PERFORMANCE MEASURE REPORT

FOURTH QUARTER / ANNUAL

FISCAL YEAR 2009

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

by

TEXAS REAL ESTATE COMMISSION
&
TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD

October 2, 2009

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

Type/Objective/Measure	**2009 Target**	**2009 YTD**	**Percent of Annual Target**
1-1 EXPEDITE APPLICATIONS			
1 LICENSEES WITH NO VIOLATIONS	99.00 %	99.54 %	100.55 %
2 % OF LICENSEES WHO RENEW ONLINE	80.00 %	86.50 %	108.13 % *
Explanation of Variance: The variance is favorable. TREC continues to experience licensee acceptance of online transactions .			
3 % OF NEW LICENSES ISSUED ONLINE	70.00 %	79.80 %	114.00 % *
Explanation of Variance: The variance is favorable. TREC began accepting applications online in fiscal year 2002 and continues to experience licensee acceptance of online transactions.			
2-1 TIMELY COMPLAINT RESOLUTION			
2 % COMPLAINTS RESOLVED W/IN 6 MOS	85.00 %	54.38 %	63.98 % *
Explanation of Variance: The variance is unfavorable. Enforcement is currently working on closing a backlog of cases, including older cases. The total days will increase as those cases close. Enforcement is nearing the end of working on the older cases .			
4-1 PROVIDE QUALIFIED APPRAISERS			
1 APPRAISERS WITH NO VIOLATIONS	99.00 %	97.74 %	98.73 %
2 % OF LICENSEES WHO RENEW ONLINE	55.00 %	72.50 %	131.82 % *
Explanation of Variance: The variance is favorable. TALCB contnues to experience licensee acceptance of online transactions .			
4-2 RESOLVE COMPLAINTS IN TIMELY MANNER			

* Varies by 5% or more from target.

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

Type/Objective/Measure	**2009 Target**	**2009 YTD**	**Percent of Annual Target**
3 % COMPLAINTS RESOLVED W/IN 6 MOS	60.00 %	22.54 %	37.57 % *

Explanation of Variance: The variance is unfavorable. Closure of complaints older than one year was a priority this year in order to continue to comply with the Appraisal Subcommittee's requirements and audit .

* Varies by 5% or more from target.

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

Type/Strategy/Measure	**2009 Target**	**2009 Actual**	**2009 YTD**	**Percent of Annual Target**
Output Measures				
1-1-1 TREC LICENSING				
2 # NEW INDIVIDUAL LICENSES ISSUED				
Quarter 1	30,000.00	5,388.00	5,388.00	17.96 % *
Explanation of Variance: The variance is unfavorable. These totals reflect the nationwide problems in mortgage markets .				
Quarter 2	30,000.00	4,677.00	10,065.00	33.55 % *
Explanation of Variance: The variance is unfavorable. These totals reflect the nationwide problems in mortgage markets.				
Quarter 3	30,000.00	5,521.00	15,586.00	51.95 % *
Explanation of Variance: The variance is unfavorable. These totals reflect the nationwide problems in housing and mortgage markets.				
Quarter 4	30,000.00	5,583.00	21,169.00	70.56 % *
Explanation of Variance: The variance is unfavorable. These totals reflect the nationwide problems in housing and mortgage markets.				
3 # LICENSE RENEWALS (INDIVIDUALS)				
Quarter 1	71,000.00	15,373.00	15,373.00	21.65 %
Quarter 2	71,000.00	13,777.00	29,150.00	41.06 % *
Explanation of Variance: The variance is unfavorable. These totals reflect the current downward trend in the housing and mortgage markets.				
Quarter 3	71,000.00	18,831.00	47,981.00	67.58 % *
Explanation of Variance: The variance is unfavorable. These totals reflect the current downward trend in the housing and mortgage markets.				
Quarter 4	71,000.00	17,724.00	65,705.00	92.54 % *
Explanation of Variance: The variance is unfavorable. These totals reflect the current downward trend in the housing and mortgage markets as well as economic factors.				
2-1-1 TREC INVESTIGATION				

* Varies by 5% or more from target.

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

Type/Strategy/Measure	**2009 Target**	**2009 Actual**	**2009 YTD**	**Percent of Annual Target**
Output Measures				
1 COMPLAINTS RESOLVED				
Quarter 1	3,520.00	588.00	588.00	16.70 % *
Explanation of Variance: The variance is unfavorable. With the loss of some administrative type cases, the MCE cases, total case openings should decrease by approximately 80 per month, which would be close to 1000 per year.				
Quarter 2	3,520.00	592.00	1,180.00	33.52 % *
Explanation of Variance: The variance is unfavorable. With the loss of some administrative type cases, the MCE cases, total case openings should decrease by approximately 80 per month, which would be close to 1000 per year.				
Quarter 3	3,520.00	463.00	1,643.00	46.68 % *
Explanation of Variance: The variance is unfavorable. With the loss of some administrative type cases, the MCE cases, total case openings should decrease by approximately 80 per month, which would be close to 1000 per year.				
Quarter 4	3,520.00	495.00	2,138.00	60.74 % *
Explanation of Variance: The variance is unfavorable. With the loss of some administrative type cases (the MCE cases) total case openings decreased by approximately 80 per month, which is almost 1000 per year. In addition, the total number of jurisdictional complaints decreased in FY2009.				
3-1-1 LICENSEE/CONSUMER EDUCATION				

* Varies by 5% or more from target.

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Type/Strategy/Measure	**2009 Target**	**2009 Actual**	**2009 YTD**	**Percent of Annual Target**
Output Measures				
1 NUMBER OF CALLS RECEIVED				
Quarter 1	573,000.00	96,810.00	96,810.00	16.90 % *
Explanation of Variance: The variance is unfavorable. Questions about criminal history background checks have created a larger volume of calls than normal, tying up the lines and causing more people to receive busy signals . The average length of time to handle a call has increased significantly due to several factors including complex TALCB questions and callers venting about busy signals and fingerprinting . Also, TREC has been encouraging licensees to use the website to obtain information .				
Quarter 2	573,000.00	97,576.00	194,386.00	33.92 % *
Explanation of Variance: The variance is unfavorable. Current conditions in the real estate market have reduced the number of people entering the profession, resulting in fewer calls. More communications are being done by e -mail, with the Communications Section answering an average of over 800 e-mails monthly for fiscal year 2009. Also, TREC has been encouraging licensees to use the website to obtain information .				
Quarter 3	573,000.00	101,004.00	295,390.00	51.55 % *
Explanation of Variance: The variance is unfavorable. Current conditions in the real estate market have reduced the number of people entering the profession, resulting in fewer calls. More communications are being done by e-mail, with the Communications Section answering an average of over 800 e-mails monthly for fiscal year 2009. Also, TREC has been encouraging licensees to use the website to obtain information.				
Quarter 4	573,000.00	106,712.00	402,102.00	70.17 % *
Explanation of Variance: The variance is unfavorable. Current conditions in the real estate market have reduced the number of people entering the profession, resulting in fewer calls. More communications are being done by e-mail, with the Communications Section answering about 800 e-mails monthly this fiscal year. Also, TREC has been encouraging licensees to use the website to obtain information .				

4-1-1 TALCB LICENSING

* Varies by 5% or more from target.

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Type/Strategy/Measure	**2009 Target**	**2009 Actual**	**2009 YTD**	**Percent of Annual Target**
Output Measures				
1 # NEW INDIVIDUAL LICENSES ISSUED				
Quarter 1	500.00	243.00	243.00	48.60 % *
Explanation of Variance: The variance is favorable. A revised definition of this measure (approved in April 2008) now includes all license types. The target amount was estimated prior to the revised definition . Appraiser Trainees and non-resident temporary registrations were previously excluded .				
Quarter 2	500.00	134.00	377.00	75.40 % *
Explanation of Variance: The variance is favorable. A revised definition of this measure (approved in April 2008) now includes all license types. The target amount was estimated prior to the revised definition. Appraiser Trainees and non-resident temporary registrations were previously excluded .				
Quarter 3	500.00	169.00	546.00	109.20 % *
Explanation of Variance: The variance is favorable. A revised definition of this measure (approved in April 2008) now includes all license types. The target amount was estimated prior to the revised definition. Appraiser Trainees and non-resident temporary registrations were previously excluded.				
Quarter 4	500.00	158.00	704.00	140.80 % *
Explanation of Variance: The variance is favorable. A revised definition of this measure (approved in April 2008) now includes all license types. The target amount was estimated prior to the revised definition. Appraiser Trainees and non-resident temporary registrations were previously excluded.				
2 # LICENSE RENEWALS (INDIVIDUALS)				
Quarter 1	2,200.00	666.00	666.00	30.27 % *
Explanation of Variance: The variance is favorable. A revised definition of this measure (approved in April 2008) now includes all license types. The target amount was estimated prior to the revised definition . Appraiser Trainees were previously excluded .				
Quarter 2	2,200.00	728.00	1,394.00	63.36 % *
Explanation of Variance: The variance is favorable. A revised definition of this measure (approved in April 2008) now includes all license types. The target amount was estimated prior to the revised definition. Appraiser Trainees were previously excluded.				
Quarter 3	2,200.00	1,115.00	2,509.00	114.05 % *
Explanation of Variance: The variance is favorable. A revised definition of this measure (approved in April 2008) now includes all license types. The target amount was estimated prior to the revised definition. Appraiser Trainees were previously excluded.				
Quarter 4	2,200.00	784.00	3,293.00	149.68 % *
Explanation of Variance: The variance is favorable. A revised definition of this measure (approved in April 2008) now includes all license types. The target amount was estimated prior to the revised definition. Appraiser Trainees were previously excluded.				
4-2-1 TALCB ENFORCEMENT				

* Varies by 5% or more from target.

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Type/Strategy/Measure	**2009 Target**	**2009 Actual**	**2009 YTD**	**Percent of Annual Target**
Output Measures				
1 # COMPLAINTS RESOLVED				
Quarter 1	225.00	62.00	62.00	27.56 %
Quarter 2	225.00	67.00	129.00	57.33 % *
Explanation of Variance: The variance is favorable. The Board has been focusing on lowering the backlog of old cases.				
Quarter 3	225.00	48.00	177.00	78.67 %
Quarter 4	225.00	67.00	244.00	108.44 % *
Explanation of Variance: The variance is favorable. With more enforcement positions being filled for the full year, staff was able to resolve more complaints .				
Efficiency Measures				
1-1-1 TREC LICENSING				
1 AVG LICENSE COST/INDIVIDUAL				
Quarter 1	15.00	19.94	19.94	132.93 % *
Explanation of Variance: The variance is unfavorable. The factor that caused the variation (increase) in the average licensing cost per individual license issued is the first quarter expenditure figures include one time expenses incurred at the beginning of the fiscal year plus encumbrances . Any expense for which TREC is contractually liable is encumbered for the entire fiscal year. As the fiscal year progresses the average cost should decline each quarter .				
Quarter 2	15.00	13.44	16.88	112.53 % *
Explanation of Variance: The variance is unfavorable. The factor that caused the variation (increase) in the average licensing cost per individual license issued is that the first quarter expenditure figures include one time expenses incurred at the beginning of the fiscal year plus encumbrances. Any expense for which TREC is contractually liable is encumbered for the entire fiscal year. As the fiscal year progresses the average cost should decline each quarter.				
Quarter 3	15.00	15.87	16.49	109.93 % *
Explanation of Variance: The variance is unfavorable. The factor that caused the variation (increase) in the average licensing cost per individual license issued is that in the third quarter, the amount of funds collected and expended for criminal history background checks for subsequent renewals increased dramatically. Subsequent renewals are those submitted after the original one for which licensees pay the DPS vendor directly at the time of fingerprinting, and costs do not flow through TREC. Since criminal history background checks began January 1, 2008, one year licensees are now doing subsequent renewals.				
Quarter 4	15.00	18.91	17.14	114.27 % *
Explanation of Variance: The variance is unfavorable. The factor that caused the variation (increase) in the average licensing cost per individual license issued is the increased amount of funds collected and expended for criminal history background checks. Per agreement with LBB, costs incurred for the imaging system have been excluded from the calculation.				

* Varies by 5% or more from target.

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Type/Strategy/Measure	**2009 Target**	**2009 Actual**	**2009 YTD**	**Percent of Annual Target**
Efficiency Measures				
2 AVG TIME INDIV LICENSE ISSUANCE				
Quarter 1	42.00	37.00	37.00	88.10 % *
Explanation of Variance: The variance is favorable. There is a decrease in the time between the filing of the original application and passing of the examination. TREC has little control over how many times or how soon applicants take the exam .				
Quarter 2	42.00	39.80	38.40	91.43 % *
Explanation of Variance: The variance is favorable. There is a decrease in the time between the filing of the original application and passing of the examination. TREC has little control over how many times or how soon applicants take the exam .				
Quarter 3	42.00	35.39	37.35	88.93 % *
Explanation of Variance: The variance is favorable. There is a decrease in the time between the filing of the original application and passing of the examination. TREC has little control over how many times or how soon applicants take the exam .				
Quarter 4	42.00	33.70	36.41	86.69 % *
Explanation of Variance: The variance is favorable. There is a decrease in the time between the filing of the original application and passing of the examination. TREC has little control over how many times or how soon applicants take the exam .				

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Type/Strategy/Measure	**2009 Target**	**2009 Actual**	**2009 YTD**	**Percent of Annual Target**
Efficiency Measures				
4 % NEW INDIV LICENSES W/IN 10 DAYS				
Quarter 1	95.00 %	77.29 %	77.29 %	81.36 % *
Explanation of Variance: The variance is unfavorable. Legislative changes for fiscal year 2008 required that all real estate applicants be fingerprinted and DPS background checks cleared before a license issues. Fingerprinting is conducted by a DPS contractor and background checks are cleared by Enforcement . The process has more operational problems than expected .				
Quarter 2	95.00 %	88.36 %	82.45 %	86.79 % *
Explanation of Variance: The variance is unfavorable. Legislative changes for fiscal year 2008 required that all real estate applicants be fingerprinted and DPS background checks cleared before a license issues. Fingerprinting is conducted by a DPS contractor and background checks are cleared by Enforcement. The process has more operational problems than expected.				
Quarter 3	95.00 %	94.50 %	86.76 %	91.33 % *
Explanation of Variance: The variance is unfavorable. Legislative changes for fiscal year 2008 required that all real estate applicants be fingerprinted and DPS background checks cleared before a license issues. Fingerprinting is conducted by a DPS contractor and background checks are cleared by Enforcement. The process has more operational problems than expected.				
Quarter 4	95.00 %	97.38 %	89.45 %	94.16 % *
Explanation of Variance: The variance is slightly unfavorable. Legislative changes beginning in fiscal year 2008 required that all real estate applicants be fingerprinted and DPS background checks cleared before a license issues. Fingerprinting is conducted by a DPS contractor and background checks are cleared by Enforcement. The process has more operational problems than initially anticipated.				
5 % INDIV LICENSES RENEWED IN 7 DAYS				
Quarter 1	97.00 %	91.87 %	91.87 %	94.71 % *
Explanation of Variance: The variance is unfavorable. Legislative changes for fiscal year 2008 required that all real estate applicants be fingerprinted to renew a license. The percentages continue to rise and are closer to the target than they were during fiscal year 2008.				
Quarter 2	97.00 %	93.83 %	92.79 %	95.66 %
Quarter 3	97.00 %	94.80 %	93.61 %	96.51 %
Quarter 4	97.00 %	95.88 %	94.21 %	97.12 %
2-1-1 TREC INVESTIGATION				

* Varies by 5% or more from target.

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

Type/Strategy/Measure	**2009 Target**	**2009 Actual**	**2009 YTD**	**Percent of Annual Target**
Efficiency Measures				
1 AVG TIME/COMPLAINT RESOLUTION				
Quarter 1	115.00	224.00	224.00	194.78 % *
Explanation of Variance: The variance is unfavorable. Enforcement is currently working on closing a backlog of cases, including older cases . The total days will be longer as those cases close. Enforcement is nearing the end of working on the older cases and the time frames should shorten within this FY 2009.				
Quarter 2	115.00	354.00	298.00	259.13 % *
Explanation of Variance: The variance is unfavorable. The closing of the backlogged, and older cases will spike this number for a time.				
Quarter 3	115.00	308.00	315.00	273.91 % *
Explanation of Variance: The variance is unfavorable. The closing of the backlogged, and older cases will spike this number for a time.				
Quarter 4	115.00	327.00	324.00	281.74 % *
Explanation of Variance: The variance is unfavorable. The closing of the backlogged and older cases will spike this number for a time.				
4-2-1 TALCB ENFORCEMENT				
2 AVG TIME/COMPLAINT RESOLUTION				
Quarter 1	220.00	586.85	586.85	266.75 % *
Explanation of Variance: The variance is unfavorable. The Board has focused on closing one or more year-old complaints in response to the Appraisal Subcommittee requirements and audit, thus new complaints were not a priority .				
Quarter 2	220.00	591.27	591.16	268.71 % *
Explanation of Variance: The variance is unfavorable. The Board has focused on closing complaints that are one or more year -old in response to the Appraisal Subcommittee requirements and audit, and the oldest complaint was cleared .				
Quarter 3	220.00	316.65	516.19	234.63 % *
Explanation of Variance: The variance is unfavorable. The Board has focused on closing complaints that are one or more year-old in response to the Appraisal Subcommittee requirements and audit.				
Quarter 4	220.00	447.70	497.37	226.08 % *
Explanation of Variance: The variance is unfavorable. The Board has focused on closing complaints that are one or more years old in response to the Appraisal Subcommittee requirements and audit.				

* Varies by 5% or more from target.