

LEGISLATIVE APPROPRIATIONS REQUEST

for Fiscal Years 2004 and 2005

Submitted to the Governor's Office of Budget, Planning and Policy
and the Legislative Budget Board

by

TEXAS REAL ESTATE COMMISSION

Commission Members

Charles Michael Brodie, Chairman
Lawrence D. Jokl, Vice Chairman
John Walton, Secretary
James N. Austin
Ramon M. Cantu
Maria Gonzalez-Gil
Louise Hull
Paul Jordan
Kay Sutton

Dates of Terms

1997 - 2003
1999 - 2005
2001 - 2007
1999 - 2005
1999 - 2005
1997 - 2003
2001 - 2007
2001 - 2007
1997 - 2003

Hometown

Dallas
Brownsville
Lubbock
Fort Worth
Houston
San Antonio
Victoria
Georgetown
Midland

August 16, 2002

Table of Contents

	Page
Administrator's Statement	1
Summary of Request	3
Priority Allocation Table	14
Strategy Requests	
Strategy 01-01-01	15
Strategy 02-01-01	18
Strategy 03-01-01	21
Strategy 05-01-01	23
Rider Revisions and Additions Request	26
Exceptional Item Request	
Salary adjustment to retain experienced staff	30
Enhance educational oversight	32
Consumer Education	34
Technology Improvements	35
Subscription Fees	37
Exceptional Items Strategy Allocation Schedule	38
Exceptional Items Strategy Requests	50
Capital Budget	54
Supporting Schedules	
Historically Underutilized Business	57
Current Biennium One-time Expenditure Schedule	58
Estimated Revenue Collections	59
Advisory Committees	64

ADMINISTRATOR'S STATEMENT

78th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**

TIME: **10:37:23AM**

PAGE: **1 of 2**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

The Texas Real Estate Commission (TREC) is an independent state agency whose jurisdiction extends to real estate brokers and salespersons, real estate inspectors, easement or right-of-way agents, residential service companies, proprietary schools and instructors offering real estate and inspector courses as well as mandatory continuing education (MCE) for real estate and inspector licensees, and developers registering timeshares for sale in Texas. To carry out its responsibilities the Commission operates through five divisions: (1) Education, Licensing & Communications, (2) Enforcement, (3) Information Services, (4) Staff Services, and (5) Administration.

The Commission has a statutory relationship to, and works closely with, the Real Estate Center at Texas A & M University. Two committees established by the Real Estate License Act (TRELA) are essential to the work of the agency: the Texas Real Estate Broker-Lawyer Committee consisting of six persons appointed by TREC and six attorneys appointed by the President of the State Bar of Texas, and the Texas Real Estate Inspector Committee which comprises nine inspectors appointed by the Commission. The Commission also appoints two members of the Mortgage Broker Advisory Committee which assists the Commissioner of Savings and Loan in the administration of the Mortgage Broker License Act.

Providing the highest level of quality customer service to our licensees and the public is the overriding objective of the Texas Real Estate Commission. The agency is pleased that it has met or exceeded all key performance measure targets, has received highly positive feedback from its customer service survey, and has obtained high scores on its internal survey of organizational excellence.

As a self-sustaining licensing and regulatory agency, each year the Commission must produce revenue from its licensees and the public which exceeds the amount it is appropriated to spend. To ensure a continuing high level of customer service the agency has identified four areas which require appropriations authority beyond the base level allowed in previous years. The following are the Commission's priorities for the next biennium as developed in conjunction with the public and reflected in the agency's Strategic Plan for 2003-2007.

1. Human resources issues are the number one priority for TREC. The challenge is three-fold: TREC must self-fund all salary increases, the agency's salaries are de-facto "capped" due to the restriction on the Administrator's salary, and the Commission is in danger of losing the experience and continuity gained by current leadership. Competition from other state agencies has a direct impact on the ability of TREC to retain its experienced and qualified employees. While not able to equal the pay and benefits available in the private sector, the Commission's requirement must be to meet or approximate the remuneration provided by other state agencies. In addition to raising the salaries of experienced staff currently paid below the first quartile of their salary range, TREC requests that the exempt salary cap for the Administrator be modified to a level commensurate with that for executives of similar state agencies. (See pages 19-20 - Strategic Plan)
2. Ensuring that licensees obtain an appropriate education prior to licensure and remain abreast of developments after licensure is a major responsibility of the Commission. While TREC is not a direct provider of education, it approves and regulates courses, providers, and instructors. The Commission needs to expand its ability to review course curricula, ensure appropriate continuing education offerings, and upgrade the computerized record-keeping of educational data. To meet these objectives, the agency needs to add a staff member competent in curriculum development and a computer programmer who can integrate TREC's stand-alone educational system into the overall existing agency computer system and provide on-going programming support. (See page 20 - Strategic Plan)
3. The Commission has experienced a developing need for communicating additional consumer information to the public and licensees. Many citizens are unaware of the basic factors involved in acquiring real estate as well as the process for reporting concerns over licensee performance. To meet this need, TREC plans to expand consumer education via public service announcements on television and radio, news releases and promotional materials to print publications, and distribution of flyers and brochures. A consumer information specialist would be responsible for coordinating these audiovisual and print activities. (See page 21 - Strategic Plan)
4. As an innovator in the area of employing technology for licensing, regulation and information distribution, TREC is committed to exploring technological enhancements for its licensees and the public. To ensure continued high performance in this area, TREC needs to refresh its desktop computer capabilities, obtain software compatible with that used by

ADMINISTRATOR'S STATEMENT

78th Regular Session, Agency Submission, Version 1

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TIME: **10:38:23AM**

PAGE: **2 of 2**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

most other state agencies, acquire an enterprise backup system, and upgrade existing network server systems. Details pertaining to these recommendations can be found in TREC's Information Resources Strategic Plan. (See pages 56-61 - Strategic Plan)

The Texas Real Estate Commission is proud of its performance as a premiere licensing and regulatory agency, one which is highly regarded by the public and its licensees who provide the revenue needed to fund its operations. With appropriations authority to raise the funds required for these four exceptional items and the ability to spend such funds TREC will be able to ensure a continuation of the high level of customer service to which its licensees and the public have become accustomed.

II.C. SUMMARY OF BASE REQUEST BY OBJECT OF EXPENSE
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
 TIME: **4:10:01PM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

OBJECT OF EXPENSE	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
1001 SALARIES AND WAGES	\$2,645,677	\$2,905,898	\$3,029,424	\$3,028,570	\$3,028,570
1002 OTHER PERSONNEL COSTS	\$93,314	\$232,803	\$156,757	\$156,757	\$156,757
2001 PROFESSIONAL FEES AND SERVICES	\$66,175	\$57,103	\$52,999	\$53,000	\$53,000
2003 CONSUMABLE SUPPLIES	\$43,934	\$42,939	\$43,000	\$43,000	\$43,000
2004 UTILITIES	\$87,025	\$48,907	\$47,631	\$47,630	\$47,630
2005 TRAVEL	\$63,886	\$72,241	\$73,500	\$73,500	\$73,500
2006 RENT - BUILDING	\$177,372	\$422,728	\$422,544	\$422,544	\$422,544
2007 RENT - MACHINE AND OTHER	\$1,108	\$2,607	\$13,290	\$13,290	\$13,290
2009 OTHER OPERATING EXPENSE	\$479,280	\$569,844	\$713,504	\$617,060	\$617,060
5000 CAPITAL EXPENDITURES	\$304,986	\$0	\$0	\$0	\$0
OOE Total (Excluding Riders)	\$3,962,757	\$4,355,070	\$4,552,649	\$4,455,351	\$4,455,351
OOE Total (Riders)					
Grand Total	\$3,962,757	\$4,355,070	\$4,552,649	\$4,455,351	\$4,455,351

II.A. SUMMARY OF BASE REQUEST BY STRATEGY
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
 TIME: **10:39:20AM**

Agency code: **329** Agency name: **REAL ESTATE COMMISSION**

Goal / Objective / STRATEGY	Exp 2001	Est 2002	Bud 2003	Req 2004	Req 2005
1 Determine That TREC Applicants Meet Legal Requirements for Licensure					
1 Evaluate Applicants for Honesty/Integrity/Trustworthiness/Competency					
1 TREC LICENSING	816,143	1,130,037	1,335,200	1,080,208	1,080,208
TOTAL, GOAL 1	\$816,143	\$1,130,037	\$1,335,200	\$1,080,208	\$1,080,208
2 Enforce the TREC Laws and Rules in a Fair and Evenhanded Manner					
1 Resolve Complaints and Hold Hearings Expeditiously					
1 TREC INVESTIGATION	908,160	1,051,015	1,055,818	1,346,494	1,346,494
TOTAL, GOAL 2	\$908,160	\$1,051,015	\$1,055,818	\$1,346,494	\$1,346,494
3 To Communicate Effectively with the Public and Licensees					
1 Notify 100% of Licensees of Law/Rule Chnges w/i 60 Days; Custmr Survey					
1 LICENSEE/CONSUMER EDUCATION	669,759	716,327	754,097	695,737	695,737
TOTAL, GOAL 3	\$669,759	\$716,327	\$754,097	\$695,737	\$695,737
5 Indirect Administration					
1 Indirect Administration					
1 INDIRECT ADMINISTRATION	1,568,695	1,457,691	1,407,534	1,332,912	1,332,912
TOTAL, GOAL 5	\$1,568,695	\$1,457,691	\$1,407,534	\$1,332,912	\$1,332,912
TOTAL, AGENCY STRATEGY REQUEST	\$3,962,757	\$4,355,070	\$4,552,649	\$4,455,351	\$4,455,351

II.A. SUMMARY OF BASE REQUEST BY STRATEGY
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
 TIME: **10:39:20AM**

Agency code: **329** Agency name: **REAL ESTATE COMMISSION**

Goal / Objective / STRATEGY	Exp 2001	Est 2002	Bud 2003	Req 2004	Req 2005
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				0	0
GRAND TOTAL, AGENCY REQUEST	\$3,962,757	\$4,355,070	\$4,552,649	\$4,455,351	\$4,455,351
METHOD OF FINANCING:					
1 General Revenue Fund					
	\$3,786,475	\$4,168,554	\$4,363,149	\$4,265,851	\$4,265,851
666 Appropriated Receipts					
	\$176,079	\$186,166	\$185,500	\$185,500	\$185,500
971 Real Estate Recovery Trust Fund					
	\$188	\$300	\$3,500	\$3,500	\$3,500
988 Real Estate Inspection Trust Fund					
	\$15	\$50	\$500	\$500	\$500
TOTAL, METHOD OF FINANCING	\$3,962,757	\$4,355,070	\$4,552,649	\$4,455,351	\$4,455,351

*Rider appropriations for the historical years are included in the strategy amounts.

II.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE

78th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**

TIME: **10:47:58AM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

METHOD OF FINANCING	Exp 2001	Est 2002	Bud 2003	Req 2004	Req 2005
<u>GENERAL REVENUE</u>					
1 General Revenue Fund					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations	3,704,905	3,746,487	3,751,821	4,265,851	4,265,851
<i>RIDER APPROPRIATION</i>					
Art IX, Sec 10.40 - SB 187 Subs Fees	0	12,812	205,700	0	0
Art IX, Sec 10.46 - House Bill 695	0	223,000	223,000	0	0
<i>TRANSFERS</i>					
Art IX Sec 9-11.06 Salary Increase (2000-2001 GAA)	92,880	0	0	0	0
Art IX Sec 10.12 Salary Increase (2002-2003 GAA)	0	104,880	118,103	0	0
Art IX Sec 10.14 Longevity Increase (2002-2003 GAA)	0	30,000	33,840	0	0
Art IX Sec 6.37 & Sec 10.23 Workers Comp (based on FY02)	0	59,724	59,724	0	0
Transfers between appropriations	-834	0	0	0	0
Art IX Sec 10.36 Reverse Auction (based on FY02)	0	-1,206	-1,206	0	0
<i>LAPSED APPROPRIATIONS</i>					
Lapsed Appropriations	-10,476	-7,143	-27,833	0	0
TOTAL, General Revenue Fund	\$3,786,475	\$4,168,554	\$4,363,149	\$4,265,851	\$4,265,851
TOTAL, ALL GENERAL REVENUE	\$3,786,475	\$4,168,554	\$4,363,149	\$4,265,851	\$4,265,851

OTHER FUNDS

II.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE

78th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**

TIME: **10:48:10AM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

METHOD OF FINANCING	Exp 2001	Est 2002	Bud 2003	Req 2004	Req 2005
666 Appropriated Receipts					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations	173,500	185,500	185,500	0	0
<i>RIDER APPROPRIATION</i>					
Article IX, Section 9-8.03 Reimbursements/Payments	6,891	0	0	180,000	180,000
H.B. 1, Rider 2 Section 24(c), Art 6573b, VTCS - RSC Audits	-4,312	666	0	5,500	5,500
TOTAL, Appropriated Receipts	\$176,079	\$186,166	\$185,500	\$185,500	\$185,500
971 Real Estate Recovery Trust Fund					
<i>REGULAR APPROPRIATIONS</i>					
Real Estate Recovery Trust Fund	-3,312	-3,200	0	0	0
<i>LAPSED APPROPRIATIONS</i>					
Lapsed Appropriations	3,500	3,500	3,500	3,500	3,500
TOTAL, Real Estate Recovery Trust Fund	\$188	\$300	\$3,500	\$3,500	\$3,500
988 Real Estate Inspection Trust Fund					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations	-485	-450	0	0	0
<i>LAPSED APPROPRIATIONS</i>					
Lapsed Appropriations	500	500	500	500	500
TOTAL, Real Estate Inspection Trust Fund	\$15	\$50	\$500	\$500	\$500

II.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE

78th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**

TIME: **10:48:10AM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

METHOD OF FINANCING	Exp 2001	Est 2002	Bud 2003	Req 2004	Req 2005
TOTAL, ALL OTHER FUNDS	\$176,282	\$186,516	\$189,500	\$189,500	\$189,500
GRAND TOTAL	\$3,962,757	\$4,355,070	\$4,552,649	\$4,455,351	\$4,455,351
FULL-TIME-EQUIVALENT POSITIONS	78.1	81.6	88.0	88.0	88.0

II.C. SUMMARY OF BASE REQUEST BY OBJECT OF EXPENSE
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002
 TIME: 4:10:01PM

Agency code: 329

Agency name: REAL ESTATE COMMISSION

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1001 SALARIES AND WAGES	\$2,645,677	\$2,905,898	\$3,029,424	\$3,028,570	\$3,028,570
1002 OTHER PERSONNEL COSTS	\$93,314	\$232,803	\$156,757	\$156,757	\$156,757
2001 PROFESSIONAL FEES AND SERVICES	\$66,175	\$57,103	\$52,999	\$53,000	\$53,000
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2004 UTILITIES	\$87,025	\$48,907	\$47,631	\$47,630	\$47,630
2005 TRAVEL	\$63,886	\$72,241	\$73,500	\$73,500	\$73,500
2006 RENT - BUILDING	\$177,372	\$422,728	\$422,544	\$422,544	\$422,544
2007 RENT - MACHINE AND OTHER	\$1,108	\$2,607	\$13,290	\$13,290	\$13,290
2009 OTHER OPERATING EXPENSE	\$479,280	\$569,844	\$713,504	\$617,060	\$617,060
5000 CAPITAL EXPENDITURES	\$304,986	\$0	\$0	\$0	\$0
OOE Total (Excluding Riders)	\$3,962,757	\$4,355,070	\$4,552,649	\$4,455,351	\$4,455,351
OOE Total (Riders)					
Grand Total	\$3,962,757	\$4,355,070	\$4,552,649	\$4,455,351	\$4,455,351

II.D. SUMMARY OF BASE REQUEST OBJECTIVE OUTCOMES

78th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/14/2002

Time: 10:51:42AM

Agency code: 329

Agency name: REAL ESTATE COMMISSION

Goal/ Objective / OUTCOME	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
1 Determine That TREC Applicants Meet Legal Requirements for Licensure <i>1 Evaluate Applicants for Honesty/Integrity/Trustworthiness/Competency</i>					
KEY 1 Percent of Licensees with No Recent Violations	99.00%	99.00%	99.00%	99.00%	0.00%
2 Enforce the TREC Laws and Rules in a Fair and Evenhanded Manner <i>1 Resolve Complaints and Hold Hearings Expeditiously</i>					
1 Percent of Complaints Resulting in Disciplinary Action	4.87%	5.00%	5.00%	5.00%	5.00%
2 Recidivism Rate for Those Receiving Disciplinary Action	0.65%	1.50%	1.50%	1.50%	1.50%
KEY 3 Percent of Documented Complaints Resolved within 6 Months	83.74%	70.00%	70.00%	70.00%	70.00%
3 To Communicate Effectively with the Public and Licensees <i>1 Notify 100% of Licensees of Law/Rule Chnges w/i 60 Days; Custmr Survey</i>					
1 Percent of Licensees Provided the Act and Rules w/i 60 Days of Adoptn	96.20%	90.00%	90.00%	90.00%	90.00%
2 % of Calls Resulting in a Document's Being Produced	5.95%	10.00%	10.00%	10.00%	10.00%
3 % of Electronic Contacts Resulting in a Document	100.00%	100.00%	100.00%	100.00%	100.00%

II.E. SUMMARY OF EXCEPTIONAL ITEMS REQUEST
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002
 TIME : 10:54:19AM

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

Priority	Item	2004			2005			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
11	Salary adjustment to retain staff	\$ 86,120	\$ 86,120	\$	\$ 86,120	\$ 86,120	\$	\$ 172,240	\$ 172,240
12	Enhance educational oversight	\$ 93,000	\$ 93,000	\$	\$ 77,962	\$ 77,962	\$	\$ 170,962	\$ 170,962
13	Consumer Education	\$ 57,194	\$ 57,194	\$	\$ 49,107	\$ 49,107	\$	\$ 106,301	\$ 106,301
14	Technology Improvements	\$ 98,467	\$ 98,467	\$	\$ 22,300	\$ 22,300	\$	\$ 120,767	\$ 120,767
15	Subscription Fees	\$ 96,444	\$ 96,444	\$	\$ 96,444	\$ 96,444	\$	\$ 192,888	\$ 192,888
Total, Exceptional Items Request		\$ 431,225	\$ 431,225	\$	\$ 331,933	\$ 331,933	\$	\$ 763,158	\$ 763,158
Method of Financing									
	General Revenue	\$ 431,225	\$ 431,225	\$	\$ 331,933	\$ 331,933	\$	\$ 763,158	\$ 763,158
	General Revenue - Dedicated								
	Federal Funds								
	Other Funds								
		\$ 431,225	\$ 431,225	\$	\$ 331,933	\$ 331,933	\$	\$ 763,158	\$ 763,158

Full Time Equivalent Positions

II.F. SUMMARY OF TOTAL REQUEST BY STRATEGY
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/14/2004
 TIME : 10:57:20AM

Agency code: **329** Agency name: **REAL ESTATE COMMISSION**

Goal/Objective/STRATEGY	Base 2004	Base 2005	Exceptional 2004	Exceptional 2005	Total Request 2004	Total Request 2005
1 Determine That TREC Applicants Meet Legal Requirements for Licensure						
1 Evaluate Applicants for Honesty/Integrity/Trustworthiness/Competency						
1 TREC LICENSING	\$ 1,080,208	\$ 1,080,208	\$ 166,615	\$ 154,288	\$ 1,246,823	\$ 1,234,496
TOTAL, GOAL 1	\$ 1,080,208	\$ 1,080,208	\$ 166,615	\$ 154,288	\$ 1,246,823	\$ 1,234,496
2 Enforce the TREC Laws and Rules in a Fair and Evenhanded Manner						
1 Resolve Complaints and Hold Hearings Expeditiously						
1 TREC INVESTIGATION	1,346,494	1,346,494	48,116	41,226	1,394,610	1,387,720
TOTAL, GOAL 2	\$ 1,346,494	\$ 1,346,494	\$ 48,116	\$ 41,226	\$ 1,394,610	\$ 1,387,720
3 To Communicate Effectively with the Public and Licensees						
1 Notify 100% of Licensees of Law/Rule Chnges w/i 60 Days; Custmr Survey						
1 LICENSEE/CONSUMER EDUCATION	695,737	695,737	74,591	64,119	770,328	759,856
TOTAL, GOAL 3	\$ 695,737	\$ 695,737	\$ 74,591	\$ 64,119	\$ 770,328	\$ 759,856
5 Indirect Administration						
1 Indirect Administration						
1 INDIRECT ADMINISTRATION	1,332,912	1,332,912	141,903	72,300	1,474,815	1,405,212
TOTAL, GOAL 5	\$ 1,332,912	\$ 1,332,912	\$ 141,903	\$ 72,300	\$ 1,474,815	\$ 1,405,212
TOTAL, AGENCY STRATEGY REQUEST	\$ 4,455,351	\$ 4,455,351	\$ 431,225	\$ 331,933	\$ 4,886,576	\$ 4,787,284
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$ 4,455,351	\$ 4,455,351	\$ 431,225	\$ 331,933	\$ 4,886,576	\$ 4,787,284

II.F. SUMMARY OF TOTAL REQUEST BY STRATEGY
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/14/2004
 TIME : 10:57:25AM

Agency code: **329** Agency name: **REAL ESTATE COMMISSION**

<i>Goal/Objective/STRATEGY</i>	Base 2004	Base 2005	Exceptional 2004	Exceptional 2005	Total Request 2004	Total Request 2005
General Revenue Funds:						
1 GENERAL REVENUE FUND	\$ 4,265,851	\$ 4,265,851	\$ 431,225	\$ 331,933	\$ 4,697,076	\$ 4,597,784
	\$ 4,265,851	\$ 4,265,851	\$ 431,225	\$ 331,933	\$ 4,697,076	\$ 4,597,784
Other Funds:						
666 APPROPRIATED RECEIPTS	185,500	185,500	0	0	185,500	185,500
971 REAL ESTATE RECOVERY FUND	3,500	3,500	0	0	3,500	3,500
988 REAL ESTATE INSPEC TRUST	500	500	0	0	500	500
	\$ 189,500	\$ 189,500	\$ 0	\$ 0	\$ 189,500	\$ 189,500
TOTAL, METHOD OF FINANCING	\$ 4,455,351	\$ 4,455,351	\$ 431,225	\$ 331,933	\$ 4,886,576	\$ 4,787,284
FULL TIME EQUIVALENT POSITIONS	88.0	88.0	0.0	0.0	88.0	88.0

II.G. SUMMARY OF TOTAL REQUEST OBJECTIVE OUTCOMES

Date : 8/14/2002
Time: 10:59:43AM

78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

Agency code: 329		Agency name: REAL ESTATE COMMISSION				Total Request 2004	Total Request 2005
Goal/ Objective / OUTCOME	BL 2004	BL 2005	Excp 2004	Excp 2005			
1 Determine That TREC Applicants Meet Legal Requirements for Licensure							
1 Evaluate Applicants for Honesty/Integrity/Trustworthiness/Competency							
KEY 1 Percent of Licensees with No Recent Violations	99.00%	0.00%	%	%	99.00%	0.00%	
2 Enforce the TREC Laws and Rules in a Fair and Evenhanded Manner							
1 Resolve Complaints and Hold Hearings Expeditiously							
1 Percent of Complaints Resulting in Disciplinary Action	5.00%	5.00%	%	%	5.00%	5.00%	
2 Recidivism Rate for Those Receiving Disciplinary Action	1.50%	1.50%	%	%	1.50%	1.50%	
KEY 3 Percent of Documented Complaints Resolved within 6 Months	70.00%	70.00%	%	%	70.00%	70.00%	
3 To Communicate Effectively with the Public and Licensees							
1 Notify 100% of Licensees of Law/Rule Chnges w/i 60 Days; Custmr Survey							
1 Percent of Licensees Provided the Act and Rules w/i 60 Days of Adoptn	90.00%	90.00%	%	%	90.00%	90.00%	
2 % of Calls Resulting in a Document's Being Produced	10.00%	10.00%	%	%	10.00%	10.00%	
3 % of Electronic Contacts Resulting in a Document	100.00%	100.00%	%	%	100.00%	100.00%	

III.A. PRIORITY ALLOCATION TABLE
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
 TIME: **11:02:22AM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

2002-03 Biennial Funding	
Total: \$	8,907,719
GR / GR-Dedicated: \$	8,531,703

Strategy/Strategy Option/Rider	BL 2004 Funds		BL 2005 Funds		Cumulative % of 2002-03 GR / GR-Dedicated Funds
	Total	GR and GR-Dedicated	Total	GR and GR-Dedicated	
Strategy: 3 - 1 - 1 LICENSEE/CONSUMER EDUCATION	\$ 695,737	\$ 515,737	\$ 695,737	\$ 515,737	12.09%
Strategy: 5 - 1 - 1 INDIRECT ADMINISTRATION	1,332,912	1,332,912	1,332,912	1,332,912	43.34%
Strategy: 2 - 1 - 1 TREC INVESTIGATION	1,346,494	1,336,994	1,346,494	1,336,994	74.68%
Strategy: 1 - 1 - 1 TREC LICENSING	1,080,208	1,080,208	1,080,208	1,080,208	100.00%
Strategy: 4 - 1 - 1 TALCB LICENSING	0	0	0	0	100.00%
Strategy: 4 - 2 - 1 TALCB ENFORCEMENT	0	0	0	0	100.00%
TOTAL	\$ 4,455,351	\$ 4,265,851	\$ 4,455,351	\$ 4,265,851	

III.B. STRATEGY REQUEST
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002
 TIME: 11:06:30AM

Agency code: **329** Agency name: **REAL ESTATE COMMISSION**

GOAL: 1 Determine That TREC Applicants Meet Legal Requirements for Licensure Statewide Goal/Benchmark: 8 9
 OBJECTIVE: 1 Evaluate Applicants for Honesty/Integrity/Trustworthiness/Competency Service Categories:
 STRATEGY: 1 Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
Output Measures:						
1	Number of Individuals Examined	29,435.00	23,000.00	23,000.00	23,000.00	23,000.00
2	Number of New Licenses Issued to Individuals	15,104.00	13,000.00	13,000.00	13,000.00	13,000.00
3	Number of Licenses Renewed (Individuals)	56,306.00	53,000.00	53,000.00	53,000.00	53,000.00
Efficiency Measures:						
1	Average Licensing Cost Per Individual License Issued	11.64	15.00	15.00	15.00	15.00
2	Average Time for Individual License Issuance	38.00	37.00	37.00	37.00	37.00
3	Average Time for Individual License Renewal	2.90	3.50	3.50	3.50	3.50
4	Percentage New Indiv Licences within 10 Days	96.95 %	95.00 %	95.00 %	95.00 %	95.00 %
5	% Indiv License Renewals within 7 Days	100.00 %	97.00 %	97.00 %	97.00 %	97.00 %
Explanatory/Input Measures:						
1	Pass Rate	76.50 %	80.00 %	80.00 %	80.00 %	80.00 %
2	Total Number of Programs/Schools Licensed	150.00	140.00	140.00	140.00	140.00
3	Total Number of Individuals Licensed	115,139.00	110,000.00	110,000.00	110,000.00	110,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$549,875	\$683,747	\$723,732	\$601,457	\$601,457
1002	OTHER PERSONNEL COSTS	\$18,140	\$48,520	\$31,900	\$31,382	\$31,382
2001	PROFESSIONAL FEES AND SERVICES	\$24,850	\$32,878	\$29,437	\$3,375	\$3,375
2003	CONSUMABLE SUPPLIES	\$10,244	\$9,078	\$9,091	\$9,091	\$9,091
2004	UTILITIES	\$17,451	\$6,072	\$6,122	\$8,518	\$8,518
2005	TRAVEL	\$3,530	\$5,167	\$5,257	\$1,500	\$1,500
2006	RENT - BUILDING	\$50,137	\$148,943	\$148,943	\$148,943	\$148,943
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$3,960	\$3,960	\$3,960
2009	OTHER OPERATING EXPENSE	\$139,177	\$195,632	\$376,758	\$271,982	\$271,982

III.B. STRATEGY REQUEST
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002
 TIME: 11:07:02AM

Agency code: **329** Agency name: **REAL ESTATE COMMISSION**

GOAL: 1 Determine That TREC Applicants Meet Legal Requirements for Licensure Statewide Goal/Benchmark: 8 9
 OBJECTIVE: 1 Evaluate Applicants for Honesty/Integrity/Trustworthiness/Competency Service Categories:
 STRATEGY: 1 Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
5000	CAPITAL EXPENDITURES	\$2,739	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$816,143	\$1,130,037	\$1,335,200	\$1,080,208	\$1,080,208
Method of Financing:						
1	GENERAL REVENUE FUND	\$815,549	\$1,126,954	\$1,332,450	\$1,080,208	\$1,080,208
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$815,549	\$1,126,954	\$1,332,450	\$1,080,208	\$1,080,208
Method of Financing:						
666	APPROPRIATED RECEIPTS	\$594	\$3,083	\$2,750	\$0	\$0
SUBTOTAL, MOF (OTHER FUNDS)		\$594	\$3,083	\$2,750	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,080,208	\$1,080,208
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$816,143	\$1,130,037	\$1,335,200	\$1,080,208	\$1,080,208
FULL TIME EQUIVALENT POSITIONS:		20.5	22.3	24.2	21.9	21.9

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Real Estate License Act (Article 6573a, V.T.C.S.) requires persons providing real estate brokerage and inspection services, easement or right-of-way agents, proprietary real estate prelicense education, and mandatory continuing education to be licensed. To assure that all broker, salesperson and inspector licensees meet statutory requirements the Commission reviews transcripts and coursework. Applicants are also required to demonstrate competency by passing an examination. To determine the honesty, trustworthiness, and integrity of licensees, the Commission submits the names of license applicants to the Texas Department of Public Safety (DPS) for criminal history checks. The processing of each application is an integrated function that requires the participation of each of the agency's operating divisions. Each division provides substantially the same services when a license is renewed. This comprehensive process ensures the protection of the consumers of real estate services. This strategy contributes to meeting priority goals established in Vision Texas by ensuring that Texas consumers are effectively and efficiently served by high quality professionals and businesses by setting clear standards, maintaining compliance, and seeking innovative solutions.

III.B. STRATEGY REQUEST
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002
 TIME: 11:07:03AM

Agency code: **329** Agency name: **REAL ESTATE COMMISSION**

GOAL:	1	Determine That TREC Applicants Meet Legal Requirements for Licensure	Statewide Goal/Benchmark:	8	9
OBJECTIVE:	1	Evaluate Applicants for Honesty/Integrity/Trustworthiness/Competency	Service Categories:		
STRATEGY:	1	Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses	Service:	16	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

A continuation of current salary levels will result in the loss of experienced staff to other state agencies. The Commission continues to employ technological improvements to as many applications as possible.

The Licensing and Education Division processes and evaluates the application and education information. Staff Services ensures payment and timely deposit of the statutorily required fees. Information Services provides the information infrastructure to accomplish all licensing functions, including electronic interfaces with Texas Guaranteed Student Loan Corporation (TGSLC) and DPS. The Enforcement Division reviews TGSLC and DPS information to determine whether to discipline licensees or disapprove applications. The Administration Division provides policy development and oversight of agency procedures.

III.B. STRATEGY REQUEST
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002
 TIME: 11:07:03AM

Agency code: **329** Agency name: **REAL ESTATE COMMISSION**

GOAL: 2 Enforce the TREC Laws and Rules in a Fair and Evenhanded Manner Statewide Goal/Benchmark: 8 7
 OBJECTIVE: 1 Resolve Complaints and Hold Hearings Expeditiously Service Categories:
 STRATEGY: 1 Investigate Complaints and Resolve Valid Complaint Case Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
Output Measures:						
1	Number of Complaints Resolved	3,143.00	3,100.00	3,100.00	2,900.00	2,900.00
2	Number of Administrative Proceedings Conducted	139.00	120.00	120.00	120.00	120.00
Efficiency Measures:						
1	Average Time for Complaint Resolution	89.00	120.00	115.00	110.00	110.00
2	Average Cost Per Complaint Resolved	296.40	300.00	300.00	400.00	400.00
Explanatory/Input Measures:						
1	Jurisdictional Complaints Received	2,833.00	2,000.00	2,000.00	2,400.00	2,400.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$792,287	\$817,245	\$836,656	\$1,077,517	\$1,077,517
1002	OTHER PERSONNEL COSTS	\$20,787	\$47,326	\$41,540	\$49,020	\$49,020
2001	PROFESSIONAL FEES AND SERVICES	\$4,077	\$299	\$0	\$28,125	\$28,125
2003	CONSUMABLE SUPPLIES	\$4,790	\$4,662	\$4,669	\$4,669	\$4,669
2004	UTILITIES	\$12,458	\$9,765	\$9,724	\$10,155	\$10,155
2005	TRAVEL	\$21,031	\$23,726	\$24,140	\$33,000	\$33,000
2006	RENT - BUILDING	\$14,944	\$100,421	\$100,421	\$100,421	\$100,421
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$34,500	\$47,571	\$38,668	\$43,587	\$43,587
5000	CAPITAL EXPENDITURES	\$3,286	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$908,160	\$1,051,015	\$1,055,818	\$1,346,494	\$1,346,494
Method of Financing:						
1	GENERAL REVENUE FUND	\$907,937	\$1,050,665	\$1,051,818	\$1,336,994	\$1,336,994
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$907,937	\$1,050,665	\$1,051,818	\$1,336,994	\$1,336,994

Method of Financing:

III.B. STRATEGY REQUEST
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002
 TIME: 11:07:04AM

Agency code: **329** Agency name: **REAL ESTATE COMMISSION**

GOAL:	2	Enforce the TREC Laws and Rules in a Fair and Evenhanded Manner	Statewide Goal/Benchmark:	8	7
OBJECTIVE:	1	Resolve Complaints and Hold Hearings Expeditiously	Service Categories:		
STRATEGY:	1	Investigate Complaints and Resolve Valid Complaint Case	Service:	16	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
666	APPROPRIATED RECEIPTS	\$20	\$0	\$0	\$5,500	\$5,500
971	REAL ESTATE RECOVERY FUND	\$188	\$300	\$3,500	\$3,500	\$3,500
988	REAL ESTATE INSPEC TRUST	\$15	\$50	\$500	\$500	\$500
SUBTOTAL, MOF (OTHER FUNDS)		\$223	\$350	\$4,000	\$9,500	\$9,500
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,346,494	\$1,346,494
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$908,160	\$1,051,015	\$1,055,818	\$1,346,494	\$1,346,494
FULL TIME EQUIVALENT POSITIONS:		22.7	21.9	23.9	31.4	31.4

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Real Estate License Act (Article 6573a, V.T.C.S.) requires a signed written complaint or Commission authorization to initiate an investigation and disciplinary action. Each complaint is reviewed by an attorney or legal assistant to determine if the complaint is within the jurisdiction of the agency and, if so, then assigned to an investigator. An investigator interviews and obtains documentation from the complainant, licensee, and potential witnesses. The investigative report is then evaluated by headquarters enforcement staff to determine whether disciplinary action is appropriate. A formal notice invites response from the licensee to discuss resolution of the matter prior to the hearing process. If the complaint is not resolved at this point, disciplinary action begins with the filing of an allegation. Unless the case is resolved by an agreed order, a hearing is called before the agency's administrative hearings officer. The Commission may subpoena witnesses and compel the production of documents. Venue for most hearings is in the county of the licensee's principal place of business. This strategy contributes to meeting priority goals established in Vision Texas by ensuring that Texas consumers are effectively and efficiently served by high quality professionals and businesses by setting clear standards, maintaining compliance, and seeking innovative solutions.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

III.B. STRATEGY REQUEST
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002
 TIME: 11:07:05AM

Agency code: **329** Agency name: **REAL ESTATE COMMISSION**

GOAL:	2	Enforce the TREC Laws and Rules in a Fair and Evenhanded Manner	Statewide Goal/Benchmark:	8	7
OBJECTIVE:	1	Resolve Complaints and Hold Hearings Expeditiously	Service Categories:		
STRATEGY:	1	Investigate Complaints and Resolve Valid Complaint Case	Service:	16	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
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Consumer protection and satisfaction depends on the regulated industry's and the public's perception that violators will be punished in a timely and fair manner. Punishment for violations of the Real Estate License Act should be fair, swift and sure, serving both as a deterrent to licensees and as a satisfactory resolution to complaints.

Measure increases were projected even with staff reductions and the Enforcement Division experiencing a 42% turnover rate. Our projected decreases for some measures incorporate our concerns that, due to the turnover rate and our difficulty in hiring and retaining competent personnel, there may be a negative impact on our ability to offer quality customer service. We believe our projections are attainable even with decreased staffing if our staffing remains stable. We are exploring additional ways to streamline work processes wherever possible. An external factor that may impact our ability to reach some targets is the number of complaints the commission receives yearly. The number of cases coming into the commission will directly impact some measures.

Finally, the cost of investigations has risen and may impact our ability to achieve our goals. Competitive salary levels are an integral component to retaining employees. Salary adjustments are necessary to reduce turnover caused by TREC employees relocating to other state agencies where salary levels are higher for the same type of work. (Agency Strategic Plan for the 2003-2007 Period for TREC, I. Prioritization of Strategic Planning Initiatives, Human Resources, Page 19)

III.B. STRATEGY REQUEST
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002
 TIME: 11:07:05AM

Agency code: **329** Agency name: **REAL ESTATE COMMISSION**

GOAL: 3 To Communicate Effectively with the Public and Licensees Statewide Goal/Benchmark: 8 0
 OBJECTIVE: 1 Notify 100% of Licensees of Law/Rule Chnges w/i 60 Days; Custmr Survey Service Categories:
 STRATEGY: 1 Prepare and Distribute Information Describing TREC Functions Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
Output Measures:						
1	Number of Calls Received	353,873.00	330,000.00	330,000.00	340,000.00	340,000.00
2	Number of Electronic Contacts Received	5,480,853.00	7,000,000.00	8,000,000.00	8,000,000.00	8,000,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$466,340	\$487,117	\$531,385	\$481,100	\$481,100
1002	OTHER PERSONNEL COSTS	\$9,330	\$27,891	\$20,030	\$12,798	\$12,798
2001	PROFESSIONAL FEES AND SERVICES	\$1,010	\$2,455	\$2,062	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$1,529	\$1,365	\$1,367	\$1,367	\$1,367
2004	UTILITIES	\$8,351	\$6,979	\$6,919	\$4,327	\$4,327
2005	TRAVEL	\$9,447	\$13,376	\$13,609	\$8,600	\$8,600
2006	RENT - BUILDING	\$11,939	\$12,236	\$12,236	\$12,236	\$12,236
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$153,147	\$164,908	\$166,489	\$175,309	\$175,309
5000	CAPITAL EXPENDITURES	\$8,666	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$669,759	\$716,327	\$754,097	\$695,737	\$695,737
Method of Financing:						
1	GENERAL REVENUE FUND	\$494,294	\$533,244	\$571,347	\$515,737	\$515,737
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$494,294	\$533,244	\$571,347	\$515,737	\$515,737
Method of Financing:						
666	APPROPRIATED RECEIPTS	\$175,465	\$183,083	\$182,750	\$180,000	\$180,000
SUBTOTAL, MOF (OTHER FUNDS)		\$175,465	\$183,083	\$182,750	\$180,000	\$180,000

III.B. STRATEGY REQUEST
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002
 TIME: 11:07:06AM

Agency code: **329** Agency name: **REAL ESTATE COMMISSION**

GOAL: 3 To Communicate Effectively with the Public and Licensees Statewide Goal/Benchmark: 8 0
 OBJECTIVE: 1 Notify 100% of Licensees of Law/Rule Chnges w/i 60 Days; Custmr Survey Service Categories:
 STRATEGY: 1 Prepare and Distribute Information Describing TREC Functions Service: 16 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$695,737	\$695,737
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$669,759	\$716,327	\$754,097	\$695,737	\$695,737
FULL TIME EQUIVALENT POSITIONS:		13.7	15.8	17.6	14.2	14.2

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Real Estate License Act (Article 6573a, V.T.C.S.) requires the Commission to communicate effectively and efficiently with the public to fulfill its mission. During FY2002 TREC substantially improved its communication efforts through the allocation of electronic and human resources. Two additional toll free lines were activated and two additional staff were hired, trained and deployed to answer these lines. As part of TREC's Compact with Texans, the agency provides for public response by making available a customer service survey. The brief questionnaire is distributed with each license renewal, is available at the agency's customer service window and is accessible from TREC's website. During the period of March 2000 thru April 2002, there were 143,387 surveys distributed with 10,465 completed and returned for a response rate of approximately 7%. The Commission remains a leader in state government in employing technology to enhance and expand its communication with the consumers of real estate services. TREC educates licensees and the public about its statutes and rules via public speaking engagements, personal contacts, electronic means including E-mail, our web site, the fax-on-demand system (TRECfax) and a quarterly newsletter. Information and advisory opinions are also provided in response to telephonic, electronic and written requests. The Communications section has proven to be an effective means of addressing the wide range and increasing number of telephone calls that TREC receives annually.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

A continuation of current salary levels will result in the loss of experienced staff to other state agencies. This would negatively impact TREC's ability to deliver excellent customer service. (Agency Strategic Plan for the 2003-2007 Period, G. Service Delivery Challenges and Opportunities, Longer Term Modifications to Rules or Statutes, Communications, Item 26, page 19.)

III.B. STRATEGY REQUEST
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002
 TIME: 11:07:06AM

Agency code: **329** Agency name: **REAL ESTATE COMMISSION**

GOAL: 5 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 1 Indirect Administration

Statewide Goal/Benchmark: 8 0
 Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
Objects of Expense:						
1001	SALARIES AND WAGES	\$837,175	\$917,789	\$937,651	\$868,496	\$868,496
1002	OTHER PERSONNEL COSTS	\$45,057	\$109,066	\$63,287	\$63,557	\$63,557
2001	PROFESSIONAL FEES AND SERVICES	\$36,238	\$21,471	\$21,500	\$21,500	\$21,500
2003	CONSUMABLE SUPPLIES	\$27,371	\$27,834	\$27,873	\$27,873	\$27,873
2004	UTILITIES	\$48,765	\$26,091	\$24,866	\$24,630	\$24,630
2005	TRAVEL	\$29,878	\$29,972	\$30,494	\$30,400	\$30,400
2006	RENT - BUILDING	\$100,352	\$161,128	\$160,944	\$160,944	\$160,944
2007	RENT - MACHINE AND OTHER	\$1,108	\$2,607	\$9,330	\$9,330	\$9,330
2009	OTHER OPERATING EXPENSE	\$152,456	\$161,733	\$131,589	\$126,182	\$126,182
5000	CAPITAL EXPENDITURES	\$290,295	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$1,568,695	\$1,457,691	\$1,407,534	\$1,332,912	\$1,332,912
Method of Financing:						
1	GENERAL REVENUE FUND	\$1,568,695	\$1,457,691	\$1,407,534	\$1,332,912	\$1,332,912
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,568,695	\$1,457,691	\$1,407,534	\$1,332,912	\$1,332,912
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,332,912	\$1,332,912
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,568,695	\$1,457,691	\$1,407,534	\$1,332,912	\$1,332,912
FULL TIME EQUIVALENT POSITIONS:		21.2	21.6	22.3	20.5	20.5

STRATEGY DESCRIPTION AND JUSTIFICATION:

III.B. STRATEGY REQUEST

78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002
TIME: 11:07:07AM

Indirect Administrative costs are reflected in this strategy which is dictated by Article 6573a, V.T.C.S. The costs associated with this strategy are necessary to ensure the agency functions efficiently. In addition to leadership and day-to-day management, the Administration Division performs key functions to assist and protect the consumers of real estate services. The functions include direction of the hearings process, coordination of Advisory committees and the newsletter, drafting of proposed rules and legislation, and implementation of staff development programs. The Staff Services Division provides accounting, budget, human resources, purchasing, cashier, quick copy, and other support to the agency. The Information Services Division provides agency-wide support in three main areas: (1) internal computer systems which include fees receipts, education evaluation, examination result posting, license and renewal processing, enforcement case tracking, open records access and education provider approval systems; (2) cooperative systems working in concert with the TGSLC, the Office of the Attorney General in the collection of delinquent child support, the DPS in criminal history checks of applicants, and the Real Estate Center at Texas A&M University in licensee demographic and address data; and (3) public access systems including World Wide Web Site, on-line renewals and original salespersons' applications, E-mail system, and fax-on-demand (TRECFAx). This strategy contributes to meeting priority goals established in Vision Texas.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The agency could not operate without funding for this strategy. A continuation of current salary levels will result in the loss of experienced staff to other state agencies. This would negatively impact TREC's ability to deliver excellent customer service. (Agency Strategic Plan for the 2003-2007 Period, G. Service Delivery Challenges and Opportunities, Longer Term Modifications to Rules or Statutes, Communications, Item 26, page 19.)

III.B. STRATEGY REQUEST
78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002
TIME: 11:07:07AM

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$3,962,757	\$4,355,070	\$4,552,649	\$4,455,351	\$4,455,351
METHODS OF FINANCE (INCLUDING RIDERS):				\$4,455,351	\$4,455,351
METHODS OF FINANCE (EXCLUDING RIDERS):	\$3,962,757	\$4,355,070	\$4,552,649	\$4,455,351	\$4,455,351
FULL TIME EQUIVALENT POSITIONS:	78.1	81.6	88.0	88.0	88.0

Rider Revisions and Additions Request

Agency Code: 329	Agency Name: Texas Real Estate	Prepared By: Alan R. Waters	Date: 07/22/02	Request Level: Base																		
Current Rider Number	Page Number in 2002-03 GAA	Proposed Rider Language																				
4-	VIII-71	<p>Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.</p> <table style="width: 100%; margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center; width: 20%;"><u>2002</u></th> <th style="text-align: center; width: 20%;"><u>2003</u></th> </tr> </thead> <tbody> <tr> <td colspan="3" style="text-align: center;">Out of the General Revenue Fund</td> </tr> <tr> <td colspan="3">b. Acquisition of Capital Equipment and Items</td> </tr> <tr> <td style="padding-left: 20px;">(1) Modular Furniture</td> <td style="text-align: right;">\$ 22,500</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td style="padding-left: 20px;">Total, Acquisition of Capital Equipment and Items</td> <td style="text-align: right;">22,500</td> <td style="text-align: right;">0</td> </tr> <tr> <td style="padding-left: 20px;">Total, Capital Budget</td> <td style="text-align: right; border-top: 1px solid black;">\$ 22,500</td> <td style="text-align: right; border-top: 1px solid black;">\$ 0</td> </tr> </tbody> </table> <p style="margin-top: 10px;"><i>This rider is not needed in the agency's bill pattern since the expenditures were for a specific purpose.</i></p>				<u>2002</u>	<u>2003</u>	Out of the General Revenue Fund			b. Acquisition of Capital Equipment and Items			(1) Modular Furniture	\$ 22,500	\$ 0	Total, Acquisition of Capital Equipment and Items	22,500	0	Total, Capital Budget	\$ 22,500	\$ 0
	<u>2002</u>	<u>2003</u>																				
Out of the General Revenue Fund																						
b. Acquisition of Capital Equipment and Items																						
(1) Modular Furniture	\$ 22,500	\$ 0																				
Total, Acquisition of Capital Equipment and Items	22,500	0																				
Total, Capital Budget	\$ 22,500	\$ 0																				

Rider Revisions and Additions Request

Current Rider Number	Page Number in 2002-03 GAA	Proposed Rider Language
2.	VIII-71	<p>Appropriation of Residential Service Company Examination Fees. In addition to the funds appropriated above (\$5,500 each year of the biennium), all monies collected pursuant to § 4(c) <u>24 (c)</u>, Article 6573b, V.T.C.S., are hereby appropriated to the Texas Real Estate Commission for the purposes of conducting examinations and related activities included within Strategy <u>B.1.1., TREC Investigations</u>, A.1.1., Real Estate Licensing and Strategy C.1.1., Real Estate Public Education.</p> <p><i>Change 4(c) to 24(c) to correct typographical error made in current appropriations bill (it was 24(c) in last (00-01) appropriations bill. Change strategy to B.1.1., TREC Investigations, to reflect current workload allocations.</i></p>

Rider Revisions and Additions Request

Current Rider Number	Page Number in 2002-03 GAA	Proposed Rider Language
8.	VIII-72	<p>Contingent Revenue. Of the amounts appropriated above to the Texas Real Estate Commission, the amount of \$23,300 in fiscal year 2002 and \$51,133 in fiscal year 2003 for the purpose of increased lease costs and relocating 15 TREC employees, in Strategy E.1.1, Indirect Administration, the amount of \$22,500 for the purchase of modular furniture, and in Strategy D.1.1, TALCB Licensing, the amount of \$15,138 in fiscal year 2002 and \$3,839 in fiscal year 2003 for the purpose of increased lease costs and upgrading computer hardware and software is contingent on the Texas Real Estate Commission and the Texas Appraisal Licensing and Certification Board, as an independent subdivision of the Texas Real Estate Commission, assessing fees sufficient to generate, during the 2002-03 biennium, \$115,910 in excess of \$10,801,000, (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2002 and 2003. The Texas Real Estate Commission and the Texas Appraisal Licensing and Certification Board, as an independent subdivision of the Texas Real Estate Commission, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Texas Real Estate Commission's and the Texas Appraisal Licensing and Certification Board's minutes and other information supporting the estimated revenues to be generated for the 2002-03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.</p> <p><i>This rider is not needed for the Texas Real Estate Commission in the agency's bill pattern since the agency has already complied with the provisions of the rider.</i></p>
9.	VIII-72	<p>Relocation of Employees. The Texas Real Estate Commission shall relocate 15 of its employees currently located at the Austin headquarters to a site outside the city limits of Austin by January 1, 2003.</p> <p><i>This rider is not needed for the Texas Real Estate Commission because it is only applicable to fiscal year 2003.</i></p>

Rider Revisions and Additions Request

Current Rider Number	Page Number in 2002-03 GAA	Proposed Rider Language
Sec. 10.46	IX-95	<p>Contingent Appropriation for House Bill 695. Contingent upon the enactment of House Bill 695, or similar legislation relating to the regulation of certain occupations by the Texas Real Estate Commission; providing penalties, and notwithstanding other provisions in this Act, by the Seventy-seventh Legislature, Regular Session, the Texas Real Estate Commission is hereby appropriated in A.1.1. Strategy: TREC Licensing, the amount of \$223,000 in fiscal year 2002 and \$223,000 in fiscal year 2003 out of general revenue for the purpose of implementing the Act. Such appropriations are also contingent upon the Texas Real Estate Commission assessing fees sufficient to generate, during the 2002-03 biennium, \$446,000 in excess of: (1) \$10,801,000, (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2002 and 2003, and (2) the \$115,910 required to be raised in rider 8 of the agency bill pattern. The Texas Real Estate Commission, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Texas Real Estate Commission's minutes and other information supporting the estimated revenues to be generated for the 2002-03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.</p> <p><i>This rider is not needed for the Texas Real Estate Commission because the agency has already complied with the provisions of the rider.</i></p>

IV.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
 TIME: **1:05:37PM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

CODE	DESCRIPTION	Excp 2004	Excp 2005
	Item Name: Salary adjustment to retain experienced staff		
	Item Priority: 11		
	Includes Funding for the Following Strategy or Strategies:		
	01-01-01 Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses		
	02-01-01 Investigate Complaints and Resolve Valid Complaint Case		
	03-01-01 Prepare and Distribute Information Describing TREC Functions		
	05-01-01 Indirect Administration		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	86,120	86,120
	TOTAL, OBJECT OF EXPENSE	\$86,120	\$86,120
METHOD OF FINANCING:			
1	GENERAL REVENUE FUND	86,120	86,120
	TOTAL, METHOD OF FINANCING	\$86,120	\$86,120

DESCRIPTION / JUSTIFICATION:

Human resources issues are the #1 priority for TREC. In order to implement strategic plan initiatives, TREC must retain experienced staff and have the ability to attract and hire new employees with the requisite professional skills. The challenge is three-fold: (i) TREC must self-fund all salary raises; (ii) TREC salaries are defacto "capped" due to the restriction on the Administrator's salary level; and (iii) the Commission is in danger of losing the experience and continuity gained by current leadership.

For the past three fiscal years, TREC has used every creative measure within its purview to recruit and retain excellent staff. The strategies it has deployed successfully toward this end include eliminating positions and re-directing salary dollars into key staff positions in the form of promotions, merit salary increases, bonuses, and counter-offers. In spite of these proactive measures, turnover has continued. Further, the results of TREC's Survey of Organizational Excellence document the fact that this high turnover is directly related to the issue of "fair pay" rather than to unhappy or dissatisfied employees (Agency Strategic Plan for the 2003-2007 Period for the Texas Real Estate Commission, Appendix F, Page 54).

It is not possible to cut any further positions at the Commission without compromising our excellent customer service. Since TREC is a self-funded agency, any additional appropriation authority would be covered by agency-generated revenue. The legislature will be asked to grant approval to raise the Administrator's salary to a level that is commensurate with other similar-sized state agencies not only to retain existing leadership skills and abilities, but also to reduce the likelihood of turnover in TREC management and other staff positions.

Details pertaining to TREC's human resources issues are delineated in the Workforce Plan (Agency Strategic Plan for the 2003-2007 Period for the Texas Real Estate Commission,

IV.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
TIME: **1:05:46PM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

CODE DESCRIPTION

Excp 2004

Excp 2005

Appendix E, Page 44).

EXTERNAL/INTERNAL FACTORS:

As stated above, human resources issues are the #1 priority for TREC. The only solution to the problem of experienced TREC employees relocating to other state agencies for more money is for TREC to have a comparable salary structure. The appropriations authority requested above will help achieve retention of experienced staff and the agency's mission.

IV.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
 TIME: **1:05:47PM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

CODE	DESCRIPTION	Excp 2004	Excp 2005
	Item Name: Enhance educational oversight		
	Item Priority: 12		
	Includes Funding for the Following Strategy or Strategies:		
	01-01-01 Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses		
	05-01-01 Indirect Administration		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	77,962	77,962
2004	UTILITIES	900	0
2009	OTHER OPERATING EXPENSE	14,138	0
TOTAL, OBJECT OF EXPENSE		\$93,000	\$77,962
METHOD OF FINANCING:			
1	GENERAL REVENUE FUND	93,000	77,962
TOTAL, METHOD OF FINANCING		\$93,000	\$77,962

DESCRIPTION / JUSTIFICATION:

Many of the comments received from those attending TREC's public Strategic Planning forums placed a priority on real estate education. While TREC is not a direct provider, one of its fundamental obligations is to ensure the appropriate education of real estate applicants and licensees. The Commission must optimize its limited resources and authority to ensure that competent and ethical individuals provide real estate services to all Texans.

During the past two years, the Commission has reviewed its rules concerning real estate education and developed new procedures for the certification of education providers and instructors. Additionally, TREC has encouraged the development of distance learning and computer-based education as a means of bringing real estate education to candidates and licensees in all areas of the state.

To provide for a detailed review of real estate education, the Chairman of the Commission has appointed a real estate education task force composed of both accredited college and proprietary school educators as well as licensees. It will assist the nine-member Commission and TREC staff in ensuring that the highest level of quality education is provided for Texas real estate licensees.

This committee of volunteers will not require any state appropriations. However, additional appropriations will be required to implement the initiatives of the task force by the addition of funding for two staff positions. The new positions would be a B8 curriculum writer and reviewer and a B12 Programmer. An increase in TREC's total FTEs would not be required.

Continuing education is an important method by which licensees remain competent and knowledgeable of changes in law, policy, and industry developments. TREC will strive to

IV.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
TIME: **1:05:47PM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

CODE	DESCRIPTION	Excp 2004	Excp 2005
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improve the quality of continuing education.

(Agency Strategic Plan for the 2003-2007 Period for the Texas Real Estate Commission, I. Prioritization of Strategic Planning Initiatives, Real Estate Education, Page 20).

EXTERNAL/INTERNAL FACTORS:

As mentioned above, TREC will strive for a detailed review of real estate education through the appointment of a committee accompanied by the legislature providing appropriation authority to allow TREC to fill two staff positions. This will ensure the highest quality of education for TREC licensees and thereby provide an additional level of service and protection to the consumers of real estate services.

IV.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
 TIME: **1:05:47PM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

CODE	DESCRIPTION		Excp 2004	Excp 2005
	Item Name: Consumer Education			
	Item Priority: 13			
	Includes Funding for the Following Strategy or Strategies:			
	03-01-01 Prepare and Distribute Information Describing TREC Functions			
OBJECTS OF EXPENSE:				
1001	SALARIES AND WAGES		33,787	33,787
2003	CONSUMABLE SUPPLIES		2,500	2,500
2004	UTILITIES		450	0
2005	TRAVEL		1,800	1,800
2009	OTHER OPERATING EXPENSE		18,657	11,020
	TOTAL, OBJECT OF EXPENSE		\$57,194	\$49,107
METHOD OF FINANCING:				
1	GENERAL REVENUE FUND		57,194	49,107
	TOTAL, METHOD OF FINANCING		\$57,194	\$49,107

DESCRIPTION / JUSTIFICATION:

From the internal brainstorming sessions conducted with TREC staff and the four external public forums held during 2002, a wide range of service delivery challenges and opportunities was identified. In addition, a number of individuals submitted written suggestions and observations on Commission policies and procedures. One of the Long Term Strategic Plan Suggestions was: "Educate consumers about TREC via Public Service Announcements on TV and radio, random mailings, and spots on local news shows and talk shows. This would require adding one FTE in external communications."

This exceptional item would not require an additional FTE position for TREC but does necessitate additional appropriation authority. This position is essential to TREC's overall plan of educating the public and industry service providers, including consumer education on real estate acquisition, procedures for filing complaints involving licensees, and information on obtaining licensure.

(Agency Strategic Plan for the 2003-2007 Period for the Texas Real Estate Commission, Long Term Strategic Plan Suggestions, 4. Consumer Protection, Real Estate Education, Page 23).

EXTERNAL/INTERNAL FACTORS:

As mentioned in the Strategic Plan for the 2003-2007 Period for the Texas Real Estate Commission, TREC will place an emphasis on the dissemination of information to the public and licensees. This, in conjunction with the education task force, will ensure the highest quality of education for TREC licensees and thereby provide an additional level of service and protection to the consumers of real estate services.

IV.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
 TIME: **1:05:48PM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

CODE	DESCRIPTION	Excp 2004	Excp 2005
	Item Name: Technology Improvements		
	Item Priority: 14		
	Includes Funding for the Following Strategy or Strategies:		
	01-01-01 Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses		
	02-01-01 Investigate Complaints and Resolve Valid Complaint Case		
	03-01-01 Prepare and Distribute Information Describing TREC Functions		
	05-01-01 Indirect Administration		
 OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	45,031	22,300
5000	CAPITAL EXPENDITURES	53,436	0
	TOTAL, OBJECT OF EXPENSE	\$98,467	\$22,300
 METHOD OF FINANCING:			
1	GENERAL REVENUE FUND	98,467	22,300
	TOTAL, METHOD OF FINANCING	\$98,467	\$22,300

DESCRIPTION / JUSTIFICATION:

From the internal brainstorming sessions conducted with TREC staff and the four external public forums held in 2002, a wide range of service delivery challenges and opportunities was identified. In addition, a number of individuals submitted written suggestions and observations on Commission policies and procedures. The Long Term Strategic Plan Suggestions produced the following technology items:

- * Switch to Word and Excel to ensure compatibility with industry standards and other state agencies.
- * Implement desktop technology refresh plan to maximize staff productivity.
- * Move network architecture from hub technology to switches to facilitate access to agency information for both internal and external customers.
- * Acquire enterprise tape backup/archive system.

This exceptional item would require additional funding as follows:

- * Switch to Word and Excel to ensure compatibility with industry standards and other state agencies. \$19,345 (FY 04)
- * Implement desktop technology refresh plan to maximize staff productivity. \$22,300 (FY 04 and FY 05)
- * Move network architecture from hub technology to switches to facilitate access to agency information for both internal and external customers. \$24,822 (FY 04)

IV.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
TIME: **1:05:48PM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

CODE	DESCRIPTION	Excp 2004	Excp 2005
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* Acquire enterprise tape backup/archive system. \$32,000 (FY 04)

(Agency Strategic Plan for the 2003-2007 Period for the Texas Real Estate Commission, Long Term Strategic Plan Suggestions, 7. Technology, Page 25).

EXTERNAL/INTERNAL FACTORS:

As an innovator in the area of employing technology for licensing, regulation and information distribution, TREC is committed to continue exploring technological enhancements for its customer base. Initiatives related to technology modifications or upgrades include developing and deploying technology solutions to facilitate access to agency information for both internal and external customers and to enhance the productivity of staff.

The above exceptional items will help accomplish TREC's technology initiatives.

(Agency Strategic Plan for the 2003-2007 Period for the Texas Real Estate Commission, I. Prioritization of Strategic Planning Initiatives, Technology, Page 21).

IV.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
 TIME: **1:05:49PM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

CODE	DESCRIPTION	Excp 2004	Excp 2005
	Item Name: Subscription fees for legislatively mandated Texas On-line initiative.		
	Item Priority: 15		
	Includes Funding for the Following Strategy or Strategies:		
	01-01-01 Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses		
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	96,444	96,444
	TOTAL, OBJECT OF EXPENSE	\$96,444	\$96,444
METHOD OF FINANCING:			
1	GENERAL REVENUE FUND	96,444	96,444

DESCRIPTION / JUSTIFICATION:

TREC collected subscription fees for the legislatively mandated Texas On-line initiative for 2 months in FY 2002. Because a full year of subscription fees was not collected the money was not in TREC's baseline. TREC was directed by the Legislative Budget Board to include subscription fees as an exceptional item in TREC's Legislative Appropriations Request.

EXTERNAL/INTERNAL FACTORS:

This money is necessary to adjust the baseline for TREC to include subscription fees to Texas On-line to fund the electronic payment system.

IV.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002
TIME: 1:15:23PM

Agency code: 329

Agency name: REAL ESTATE COMMISSION

Excp 2004

Excp 2005

Item Name: Salary adjustment to retain experienced staff

Allocation to Strategy: 1-1-1 Review Apps, Perform Criminal Checks, Administer Exams, Issue L

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES

19,687

19,687

TOTAL, OBJECT OF EXPENSE

\$19,687

\$19,687

METHOD OF FINANCING:

1 GENERAL REVENUE FUND

19,687

19,687

TOTAL, METHOD OF FINANCING

\$19,687

\$19,687

IV.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
TIME: **1:16:33PM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

Excp 2004

Excp 2005

Item Name: Salary adjustment to retain experienced staff

Allocation to Strategy: 2-1-1 Investigate Complaints and Resolve Valid Complaint Case

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES

33,086

33,086

TOTAL, OBJECT OF EXPENSE

\$33,086

\$33,086

METHOD OF FINANCING:

1 GENERAL REVENUE FUND

33,086

33,086

TOTAL, METHOD OF FINANCING

\$33,086

\$33,086

IV.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
TIME: **1:16:34PM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

Excp 2004

Excp 2005

Item Name: Salary adjustment to retain experienced staff

Allocation to Strategy: 3-1-1 Prepare and Distribute Information Describing TREC Functions

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES

11,511

11,511

TOTAL, OBJECT OF EXPENSE

\$11,511

\$11,511

METHOD OF FINANCING:

1 GENERAL REVENUE FUND

11,511

11,511

TOTAL, METHOD OF FINANCING

\$11,511

\$11,511

IV.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
TIME: **1:16:34PM**

Agency code: **329** Agency name: **REAL ESTATE COMMISSION**

	Excp 2004	Excp 2005
Item Name: Salary adjustment to retain experienced staff		
Allocation to Strategy: 5-1-1 Indirect Administration		
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	21,836	21,836
TOTAL, OBJECT OF EXPENSE	\$21,836	\$21,836
METHOD OF FINANCING:		
1 GENERAL REVENUE FUND	21,836	21,836
TOTAL, METHOD OF FINANCING	\$21,836	\$21,836

IV.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

DATE: **8/14/2002**

78th Regular Session, Agency Submission, Version 1

TIME: **1:16:35PM**

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

Excp 2004

Excp 2005

Item Name: Enhance educational oversight

Allocation to Strategy: 1-1-1 Review Apps, Perform Criminal Checks, Administer Exams, Issue L

OBJECTS OF EXPENSE:

1001	SALARIES AND WAGES	33,787	33,787
2004	UTILITIES	450	0
2009	OTHER OPERATING EXPENSE	7,637	0

TOTAL, OBJECT OF EXPENSE

\$41,874	\$33,787
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METHOD OF FINANCING:

1	GENERAL REVENUE FUND	41,874	33,787
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TOTAL, METHOD OF FINANCING

\$41,874	\$33,787
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IV.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
TIME: **1:16:35PM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

	Excp 2004	Excp 2005
Item Name: Enhance educational oversight		
Allocation to Strategy: 5-1-1 Indirect Administration		
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	44,175	44,175
2004 UTILITIES	450	0
2009 OTHER OPERATING EXPENSE	6,501	0
TOTAL, OBJECT OF EXPENSE	\$51,126	\$44,175
METHOD OF FINANCING:		
1 GENERAL REVENUE FUND	51,126	44,175
TOTAL, METHOD OF FINANCING	\$51,126	\$44,175

IV.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

DATE: **8/14/2002**

78th Regular Session, Agency Submission, Version 1

TIME: **1:16:36PM**

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

Excp 2004

Excp 2005

Item Name: Consumer Education
Allocation to Strategy: 3-1-1 Prepare and Distribute Information Describing TREC Functions

OBJECTS OF EXPENSE:

1001	SALARIES AND WAGES	33,787	33,787
2003	CONSUMABLE SUPPLIES	2,500	2,500
2004	UTILITIES	450	0
2005	TRAVEL	1,800	1,800
2009	OTHER OPERATING EXPENSE	18,657	11,020

TOTAL, OBJECT OF EXPENSE	\$57,194	\$49,107
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METHOD OF FINANCING:

1 GENERAL REVENUE FUND	57,194	49,107
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TOTAL, METHOD OF FINANCING	\$57,194	\$49,107
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IV.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
TIME: **1:16:36PM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

Excp 2004

Excp 2005

Item Name: Technology Improvements

Allocation to Strategy: 1-1-1 Review Apps, Perform Criminal Checks, Administer Exams, Issue L

OBJECTS OF EXPENSE:

2009 OTHER OPERATING EXPENSE	8,610	4,370
TOTAL, OBJECT OF EXPENSE	\$8,610	\$4,370

METHOD OF FINANCING:

1 GENERAL REVENUE FUND	8,610	4,370
TOTAL, METHOD OF FINANCING	\$8,610	\$4,370

IV.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
TIME: **1:16:37PM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

Excp 2004

Excp 2005

Item Name: Technology Improvements

Allocation to Strategy: 2-1-1 Investigate Complaints and Resolve Valid Complaint Case

OBJECTS OF EXPENSE:

2009 OTHER OPERATING EXPENSE	15,030	8,140
TOTAL, OBJECT OF EXPENSE	\$15,030	\$8,140

METHOD OF FINANCING:

1 GENERAL REVENUE FUND	15,030	8,140
TOTAL, METHOD OF FINANCING	\$15,030	\$8,140

IV.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
TIME: **1:16:37PM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

Excp 2004

Excp 2005

Item Name: Technology Improvements
Allocation to Strategy: 3-1-1 Prepare and Distribute Information Describing TREC Functions

OBJECTS OF EXPENSE:

2009 OTHER OPERATING EXPENSE	5,886	3,501
TOTAL, OBJECT OF EXPENSE	\$5,886	\$3,501

METHOD OF FINANCING:

1 GENERAL REVENUE FUND	5,886	3,501
TOTAL, METHOD OF FINANCING	\$5,886	\$3,501

IV.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
TIME: **1:16:37PM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

	Excp 2004	Excp 2005
Item Name: Technology Improvements		
Allocation to Strategy: 5-1-1 Indirect Administration		
OBJECTS OF EXPENSE:		
2009 OTHER OPERATING EXPENSE	15,505	6,289
5000 CAPITAL EXPENDITURES	53,436	0
TOTAL, OBJECT OF EXPENSE	\$68,941	\$6,289
METHOD OF FINANCING:		
1 GENERAL REVENUE FUND	68,941	6,289
TOTAL, METHOD OF FINANCING	\$68,941	\$6,289

IV.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/14/2002**
TIME: **1:16:38PM**

Agency code: **329**

Agency name: **REAL ESTATE COMMISSION**

Excp 2004

Excp 2005

Item Name: Subscription fees for legislatively mandated Texas On-line initia

Allocation to Strategy: 1-1-1 Review Apps, Perform Criminal Checks, Administer Exams, Issue L

OBJECTS OF EXPENSE:

2009 OTHER OPERATING EXPENSE	96,444	96,444
TOTAL, OBJECT OF EXPENSE	\$96,444	\$96,444

METHOD OF FINANCING:

1 GENERAL REVENUE FUND	96,444	96,444
TOTAL, METHOD OF FINANCING	\$96,444	\$96,444

IV.C. EXCEPTIONAL ITEMS STRATEGY REQUEST
 78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002
TIME: 1:17:16PM

Agency Code: **329** Agency name: **REAL ESTATE COMMISSION**

GOAL:	1 Determine That TREC Applicants Meet Legal Requirements for Licensure	Statewide Goal/Benchmark:	8 - 9
OBJECTIVE:	1 Evaluate Applicants for Honesty/Integrity/Trustworthiness/Competency	Service Categories:	
STRATEGY:	1 Review Apps, Perform Criminal Checks, Administer Exams, Issue Licenses	Service: 16	Income: A.2
			Age: B.3

CODE DESCRIPTION	Excp 2004	Excp 2005
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	53,474	53,474
2004 UTILITIES	450	0
2009 OTHER OPERATING EXPENSE	112,691	100,814
Total, Objects of Expense	\$166,615	\$154,288
METHOD OF FINANCING:		
1 GENERAL REVENUE FUND	166,615	154,288
Total, Method of Finance	\$166,615	\$154,288

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

- Salary adjustment to retain experienced staff
- Enhance educational oversight
- Technology Improvements
- Subscription fees for legislatively mandated Texas On-line initiative.

IV.C. EXCEPTIONAL ITEMS STRATEGY REQUEST
 78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002
TIME: 1:17:24PM

Agency Code: **329** Agency name: **REAL ESTATE COMMISSION**

GOAL:	2 Enforce the TREC Laws and Rules in a Fair and Evenhanded Manner	Statewide Goal/Benchmark:	8 - 7
OBJECTIVE:	1 Resolve Complaints and Hold Hearings Exeditiously	Service Categories:	
STRATEGY:	1 Investigate Complaints and Resolve Valid Complaint Case	Service: 16	Income: A.2
			Age: B.3

CODE DESCRIPTION	Excp 2004	Excp 2005
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	33,086	33,086
2009 OTHER OPERATING EXPENSE	15,030	8,140
Total, Objects of Expense	\$48,116	\$41,226
METHOD OF FINANCING:		
1 GENERAL REVENUE FUND	48,116	41,226
Total, Method of Finance	\$48,116	\$41,226

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Salary adjustment to retain experienced staff
 Technology Improvements

IV.C. EXCEPTIONAL ITEMS STRATEGY REQUEST
 78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002
TIME: 1:17:24PM

Agency Code: **329** Agency name: **REAL ESTATE COMMISSION**

GOAL: 3 To Communicate Effectively with the Public and Licensees Statewide Goal/Benchmark: 8 - 0
 OBJECTIVE: 1 Notify 100% of Licensees of Law/Rule Chnges w/i 60 Days; Custmr Survey Service Categories:
 STRATEGY: 1 Prepare and Distribute Information Describing TREC Functions Service: 16 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2004	Excp 2005
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	45,298	45,298
2003 CONSUMABLE SUPPLIES	2,500	2,500
2004 UTILITIES	450	0
2005 TRAVEL	1,800	1,800
2009 OTHER OPERATING EXPENSE	24,543	14,521
Total, Objects of Expense	\$74,591	\$64,119

METHOD OF FINANCING:		
1 GENERAL REVENUE FUND	74,591	64,119
Total, Method of Finance	\$74,591	\$64,119

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Salary adjustment to retain experienced staff
 Consumer Education
 Technology Improvements

IV.C. EXCEPTIONAL ITEMS STRATEGY REQUEST
 78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002
TIME: 1:17:24PM

Agency Code: **329**

Agency name: **REAL ESTATE COMMISSION**

GOAL: 5 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 1 Indirect Administration

Statewide Goal/Benchmark: 8 - 0
 Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2004	Excp 2005
-------------------------	------------------	------------------

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	66,011	66,011
2004 UTILITIES	450	0
2009 OTHER OPERATING EXPENSE	22,006	6,289
5000 CAPITAL EXPENDITURES	53,436	0
Total, Objects of Expense	\$141,903	\$72,300

METHOD OF FINANCING:

1 GENERAL REVENUE FUND	141,903	72,300
Total, Method of Finance	\$141,903	\$72,300

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Salary adjustment to retain experienced staff
 Enhance educational oversight
 Technology Improvements

Agency code: 329

Agency name: REAL ESTATE COMMISSION

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2002

Bud 2003

BL 2004

BL 2005

5007 Acquisition of Capital Equipment and Items

1/1 Modular Furniture

OBJECTS OF EXPENSE

Capital

2009 OTHER OPERATING EXPENSE		\$15,357	\$0	\$0	\$0
Capital Subtotal OOE, Project	1	\$15,357	\$0	\$0	\$0
Subtotal OOE, Project	1	\$15,357	\$0	\$0	\$0

TYPE OF FINANCING

Capital

CA 1 GENERAL REVENUE FUND		\$15,357	\$0	\$0	\$0
Capital Subtotal TOF, Project	1	\$15,357	\$0	\$0	\$0
Subtotal TOF, Project	1	\$15,357	\$0	\$0	\$0

Capital Subtotal, Category 5007		\$15,357	\$0	\$0	\$0
Informational Subtotal, Category 5007					
Total, Category 5007		\$15,357	\$0	\$0	\$0

AGENCY TOTAL -CAPITAL		\$15,357	\$0	\$0	\$0
AGENCY TOTAL -INFORMATIONAL					
AGENCY TOTAL		\$15,357	\$0	\$0	\$0

METHOD OF FINANCING:

Capital

1 GENERAL REVENUE FUND		\$15,357	\$0	\$0	\$0
Total, Method of Financing-Capital		\$15,357	\$0	\$0	\$0
Total, Method of Financing		\$15,357	\$0	\$0	\$0

V.A. CAPITAL BUDGET PROJECT SCHEDULE
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002
 TIME : 4:22:35PM

Agency code: 329

Agency name: REAL ESTATE COMMISSION

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2002

Bud 2003

BL 2004

BL 2005

TYPE OF FINANCING:

Capital

CA CURRENT APPROPRIATIONS

\$15,357

\$0

\$0

\$0

Total, Type of Financing-Capital

\$15,357

\$0

\$0

\$0

Total,Type of Financing

\$15,357

\$0

\$0

\$0

V.C. CAPITAL BUDGET ALLOCATION TO STRATEGIES BY PROJECT (BASELINE)
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002
 TIME: 4:24:23PM

Agency code: 329 Agency name: REAL ESTATE COMMISSION

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2002	Bud 2003	BL 2004	BL 2005
5007 Acquisition of Capital Equipment and Items					
<i>1/1</i>	<i>Modular Furniture</i>				
Capital	5-1-1 INDIRECT ADMINISTRATION	15,357	0	\$0	\$0
	TOTAL, PROJECT	\$15,357	\$0	\$0	\$0
	TOTAL CAPITAL, ALL PROJECTS	\$15,357	\$0	\$0	\$0
	TOTAL INFORMATIONAL, ALL PROJECTS				
	TOTAL, ALL PROJECTS	\$15,357	\$0	\$0	\$0

VIA. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE

78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/14/2002
Time: 1:23:43PM

Agency Code: 329 Agency: REAL ESTATE COMMISSION

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2000 - 2001 HUB Expenditure Information

Procurement Category	Statewide Adjusted HUB Goals	Adjusted HUB Expenditures FY 2000		Total Expenditures FY 2000	Adjusted HUB Expenditures FY 2001		Total Expenditures FY 2001
		HUB %	HUB \$		HUB %	HUB \$	
Special Trade Construction	47.0%	0.0%	\$0	\$1,069	0.0%	\$0	\$0
Professional Services	18.1%	0.0%	\$0	\$0	0.0%	\$0	\$0
Other Services	33.0%	14.3%	\$25,940	\$181,794	21.6%	\$45,457	\$209,978
Commodities	11.5%	29.5%	\$35,543	\$120,639	84.9%	\$323,874	\$381,539
Total Expenditures		20.3%	\$61,483	\$303,502	62.4%	\$369,331	\$591,517

B. Assessment of Fiscal Year 2000 - 2001 Efforts to Meet HUB Procurement Goals

Attainment:

The agency attained or exceeded one of four, or 25%, of the applicable statewide HUB procurement goals in FY 2000.
The agency attained or exceeded one of four, or 25%, of the applicable statewide HUB procurement goals in FY 2001.

Applicability:

The "Heavy Construction" and "Building Construction" categories are not applicable to agency operations in either fiscal year 2000 or fiscal year 2001 since the agency did not have strategies or programs related to construction.

Factors Affecting Attainment:

It should be noted that the overall HUB expenditures for fiscal year 2000 were 20.2% and for fiscal year 2001 were 62.4%.

The "Special Trade Construction" expenditures for fiscal year 2000 were for one time purchases(ie: remodeling of leased office space using the lessor's vendor).

"Good-Faith" Efforts:

The following is a list of the activities that the Commission has taken and will continue to take in order to meet TSB&P's adjusted HUB goals:

- a)TREC has and will continue to actively seek certified HUB bidders for these services at the time the current contracts expire.
- b)TREC has and will continue to encourage qualified vendors to seek HUB certification from GSC. The contractor for The DuPont Group has been given information on how to become HUB certified and the HUB certification application form.
- c)TREC has and will continue to encourage non-HUB vendors to sub-contract with HUBs.
- d) TREC has and will continue to employ the Spot Purchases and Delegated Purchase strategies outlined in TREC Action Plan Aimed at increasing HUB Purchases.

VI.B. Current Biennium One-time Expenditure Schedule

Agency Code: 329	Agency Name: Texas Real Estate Commission	Prepared By: Alan Waters, Karen Alexander		Date: 08/16/2002
Item	FY2002		FY2003	
	Amount	MOF	Amount	MOF
Article VIII-71, Capital Budget for Modular Furniture	\$22,500	0001		

VI.B. Current Biennium One-time Expenditure Schedule

Agency Code: 329	Agency Name: Texas Real Estate Commission	Prepared By: Alan Waters, Karen Alexander		Date: 08/16/2002
Item	FY2002		FY2003	
	Amount	MOF	Amount	MOF
Article VIII-71, Capital Budget for Modular Furniture	\$22,500	0001		

V.I.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

78th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002

TIME: 3:42:11PM

Agency Code: **329**

Agency name: **REAL ESTATE COMMISSION**

FUND/ACCOUNT	Act 2001	Est 2002	Est 2003	Est 2004	Est 2005
1 GENERAL REVENUE FUND					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3103 Limited Sales & Use Tax-State	1,653	1,600	1,600	1,600	1,600
3105 Discounts for Sales Tax-State	11	11	11	11	11
3171 Prof-Fees-HB11, GR Increase	6,917,400	7,074,800	7,000,000	7,000,000	7,000,000
3175 Professional Fees	5,066,124	5,938,344	5,360,490	5,405,700	5,405,700
3752 Sale of Publications/Advertising	11,112	0	0	0	0
3775 Returned Check Fees	4,800	7,175	5,000	5,000	5,000
3777 Default Fund - Warrant Voided	50	0	0	0	0
3795 Other Misc Government Revenue	8,970	9,636	9,000	9,000	9,000
Subtotal: Actual/Estimated Revenue	12,010,120	13,031,566	12,376,101	12,421,311	12,421,311
Total Available	\$12,010,120	\$13,031,566	\$12,376,101	\$12,421,311	\$12,421,311
DEDUCTIONS:					
Expended/Budgeted/Requested	(3,868,996)	(4,220,190)	(4,400,706)	(4,455,351)	(4,455,351)
Reverse Auction	0	1,206	1,206	0	0
Transfer - Employee Benefits	(795,395)	(897,175)	(904,930)	(950,000)	(950,000)
Art IX, Sec 9-11.06 Salary 00-01	(92,880)	0	0	0	0
Art IX, Sec 10.12 Salary 02-03	0	(104,880)	(118,103)	0	0
Art IX, Sec 10.12 Longevity 02-03	0	(30,000)	(33,840)	0	0
Total, Deductions	\$(4,757,271)	\$(5,251,039)	\$(5,456,373)	\$(5,405,351)	\$(5,405,351)
Ending Fund/Account Balance	\$7,252,849	\$7,780,527	\$6,919,728	\$7,015,960	\$7,015,960

REVENUE ASSUMPTIONS:

Even numbered fiscal years produce more renewal revenue than odd numbered years. Revenues increased for fiscal year 2002 due to law changes and increased original applications. Fiscal years 2003 and beyond should return to historical levels.

CONTACT PERSON:

Alan R. Waters/Karen Alexander

V.I.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

DATE: 8/14/2002

78th Regular Session, Agency Submission, Version 1

TIME: 3:43:01PM

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 329

Agency name: REAL ESTATE COMMISSION

FUND/ACCOUNT	Act 2001	Est 2002	Est 2003	Est 2004	Est 2005
666 APPROPRIATED RECEIPTS					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3175 Professional Fees	1,188	5,500	5,500	5,500	5,500
3752 Sale of Publications/Advertising	181,774	180,666	180,000	180,000	180,000
3802 Reimbursements-Third Party	20	0	0	0	0
Subtotal: Actual/Estimated Revenue	182,982	186,166	185,500	185,500	185,500
Total Available	\$182,982	\$186,166	\$185,500	\$185,500	\$185,500
DEDUCTIONS:					
Expended/Budgeted	(182,982)	(186,166)	(185,500)	(185,500)	(185,500)
Total, Deductions	\$(182,982)	\$(186,166)	\$(185,500)	\$(185,500)	\$(185,500)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Alan R. Waters/Karen Alexander

V.I.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

DATE: 8/14/2002

78th Regular Session, Agency Submission, Version 1

TIME: 3:43:01PM

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 329

Agency name: REAL ESTATE COMMISSION

FUND/ACCOUNT	Act 2001	Est 2002	Est 2003	Est 2004	Est 2005
969 REAL ESTATE TRUST ACCOUNT					
Beginning Balance (Unencumbered):	\$589,758	\$574,960	\$587,654	\$519,453	\$545,426
Estimated Revenue:					
3175 Professional Fees	0	2,230,124	2,077,807	2,181,697	2,072,612
3790 Deposit to Trust or Suspense	2,077,880	0	0	0	0
Subtotal: Actual/Estimated Revenue	2,077,880	2,230,124	2,077,807	2,181,697	2,072,612
Total Available	\$2,667,638	\$2,805,084	\$2,665,461	\$2,701,150	\$2,618,038
DEDUCTIONS:					
Transfers to Real Estate Center	(2,092,678)	0	0	0	0
Operating Transfers Out	0	(2,217,430)	(2,146,008)	(2,155,724)	(2,099,883)
Total, Deductions	\$(2,092,678)	\$(2,217,430)	\$(2,146,008)	\$(2,155,724)	\$(2,099,883)
Ending Fund/Account Balance	\$574,960	\$587,654	\$519,453	\$545,426	\$518,155

REVENUE ASSUMPTIONS:

Revenues for fiscal year 2002 were higher due to law changes and increased original application. Revenues for fiscal year 2003 and beyond are based on historical trends.

CONTACT PERSON:

Alan R. Waters/Karen Alexander

V.I.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

78th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002

TIME: 3:43:02PM

Agency Code: **329**

Agency name: **REAL ESTATE COMMISSION**

FUND/ACCOUNT	Act 2001	Est 2002	Est 2003	Est 2004	Est 2005
971 REAL ESTATE RECOVERY FUND					
Beginning Balance (Unencumbered):	\$603,687	\$462,897	\$290,739	\$252,240	\$313,740
Estimated Revenue:					
3175 Professional Fees	186,090	194,120	195,000	195,000	195,000
3714 Judgments	49,003	28,706	25,000	25,000	25,000
3802 Reimbursements-Third Party	23,128	26,703	25,000	25,000	25,000
3821 Sale of US Gov Obligations-Short	500,000	500,000	400,000	400,000	300,000
3822 Sale of US Gov Obligations-Long	0	0	0	0	0
3855 Interest on Invest/Obligtn/Security	108,863	122,259	120,000	120,000	120,000
Subtotal: Actual/Estimated Revenue	867,084	871,788	765,000	765,000	665,000
Total Available	\$1,470,771	\$1,334,685	\$1,055,739	\$1,017,240	\$978,740
DEDUCTIONS:					
Expended/Budgeted/Requested	(188)	(300)	(3,500)	(3,500)	(3,500)
Payments directed by court order	(189,405)	(531,208)	(500,000)	(500,000)	(500,000)
Purchase of US Gov't - Short Term	0	0	0	0	0
Purchase of US Govt - Long Term	(818,281)	(512,438)	(300,000)	(200,000)	(300,000)
Total, Deductions	\$(1,007,874)	\$(1,043,946)	\$(803,500)	\$(703,500)	\$(803,500)
Ending Fund/Account Balance	\$462,897	\$290,739	\$252,239	\$313,740	\$175,240

REVENUE ASSUMPTIONS:

Revenues and deductions are based on historical trends. Fiscal year 2001 had an exceptionally low amount of payments directed by court order. Fiscal year 2002 payments returned to historical levels. Fiscal years 2003 and beyond are based on historical levels.

CONTACT PERSON:

Alan R. Waters/Karen Alexander

V.I.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

78th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/14/2002

TIME: 3:43:02PM

Agency Code: 329

Agency name: REAL ESTATE COMMISSION

FUND/ACCOUNT	Act 2001	Est 2002	Est 2003	Est 2004	Est 2005
988 REAL ESTATE INSPEC TRUST					
Beginning Balance (Unencumbered):	\$621,968	\$645,829	\$644,381	\$627,499	\$627,499
Estimated Revenue:					
3175 Professional Fees	31,300	44,850	35,000	35,000	35,000
3714 Judgments	0	0	0	0	0
3802 Reimbursements-Third Party	0	0	0	0	0
3851 Interest on St Deposits & Treas Inv	36,544	21,704	18,000	18,000	18,000
Subtotal: Actual/Estimated Revenue	67,844	66,554	53,000	53,000	53,000
Total Available	\$689,812	\$712,383	\$697,381	\$680,499	\$680,499
DEDUCTIONS:					
Expended/Budgeted/Requested	(15)	(50)	(500)	(500)	(500)
Payments directed by court order	0	(15,000)	(15,000)	(15,000)	(15,000)
Transfers to General Revenue	(43,968)	(52,952)	(54,382)	(37,500)	(37,500)
Total, Deductions	\$(43,983)	\$(68,002)	\$(69,882)	\$(53,000)	\$(53,000)
Ending Fund/Account Balance	\$645,829	\$644,381	\$627,499	\$627,499	\$627,499

REVENUE ASSUMPTIONS:

Revenues and deductions are based on historical trends.

CONTACT PERSON:

Alan R. Waters/Karen Alexander

VI.F. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/14/2002
 Time: 1:22:10PM

Agency Code: **329** Agency: **REAL ESTATE COMMISSION**

REAL ESTATE BROKER-LAWYER COMMITTEE

Statutory Authorization: Section 16, Article 6573a, V.T.C.S.
 Number of Members: 12
 Committee Status: Ongoing
 Date Created: 08/29/1983
 Date to Be Abolished: 09/01/2003
 Strategy (Strategies): 3-1-1 LICENSEE/CONSUMER EDUCATION

Advisory Committee Costs	<u>Expended 2001</u>	<u>Estimated 2002</u>	<u>Budgeted 2003</u>	<u>Requested 2004</u>	<u>Requested 2005</u>
Committee Members Direct Expenses					
Travel	\$2,971	\$4,359	\$2,500	\$2,500	\$2,500
Other Expenditures in Support of Committee Activities					
Personnel (0.10 FTEs)	5,145	5,391	5,391	5,391	5,391
Consumable Supplies	200	200	200	200	200
Total, Committee Expenditures	\$8,316	\$9,950	\$8,091	\$8,091	\$8,091
Method of Financing					
GENERAL REVENUE FUND	\$8,316	\$9,950	\$8,091	\$8,091	\$8,091
Total, Method of Financing	\$8,316	\$9,950	\$8,091	\$8,091	\$8,091
Meetings Per Fiscal Year	5	5	4	4	4

VI.F. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A
78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/14/2002
Time: 1:22:15PM

Agency Code: **329** Agency: **REAL ESTATE COMMISSION**

REAL ESTATE BROKER-LAWYER COMMITTEE

Description and Justification for Continuation/Consequences of Abolishing

The Real Estate Broker-Lawyer Committee (committee) consists of six attorneys appointed by the president of the State Bar of Texas and six persons appointed by the Texas Real Estate Commission (TREC). The committee prepares earnest money contracts and addenda for possible promulgation by TREC. Section 16(e) of Article 6573a, V.T.C.S., generally requires Texas real estate licensees to use the forms prepared by the committee and promulgated by TREC.

The existence of this committee should be continued to discourage the unauthorized practice of law by real estate licensees and to reduce controversies in real estate transactions by providing fair and comprehensive contract forms for use by licensees. Standardization of these forms on a state-wide basis has done much to eliminate confusion and inconsistency in the buying and selling of real estate. As a governmental entity, TREC serves the public, and the forms it develops are intended to balance the interests of consumers, real estate licensees and service providers such as surveyors, lenders and title insurance companies. The committee structure ensures that extensive experience and considerable expertise are available to the Commission and ensures a continuity of service to the public.

VI.F. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A
 78th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/14/2002
 Time: 1:22:15PM

Agency Code: **329** Agency: **REAL ESTATE COMMISSION**

REAL ESTATE INSPECTOR COMMITTEE

Statutory Authorization: Section 23, Article 6573a, V.T.C.S.
 Number of Members: 9
 Committee Status: Ongoing
 Date Created: 09/01/1991
 Date to Be Abolished: 09/01/2003
 Strategy (Strategies): 3-1-1 LICENSEE/CONSUMER EDUCATION

Advisory Committee Costs	Expended 2001	Estimated 2002	Budgeted 2003	Requested 2004	Requested 2005
Committee Members Direct Expenses					
Travel	\$1,543	\$3,138	\$2,500	\$2,500	\$2,500
Other Expenditures in Support of Committee Activities					
Personnel (0.10 FTEs)	3,264	3,733	3,808	3,883	3,883
Consumable Supplies	200	200	200	200	200
Total, Committee Expenditures	\$5,007	\$7,071	\$6,508	\$6,583	\$6,583
Method of Financing					
GENERAL REVENUE FUND	\$5,007	\$7,071	\$6,508	\$6,583	\$6,583
Total, Method of Financing	\$5,007	\$7,071	\$6,508	\$6,583	\$6,583
Meetings Per Fiscal Year	3	3	4	4	4

VI.F. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A
78th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/14/2002
Time: 1:22:16PM

Agency Code: **329** Agency: **REAL ESTATE COMMISSION**

REAL ESTATE INSPECTOR COMMITTEE

Description and Justification for Continuation/Consequences of Abolishing

The Texas Real Estate Inspector Committee, nine professional inspectors appointed by the Commission, is charged by statute to recommend to the Commission rules governing inspectors. The Real Estate Inspector Committee is the Commission's primary resource for inspector expertise. The committee must review and revise the inspection standards of practice on an on-going basis. Recent revisions developed by the committee have focused on specifying the conditions which an inspector should report as in need of repair when inspecting a home and clarifying the minimum content required of an inspection report. Eliminating reimbursement of the committee's travel would sharply reduce the number of committee meetings and impact progress on the committee's current project of reviewing the licensing examinations for inspectors. The existence of this committee should be continued to ensure that consumers receive accurate and comprehensive inspection reports in connection with real estate transactions. and that the rules of the Commission set appropriate standards for the licensing and regulation of inspectors. The committee structure ensures that extensive experience and considerable expertise are available to the Commission and ensures a continuity of service to the public.