure shows the number of jurisdictional complaints which helps determine agency workload.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The TALCB Director of Standards & Enforcement Services is responsible for this measure. Data is stored in TALCB's Standards & Enforcement Services Division.
Methodology:	The agency sums the total number of complaints received only relative to its jurisdiction. The agency keeps track of the total number of complaints that are not in their jurisdiction but does not use that figure in this calculation. Requests for Assistance are not included in this measure. Requests for Assistance reflect the work performed by TALCB as a result of the statutory requirement in HB 716 to assist law enforcement agencies investigating mortgage fraud cases
Data Limitation:	TALCB does not control who files complaints or the type of complaints filed, and may only respond to written and signed complaints.
Calculation Type:	Cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for FY 2012 and 2013: 400 and 500)

APPENDIX E

Texas Real Estate Commission and Texas Appraiser Licensing and Certification Board

Fiscal Year 2013-2017 Workforce Plan

I. Agency Overview

With the advent of the GI Bill providing unprecedented education opportunities for a new generation and the VA Home Loan Guaranty program enabling home mortgage loans with a federal insurance feature, the nation dramatically shifted to a substantial increase in home-ownership potential after World War II. Created in 1949 to respond to this trend, the Texas Real Estate Commission (TREC) administers four laws: Texas Occupations Code, Chapter 1101, the Real Estate License Act; Texas Occupations Code, Chapter 1102, Real Estate Inspectors; Texas Occupations Code, Chapter 1303, Residential Service Companies; and Texas Property Code, Chapter 221, Texas Timeshare Act. TREC is the state's regulatory agency for:

The Texas Appraiser Licensing and Certification Board (TALCB) was created in 1991 to enable Texas to operate a program for the licensing and oversight of licensed and certified appraisals pursuant to Title XI of the Financial Institutions Regulatory Reform and Enforcement Act (FIRREA). The Board serves as an independent subdivision of the Texas Real Estate Commission with independent rulemaking and disciplinary authority. The main functions of TALCB are to license, register, and certify real estate appraisers in conformity with state law and federal requirements and to administer the Act in the interests of the public. The enabling statutes for TALCB are the Texas Occupations Code, Chapter 1103, the Texas Appraiser Licensing and Certification Act and Texas Occupations Code, Chapter 1104, the Appraisal Management Company Registration and Regulation Act.

- real estate brokers and salespersons
- real estate inspectors
- real estate appraisers
- appraisal management companies
- education providers for real estate and inspection courses
- residential service companies
- timeshare developers
- easement or right-of-way agents

The agency's mission is carried out through broad regulatory functions that include issuing licenses, registrations and certificates and related activities; investigating and resolving complaints; participating in administrative disciplinary actions against license holders and others who may violate any of the laws under its jurisdiction; overseeing aspects of real estate education, including the registration of real estate providers, instructors and courses for both pre-licensure and continuing education; and communicating regularly with licensees and the general public to educate them about the many programs administered by the agency.

The agency's main office is located in Austin, Texas. Eight investigators located throughout the state assist in the TREC Standards & Enforcement Services Division. The Commission currently has 106 authorized full time equivalent (FTE) employees, a reduction of 4.5 FTEs from FY 2009. One hundred percent of the funds needed to finance the agency's activities come from fees paid by licensees.

A. Agency Mission and Philosophy

The agency exists to safeguard the public interest and protect consumers of real estate services. In accord with state and federal laws, the agency oversees real estate brokerage, appraisal, inspection, home warranty and timeshare interest providers. Through education, licensing and regulation, the agency ensures the availability of qualified and ethical service providers, thereby facilitating economic growth and opportunity in Texas.

To achieve its mission, the agency embraces these core values:

- Provide exceptional customer service that is accessible, responsive and transparent;
- Demand integrity, accountability and high standards, both of licensees and ourselves;
- Strive continuously for excellence and efficiency.

B. Strategic Goals and Objectives

The Texas Real Estate Commission has three main goals and the Texas Appraiser Licensing and Certification Board has a distinct primary goal:

Ensure Standards

Objective To maintain procedures through 2017 to evaluate applicants for honesty, integrity, trustworthiness, competency, and legal qualifications through education evaluation, requirement of continuing education, and criminal history background checks.

Strategies Perform the Commission's licensing function by:
Reviewing applications
Issuing exam eligibility letters
Evaluating education
Processing criminal history background checks
Issuing licenses

Enforce TREC Regulations

Objective To resolve 85 percent of documented complaints within six months by 2017.

Strategies Administer an effective system of enforcement and adjudication which includes investigating and resolving valid complaints.

Communicate Effectively

Objective To maintain a communications center which is available via telephone ten hours daily Monday through Friday and responds to inquiries emails promptly, produce a minimum of eight newsletters annually, and maintain a website that provides clear, concise information through 2017.

Strategies Maintain a communications center which responds to inquiries via telephone and email promptly, produce newsletters, provide an informative website and maintain an online customer survey.

Implement and Enforce TALCB Standards & Regulations

Objective To maintain procedures to evaluate applicants for honesty, integrity, trustworthiness, competency and legal qualifications to ensure qualified real estate appraisers through 2015.

Strategies Perform the Board's licensing function by:
Processing appraiser license applications
Issue licenses, certifications, registrations and renewals
Approve appraisal educational coursework
Develop standards and agreements for reciprocity with other states for licensing and certification

Objective eeToEnforce the provisions of the Texas Appraiser Licensing and Certification Act and the Uniform Standards of Professional Appraisal Practice and the Texas Appraisal Management Company Registration and Regulation Act by resolving 50 percent of complaints within six months by August 31, 2017.

Strategies Investigate and resolve complaints & failures of Uniform Standards of Professional Appraisal Practice (USPAP) standards
Impose Penalties as Appropriate

C. Core Business Functions

The agency licenses and regulates real estate brokers, salespersons, home inspectors, appraisers, appraisal management companies, easement or right-of-way agents. It also regulates timeshare projects and residential service companies. Its core functions are to issue licenses, registrations and certificates; and to accept and process complaints from consumers against persons regulated by the agency.

D. Anticipated Changes in Strategies

Based on information gathered during the strategic planning process that included feedback from persons subject to the agency's jurisdiction as well as the general public, a number of strengths and weaknesses were identified. The agency's strengths with respect to workforce planning include:

- a set of deeply held core values founded on consumer protection and effective personal service;
- the knowledge, experience, and dedication of an exceptional staff;
- policies, processes, and procedures which have been developed over many years and have come to be accepted by its licensees; and
- open channels of communication with its stakeholders.

The agency's weaknesses include:

- a dedicated commitment to personalized service, which is of tremendous value when it can be achieved without compromising efficiency, but now is undergoing review as the Commission and the Board strive to become more efficient in order to meet high stakeholder expectations;
- staffing that does not include many of the "support" functions one would expect to find in an agency overseeing such a large and important fields of activity, such as a staff training function to enhance increasing technical requirements of the agency, a robust staff development effort led by the Human Resources function, and a consumer outreach and education function;
- highly detailed historic processes which require the full-time involvement of management in variables arising in day-to-day operations, meaning that strategic initiatives, ongoing process improvements, and similar efficiency measures may be given lower priority than they merit; and
- in the areas of the TALCB Standards & Enforcement Services Division, Information & Technology, and the Reception & Communications Services Division, the adequacy of appropriately skilled staff. The issue of adequacy involves primarily the skill levels of qualified individuals appropriated to carry out differing duties, and the ability to pay enough to attract and retain those individuals who possess the skills and knowledge that are essential tools for change.

II. Current Workforce Profile (Supply Analysis)

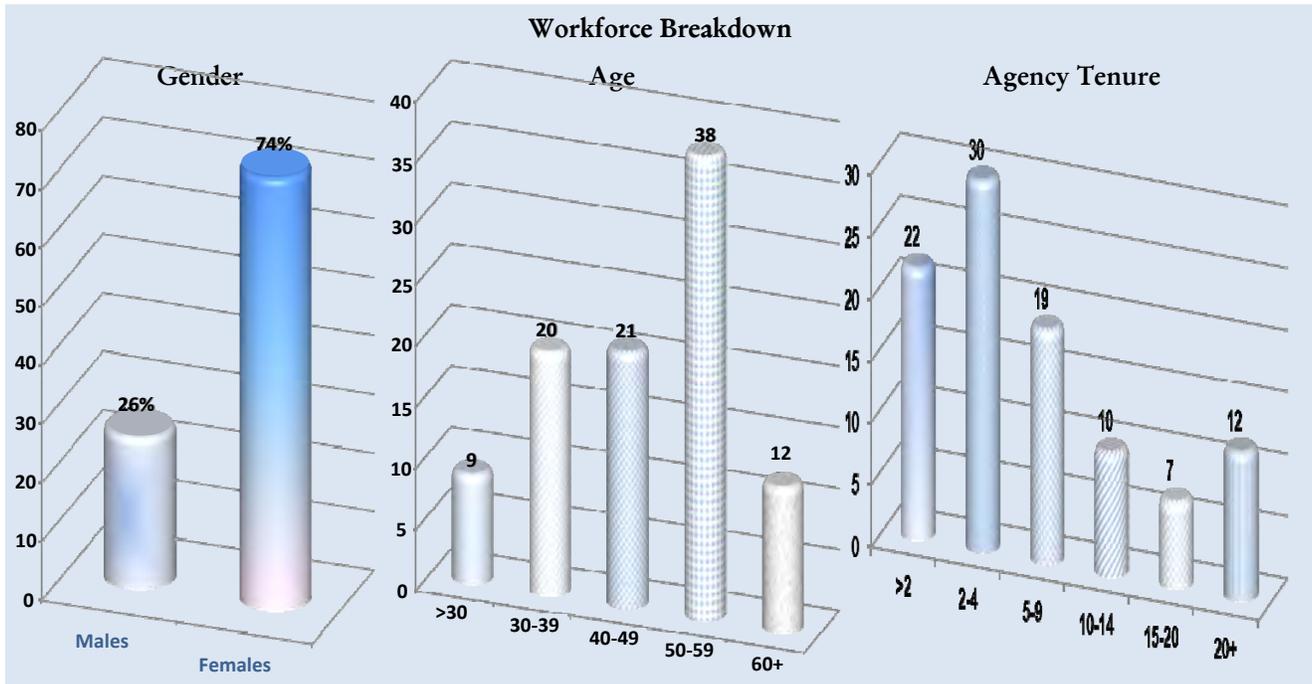
A. Critical Workforce Skills

Staff must possess the following critical skills in order to provide basic business functions successfully, in no particular order:

Regulatory processes understanding and experience
External customer service/communications
Conducting comprehensive and detailed investigations
Interpreting and applying legal statutes and rules
Familiarity with administrative law processes
Litigation and alternative dispute resolution experience
Information systems development, programming and maintenance
Internet systems development and maintenance
Technology network support
Computer data center operations support
Rapid and accurate data entry
Clerical, including administrative support
Computer systems operations literacy
Government and corporate accounting
Government purchasing processes
Human resources planning, recruitment and training Mail and funds processing
Educational curricula development and evaluation
Agency organizational effectiveness and strategic planning
Effective public presentations
Public relations management
Inter-governmental relations management

B. Workforce Demographics

The following chart profiles the agency’s workforce as of August 31, 2011 and includes both full-time and part-time employees. The agency’s workforce is comprised of 74% females and 26% males. Approximately 72% of employees are over age 40. Almost 48% have more than five years of agency service .

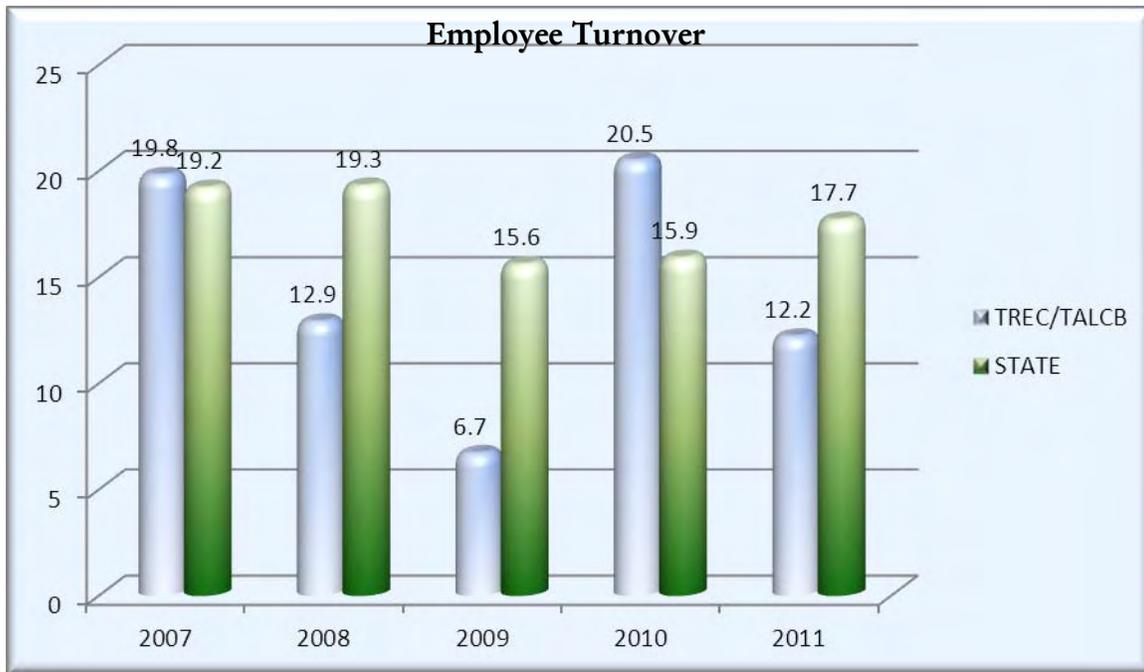


The following table compares the percentage of African American, Hispanic and Female agency employees (as of August 31, 2011) to the statewide civilian workforce, as reported by the Texas Commission on Human Rights. The agency's minority staffing patterns deviate only slightly from the minority staffing patterns in the state. Any major deviations will be addressed in the recruiting process.

Characteristics of Agency Employees to Texas Civilian Workforce						
Job Category	African-American		Hispanic		Female	
	State %	Agency %	State %	Agency %	State %	Agency %
Administration	8%	11%	15%	22%	39%	67%
Professional	10%	9%	20%	9%	55%	57%
Technical	14%	0%	26%	0%	56%	0%
Para-Professional	14%	15%	30%	27%	40%	98%
Administrative Support	13%	46%	32%	18%	66%	82%

C. Employee Turnover

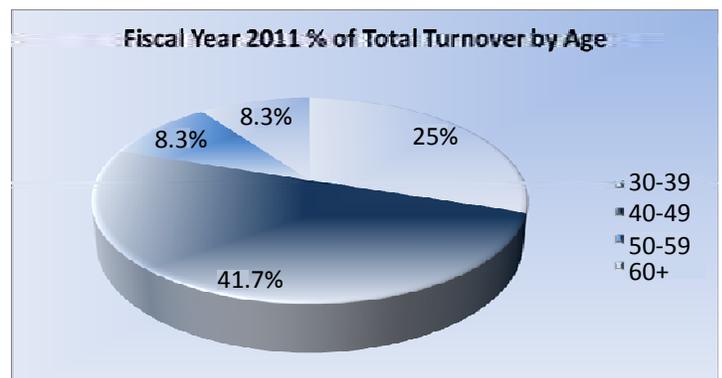
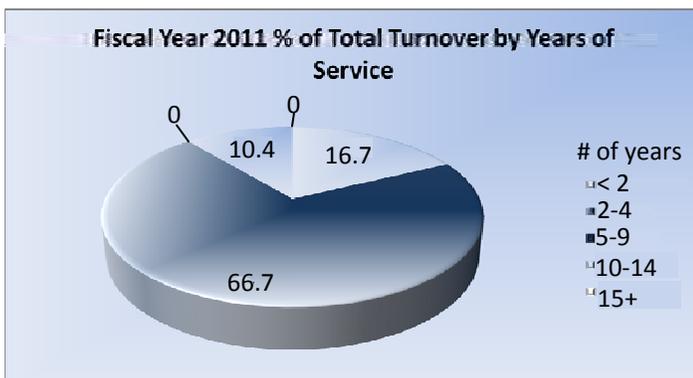
Turnover is an important issue in any organization, and this agency is no exception. The biggest workforce challenge facing the agency is the retention of qualified and experienced staff. The major cause of staff turnover has been employees leaving the agency for more lucrative positions within state government. The agency's turnover has not occurred in any particular occupational class. The turnover in the TREC Standards & Enforcement Services Division has affected the agency the most. The following graph compares the average percentage of agency turnover to the state as a whole.



During the last five years the agency has seen an improvement in turnover from 19.8% in FY 2007 to 12.2% in FY 2011. The only aberration was due to budget-cut layoffs in FY2010. Based on the turnover rate from the last five years, the projected employee turnover rate for the next five years will be 14%.

D. Retirement Eligibility

Currently 13.2% of the agency's workforce is eligible to retire. An additional 4.7% will be eligible to retire in the next two years. With the retirement of these employees the agency will lose institutional knowledge and expertise.



The greatest area of turnover is with employees with less than four years of experience. An average of 67% of the agency's employees who entered the agency in FY 07-09 did not make it to 4 years of tenure.

The Agency's turnover is higher in the 40-49 and 30-39 age groups

III. Future Workforce Profile (Demand Analysis)

Technology innovation is driving business practice changes in the professions licensed by the agency. More effective communication methods provide better monitoring and oversight of day-to-day activities, allowing branch offices to be established far from the main office of experienced practitioners. Many transactions engaged in by license holders are allowed, and often even required, to deliver services by electronic means across vast information networks in rapid and secure formats. It is a legitimate expectation of the licensee communities and of the consuming public using the services that the agency which oversees and regulates these service providers will not only understand the implications of these changes, but will also enact rules and protections that reflect them.

The days of paper transactions and massive clerical data entry are behind us. The present and the future will be one characterized by customer maintained data, rapid and reliable electronic communications, and service delivery. These changing demands for licensing, enforcement, and communicating with license holders and with the public regarding the license holders within the real estate industry subject to the agency's jurisdiction call for the following changes in TREC and TALCB's future workforce:

A. Critical Functions

- Advanced technical skills in computer and web based application development
- Enforcement legal skills, especially in mediation and alternative dispute resolution
- Education curriculum standards development and evaluation
- External communications, especially in outreach and education of consumers and other government agencies

B. Expected Workforce Changes

Given the agency's strategic plan priorities, it is anticipated that the workforce will require the replacement of retiring workers with other FTEs in the areas of Information & Technology Services, TREC and TALCB Standards & Enforcement Services, and Education & Licensing Services. As funding develops over time, the agency will seek to upgrade these FTEs to the required appropriate professional skill levels.

C. Anticipated increase/decrease in number of employees needed to do the work

Note: No increase in FTEs is anticipated, but funds need to be identified to reclassify and upgrade positions over time. Some funds may come from reducing specific positions based on lack of need as efficiency gains are realized.

D. Future Workforce Skills Needed

- Technical skills with computers and web based service delivery systems
- Excellent oral and writing skills for external communications with consumers
- Improved customer service skills for effective handling of inquiries and complaints
- Legal expertise especially in alternative dispute resolution methodologies

E. Outsourcing

The subject of outsourcing is always appropriate as a tool for exploring efficiencies or as a means to quickly access needed skills until an effective internal capacity is developed. It has been suggested that TALCB explore the concept of contracting with private appraisers as an alternative to or in conjunction with the hiring of additional staff as a means by which to promptly resolve complaint cases in the Standards & Enforcement Services Division. The revitalization of the Peer Investigative Committee function has allowed TALCB SES to access this talent currently on a volunteer basis. Additional FTEs were hired to handle AMC regulatory matters. However, if the pace of complaints rises beyond staff's ability to manage effectively, the agency may have to consider outsourcing some investigation reports on a fee basis. Other suggestions involve the outsourcing of certain aspects of information technology services, which the agency will continue to explore in connection with the future development of its core operating database system and website.

IV. Gap Analysis

Anticipated Surplus or Shortage of Workers or Skills

Given the agency's current priorities and goals, the agency has been successful in recruiting and hiring qualified employees in professional and administrative positions. There is, despite an improving trend, still an ongoing concern regarding turnover and retention. Similarly, an analysis of TREC and TALCB's 2013-2017 Strategic Plan reflects a gap in professional skills necessary to address the agency's critical functions and FTEs. The agency is struggling in a resource limited environment to upgrade positions from low-level administrative positions to a higher-level information

and technology skilled workforce. Some progress has been made in the past year since SDSI status to upgrade some positions, but more training needs to be done. No additional FTEs are needed, but additional funds must be identified to reclassify and upgrade existing FTEs over time.

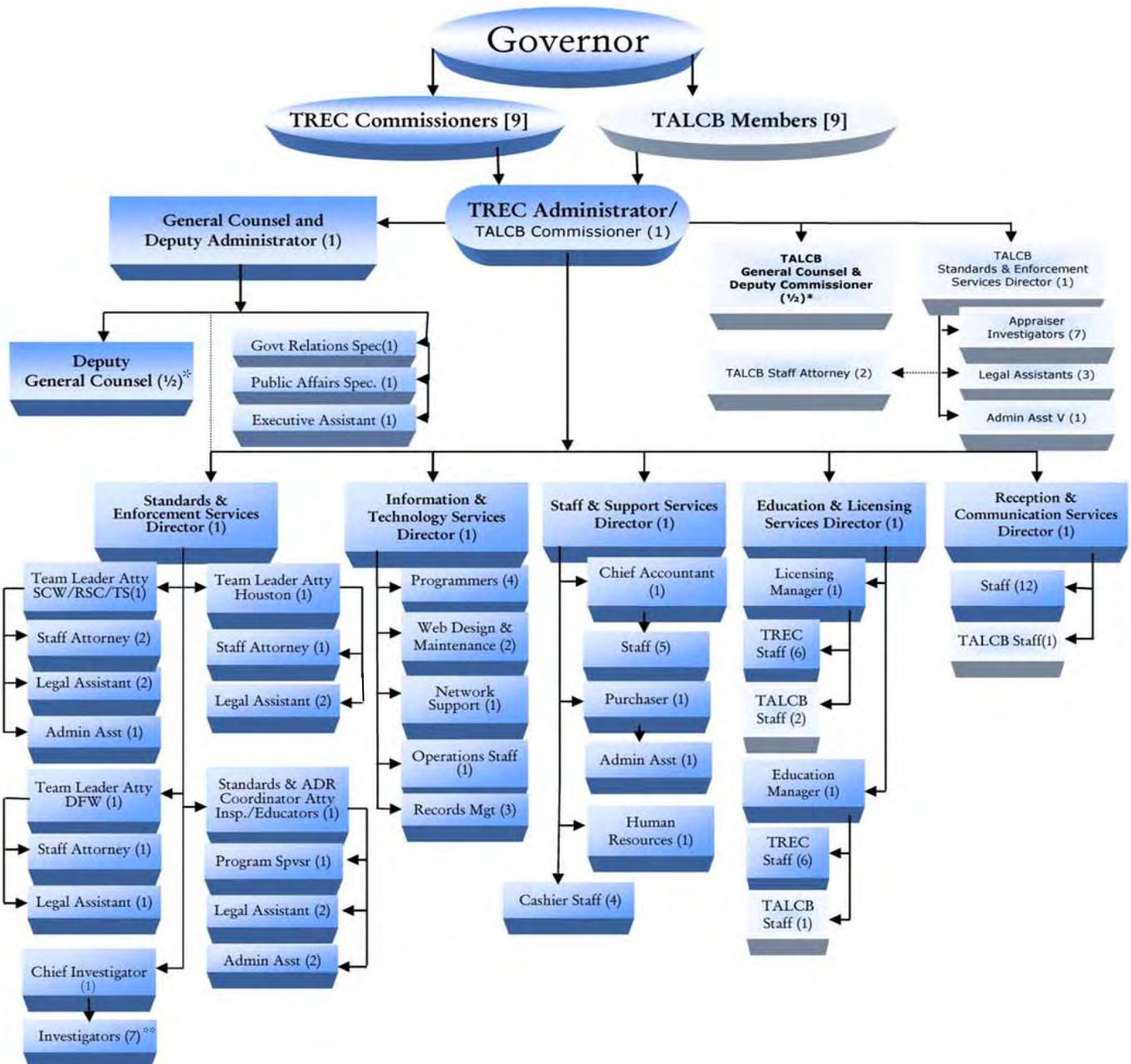
The primary concerns articulated by the public and the regulated industry address the agency’s ability to communicate effectively with its stakeholders and to promptly and effectively resolve complaints filed with both TREC and TALCB. To the first issue, the agency has hired Public Affairs and Government Affairs Specialists to focus primarily on stakeholder and inter-governmental relations. On the latter, the agency has emphasized mediation training and skills in hiring new attorneys in the TREC SES division when openings occur. The agency will focus some additional resources in these two vital areas to ensure continued progress is made.

V. Strategy Development

In order to address the deficits between the current workforce and future demands, the agency has developed several goals for the current workforce plan. These are based on a range of factors identified by analyzing the agency and its workforce. Future workforce requirements can be grouped into two key areas, both limited by available funding. .

Gap	The agency does not have a sufficient funding for the number of higher skilled FTEs needed to address all strategic planning priorities.
Goal	Develop funding to provide training to current staff and upgrade of positions as workload adapts to require higher skills.
Rationale	Given current workloads, ensure higher value tasks are prioritized over others to more effectively deliver priorities articulated in the agency’s 2013-
Action Steps	Identify specific skills required to support higher value functions. Determine fees needed to cover the costs of providing the services to beneficiaries under the program. Request fee increases sufficient to cover program administration costs.
Gap	Continued difficulty in recruitment and retention of new and existing staff
Goal	Retain qualified and experienced staff to ensure excellent customer service.
Rationale	Although the agency’s turnover has been reduced over 5 years, turnover remains an issue for the agency. A major cause of this turnover has been employees leaving the agency for better paid positions both within state government and in the corporate arena.
Action Steps	Ensure sufficient funding is available for staffing issues to be reduced. Hire new staff at the first quartile salary level rather than at the minimum for the position. Increase staff education and development resources to allow staff members to receive critical skill and career enhancement training. Where appropriate, give permanent merit raises annually based on key performance criteria.

TREC/TALCB Organization Chart



* TREC Deputy General Counsel/TALCB General Counsel & Deputy Commissioner positions are held by same person
 ** Investigators are assigned to work with one or more of the four geographic and topic area teams

APPENDIX F
Texas Real Estate Commission and Texas Appraiser Licensing and Certification Board
REPORT ON CUSTOMER SERVICE

The agency considers feedback from customers on agency service levels to be of crucial importance to identifying opportunities for improvement. The Customer Service Survey is available to all identified customer groups and to the general public. Below is a snapshot of the survey that is available via the Texas Real Estate Commission (TREC) and Texas Appraiser Licensing and Certification Board (TALCB) websites:

TREC/TALCB Customer Service Survey and Comments

Background Information	
In the box below choose the option that best describes your relationship with this agency.	
<ul style="list-style-type: none">Real Estate SalespersonReal Estate BrokerReal Estate AppraiserReal Estate InspectorEducation Provider or InstructorResidential Service CompanyTimeshare DeveloperEasement Or Right-of-Way AgentBuyer or Seller of Real EstateReal Estate Services IndustryMortgage Lending IndustryOther	
How many times have you had contact (including filing for license/renewal) with agency staff in the past 12 months? Please check only one.	<input checked="" type="radio"/> One time <input type="radio"/> Two to five times <input type="radio"/> More than five times

<p>What was the purpose of your most recent contact with the agency? Please check all that apply.</p>	<input type="checkbox"/> License Application Status <input type="checkbox"/> License Renewal Information <input type="checkbox"/> File or Respond to Complaint Against Licensee <input type="checkbox"/> Obtain Forms/Publications <input type="checkbox"/> Name/Address Change <input type="checkbox"/> Public Information About Real Estate Laws <input type="checkbox"/> Problem Dealing With Agency <input type="checkbox"/> Open Records Request <input type="checkbox"/> Inquiry About Obtaining a License <input type="checkbox"/> Interpretation of Law or Rules <input type="checkbox"/> Other
<p>Staff and Communication</p>	
<p><i>Please rate our service in each of these topic areas based on your experience communicating with the agency. Skip a section if it does not apply.</i></p>	
<p>Communications</p>	<input type="text"/> Quality of written materials <input type="text"/> Telephone assistance (e.g. time on hold, call transfers) <input type="text"/> Email assistance (e.g. time to receive email response)
<p>Customer Service Process</p>	<input type="text"/> Ease of filing a complaint <input type="text"/> Ease of bringing concerns to the agency
<p>Timeliness of Response</p>	<input type="text"/> Waiting time in person <input type="text"/> Waiting time by letter <input type="text"/> Waiting time by email <input type="text"/> Waiting time by phone
<p>Resolution of Customer Request</p>	<input type="text"/> Adequacy/Appropriateness <input type="text"/> Explanation of Resolution
<p>Staff</p>	<input type="text"/> Knowledge <input type="text"/> Courtesy <input type="text"/> Follow-through

Facilities	
If you have visited or attempted to visit the agency in person, please rate the items to the right.	<input type="text"/> Signage
	<input type="text"/> Accessibility
	<input type="text"/> Cleanliness
Website	
General Usefulness of Website	<input type="text"/> Ease of finding information
	<input type="text"/> Quality of Information
Comments About Agency Website:	
Please give us any positive or negative comments here about this website. For example, if something is too hard to find, we'd like to know.	
<input type="text"/>	
Additional Comments Regarding this agency	
Please tell us about other issues that may help us serve you better. If you would like to share your experience about a particular employee of this agency, please provide that information below.	
<input type="text"/>	
Response Requested	
If you provided comments and would like a response, please provide your name and information for one of the contact methods below so we can respond.	
Name <input type="text"/>	
AND at least one of these: Email address <input type="text"/>	
AND/OR Area Code & Phone Number (<input type="text"/>) <input type="text"/>	
<input type="button" value="Submit Survey"/>	

The drop down arrows allow consumers to describe a specific service as “excellent, good, fair or poor.” Once consumers hit the “submit survey” button, the Reception & Communication Services (RCS) Division responds directly and individually to any comments, questions or concerns and the Information & Technology Services Division catalogues the responses to be able to run reports on specific data. In addition to the Customer Service Survey, the agency provides the following types of services:

- responding to telephone, email and walk-in inquiries;
- issuing new and renewal licenses;
- accrediting real estate education providers;
- approving real estate instructor and course content;
- handling written complaints;
- prosecuting administrative hearings;
- monitoring residential service companies and timeshare registrations;
- providing comprehensive public access to information via electronic mail list server, and Internet access;
- processing original and renewal licenses online; and
- providing information through public presentations and news releases and posting information on the What’s New section of the website.

Customer service is a main part of the agency’s focus in the Compact with Texans. Currently, TALCB and TREC have separate Compacts with Texans, but as part of the agency’s integration, a new combined agency Compact with Texans is being drafted and will be sent to the Governor’s Office of Budget and Planning and the Legislative Budget Board for approval. The new Compact will focus on not just customer service, but on other results and opportunities for improvement as well.

For the FY 2011-2012 biennium, responses to the Customer Service Survey were generally favorable with respect to communicating in person, but questions relating to communicating with the agency by telephone elicited neutral to poor responses indicating a difficulty in getting through and a seemingly constant lengthy hold time. To address this concern, an additional staff member has been added to the RCS Division. This will improve the call hold time and the number of calls that are handled each day.

1) TREC's inventory of external customers

Advisory Committee Members/ Board Members/ Commission Members
Appraisal Management Companies
Appraisers
Easement and Right of Way Licensees
Education Providers and Schools
Home Warranty Companies
Individuals Seeking Licenses
Inspector Licensees
Legislature
Public/Consumers
Real Estate Brokers and Sales People
Timeshare Developers and Projects
Consumers of Real Estate related services
Areas of Real Estate Industry not regulated by TREC
Other

Types of services provided to customers

Responding to telephone and other inquiries
Issuing new and renewal licenses
Accrediting real estate education providers
Approving real estate instructor and course content
Handling written complaints
Prosecuting administrative hearings
Monitoring residential service companies and timeshare registrations
Providing comprehensive public access to information via electronic mail list server, and Internet access
Processing original and renewal licenses via Internet access
Constituent relations for legislators and staff
Providing consumer protection, education and access to information about the commission and our license holders via our website, news releases and newsletters.
Legislative and rulemaking interpretation. Communication of changing rules and laws to license holders and public.

2) Information-gathering methods

TREC's customer survey is available online at TREC's website and in person at TREC headquarters.

TREC's customer survey form is designed to collect customer satisfaction feedback on seven customer service quality elements:

Facilities
Staff
Communications
Internet website
Complaint-handling process
Service timeliness
Printed information

Customer Service Survey Results

3) Chart of customer- determined service quality 09/01/2010 thru 8/31/2011

Responses by Relationship to TREC	FY 2010		FY 2011	
	# of Responses	% of Total	# of Responses	% of Total
R.E. Salesperson	2587	63.8%	3061	59.0%
R.E. Broker	1104	27.2%	1483	28.6%
R.E. Appraiser	208	6.5%	287	5.5%
R.E. Inspector	24	0.6%	83	1.6%
Education Provider or Instructor	5	0.1%	9	.2%
Residential Service Company	1	0.0%	2	.0%
Timeshare Developer	0	1.1%	0	.0%
Easement or Right-of-Way Agent	6	0.1%	28	.5%
Buyer or Seller of Real Estate	7	0.2%	22	.4%
Real Estate Services Industry	5	0.1%	11	.2%
Mortgage Lending Industry	1	0.0%	2	.0%
Other	88	2.2%	179	3.4%

Number of Contacts with TREC	FY 2010		FY 2011	
	# of Responses	% of Total	# of Responses	% of Total
One Time	2425	59.8%	2668	51.4%
Two to Five Times	1432	36.3%	1811	34.9%
More Than Five Times	196	4.8%	710	13.7%
Source of Responses				
Web-based Survey (w)	4053	100%	5189	100%

Purpose of Contact	# of Responses	% of Total	# of Responses	% of Total
License Application Status	833	20.6%	1143	22.0%
License Renewal Information	2741	67.6%	3375	65.0%
File or Respond to Complaint Against Licensee	27	0.7%	51	1.0%
Obtain Forms/Publications	257	6.3%	241	4.6%
Name/Address Change	149	3.7%	216	4.2%
Public Information About Real Estate Laws	81	2.0%	80	1.5%
Problems Dealing with Agency	21	0.5%	125	2.4%
Open Records Request	14	0.3%	16	.3%
Inquiry About Obtaining a License	383	9.4%	381	7.3%
Interpretation of Law or Rules	139	3.4%	133	2.6%
Other	428	10.6%	741	14.3%

Communication	Excellent	Good	Fair	Poor
Quality of Written Materials	42.0%	30.5%	10.7%	16.8%
Telephone Assistance	30.1%	18.3%	6.3%	45.3%
Email Assistance	30.5%	19.2%	7.5%	42.8%

Customer Service Process	Excellent	Good	Fair	Poor
Access to Toll-Free Number	30.1%	18.3%	6.3%	45.3%
Ease of Filing a Complaint	22.2%	20.9%	10.7%	46.3%
Ease of Bringing Concerns	20.2%	15.1%	7.0%	57.7%

Timeliness of Response	Excellent	Good	Fair	Poor
Waiting Time in Person	36.0%	23.3%	6.6%	34.2%
Waiting Time by Letter	26.1%	22.5%	11.9%	39.6%
Waiting Time by E-mail	28.7%	15.4%	6.3%	49.6%
Waiting Time by Phone	23.1%	18.7%	7.7%	50.5%

Resolution of Customer Request	Excellent	Good	Fair	Poor
Adequacy/Appropriateness	40.6%	18.7%	6.1%	34.6%
Explanation of Resolution	36.0%	18.9%	6.8%	38.3%

Facility	Excellent	Good	Fair	Poor
Signage	34.4%	37.1%	15.7%	12.8%
Accessibility	37.4%	40.3%	9.5%	12.8%
Cleanliness	43.6%	38.8%	8.6%	9.0%

Web Site	Excellent	Good	Fair	Poor
Ease of Finding Information	38.5%	29.1%	13.2%	19.1%
Quality of Information	40.9%	30.3%	11.1%	17.7%

4) Analysis of customer service survey response

For the FY 2010-2011 biennium responses to the Customer Service Survey were generally favorable with respect to written communications; however questions relating to communicating with the agency by telephone elicited neutral to poor responses indicating difficulty in getting through or a seemingly constant busy signal. To address this concern the agency increased the number of phone lines from fourteen to thirty and hired an additional person in Reception and Communications Services to answer emails and provide personal service at the reception desk, so that remaining staff can concentrate on answering telephone calls.

Responses to questions about the website were generally favorable.. To continue to provide strong customer service in this arena, a task force of senior staff is currently working with a website analyst to determine web task prioritization, expand website services and overhaul the website infrastructure. A position has been created in Information and Technology Services for a person whose primary responsibility will be website planning, design and management.. It is anticipated that this position will be filled by the end of summer 2012.

5) Performance measure related to customer service standards and customer satisfaction

Communications	FY 2010	FY 2011
Outcome Measures		
% of surveyed customer respondents expressing overall satisfaction with services received (excellent/good/fair)	95.6%	67.4%
% of surveyed customer respondents identifying ways to improve service delivery (poor)	4.4%	32.6%
Output Measures		
Number of customers surveyed	3177	2012
Number of customers served	149,584	144,446
Number of phone calls received	220,924	267,358
Number of electronic contacts received	33,382,945	34,423,530
Efficiency Measures		
Cost per customer surveyed	0.00	0.00
Explanatory Measures		
Number of customers identified	149,584	144,446
Number of customer groups inventoried	15	15
Licensing		
Efficiency Measures		
Average time for individual license issuance	32.97	79.6
% of new individual licenses within 10 days	97.25	6.93
% of individual license renewals with 7 days	97.77	19.93
Explanatory Measures		
Total # of programs/schools licensed	365	375
Total # of individuals licensed	149,584	144,446
Enforcement		
Outcome Measures		
% of documented complaints resolved within 6 months	60.69	56.43
Output Measures		
# of complaints resolved	2,022	2,222
Efficiency Measures		
Average time for complaint resolution	238	228
Explanatory Measures		
Jurisdictional complaints	2,472	1,639

APPENDIX G
Survey of Employee Engagement
Measuring Employee Perceptions
2011

Administered every two years by the Institute for Organizational Excellence at the University of Texas at Austin, the Survey of Employee Engagement reflects how an agency's staff views the work environment. Since the survey has been given multiple times in past years and is administered to employees at several state agencies, this year's results can be compared with past performance and with the perceptions of staff at other state agencies.

Questions in the Survey of Employee Engagement are grouped together into Survey Constructs designed to broadly profile organizational strengths and weaknesses. Scores for the constructs range from a low of 100 (negative) to a high of 500 (positive). Thus, scores above 300 suggest that employees perceive the issue more positively while scores below 300 are issues viewed more negatively by employees.

The following areas are especially noteworthy and are coded by the survey as the agency's "areas of strength."

Strategic

Score: 390

The Strategic construct reflects employees' thinking about how the organization responds to external influences that should play a role in defining the organization's mission, vision, services, and products. Implied in this construct is the ability of the organization to seek out and work with relevant external entities.

High scores indicate employees view the organization as able to quickly relate its mission and goals to environmental changes and demands. It is viewed as creating programs that advance the organization and having highly capable means of drawing information and meaning from the environment. Maintaining these high scores will require leadership to continually assess the ability of the organization and employees at all levels to test programs against need and to continue to have rapid feedback from the environment.

Physical Environment

Score: 384

The Physical Environment construct captures employees' perceptions of the total work atmosphere and the degree to which employees believe that it is a 'safe' working environment. This construct addresses the 'feel' of the workplace as perceived by the employee.

High scores indicate that employees view their work setting positively. It means that the setting is seen as satisfactory, safe, and that adequate tools and resources are available..

Supervision

Score: 383

The Supervision construct provides insight into the nature of supervisory relationships within the organization, including aspects of leadership, the communication of expectations, and the sense of fairness that employees perceive between supervisors and themselves.

High Supervision scores indicate that employees view their supervisors as fair, helpful, and critical to the flow of work. Maintaining these high scores will require leadership to carefully assess supervisory training and carefully make the selection of new supervisors.