

OPERATING BUDGET

Fiscal Year 2000

Submitted to the Executive and Legislative Budget Offices

by

Texas Real Estate Commission

1949

SERVING &

PROTECTING

1999

November 1, 1999

PEOPLE OF TEXAS

TABLE I
AGENCY SUMMARY BY BILL PATTERN

Agency Code: 329	Agency Name: TEXAS REAL ESTATE COMMISSION	Prepared By: Carla F. Barron		Date: 10/26/99	
Codes: Goal/Obj Strategy	Goal/Strategy	1998 Expended	1999 Expended	2000 Budgeted	
01	ENSURE STANDARDS				
01-01	Evaluate applicants for honesty/integrity/trustworthiness/ competency				
01-01-01	Review applications, perform criminal checks, administer exams, issue licenses	\$ 859,368	\$ 827,427	\$ 1,009,414	
	Total, Goal 1	\$ 859,368	\$ 827,427	\$ 1,009,414	
02	ENFORCE REGULATIONS				
02-01	Resolve complaints and hold hearings expeditiously				
02-01-01	Investigate complaints and resolve valid complaint cases	\$ 715,072	\$ 731,336	\$ 938,205	
	Total, Goal 2	\$ 715,072	\$ 731,336	\$ 938,205	
03	PROVIDE EDUCATION				
03-01	Notify 100% of licensees of law/rule changes within 60 days; customer survey				
03-01-01	Prepare and distribute information describing TREC functions	\$ 588,451	\$ 583,306	\$ 611,313	
	Total, Goal 3	\$ 588,451	\$ 583,306	\$ 611,313	

TABLE I (CONT'D)
AGENCY SUMMARY BY BILL PATTERN

Codes: Goal/Obj Strategy	Goal/Strategy	1998 Expended	1999 Expended	2000 Budgeted
04	LICENSING APPRAISERS			
04-01	Increase number of appraisers to facilitate free flow of commerce			
04-01-01	License sufficient numbers of appraisers and distribute information	\$ 327,677	\$ 337,778	\$ 341,257
04-02	Resolve complaints in a timely manner			
04-02-01	Resolve TALCB complaints	62,065	77,030	82,662
	Total, Goal 4	\$ 389,742	\$ 414,808	\$ 423,919
05	INDIRECT ADMINISTRATION			
05-01	Indirect Administration			
05-01-01	Indirect Administration	\$ 1,437,461	\$ 1,434,924	\$ 1,208,857
	Total, Goal 5	\$ 1,437,461	\$ 1,434,924	\$ 1,208,857
	GRAND TOTAL, Texas Real Estate Commission	\$ 3,990,094	\$ 3,991,801	\$ 4,191,708

TABLE I (CONT'D)
AGENCY SUMMARY BY BILL PATTERN

Code	Method of Financing	1998 Expended	1999 Expended	2000 Budgeted
	GENERAL REVENUE:			
	General Revenue Fund:			
	Regular Appropriation	\$ 3,640,745	\$ 3,641,647	\$ 3,743,118
	Rider Appropriations:			
	Rider #7, Contingency Appropriation			53,640
	Rider #8, Contingency Appropriation			3,000
	Transfers:			
	Productivity Bonus Plan	2,158		
	Article IX, Section 195, Appropriation for Salary Increase	105,396	106,381	
	Article IX, Section 9-11.06, Appropriation for Salary Increase			113,050
	Lapsed Appropriation	(27,783)	(43,013)	
001	Total, General Revenue Fund	\$ 3,720,516	\$ 3,705,015	\$ 3,912,808
	TOTAL, ALL GENERAL REVENUE	\$ 3,720,516	\$ 3,705,015	\$ 3,912,808
	GENERAL REVENUE --DEDICATED:			
028	Appraiser Federal Registry Fee Account 0028, Rider #4	\$ 89,325	\$ 117,600	\$ 98,900
	TOTAL, ALL GENERAL REVENUE – DEDICATED	\$ 89,325	\$ 117,600	\$ 98,900
	OTHER FUNDS:			
	Appropriated Receipts:			
	Appropriated Receipts:			
	Article IX, Appropriated Receipts	\$ 174,216	\$ 166,337	\$ 170,500
	Fee Revenue Collected pursuant to Section 24(c), Article 6573b, V.T.C.S. (Rider #2, H.B. 1)	2,537	2,428	5,500
666	Total, Appropriated Receipts	\$ 176,753	\$ 168,765	\$ 176,000
	Real Estate Recovery Fund :			
	Rider #5, H.B. 1	\$ 3,500	\$ 3,500	\$ 3,500
	Lapsed Appropriation		(3,104)	
971	Total, Real Estate Recovery Fund	\$ 3,500	\$ 396	\$ 3,500
	Real Estate Inspection Recovery Fund:			
	Rider #5, H.B. 1	\$ 500	\$ 500	\$ 500
	Lapsed Appropriation	(500)	(475)	
988	Total, Real Estate Inspection Recovery Fund	\$ 0	\$ 25	\$ 500
	TOTAL, OTHER FUNDS	\$ 180,253	\$ 169,186	\$ 180,000
	Total, Method of Financing	\$ 3,990,094	\$ 3,991,801	\$ 4,191,708
	Number of Full-time Equivalent Positions (FTE)	87.9	89.2	95.0

**TABLE II
2000 OPERATING BUDGET
SUMMARY OF OUTCOME MEASURES BY GOAL**

Agency Code:		Agency Name:	Prepared By:	Date:		
329		Texas Real Estate Commission	Alan R. Waters	11/01/99		
Code	Key	Goal/Outcome Measure	1998 Actual	1999 Actual	2000 Projected	2000 ** Targeted
01		Goal: ENSURE STANDARDS. To determine that applicants for licensure meet legal requirements for real estate license issuance.				
01-01.01	K	Percentage of Licensees With No Recent Violations	99.8%	99.8%	99.0%	

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Agency Code:		Agency Name:		Prepared By:		Date:	
329		Texas Real Estate Commission		Alan R. Waters		11/01/99	
Code	Key	Goal/Outcome Measure	1998 Actual	1999 Actual	2000 Projected	2000 ** Targeted	
02		Goal: ENFORCE REGULATIONS. To act promptly and aggressively to enforce the laws and rules of the commission in a fair and evenhanded manner.					
02-01.01	K	Percentage of Complaints Resolved Resulting in Disciplinary Action	4.0%	2.6%	5.0%		
02-01.02		Recidivism Rate for Those Receiving Disciplinary Action	2.7%	1.6%	1.5%		
02-01.03		Percent of Documented Complaints Resolved Within Six Months	68.6%	85.2%	60.0%		

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Agency Code:		Agency Name:	Prepared By:	Date:		
329		Texas Real Estate Commission	Alan R. Waters	11/01/99		
Code	Key	Goal/Outcome Measure	1998 Actual	1999 Actual	2000 Projected	2000 ** Targeted
03		Goal: PROVIDE EDUCATION. To communicate effectively with the public and licensees concerning matters within the commission's jurisdiction.				
03-01.01		Percentage of Licensees Provided the Act and Rules Within 60 Days of Adoption	0*	44.9%	90.0%	
03-01.02		Percentage of Calls Resulting in a Document Being Produced	0*	10.3%	100.0%	
03-01.03		Percentage of Electronic Contacts Resulting in a Document	0*	100.0%	10.0%	

* New Measure
** Key Measures Only

**TABLE II
SUMMARY OF OUTCOMES BY GOAL**

Agency Code: 329-1		Agency Name: Texas Appraiser Licensing and Certification Board	Prepared By: Renil C. Linér	Date: 10/26/99		
Code	Key	Goal/Outcome Measure	1998 Actual	1999 Actual	2000 Projected	2000*** Targeted
04		Goal: Implement and enforce TALCA and distribute information				
04-01		Increase number of appraisers to facilitate free flow of commerce				
04-01.01		Total Number of Individuals Licensed and Certified	4,093	4,047	3,960	
04-01.02	K	Percent of Licensed or Certified Appraisers with No Recent Violations	97.3	99.2	97.5	
04-01.03		Number of 100 Least Populated Counties with at Least One Appraiser	31	32	31	
04-02		Resolve TALCB complaints in a timely manner				
04-02-01		Average Time (Working Days) to Resolve Complaints	149.1	174.5	200	
04-02-02		Percent of Complaints Resulting in Disciplinary Action	29.8	20.0	40.0	
04-02-03		Recidivism Rate for Those Receiving Disciplinary Action	3.3	5.73	1.0	
04-02-04		Percent of Documented Complaints Resolved within Six Months	66.7	50.0	60.0	

* Indicates 1998 data reported according to 1998-99 definitions

** 1999 data is not final and will be updated

*** Key measures only

**TABLE III
2000 OPERATING BUDGET
STRATEGY LEVEL DETAIL**

Agency Code: 329	Agency Name: Texas Real Estate Commission	Prepared By: Alan R. Waters	Date: 11/01/99			
Code: 01	GOAL: ENSURE STANDARDS: To determine that applicants for licensure meet legal requirements for real estate license issuance.					
Code: 01-01-01	STRATEGY: TREC LICENSING. Perform the commission's licensing function by reviewing applications; processing criminal records checks; issuing candidate information brochures to take competency examinations; and issuing licenses.					
Code	Key	Description	1998 Actual	1999 Actual	2000 Projected	2000 ** Targeted
		OUTPUT MEASURES:				
01-01-01.01		Number of Individuals Examined	21,282	23,163	19,500	
01-01-01.02	K	Number of New Licenses Issued to Individuals	14,196	14,216	11,000	
01-01-01.03	K	Number of Licenses Renewed (Individuals)	55,626	53,974	53,450	
		EFFICIENCY MEASURES:				
01-01-01.01		Average Licensing Cost per Individual License Issued	12.52	12.36	15.23	
01-01-01.02	K	Average Time for Individual License Issuance	34.3	35.5	37.0	
01-01-01.03		Average Time for Individual License Renewal	2.5	2.8	3.5	
		EXPLANATORY MEASURES:				
01-01-01.01		Pass Rate	73.3	77.9	82.0	
01-01-01.02		Total Number of Programs/Schools Licensed	141	138	140	
01-01-01.03		Total Number of Individuals Licensed	112,616	112,714	106,900	

** Key Measures Only

**TABLE III (CONT'D)
2000 OPERATING BUDGET
STRATEGY LEVEL DETAIL**

OBJECTS OF EXPENSE				
Code	Description	1998 Expended	1999 Expended	2000 Budgeted
1001	Salaries and Wage	544,776	536,597	669,291
1002	Other Personnel Costs	14,695	20,597	15,008
2000	Operating Costs	291,181	258,504	325,115
5000	Capital Expenditures	8,716	11,729	0
	Total, Objects of Expense	859,368	827,427	1,009,414
METHOD OF FINANCING				
Code	Description	1998 Expended	1999 Expended	2000 Budgeted
001	General Revenue Fund	858,099	826,213	1,006,664
666	Appropriated Receipts, estimated	1,269	1,214	2,750
	Total, Method of Financing	859,368	827,427	1,009,414
Number of Full-time Equivalent Positions (FTE):		20.9	20.6	25.1

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2000 OPERATING BUDGET
STRATEGY LEVEL DETAIL**

Agency Code: 329	Agency Name: Texas Real Estate Commission	Prepared By: Alan R. Waters	Date: 11/01/99			
Code: 02	GOAL: ENFORCE REGULATIONS. To act promptly and aggressively to enforce the laws and rules of the commission in a fair and evenhanded manner.					
Code: 02-01-01	STRATEGY: TREC INVESTIGATION. Investigate and resolve complaints by reviewing complaints for validity and opening complaint files as indicated and by reviewing investigative reports.					
Code	Key	Description	1998 Actual	1999 Actual	2000 Projected	2000 ** Targeted
02-01-01.01 02-01-01.02	K	OUTPUT MEASURES: Number of Complaints Resolved Number of Administrative Hearings Conducted	2,612 155	2,691 120	2,600 100	
02-01-01.02 02-01-01.03	K	EFFICIENCY MEASURES: Average Time for Complaint Resolution Average Cost per Complaint Resolved	134 276.75	90 279.23	140 600	
02-01-01.01 02-01-01.02		EXPLANATORY MEASURES: Jurisdictional Complaints Received Non-Jurisdictional Complaints Received	2,295 113	2,704 209	1,600 120	

** Key Measures Only

**TABLE III (CONT'D)
2000 OPERATING BUDGET
STRATEGY LEVEL DETAIL**

OBJECTS OF EXPENSE				
Code	Description	1998 Expended	1999 Expended	2000 Budgeted
1001	Salaries and Wages	605,929	628,478	825,765
1002	Other Personnel Costs	14,082	12,385	15,875
2000	Operating Costs	86,223	82,956	96,565
5000	Capital Expenditures	8,838	7,517	0
Total, Objects of Expense		715,072	731,336	938,205
METHOD OF FINANCING				
Code	Description	1998 Expended	1999 Expended	2000 Budgeted
001	General Revenue Fund	711,570	730,865	934,205
666	Appropriated Receipts, estimated	2	50	0
971	Real Estate Recovery Trust Fund 971	3,500	396	3,500
988	Real Estate Inspection Recovery Trust Fund 988	0	25	500
Total, Method of Financing		715,072	731,336	938,205
Number of Full-time Equivalent Positions (FTE):		18.2	18.8	23.9

**TABLE III
2000 OPERATING BUDGET
STRATEGY LEVEL DETAIL**

Agency Code: 329		Agency Name: Texas Real Estate Commission		Prepared By: Alan R. Waters		Date: 11/01/99	
Code: 03		GOAL: PROVIDE EDUCATION. To communicate effectively with the public and licensees concerning matters within the commission's jurisdiction.					
Code: 03-01-01		STRATEGY: REAL ESTATE PUBLIC EDUCATION. Prepare and distribute information describing the functions of the commission and statutory and regulatory provisions.					
Code	Key	Description	1998 Actual	1999 Actual	2000 Projected	2000 ** Targeted	
03-01-01.01	K	OUTPUT MEASURES: Number of Calls Received	330,631	334,713	330,000		
03-01-01.02		Number of Electronic Contacts	0*	1,038,625	684,000		
03-01-01.01		EFFICIENCY MEASURES: Average Cost per Call and Electronic Contact Received	0*	0.34	0.46		
		EXPLANATORY MEASURES: None					

* New Measure

** Key Measures Only

**TABLE III (CONT'D)
2000 OPERATING BUDGET
STRATEGY LEVEL DETAIL**

OBJECTS OF EXPENSE				
Code	Description	1998 Expended	1999 Expended	2000 Budgeted
1001	Salaries and Wages	402,354	405,602	545,587
1002	Other Personnel Costs	6,312	5,170	7,603
2000	Operating Costs	176,213	165,336	58,123
5000	Capital Expenditures	3,572	7,198	0
	Total, Objects of Expense	588,451	583,306	611,313
METHOD OF FINANCING				
Code	Description	1998 Expended	1999 Expended	2000 Budgeted
001	General Revenue Fund	418,800	423,100	440,563
666	Appropriated Receipts, estimated	169,651	160,206	170,750
	Total, Method of Financing	588,451	583,306	611,313
Number of Full-time Equivalent Positions (FTE):		15.1	14.5	17.0

**TABLE III
2000 OPERATING BUDGET
STRATEGY LEVEL DETAIL**

Agency Code: 329-1		Agency Name: Texas Appraiser Licencing and Certification Board		Prepared By: Renil C. Linér		Date: 10/26/99	
Code 04		GOAL: Implement and enforce TALCA and distribute information. (Goal D, TREC)					
Code 01		STRATEGY: TALCB Licensing					
Code	Key	Description	1998 Actual	1999 Actual	2000 Projected Performance	2000 *** Targeted Performance	
OUTPUT MEASURES:							
04-01-01.01	K	Number of <u>New</u> Licenses and Certifications Issued to individuals	358	277	200		
04-01-01.02	K	Number of Licenses and Certification <u>Renewed</u> (Individuals)	1,475	1,968	1,400		
04-01-01.03		Number of Individuals Examined	198	252	190		
EFFICIENCY MEASURES:							
04-01-01.01		Average Cost per Exam	32.37	5.99	30		
04-01-01.02		Average Cost per Individual License or Certification Issued	105.03	96.27	120		
EXPLANATORY MEASURES:							
04-01-01.01		Total Number of Individuals Licensed or Certified	4,093	4,047	3,960		
04-01-01.02		Pass Rate (Percent)	55.1	54.4	47		
04-01-01.03		Number of Examination Sessions Conducted	111	139	120		

**TABLE III
2000 OPERATING BUDGET
STRATEGY LEVEL DETAIL**

OBJECTS OF EXPENSE				
Code	Description	1998 Expended	1999 Expended	2000 Budgeted
1001	Salaries and Wages	133,766	134,025	156,155
1002	Other Personnel Costs	9,589	12,339	17,280
2000	Operating Costs	172,691	187,746	167,822
5000	Capital Expenditures	11,631	3,668	0
	Total, Objects of Expense	327,677	337,778	341,257
METHOD OF FINANCING				
Code	Description	1998 Expended	1999 Expended	2000 Budgeted
001	General Revenue Fund	232,937	212,883	240,857
666	Appropriated Receipts, estimated	5,415	7,295	1,500
028	GR Account - Federal Appraiser Registry	89,325	117,600	98,900
	Total, Method of Financing	327,677	337,778	341,257
Number of Full-time Equivalent Positions (FTE):		4.7	4.6	5.2

**TABLE III
2000 OPERATING BUDGET
STRATEGY LEVEL DETAIL**

Agency Code: 329-1	Agency Name: Texas Appraiser Licencing and Certification Board	Prepared By: Renil C. Linér	Date: 10/26/99			
Code 04	GOAL: Implement and enforce TALCA and distribute information. (Goal D, TREC)					
Code 02	STRATEGY: TALCB Adjudication					
Code	Key	Description	1998 Actual	1999 Actual	2000 Projected Performance	2000 *** Targeted Performance
04-02-01.01	K	OUTPUT MEASURES: Complaints Resolved	57	49	55	
04-02-01.01		EFFICIENCY MEASURES: Average Cost per Investigation	383.4	684.2	710	
04-02-01.02	K	Average Time for Complaint Resolution	171.3	174.5	200	
04-02-01.03		Average Cost per Complaint Resolved	450.5	842.1	420	
04-02-01.01		EXPLANATORY MEASURES: Number of Non-Jurisdictional Complaints Received	0	0	6	
04-02-01.02		Number of Jurisdictional Complaints Received	29	72	60	

**TABLE III (CONT'D)
2000 OPERATING BUDGET
STRATEGY LEVEL DETAIL**

OBJECTS OF EXPENSE				
Code	Description	1998 Expended	1999 Expended	2000 Budgeted
1001	Salaries and Wages	50,212	63,141	68,865
1002	Other Personnel Costs	4,480	5,434	7,708
2000	Operating Costs	6,239	6,487	6,089
5000	Capital Expenditures	1,134	1,968	0
	Total, Objects of Expense	62,065	77,030	82,662
METHOD OF FINANCING				
Code	Description	1998 Expended	1999 Expended	2000 Budgeted
001	General Revenue Fund	62,065	77,030	81,662
666	Appropriated Receipts, estimated	0	0	1,000
	Total, Method of Financing	62,065	77,030	82,662
Number of Full-time Equivalent Positions (FTE):		1.4	1.7	1.8

**TABLE III
2000 OPERATING BUDGET
STRATEGY LEVEL DETAIL**

Agency Code: 329	Agency Name: Texas Real Estate Commission	Prepared By: Alan R. Waters	Date: 11/01/99			
Code: 05	GOAL: REAL ESTATE INDIR ADM & SUPP COSTS. Indirect Administration					
Code: 05-01-01	STRATEGY: INDIRECT ADMINISTRATION					
Code	Key	Description	1998 Actual	1999 Actual	2000 Projected	2000 ** Targeted
		OUTPUT MEASURES: None				
		EFFICIENCY MEASURES: None				
		EXPLANATORY MEASURES: None				

** Key Measures Only

**TABLE III (CONT'D)
2000 OPERATING BUDGET
STRATEGY LEVEL DETAIL**

OBJECTS OF EXPENSE				
Code	Description	1998 Expended	1999 Expended	2000 Budgeted
1001	Salaries and Wages	906,477	961,880	785,933
1002	Other Personnel Costs	57,173	31,411	31,744
2000	Operating Costs	356,608	330,311	323,696
5000	Capital Expenditures	117,203	111,322	67,484
Total, Objects of Expense		1,437,461	1,434,924	1,208,857
METHOD OF FINANCING				
Code	Description	1998 Expended	1999 Expended	2000 Budgeted
001	General Revenue Fund	1,437,045	1,434,924	1,208,857
666	Appropriated Receipts, estimated	416	0	0
Total, Method of Financing		1,437,461	1,434,924	1,208,857
Number of Full-time Equivalent Positions (FTE):		27.6	29.0	22.0

Capital Budget Supporting Schedule
Fiscal Years 1998, 1999, and 2000

Texas Real Estate Commission

	1998	1999	2000
	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>
a. Acquisition of Information Resource Technologies			
(1) Lease Purchase of mainframe CPU, disk, printers, and system software (MLPP Payments for 1996-97 acquisitions)	\$63,368	\$63,846	\$67,484
Total, Capital Budget	<u>\$63,368</u>	<u>\$63,846</u>	<u>\$67,484</u>
Method of Financing (Capital Budget):			
General Revenue Fund	\$63,368	\$63,846	\$67,484
Total, Method of Financing	<u>\$63,368</u>	<u>\$63,846</u>	<u>\$67,484</u>