

**ANNUAL
BUDGET**

Presented :
August 11, 2025

Approved:
August 11, 2025





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EXECUTIVE SUMMARY

The following summary of the 2026-2028 budget proposal for the Texas Real Estate Commission is respectfully submitted for review and input. Thorough analysis has been performed in order to reasonably project revenue and expenditures of the agency.

This budget proposal is presented as a three-year budget. It is important to note that due to fluctuating circumstances from year to year such as anticipated number of licensees, the second and third year of the budget is intended to be informative and indicative of planned activity levels and will be refined as necessary during subsequent budget cycles.

The first year of the budget, labeled “proposed 2026” is the only year intended to be adopted, while “projected 2027 and 2028” are to be considered as a forecast using a constant active license holder count.

The first draft of the 2026 budget proposal is presented to the Budget Committee of the Texas Real Estate Commission (TREC) for consideration.



HIGHLIGHTS

The Texas Real Estate Commission operates on a lean budget, expenditures were analyzed to ensure the agency was operating as efficiently as possible. Meaningful efficiencies that were identified have been incorporated into the FY26 Budget. The highlights are as follows:

- The agency did not backfill 9.6FTEs that were vacant during FY2025, and the budget for those salaries have been removed from the FY2026 line item for salaries and wages. Cost savings of \$488,420.
- A 3% merit is included in the salary and wages line item to allow for each employee to receive a merit up to 3% of their base salary. Merits are based on directors discretion and employee performance.
- Professional Fees & Services increased to account for a tentative web development project which is estimated at \$400,000. If we are able to proceed, this would be a one-time expense and we will see a decrease in this category in FY2027 and 2028. There is also an increase for MS Azure to support our increased cloud storage.
- Travel costs increased slightly due to the need of increased staff travel to facilitate the Legal Update and Broker Responsibility training that we will begin hosting in FY2026.
- Equipment rental decreased as our final laptop lease expires 12/31/2025, we have shifted to purchasing equipment instead.
- Other Operating Expenses category recognized an overall decrease as we identified efficiencies and reduced/eliminated costs such as: decreased the number of attendees at conferences, decreased professional memberships, eliminated subscriptions, decreased the number of licenses for software, etc. There are some new expenditures that we hadn't previously paid for, but are deemed necessary such as: cybersecurity policy insurance, 1Password-online password management tool, Testrail and Scribe Pro.
- Capital Expenditures include the remaining Regulatory Application Modernization Project (RAMP) implementation costs and server room upgrades.

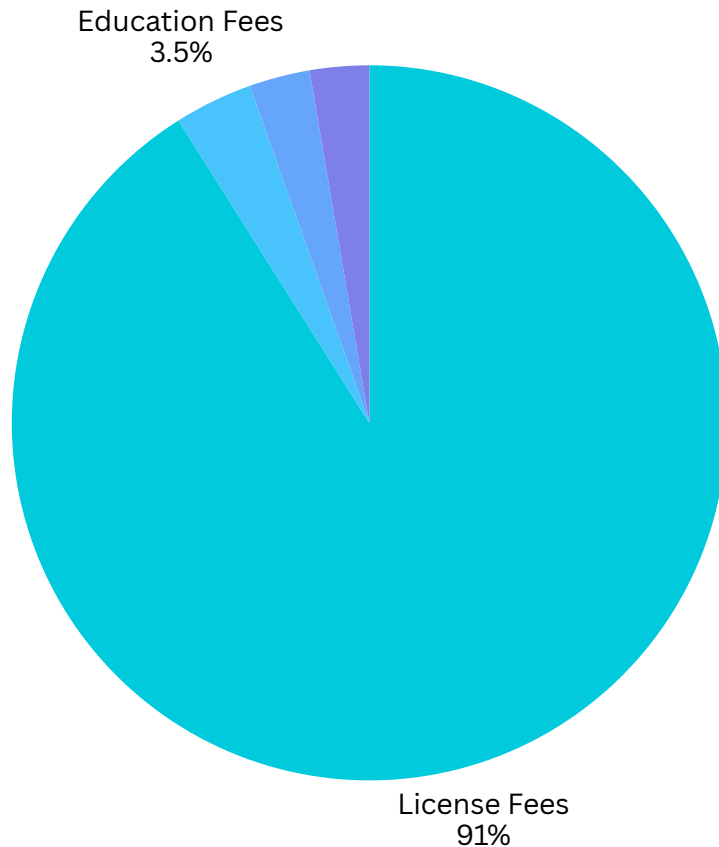


BUDGET OVERVIEW

REVENUE

REVENUE OVERVIEW							
Revenue	Actual 2023	Actual 2024	Approved 2025	Projected Actual 2025	Proposed 2026	Projected	
						2027	2028
License Fees	\$13,776,729	\$13,007,490	\$12,637,910	\$12,267,680	\$12,071,093	\$12,513,087	\$12,059,786
Education Fees	\$480,363	\$499,021	\$498,110	\$521,263	\$469,225	\$493,673	\$490,345
Examination Fees	\$475,846	\$421,513	\$441,640	\$355,780	\$365,070	\$367,430	\$366,730
Other Miscellaneous Revenue	\$291,880	\$176,998	\$257,401	\$368,551	\$354,953	\$346,407	\$347,942
Total:	\$15,024,818	\$14,105,022	\$13,835,061	\$13,513,274	\$13,260,341	\$13,720,597	\$13,264,803

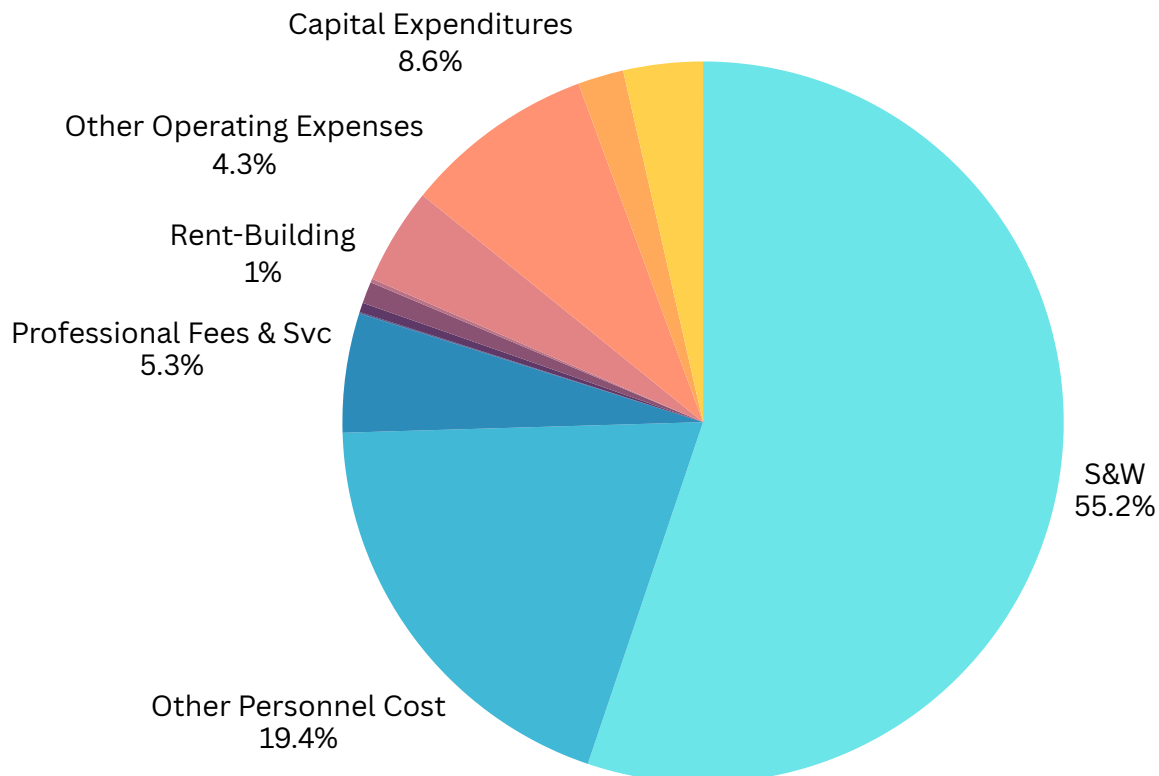
- License Fees
- Education Fees
- Examination Fees
- Other Mlsc Revenue



BUDGET OVERVIEW

EXPENSES

EXPENSES OVERVIEW							
Expenses	Actual	Actual	Approved	Projected	Proposed	Projected	
	2023	2024	2025	2025	2026	2027	2028
Salary & Wages	\$9,898,705	\$10,813,274	\$11,242,038	\$10,716,287	\$11,272,749	\$11,610,928	\$11,959,253
Other Personnel Costs	\$3,271,339	\$3,821,058	\$3,996,132	\$3,663,729	\$3,953,467	\$4,016,443	\$4,077,057
Professional Fees & Services	\$611,139	\$927,245	\$756,768	\$616,169	\$1,121,505	\$563,655	\$563,655
Consumables	\$8,200	\$6,231	\$7,500	\$5,417	\$7,000	\$7,000	\$7,000
Utilities	\$9,897	\$7,433	\$12,025	\$2,679	\$7,112	\$7,112	\$7,112
Travel	\$60,425	\$73,714	\$80,725	\$56,827	\$87,500	\$80,425	\$80,225
Office & Space Rent	\$168,129	\$175,279	\$197,694	\$101,618	\$92,395	\$92,395	\$95,400
Equipment Rental	\$82,021	\$62,964	\$57,686	\$38,301	\$34,622	\$14,101	\$14,101
Other Operating Expenses	\$845,166	\$657,621	\$882,911	\$785,682	\$874,475	\$797,515	\$725,288
Capital Expenditures	\$620,758	\$207,218	\$2,952,858	\$1,246,506	\$1,748,617	\$576,474	\$0
Statewide Cost Allocation Plan (SWCAP)	\$260,844	\$313,008	\$313,008	\$423,874	\$419,164	\$419,164	\$419,164
Annual General Revenue Contribution	\$727,500	\$527,500	\$727,500	\$727,500	\$727,500	\$727,500	\$727,500
Total:	\$16,564,123	\$17,592,545	\$21,226,845	\$18,384,589	\$20,346,106	\$18,912,712	\$18,675,755



CAPITAL EXPENDITURES DETAIL

Capital Expenditures							
Expenses	Actual	Actual	Approved	Projected	Proposed	Projected	
	2023	2024	2025	Actual 2025	2026	2027	2028
RAMP (continuation of project-milestones to be completed in FY26 and Annual SAAS)	\$554,282	\$381,300	\$2,572,858	\$936,506	\$1,718,617	\$501,474	\$0
Independent Verification and Validation Services for RAMP(temp employee)	\$29,800	\$185,824	\$175,000	\$310,000	\$0	\$0	\$0
Server Room (emergency replacement of failed equipment)			\$10,000	\$0	\$0	\$0	\$0
Server Room Upgrades				\$0	\$30,000	\$0	\$0
Sonic Wall Replacement			\$25,000	\$0	\$0	\$0	\$0
Installation of Mailroom Processing Equipment			\$20,000	\$0	\$0	\$0	\$0
Website Redesign			\$150,000	\$0	\$0	\$0	\$0
Agency Move Related Costs					\$0	\$75,000	\$0
400A Conference Room Equip & Laptop Purchase	\$261,446						
Total:	\$845,528	\$567,124	\$2,952,858	\$1,246,506	\$1,748,617	\$576,474	\$0

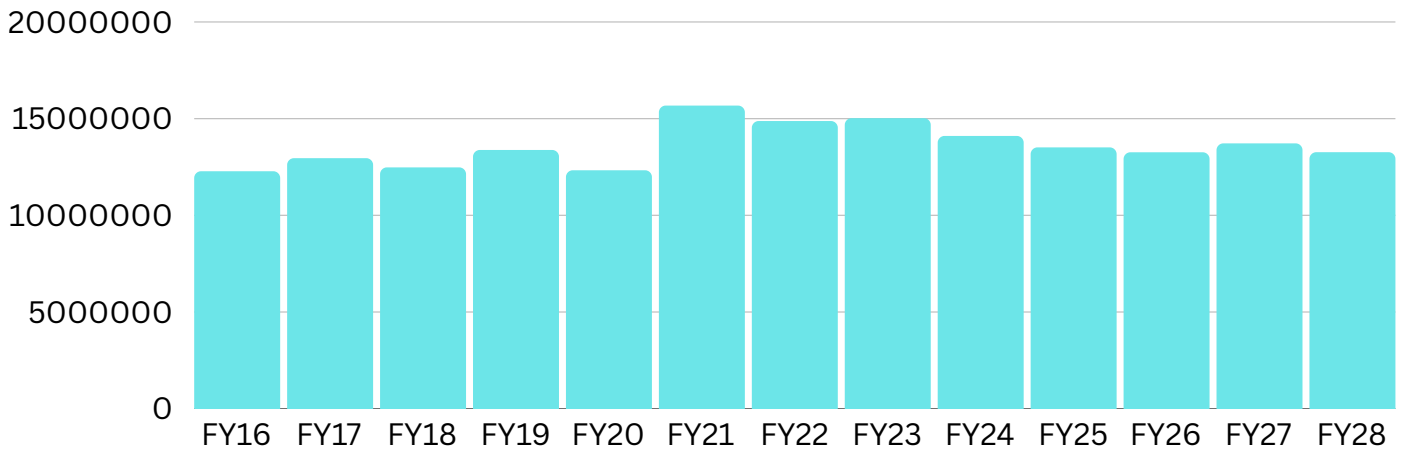
- RAMP initial contract costs will continue through FY27, with the majority of the implementation costs being recognized during FY2025 and FY2026.
- Server room upgrades are a one-time expense.
- In FY2027, there is a placeholder for potential agency relocation related expenses.

FY2026 LINE ITEM BUDGET

Texas Real Estate Commission								
Fiscal Year 2026-2028 Budget								
	Actual 2023	Actual 2024	Budget FY2025	FY2025 Estimated revenue/ expenditures	Budget FY2026	Budget Variance from FY26 to FY25	Projected Budget 2027	Projected Budget 2028
Beginning Balance	22,509,890	20,970,584	17,483,061	17,483,061	12,611,746		5,525,981	333,866
Operating Reserves	9,768,368	8,955,860	5,124,836	5,124,836	4,904,652		4,546,303	333,866
Unreserved	12,741,522	12,014,724	12,358,225	12,358,225	7,707,094		979,678	(0)
Revenues								
License Fees	13,776,729	13,007,490	12,637,910	12,267,680	12,071,093	-4.49%	12,513,087	12,059,786
Education Fees	480,363	499,021	498,110	521,263	469,225	-5.80%	493,673	490,345
Examination Fees	475,846	421,513	441,640	355,780	365,070	-17.34%	367,430	366,730
Other Miscellaneous Revenue	291,880	176,998	257,401	368,551	354,953	37.90%	346,407	347,942
Total Revenues	\$15,024,818	\$14,105,022	13,835,061	\$13,513,274	13,260,341	-4.15%	\$13,720,597	\$13,264,803
Reallocation from Fund Balance								
Expenditures								
Salaries & Wages (1001)	9,898,705	10,813,274	11,242,038	10,716,287	11,272,749	0.27%	11,610,928	11,959,253
Other Personnel Costs (1002)	3,271,339	3,821,058	3,996,132	3,663,729	3,953,467	-1.07%	4,016,443	4,077,057
Professional Fees & Services (2001)	611,139	927,245	756,768	616,169	1,121,505	48.20%	563,655	563,655
Consumables (2003)	8,200	6,231	7,500	5,417	7,000	-8.67%	7,000	7,000
Utilities (2004)	9,897	7,433	12,025	2,679	7,112	-40.86%	7,112	7,112
Travel (2005)	60,425	73,714	80,725	56,827	87,500	8.39%	80,425	80,225
Office and Space Rent (2006)	168,129	175,279	197,694	101,618	92,395	-53.26%	92,395	95,400
Equipment Rental (2007)	82,021	62,964	57,686	38,301	34,622	-39.98%	14,101	14,101
Other Operating Expenses (2009)								
GAA Mandated Payroll Contributions	137,959	155,494	167,186	155,491	164,166	-1.81%	169,091	174,164
Registration & Membership	23,175	38,280	26,845	24,784	27,353	1.89%	26,343	26,343
Maintenance & Repairs	107,463	85,507	176,450	165,000	236,020	33.76%	239,220	245,220
Reproduction & Printing	1,008	1,867	1,700	1,500	1,700	0.00%	1,700	1,700
Contract Services	70,423	56,981	99,590	45,907	73,737	-25.96%	84,657	9,657
Postage	8,800	10,970	17,150	15,000	17,044	-0.62%	17,044	17,044
Supplies & Equipment	233,960	87,165	95,100	93,000	102,400	7.68%	900	900
Communication Services	200,899	195,792	225,990	220,000	167,145	-26.04%	175,390	167,750
Other Operating Costs	61,480	25,566	72,900	65,000	84,910	16.47%	83,170	82,510
Capital Expenditures (5000)	620,758	207,218	2,952,858	1,246,506	1,748,617	0.00%	576,474	0
Statewide Cost Allocation Plan-SWCAP (9999)	280,844	313,008	313,008	423,874	419,164	33.91%	419,164	419,164
Total Expenditures	15,836,623	17,065,045	20,499,345	17,657,089	19,618,606	-4.30%	18,185,212	17,948,255
Contribution to General Revenue (1105.003 (f))	727,500	527,500	727,500	727,500	727,500	0.00%	727,500	727,500
Total Expenditures and GR Contribution	\$16,564,123	\$17,592,545	\$21,226,845	\$18,384,589	20,346,106	-4.15%	\$18,912,712	\$18,675,755
Operational Loss/Gain	(\$1,539,305)	(\$3,487,523)	(7,391,784)	(4,871,315)	(7,085,765)	-4.14%	(5,192,115)	(5,410,952)
Ending Fund Balance	20,970,585	17,483,061		12,611,746	5,525,981		333,866	(5,077,086)

HISTORICAL REVENUE ANALYSIS

TREC Revenue	Projected	Actual as of August 31 of each year	Actual over Projected
FY16	9,969,543.00	12,279,393.00	23.17%
FY17	10,709,323.00	12,955,313.74	20.97%
FY18	11,011,708.00	12,478,545.00	13.32%
FY19	10,891,346	13,379,772	22.85%
FY20	10,804,974	12,329,504	14.11%
FY21	11,350,563	15,675,173	38.10%
FY22	14,818,142	14,876,136	0.39%
FY23	14,359,932	15,024,818	4.63%
FY24	14,417,802	14,105,022	-2.17%
Projected FY25	13,835,061	13,513,274	-2.33%
Projected FY26	13,260,341	13,260,341	0.00%
Projected FY27	13,720,597	13,720,597	0.00%
Projected FY28	13,264,803	13,264,803	0.00%



Apps & Renewal Counts	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Projected	FY26 Projected	FY27 Projected	FY28 Projected	Trends
Broker Original Ind Apps	1,420	1,705	1,897	1,913	1,707	1,786	1,602	1,606	1,604	
Sales Agent Original Apps	23,777	35,314	32,213	27,688	23,242	24,387	22,347	22,374	22,331	
Inspector Apps	616	1,453	822	540	798	575	533	532	531	
Broker Renewals	15,776	16,527	15,957	16,498	15,894	16,424	15,891	16,732	15,894	
Sales Renewals	57,298	62,800	64,134	72,625	70,067	71,985	69,132	73,293	68,929	
Inspector Renewals	1,495	1,803	1,569	2,048	1,732	2,001	1,712	1,904	1,706	

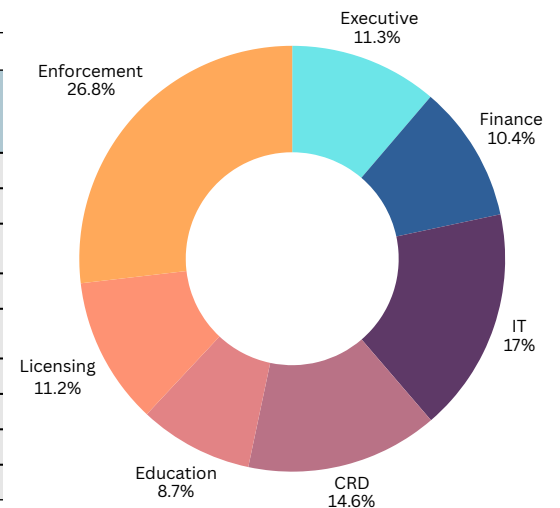
App and Renewal Fees	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Projected	FY2026 Projected	FY2027 Projected	FY2028 Projected	Revenue Trend
Broker Original Ind Apps	212,944	255,750	284,550	286,900	255,935	267,900	240,300	240,900	240,600	
Sales Agent Original Apps	3,566,549	5,297,155	4,831,980	4,153,164	3,486,275	3,658,050	4,064,850	3,985,350	4,010,250	
Inspector Apps	73,000	165,790	92,840	62,000	88,100	65,760	56,760	58,080	57,860	
Broker Renewals	1,135,858	1,189,944	1,148,903	1,187,820	1,144,372	1,182,528	1,144,152	1,214,352	1,144,368	
Sales Renewals	3,781,635	4,144,753	4,232,812	4,793,273	4,624,422	4,751,010	4,562,712	4,803,546	4,549,314	
Inspector Renewals	88,741	106,480	93,141	121,190	102,660	118,440	101,490	112,470	101,130	



AGENCY STAFFING

BUDGETED FULL-TIME EQUIVALENT (FTEs)						
Functional Divisions As of 6/27/25	Authorized 2025	Currently Filled 2025	Vacant FTE 2025	Contractors 2025	New FTEs 2026	Proposed Authorized 2026
Executive Division	10.20	9.60	0.60	0.00	-0.60	9.60
Financial Services Division	14.68	13.68	1.00	1.00	-1.00	13.68
Information & Technology Services Division	20.00	20.00	0.00	0.00	0.00	20.00
Customer Relations Division	30.30	26.30	4.00	0.00	-3.00	27.30
Education & Examination Services Division	16.10	14.10	2.00	0.00	-2.00	14.10
Licensing Division	23.00	19.00	4.00	0.00	-3.00	20.00
Enforcements Division	37.00	33.00	4.00	0.00	0.00	37.00
TALCB	17.60	15.60	2.00	0.00	0.00	17.60
Total:	168.88	151.28	17.60	1.00	-9.60	159.28
TREC	151.28	135.68	15.60	1.00	-9.60	141.68
TALCB	17.60	15.60	2.00	0.00	0.00	17.60

BUDGETED SALARY REQUIREMENT				
Functional Divisions	Authorized 2025	Proposed 2026	Change in Annual Salary	New FTEs 2026
Executive Division	\$ 1,252,352	\$ 1,231,580	\$ (20,772)	0
Financial Services Division	\$ 1,188,355	\$ 1,138,208	\$ (50,147)	0
Information & Technology Services Division	\$ 1,822,391	\$ 1,865,737	\$ 43,346	0
Customer Relations Division	\$ 1,721,296	\$ 1,598,991	\$ (122,305)	0
Education & Examination Services Division	\$ 1,027,733	\$ 947,289	\$ (80,444)	0
Licensing Division	\$ 1,354,007	\$ 1,225,027	\$ (128,980)	0
Enforcements Division	\$ 2,852,025	\$ 2,937,585	\$ 85,560	0
TALCB	\$ -	\$ -	\$ -	-
Total:	\$ 11,218,159	\$ 10,944,417	\$ (273,742)	0





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