

**AGENCY STRATEGIC PLAN**

**FISCAL YEARS 2019 TO 2023**

**BY**

**TEXAS REAL ESTATE COMMISSION**

**AND**

**TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD**

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# STRATEGIC PLAN

## **Mission of the Texas Real Estate Commission & Texas Appraiser Licensing and Certification Board**

Our agency protects consumers of real estate services in Texas by ensuring qualified and ethical service providers through upholding high standards in education, licensing, and regulation. We oversee the providers of real estate brokerage, appraisal, inspection, home warranty, timeshares and right-of-way services, thereby safeguarding the public interest while facilitating economic growth and opportunity across Texas.

### **Agency Philosophy:**

To achieve this mission, our agency:

- provides exceptional customer service that is accessible, responsive and transparent;
- demands integrity, accountability and high standards, of both license holders and ourselves; and
- strives continuously for effectiveness, efficiency and excellence in our performance.

### **Agency Motto:**

Protecting Texans' Dreams

## Agency Operational Goals and Action Plan

<b>GOAL I ENSURE STANDARDS</b>
<p>To protect the public by ensuring license holders meet the educational, ethical, and legal requirements to provide real estate services in Texas. (Texas Occupations Code, Chapters 1101, 1102, 1103, 1104, and 1303, and Texas Property Code, Chapter 221)</p>
<p style="text-align: center;"><b>SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL</b></p> <ol style="list-style-type: none"> <li>1. The Education &amp; Licensing Services Division of the Texas Real Estate Commission (the Commission) and Texas Appraiser Licensing &amp; Certification Board (the Board) ensures compliance with all educational, experience, examination and application requirements through the accurate and timely review and process of applications, renewals, informational changes and histories for real estate brokers or sales agents, appraisers, appraisal management companies, inspectors, and easement or right-of-way registrants.</li>   <li>2. Real estate broker, sales agent, inspector and appraiser applicants must complete qualifying (pre-license) education to meet education requirements. In addition, real estate brokers, inspectors and appraisers must satisfy experience requirements as required by statute to ensure competency.</li>   <li>3. We are committed to ensure license holders receive quality education through oversight of real estate education, including the registration of broker, sales agent and inspector education providers, instructors, and courses for both qualifying and continuing education. Pursuant to legislative requirements, the Commission has established a method for calculating the exam passage rates for Commission approved education providers who offer qualifying real estate and inspector courses. To ensure that quality education is provided to applicants and license holders who offer real estate services, these education providers are ranked based on first time passage rates. An education provider whose ranking is subject to disapproval or revocation when filing an application for subsequent approval will be disapproved to offer courses for that license category.</li>   <li>4. Real estate broker, inspector, and appraiser applicants must pass a comprehensive exam to help ensure they provide competent real estate services after obtaining a license.</li>   <li>5. After the exam is passed and prior to the issuance of a license, an applicant must undergo a criminal history background check which is reviewed by the Standards &amp; Enforcement Services divisions of the Commission and Board to determine if an applicant’s honesty, trustworthiness, and integrity meets statutory and legal requirements. A license is issued only if an applicant meets these standards. To ensure continued protection for the citizens of Texas, a follow-up criminal history background check is performed each time a license is renewed.</li>   <li>6. License holders are issued a two-year license and must complete continuing education prior to each renewal to further support the license holder’s development of skill and competence in providing real estate services to Texas consumers.</li>   <li>7. Through its relationship with the Real Estate Center at Texas A&amp;M University, the Commission has created three non-elective continuing education courses that are mandatory for sales agents and certain real estate brokers to complete during each renewal period. These non-elective courses provide consistent delivery of current and relevant information on real estate brokerage services, ethical behavior and supervisory responsibilities for brokers as well as legal updates that emphasize</li> </ol>

the most recent trends, developments, case studies, complaints, laws, statutes, regulations, disciplinary actions, and court cases as they relate to Texas real estate license holders. Inspector continuing education requirements include the completion of a non-elective Standards of Practice Review and a Legal & Ethics course that is specific to inspectors during each renewal period; and appraiser continuing education must include the completion of a USPAP Update course for each renewal that is current to the profession.

**DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE**

1. Accountable to tax and fee payers of Texas.

Through the efficient use of personnel and diligent oversight of costs associated with filing fees, the Commission and Board have been successful in reducing application and renewal fees and providing prompt and efficient service to license holders who are Texas citizens. To further reduce the cost of applying, renewing, or making changes to license holder information or supervisory relationships, applicants and license holders are also encouraged to file applications or changes online in lieu of submitting paper applications which require a paper filing fee.

2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.

During Fiscal Year 2017, the Education & Licensing Services division processed approximately 30,100 original applications with 19 full-time employees. As of February 2018 the division processed approximately 12,608 original real estate applications with six months remaining in this fiscal year. The division also approves and is currently managing 411 Continuing Education (CE) providers; 49 Qualifying (pre-licensure) education providers; and approximately 2,371 instructors of real estate education. The division reviewed 2,822 qualifying and CE courses during fiscal year 2017 and has reviewed 1,937 during the first seven months of this fiscal year. Prior to January 2015 this division was also responsible for the data entry of continuing education for all license holders. Since that date a continuing education posting system has been implemented that enables real estate education providers to post continuing education to the system themselves within ten days of a student's course completion which enables license holders to renew more promptly and efficiently. In addition, through the use of consistent training techniques and cross-training of staff members we are able to maintain the quantity and quality of processing.

3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.

The division has experienced an increase in applications and an 11% increase in the number of license holders since 2015. As of August 31, 2017, there were 182,615 real estate sales agents, brokers, inspectors and easement and right-of-way registrants and 6,096 certified or licensed Texas real estate appraisers. Staff recommendations to improve efficiency have enabled us to streamline our processes and functionality. As we receive new applications and as current license holders renew, make inquiries or changes to information, the division is committed to process all documents received in a timely fashion. The ability for applicants and license holders to file applications online allows for immediate receipt of an application and more prompt and efficient processing of an application or license holder's supporting documents. Application supporting documents are forwarded to a dedicated email address at [documents@trec.texas.gov](mailto:documents@trec.texas.gov) to allow immediate access to division staff for processing.

<p>4. Providing excellent customer services.</p> <p>This division has three staff persons assigned each day to respond to emails and telephone calls that are specific to the processing of applications and renewals within the division. All staff are trained and rotate this responsibility and provide accurate and complete information to applicants, license holders, and internal staff. They are required to respond to emails and telephone calls within 24 hours and must make notes in the computer system summarizing their response to calls or the content of their emails for use by other agency staff.</p>
<p>5. Transparent such that agency actions can be understood by any Texan.</p> <p>The Commission and Board maintains websites and publishes a newsletter to communicate and keep license holders and Texans informed of Commission and Board actions. The public may also access Commission and Board meetings through live streaming provided by the Agency.</p>
<p><b>DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION ITEM</b></p> <p>The Agency is working with the Facilities Commission and other stakeholders to seek additional options for reducing the occupancy expenses of the Agency while allowing for an enhanced development of state resources. This search includes the potential development of an alternate facility for the Agency on the highly restricted Lot 19 in the Capitol Complex. Innovative alternatives are being explored.</p>

<p><b>GOAL II ENFORCE REGULATIONS - TREC</b></p>
<p>To safeguard the public interest by effectively and efficiently enforcing the laws and rules of the Agency in a fair and consistent manner. (Texas Occupations Code, Chapters 1101, 1102, 1103, 1104, and 1303, and Texas Property Code, Chapter 221)</p>
<p><b>SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL</b></p> <p>The Texas Real Estate Commission’s Standards &amp; Enforcement Services division (“SES” or “the division”) handles a high volume of signed, written complaints from the public and license holders, as well as a smaller number of staff-initiated complaints. Importantly, the Agency cannot accept anonymous complaints or conduct covert investigations.</p> <p>The complaints primarily concern alleged statutory and administrative violations by brokers, sales agents, and inspectors, or alleged violations by unlicensed persons engaging in activities for which a license is required. A small number of complaints also concern education providers and instructors, as well as easement or right-of-way certificate holders. In addition, the division oversees timeshare developers (discussed further below) and residential service companies (discussed further below).</p>
<p><b>DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE</b></p> <p>1. Accountable to tax and fee payers of Texas.</p> <p>The Texas Real Estate Commission is committed to the protection of the citizens of Texas. SES accomplishes this through timely, fair, and consistent enforcement of The Real Estate License Act, Commission rules, Chapter 1102 of the Texas Occupations Code (governing real estate inspectors), the Texas Timeshare Act, and the Residential Service Company Act. In addition, TREC SES oversees the sanctions of license holders and unlicensed persons who have violated various regulatory requirements.</p>

2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.

From Fiscal Year 2013 through Fiscal Year 2017, the number of complaints received increased from 2086 complaints to 4561 complaints. Despite this 119 percent increase in complaints received, the SES division has maintained or lowered the number of staff positions.

As of May 2018, the SES division has 27.6 staff positions. In Fiscal Year 2013, the division had 28 staff positions. During this same period, the number of complaints resolved increased from 2124 complaints closed to 4071 complaints closed.

These increases occurred without increase the age of cases. As of August 31, 2017, over 96 percent of complaints were less than a year old. Out of 1606 open complaints, there were zero cases were over two years old.

3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.

During FY 2017, the division opened 4561 cases and closed 4071 cases. While most complaints from the public relate to the purchase, lease, or inspection of a home, a complaint may also include allegations ranging from misleading advertising to criminal history to unlicensed activity. Some complaints are closed with no action taken because of a lack of agency jurisdiction or lack of evidence. Once it is determined that the complaint is within the Agency's jurisdiction, the Agency notifies the license holder or other respondent, gives the person an opportunity to respond, and investigates the complaint. The division completes almost all investigations within six months of receipt of the complaint.

The division also implements standards, reviews certain applications for a license, and makes determinations of moral character to assess the honesty, trustworthiness, and integrity of applicants. In FY 2017, the division reviewed and closed 1864 application investigation cases and moral character determination cases. Most involved an applicant's criminal history.

TREC SES also administers the Texas Timeshare Act. The Act requires a developer that desires to offer a timeshare interest for sale to a Texas resident to register the plan with the Agency regardless of the location of the timeshare that is the subject of the plan. The division reviews the registration, and any amendment application, to ensure that it meets the requirements of the Act. TREC will not register a timeshare plan until the plan fully complies with the Act.

In addition to the Timeshare Act, the Agency administers the Residential Service Company Act. That Act requires the Agency to license any company wishing to offer a home warranty covering existing residential property in Texas. TREC SES monitors residential service companies licensed to conduct business in this state to ensure compliance with the Act, including a company's ability to meet financial obligations to Texas contract holders, and assists consumers with any issues related to claim delays or denials. As of August 31, 2017, there were 46 licensed residential service companies in Texas.

4. Providing excellent customer services.

Each day, Standards & Enforcement Services assigns one lawyer to respond to phone and email inquiries. A phone call must be responded to within four hours and an email within one business day. In addition, the division has a dedicated email address ([enforcement@trec.texas.gov](mailto:enforcement@trec.texas.gov)), and phone number (512-936-3005). Further, the division has an email address dedicated only to standards issues (application and moral character determinations) ([standards@trec.texas.gov](mailto:standards@trec.texas.gov)). The division also employs an ombudsman to respond to residential service company issues.

In addition, as described above, SES resolves thousands of cases, almost all of which are resolved within a year. The division also provides a great deal of information on its website and in the materials at quarterly commission meetings.

5. Transparent such that Agency actions can be understood by any Texan.

The Agency maintains a website with a wealth of information ([www.trec.texas.gov](http://www.trec.texas.gov)). On that website, Standards & Enforcement Services maintains information on complaints under “How to File a Complaint” under the “Public” drop-down menu. Other complaint-related information on the website includes information on disciplinary actions and a detailed list of frequently asked questions. The website also discusses and links to the relevant statutes and all commission rules. Further, the division contributes articles that discuss various enforcement-related issues.

**DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION ITEM**

Consumer educational disclosures and standard forms required by the Agency to be delivered to customers and clients of license holders will be written in simpler language and strongly branded to increase awareness of the regulatory agency to which complaints may be made. Educational requirements of real estate inspectors under Chapter 1102 are also being reviewed to align them more appropriately with other jurisdictions and focus better on quality versus quantity. Potential for elimination of duplicative consumer protection financial safeguards in Ch. 1102 is also being considered.

**GOAL II ENFORCE REGULATIONS - TALCB**

To safeguard the public interest by effectively and efficiently enforcing the laws and rules of the Agency in a fair and consistent manner. (Texas Occupations Code, Chapters 1101, 1102, 1103, 1104, and 1303, and Texas Property Code, Chapter 221)

**SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL**

The Texas Appraiser Licensing and Certification Board’s Standards & Enforcement Services Division (“TALCB SES” or “the division”) investigates and resolves a high volume of signed, written complaints from the public, industry stakeholders and license holders, along with a smaller number of staff-initiated complaints. The division does not accept anonymous complaints and does not conduct covert investigations except when authorized by law. Complaints mostly involve allegations of violations of the Uniform Standards of Professional Appraisal Practice (“USPAP”), the nationwide standards adopted by the Texas legislature as the minimum professional standards for conducting credible and reliable real estate appraisal activity. The division also handles complaints against appraisal management companies (“AMC’s”) for alleged statutory and regulatory violations. In addition, the division processes complaints involving violations by unlicensed persons engaging in activities for which a license is required.

The division is also charged with evaluating two aspects of applications for licensure. First, the division reviews the criminal history of appraiser applicants and key personnel of AMC's. Second the division conducts experience audits of all appraiser licensee applications for all appraiser licensure categories (licensed, certified residential, and certified general), which includes reviewing license holder work product for compliance with USPAP. Consistent with federal oversight requirements and state law, successful completion of the experience audit and criminal history background check is a prerequisite to the Board's issuance of a license to an applicant.

In addition, the division provides assistance to law enforcement and prosecutors upon request under Tex. Penal Code § 32.32. Law enforcement or prosecutorial agencies may request such assistance by submitting a written request for assistance ("RFA") to TALCB SES.

**DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE**

1. Accountable to tax and fee payers of Texas.

The Texas Appraiser Licensing and Certification Board protects the citizens of Texas through timely, fair and consistent enforcement of the Texas Appraiser Licensing and Certification Act (Texas Occupations Code Ch. 1103) (the "Act") and the Texas Appraisal Management Company Registration and Regulation Act (Texas Occupations Code Ch. 1104) (the "AMC Act"). TALCB SES investigates and resolves complaints against licensed appraisers and AMC's, and where appropriate, takes disciplinary and remedial action to protect the public. TALCB also takes action against unlicensed activity, and cooperates with sister state and federal regulatory agencies and law enforcement / prosecutors upon request for those matters which may involve criminal conduct. The division reviews and audits applicants as required by law to ensure those issued a license have the requisite honesty, trustworthiness and integrity and minimum competency necessary to protect the public.

2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.

As of April, 2018 the division has 10 staff positions comprised of 5 appraiser investigators (1 vacant), 3 support staff, 1 attorney and a division director. In addition to its 5 appraiser investigators, the Agency augments its investigative staff by relying on Board appointed, volunteer members of the statutorily authorized Peer Investigative Committees (PICs) to review appraisals subject to a complaint. TEX. OCC. CODE § 1103.453. Each PIC member is a volunteer who is an active real estate appraiser and AQB Certified USPAP Instructor who meets the qualifying criteria prescribed by the Board. The PIC process is managed by the division director. Despite a reduction in staff from 13 to 10 since 2014, the division has reduced its backlog of aged complaints. During the last 3 federal oversight audits (2014, 2016 and 2018) the division achieved the previously elusive 1-year or less timeframe set by the Board's federal oversight body (the Appraisal Subcommittee ("ASC")) for resolution of complaints. As of April, 2018 TALC SES manages to resolve most complaint matters within 7 months and triages most complaints within the first 90 days.

3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.

During FY 2017, TALCB SES received 184 cases and closed 172. In FY 2017 approximately 25% of resolved complaints resulted in disciplinary action, with the remaining roughly 75% being

dismissed. The majority of the complaints arise from alleged violations of USPAP, but may also include allegations about unlicensed activity, misleading conduct, or prohibited business practices. After receiving a complaint, the division notifies the license holder and requests that the license holder respond in writing and submit certain documentation responsive to the complaint. If fraud is alleged, the complaint may be handled covertly, as required by TEX. GOV'T CODE § 402.033 and PENAL CODE § 32.32. Once the complaint is screened to ensure the Board has jurisdiction, the division notifies the license holder or other Respondent and gives the person an opportunity to respond. After receipt of the response materials, the complaint is then assigned to an investigator to complete an investigation. During the pendency of a complaint, information and documentation concerning the complaint is generally kept confidential. TEX. OCC. CODE §§1103.460 and 1104.2082. At present, roughly two thirds of all complaint matters result in a dismissal after investigation. Dismissals include complaints involving the issuance of non-disciplinary warning letters or contingent dismissals (in which completion of remedial education or mentorship is required prior to dismissal). In the remaining roughly one third of the complaints, disciplinary action is warranted, and the division attempts to resolve the complaint by agreement, consistent with a Board-approved disciplinary matrix adopted by rule. Such agreements take the form of an agreed final order or voluntary surrender of the license and are approved by the Board at their quarterly meeting. If an agreement cannot be reached between staff and the Respondent, TALCB SES pursues formal disciplinary action via the contested case hearing process at the State Office of Administrative Hearings (SOAH). Regular staff meetings and periodic case management meetings are used to ensure complaints are timely processed, investigated and appropriately resolved.

During FY 2017 the division also received 139 experience audits and closed 112. Out of those, 3 resulted in application denials. Typically, two properties from the applicant's experience log are requested and reviewed by a staff investigator for general compliance with USPAP. After review of the applicant's work product for USPAP compliance, the investigator makes a recommendation on whether to approve the audit. In certain borderline instances, an applicant is approved contingent upon completion of additional education or mentorship. In addition, all applicants' criminal history is reviewed by staff. Consistent with Tex. Occ. Code Ch. 53 and Board rules, certain criminal convictions may serve as grounds for denying an application. If denied on either basis, an applicant has 30 days to appeal the denial by notifying the division in writing. Appeals of application denials go through the regular contested case hearing process at SOAH. Regular staff meetings and periodic case management meetings are used to ensure experience audits are timely processed, investigated and appropriately resolved.

During FY 2017 the division received 1 RFA seeking assistance with appraisal related matters involving potential criminal conduct. In 2017, the Texas Legislature passed legislation abolishing the Texas Residential Mortgage Fraud Task Force. During its roughly 10 year existence, TALCB SES was a member of the Task Force. During that time, 148 requests for assistance from state and federal law enforcement and prosecutorial agencies have been received, 147 of these have been resolved. This assistance has led to several indictments, prosecutions and convictions of licensed appraisers for criminal conduct. Despite abolishment of the formal Task Force, TALCB SES continues to cooperate with and make referrals to state and federal law enforcement and prosecutorial agencies when appropriate.

4. Providing excellent customer services.

The division regularly responds to inquiries from the public and license holders most frequently by telephone and e-mail. In fact, the division has a dedicated e-mail address ([enforcement.talcb@trec.texas.gov](mailto:enforcement.talcb@trec.texas.gov)) to serve this purpose. Depending on the nature of the inquiry an investigator or attorney will respond to the inquiry. As of April, 2018 the division maintains a caseload in which most matters are resolved within 7 months and triages cases within the first 90 days in an effort to resolve complaints efficiently so that the concerns and needs of license holders and the public are addressed as promptly as possible. As discussed below, the Board also maintains a website that provides detailed information about the complaint process. Additionally, upon request, TALCB SES holds investigative conferences with Respondents as part of the complaint resolution process or Applicants as part of the audit process in an effort to address their concerns and will occasionally meet with those have filed complaints when necessary to address their concerns.

5. Transparent such that agency actions can be understood by any Texan.

The Board maintains a website ([www.talcb.texas.gov](http://www.talcb.texas.gov)) which provides extensive information about the complaint process to the public, license holders and industry stakeholders alike. Under the “Public” tab on the Board’s home page separate sections addressing a variety of topics, including: (1) consumer information; (2) the complaint filing process; (3) how to obtain public information; (4) a license holder search function, (5) frequently asked questions and news and (6) disciplinary actions are readily available. Links are also provided to a .pdf copy of the Board’s complaint form, as well as a flow chart of the complaint process and links to the Agency’s rules and laws. Additionally, in an effort to keep Texas well informed about the regulatory process and new developments in the industry, the Board provides staff to speak throughout the state to stakeholders, trade groups, other associations and public groups, addressing the enforcement process and current topics and trends.

**DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION ITEM**

Anticipate cleanup changes needed in the 2019 legislative session to Chapters 1103 and 1104 of the Texas Occupations Code to conform state law to any developments in federal appraisal related regulatory laws. Additionally, references to the general revenue fund in Chapters 1103, 1104 and 1105 of the Texas Occupations Code conflict with the Agency status as a Self-Directed Semi-Independent (SDSI) agency and should be removed. The Agency will carefully monitor new federal requirements for any impact on staff resource levels and cost recovery considerations. Agency is prepared to receive license holders currently regulated by other agencies where significant jurisdictional overlap exists.

**GOAL III COMMUNICATE EFFECTIVELY**

To communicate with license holders and the public by providing reliable information to promote informed decisions in Texas real estate transactions. (Texas Occupations Code, Chapters 1101, 1102, 1103, 1104, and 1303, and Texas Property Code, Chapter 221)

**SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL**

1. Provide exceptional customer service
2. Provide accurate and thorough information
3. Assist all license holders with online transactions
4. Respond to email inquiries within a two business day time frame

5. Remain knowledgeable with Rules and Policies in regards to the Texas Real Estate Commission and the Texas Appraiser Licensing and Certification Board
6. Remain knowledgeable in regards to application processing procedures, fees, and forms
7. Respond to Customer Service Surveys within a two business day time frame by phone or email
8. Handle all Public Information Act requests in a prompt and professional manner

**DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE**

1. Accountable to tax and fee payers of Texas.

Team members assist license holders with online transactions which eliminates the submission of paper applications along with the paper processing fees.

License holders are informed on their license status which assists them on making decisions of the appropriate time for online renewals. Recently both TREC and TALCB posted a webpage showing the processing times of applications. These pages are designed to provide applicants a snapshot of where the Agency staff is in terms of processing applications and other documents. Staff updates the processing times page on both websites every Monday by 3pm. The information is also published on the homepage of both websites and posted on social media every week.

2. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.

Whether a Team member is answering an initial call or returning a call, the customer is greeted in a professional manner. The Team member introduces themselves and informs the caller that they are speaking with the Texas Real Estate Commission and the Texas Appraiser Licensing and Certification Board. The Team member asks how they can assist. Team members provide accurate information in a timely manner. Each call is not completed until the Team member confirms that all questions and concerns have been addressed. Every Team member strives to provide accurate information in a professional and timely manner.

3. Providing excellent customer services.

A combination of issues over the last biennium affected the quality of customer service the Agency provides to both consumers and to our license holders at all levels. It is particularly noticeable in an increase in the length an individual is on hold and the time in which staff is able to respond to an email inquiry. As a result, the Agency has taken some additional direct remedial steps to return the Agency to the exceptional customer service it is committed to offer. The Agency recognizes the new normal of a higher call and email volume and the need to address that volume in an effective and lasting way. Specifically, the Agency has taken the following measures:

- **Hiring Team Members** – The RCS and ELS divisions have both posted and hired additional positions. The Agency is committed to regularly assess the potential for any future customer service issues and evaluate the need for additional staff beyond those postings to minimize the possibility that those issues will arise.

- **Extending Business Hours** –the Agency has extended the hours for the Communication Center. It will now be operational for 12 and a half hours every business day, from 6:30 a.m. to 7:00 p.m. RCS staff has adjusted their schedules to make themselves available for these longer hours. The Agency will evaluate the new office hours every 90 days to determine the necessity of continuing the extended hours.
- **Implementation of Name Management Tool** - The Agency has developed a new online Name Management Tool that allows brokers to manage all of their business and team names via a free online web service available 24/7 that requires no intervention from agency staff.
- **Auto-response for emails** – Whenever someone emails the Agency, the customer receives an auto response showing the email was received. While staff makes every effort to respond to customer emails within two business days, due to the increased volume of email correspondence, staff is not always able to fulfill this customer service goal. The auto-response has been updated to explain that the Agency is currently working through a backlog, apologize for the inconvenience to the customer, and direct the customer to helpful information on the Agency websites.
- **New Call Center System** - The Agency is in the process of implementing a new phone system that will improve its ability to handle phone calls. This new phone system will assist with call management, provide an optional call back feature, and will utilize technology to better staff phones during peak calling times.

4. Customer Service Surveys are responded to within two business days by phone or email.

- Additionally, the Agency implemented a new, brief customer satisfaction survey that is separate from the statutorily required customer service survey. This new customer satisfaction survey provides individuals who contact the Agency a method to provide feedback to the Agency on the targeted questions about the resolution of their issue and their experience interacting with agency staff.

5. Transparent such that agency actions can be understood by any Texan.

Information is provided in writing through the Texas Real Estate Commission and Texas Appraiser Licensing and Certification Board websites, TREC Advisor, Social Media, and Strategic planning listening tours.

In 2017, the Agency purchased a new emailing system that allows it focus its message to targeted segments of the licensing population. This system has reduced redundant messaging by providing the Agency the ability to send tailored content to specific groups to address issues or explain updated or enhanced processes related to their particular license.

The Agency launched a redesigned website for the Commission in February 2017 to correspond with the previously redesigned TALCB website that was launched in 2014. The previous site had been in place since 1999. This new website design removes many redundancies throughout the old site and provides clearer language and key statistics throughout the website to help guide visitors

to the information that they need. The Agency understands that change of this type often requires an adjustment period for individuals to become accustomed to the new layout and content and makes every effort to help the transition by addressing potential navigation and content issues through its license holder newsletter and online/social media outlets.

**DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION ITEM**  
 Agency is developing a strong brand and a robust social media presence to more effectively communicate with license holders and especially to directly educate Texas consumers. New Agency websites were launched in FY14 and FY17. Enhanced social media outreach was launched in FY18, including monthly Facebook Town Hall interactive sessions. Working jointly with Texas A&M University and other state agencies and stakeholder associations of license holders, the Agency has developed an annual conference on single family real estate issues aimed at enabling an interdisciplinary approach to reduce barriers to the minimal effective regulation of this key market. Disaster recovery was a focus this year.

**GOAL IV WORK WITH HUBS**

To implement purchasing policies encouraging the use of historically underutilized businesses (HUBs). (Texas Government Code, §2161.123)

**SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL**

1. Utilize HUB vendors for non-competitive spot purchases of \$5,000 or less
2. Solicit a minimum of three certified HUB vendors for purchases over \$5,000
3. Attend HUB related meetings and forums to network with vendors and gain new knowledge of HUB vendors
4. Encourage and assist vendors who qualify as HUB vendors to become HUB certified by TPASS and to maintain their HUB certification
5. Encourage non-HUB vendors to subcontract with certified HUB vendors, pairing mentors with protégés
6. Exceed the bid advertisement requirement of obtaining more than two HUB bids from the Centralized Master Bidders List (CMBL) for purchases over \$2,000
7. Maintain positive working relationships with the current HUB vendors
8. Track HUB quarterly performance measures

**DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE**

1. Accountable to tax and fee payers of Texas.  
 By maintaining a robust program for HUB, we are ensuring that our financial investment in HUB businesses meets the highest standards for quality products and services.
2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions. By utilizing our historical relationships, we are maximizing our HUB vendor pool.

<p>3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.</p> <p>4. Daily processes for purchasing incorporate activities designed to meet the HUB goal of 30% utilization which we regularly exceed and which is significantly higher than the state average. (see chart).</p> <p>5. Providing excellent customer services.</p> <p>TREC is committed to excellent customer service which is seen in our HUB vendor relationships and the efforts we take to ensure HUBs are included to encouraged.</p> <p>6. Transparent such that agency actions can be understood by any Texan.</p> <p>The attached HUB report and chart (Schedule C) provide a clear picture of the actions that TREC takes to accomplish the goal.</p>
<p><b>DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION ITEM</b></p>

## Redundancies and Impediments

REDUNDANCIES AND IMPEDIMENTS	
<b>SERVICE, STATUTE, RULE OR REGULATION (PROVIDE SPECIFIC CITATION IF APPLICABLE)</b>	TEX. OCC. CODE §1102.003 requires the Agency to maintain a “Recovery Fund” to pay up to \$12,500 toward a loss claim by certain qualified customers with an unpaid civil judgement against a licensed inspector.
<b>DESCRIBE WHY THE SERVICE, STATUTE, RULE OR REGULATION IS RESULTING IN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS</b>	Since 2007, Inspectors have been required to provide evidence of a current \$100,000 Errors & Omissions Insurance policy for protection of their customers against certain losses. This has become the primary, adequate protection for Texas consumers.
<b>PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION</b>	Repeal the Inspector Recovery Fund, setting a date to resolve any potential claims, and return a portion of the funds to the inspectors who contributed to it, with the balance paid into General Revenue.
<b>DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE</b>	A portion of staff time and expenses for the collecting, accounting, investing and remitting of funds allocated by law to this Recovery Fund is estimated at \$26,000 annually.

REDUNDANCIES AND IMPEDIMENTS	
<b>SERVICE, STATUTE, RULE OR REGULATION (PROVIDE SPECIFIC CITATION IF APPLICABLE)</b>	TEX. OCC. CODE Ch. 1152 regulates Property Tax Consultants
<b>DESCRIBE WHY THE SERVICE, STATUTE, RULE OR REGULATION IS RESULTING IN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS</b>	Ch. 1152 exempts real estate brokers licensed under Ch. 1101 and real estate appraisers licensed under Ch. 1103
<b>PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION</b>	TREC & TALCB already regulate brokers and appraisers under Chs. 1101 & 1103, providing potentially inconsistent regulatory oversight of persons offering property tax consultant services to consumers.
<b>DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE</b>	Modest cost savings to consumers through effective de-confliction of areas of potential overlap in jurisdiction. Additional savings to the industry from regulatory clarity and simplification.

REDUNDANCIES AND IMPEDIMENTS	
<b>SERVICE, STATUTE, RULE OR REGULATION (PROVIDE SPECIFIC CITATION IF APPLICABLE)</b>	TEX. OCC. CODE Ch. 1303 regulates Residential Service Companies – also known as Home Warranty Companies
<b>DESCRIBE WHY THE SERVICE, STATUTE, RULE OR REGULATION IS RESULTING IN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS</b>	Extended warranties on installed appliances, devices, and systems found in homes are being offered by device manufacturers, appliance installers and repair service providers

<b>PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION</b>	Coordinate among TDI, TDLR and TREC to better clarify that extended service contracts / warranties on systems embedded in homes are subject to regulation under Ch. 1303, regardless of the licensing agency for the installer or repairer.
<b>DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE</b>	Modest cost savings to consumers through effective de-confliction of areas of potential overlap in jurisdiction. Additional savings to the industry from regulatory clarity and simplification.

<b>REDUNDANCIES AND IMPEDIMENTS</b>	
<b>SERVICE, STATUTE, RULE OR REGULATION (PROVIDE SPECIFIC CITATION IF APPLICABLE)</b>	DPS (& FBI) requires a new set of fingerprints be obtained each time a Texan needs a criminal history background check (CHBC) for any official purpose.
<b>DESCRIBE WHY THE SERVICE, STATUTE, RULE OR REGULATION IS RESULTING IN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS</b>	Texans are subjected to costly and unnecessary duplication of services to satisfy a merely bureaucratic concern that can be overcome by a proven solution that affords a legal procedural exception.
<b>PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION</b>	Create a single official repository agency that can be the sole CHBC data requestor to meet FBI restrictions. All agencies with fingerprint-based requirements are members of the repository agency.
<b>DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE</b>	Significant savings to Texans by allowing them to authorize one set of fingerprints to be used multiple times to access CHBC records for various official purposes.

<b>REDUNDANCIES AND IMPEDIMENTS</b>	
<b>SERVICE, STATUTE, RULE OR REGULATION (PROVIDE SPECIFIC CITATION IF APPLICABLE)</b>	Section 551.127, Government Code establishes the conditions for public meetings held by videoconference.
<b>DESCRIBE WHY THE SERVICE, STATUTE, RULE OR REGULATION IS RESULTING IN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS</b>	The current statutory authority allowing agencies to use distance meeting technology is overly burdensome and cost prohibitive due to certain restrictive statutory requirements. For example, audio and video signals must allow any members of the public present at the meeting to observe the demeanor and hear the voice of each participant attending via teleconference.
<b>PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION</b>	Further reduce barriers allowing state agencies to use of standard available commercial distance meeting technology for open meeting of governmental bodies.
<b>DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE</b>	Distance meeting technology can greatly reduce the costs of routine meetings of policymaking bodies of state agencies, in particular those agencies that expend travel costs because members of the policymaking body reside throughout the state.

<b>NATURAL DISASTER-RELATED REDUNDANCIES AND IMPEDIMENTS</b>	
<b>SERVICE, STATUTE, RULE OR REGULATION (PROVIDE SPECIFIC CITATION IF APPLICABLE)</b>	Emergency License or Renewal – Unlike other occupational licensing agencies, TREC and TALCB do not have authority to issue or renew licenses, including extending application or expiration dates, in the event of a natural disaster or emergency. <i>See, e.g.</i> , TEX. OCC. CODE §51.408 (authorizing Texas Department of Licensing & Regulation (TDLR) to issue emergency license); 4 TEX. ADMIN. CODE §60.22(d) (authorizing TDLR Executive Director to implement emergency orders issued by Governor)
<b>DESCRIBE WHY THE SERVICE, STATUTE, RULE OR REGULATION IS RESULTING IN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS</b>	In the event of a natural disaster, license holders who otherwise satisfy requirements for renewal or issuance of a license are focused on recovery, not renewal or issuance of an occupational license. Inefficiencies result because licenses expire causing license holders to face increase fees or additional application requirements after license expiration. TREC and TALCB have no effective means of preventing these inefficiencies.
<b>PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION</b>	Provide TREC and TALCB with authority similar to that of TDLR to allow TREC and TALCB to issue or renew licenses and adopt rules to implement disaster declarations issued by the Governor in the event of an emergency or natural disaster.
<b>DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE</b>	Significant cost savings to license holders and the state can be achieved by preventing unnecessary fees, additional licensing requirements, and the increased burden to limited agency resources and staffing in the event of an emergency or natural disaster.

# **SUPPLEMENTAL SCHEDULES**

## Schedule B

### Performance Measure Definitions

#### Goal 01: Ensure Standards

##### Outcome Measures:

##### **(Key) Percent of Applicants Who Pass The Exam (TREC)**

Definition:	The overall percent of individual real estate applicants who pass the examination.
Purpose:	This measures the ability of education providers (who are approved by the Texas Real Estate Commission to offer qualifying courses) to maintain education standards for applicants to achieve initial competence through an examination pass rate of 75 percent annually.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the Education & Licensing Services Division and in Versa, the Agency's centralized database system.
Methodology:	This measure is the percent of applicants who pass the exam.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target

##### **(Key) Percent of Applicants Who Pass The Exam (TALCB)**

Definition:	The overall percent of individual appraiser applicants who pass the examination.
Purpose:	This measures the ability of education providers to maintain education standards for applicants to achieve initial competence through an examination pass rate of 75 percent annually.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the Education & Licensing Services Division and in Versa, the Agency's centralized database system.
Methodology:	This measure is the percent of applicants who pass the exam.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target

##### **(Key) Percent of License Holders With No Recent Violations (TREC)**

Definition:	The percent of the total number of licensed, registered, or certified license holders at the end of the reporting period who have not incurred a violation within the current and preceding two years (three years total).
Purpose:	Licensing, registering, or certifying individuals helps ensure that practitioners meet legal standards for professional education and practice which is a primary agency goal. This measure is important because it indicates how effectively the Agency's activities deter violations of professional standards established by statute and rule.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The Director of Standards & Enforcement Services is responsible for this measure.
Methodology:	The total number of license holders currently licensed, registered, or certified by the Agency who have not incurred a violation within the current and preceding two years (numerator) is divided by the total number of individuals currently licensed, registered, or certified by the Agency (denominator). The numerator for this measure is calculated by subtracting the total number of license holders with violations during the three-year period from the total number of license holders at the end of the reporting period. The denominator is the total number of license holders at the end of the reporting period. The result is multiplied by 100 to achieve a

percentage. The period included must be through the last date of the fiscal year being reported. The period goes back two full fiscal years from the beginning of the current fiscal year. (Example: FY 2017, inception date must be September 1, 2014.) This would include all of FY 2015, all of FY 2016 and all of FY 2017.

Data Limitation: Economic conditions sometimes impact the number of violations of the License Act and Commission Rules.

Calculation Type: Non-cumulative

New Measure: No

Desired Performance: Higher than Target

### **(Key) Percent of Licensed Appraisers with No Recent Violations (TALCB)**

Definition: The percent of the total number of licensed, registered or certified individuals who have not incurred a violation within the current and preceding two years (three years total).

Purpose: Licensing, registering, or certifying individuals helps ensure that practitioners meet legal standards for professional education and practice which is a primary agency goal. This measure is important because it indicates how effectively the Agency's activities deter violations of professional standards established by statute and rule.

Data Source: Data is derived from the Texas Real Estate Commission's automated records. The TALCB Director of Standards and Enforcement is responsible for this measure. Data is stored in TALCB's Standards and Enforcement Division and in Versa, the Agency's centralized database system.

Methodology: The total number of individuals currently licensed, registered, or certified by the Agency who have not incurred a violation within the current and preceding two years (numerator) is divided by the total number of individuals currently licensed, registered, or certified by the Agency (denominator). The numerator for this measure is calculated by subtracting the total number of license holders with violations during the three-year period from the total number of license holders at the end of the reporting period. The denominator is the total number of license holders at the end of the reporting period. The result is multiplied by 100 to achieve a percentage. The period included must be through the last date of the fiscal year being reported. The period goes back two full fiscal years from the beginning of the current fiscal year. (Example: FY 2014, inception date of report must be September 1, 2011.) This would include all of FY 2012, all of FY 2013 and all of FY 2014.

Data Limitation: Economic conditions as well as federal and state legislation may sometimes impact the number of violations.

Calculation Type: Non-cumulative

New Measure: No

Desired Performance: Higher than Target

### **(Key) Recidivism Rate for Those Receiving Disciplinary Action (TALCB)**

Definition: The percentage of repeat offenders (those disciplined within the current period and last six fiscal years) out of the total number of appraiser disciplined in the current period.

Purpose: Measures the effectiveness of the enforcement process and of the penalties and sanctions imposed. It may also indicate if changes are needed.

Data Source: Data is derived from the Texas Real Estate Commission's automated records. The TALCB Director of Standards & Enforcement Services is responsible for this measure. Data is stored in TALCB's Standards & Enforcement Services Division and in Versa, the Agency's centralized database system.

Methodology: The number of individuals against whom two or more disciplinary actions were taken by the board within the current and preceding six fiscal years divided by the total number of individuals receiving disciplinary actions within the current and preceding two fiscal years. The result is

multiplied by 100 to achieve a percentage. Non-jurisdictional complaints are not included in this calculation.

Data Limitation: Licensee integrity, honesty and education, economic conditions, mortgage fraud, receipt of written complaints, and investigation and board activity all impact this measure. Federal and state legislation may also impact the number of violations.

Calculation Type: Non-cumulative

New Measure: No

Desired Performance: Higher than Target

## Output Measures:

### (Key) Number of New Licenses Issued To Individuals (TREC)

Definition: The number of new licenses issued during the reporting period to previously unlicensed and unregistered individuals and to previously licensed individuals who did not renew timely whose license has been expired more than six months.

Purpose: This measure provides data as to the number of individuals who are entering the real estate profession or upgrading to a higher level of licensure, or whose license has been expired more than six months.

Data Source: Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the Education & Licensing Services Division and in Versa, the Agency's centralized database system.

Methodology: Report the number of new licenses issued to previously unlicensed and unregistered individuals and to previously licensed individuals whose license has been expired more than six months. Licenses are counted as new for persons who were previously licensed or whose license has been expired more than six months.

Data Limitation: Economic conditions and other factors beyond the Agency's control may affect the number of individuals desiring to enter the real estate industry for the first time or return to the industry if previously licensed.

Calculation Type: Cumulative

New Measure: No

Desired Performance: Higher than Target

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

Definition: The number of new licenses, certifications and registrations issued to previously unlicensed, uncertified, and unregistered individuals during the reporting period and to previously licensed, certified or registered individuals who did not renew timely whose license has been expired more than six months.

Purpose: This measure provides data as to the number of individuals who are entering the appraisal profession or upgrading to a higher level of licensure, or whose license has been expired more than six months.

Data Source: Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the Education & Licensing Services Division and in Versa, the Agency's centralized database system.

Methodology: Report the number of new licenses, certifications and registrations issued to previously unlicensed, uncertified, or unregistered individuals and individuals whose license has been expired more than six months. Licenses are counted as new for persons who were previously licensed or whose license has been expired more than six months.

Data Limitation: Economic conditions, federal requirements and other factors beyond the Agency's control may affect the number of individuals desiring to enter the appraiser industry.

Calculation Type: Cumulative  
 New Measure: No  
 Desired Performance: Higher than Target

### **(Key) Number of Licenses Renewed (TREC)**

**Definition:** The number of licenses issued during the reporting period to licensed individuals who renewed timely or renewed a license that has been expired six months or less.

**Purpose:** This measure provides data on the number of licenses issued during the reporting period to individuals who currently hold a valid license and renewed timely or renewed licenses that has been expired six months or less who wish to remain in the real estate profession.

**Data Source:** Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the Education & Licensing Services Division and in Versa, the Agency's centralized database system.

**Methodology:** This measure is calculated by querying the licensing data base to produce the total number of licenses issued to individuals who currently hold a valid license and renewed timely or who renewed a license that has been expired six months or less.

**Data Limitation:** Economic conditions and other factors beyond the Agency's control may affect the number of individuals desiring to remain in the real estate industry.

Calculation Type: Cumulative  
 New Measure: No  
 Desired Performance: Higher than Target

### **(Key) Number of Licenses and Certifications Renewed (TALCB)**

**Definition:** The number of licenses and certifications issued to appraisers who renewed timely or renewed a license that has been expired six months or less.

**Purpose:** This measure provides data on the number of licenses issued during the reporting period to individuals who currently hold a valid license, certification, or registration who renewed timely or renewed a license that has been expired six months or less and wish to remain in the appraiser profession.

**Data Source:** Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the Education & Licensing Services Division and in Versa, the Agency's centralized database system.

**Methodology:** This measure is calculated by querying the Texas Real Estate Commission's automated records to produce the total number of licenses issued to individuals who renewed timely or who renewed a license that has been expired six months or less.

**Data Limitation:** Economic conditions, success as an appraiser, and other factors beyond the Agency's control affect the renewal of appraiser certification and licensing.

Calculation Type: Cumulative  
 New Measure: No  
 Desired Performance: Higher than Target

## **Efficiency Measures:**

### **(Key) Percent of New Applications Submitted Online (TREC)**

**Definition:** Percent of all new licenses, registrations or certifications issued online to individuals during the reporting period.

**Purpose:** To track use of online license issuance service by the licensee population.

Data Source:	Data is derived from the Texas Real Estate Commission's automated records which produce reports of online renewal transactions issued during the reporting period. The Director of Information & Technology Services is responsible for this measure.
Methodology:	Total number of new licenses, registrations, or certifications issued online divided by the total number of corresponding new licenses, registrations, or certifications issued during the reporting period. The result is multiplied by 100 to achieve a percentage.
Data Limitation:	Factors beyond the Agency's control may affect this measure.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target

### **(Key) Percent of New Applications Submitted Online (TALCB)**

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

### **(Key) Percent of License Renewals Submitted Online (TREC)**

Definition:	Percent of the total number of licensed, registered or certified individuals that renewed their license, registration, or certification online during the reporting period.
Purpose:	To track use of online renewal service by the licensee population.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records which produce reports of online renewal transactions issued during the reporting period. The Director of Information & Technology Services is responsible for this measure.
Methodology:	Total number of licenses, registrations, or certifications renewed online divided by the total number of corresponding licenses, registrations, or certifications renewed during the reporting period. The result is multiplied by 100 to achieve a percentage.
Data Limitation:	Factors beyond the Agency's control may affect this measure.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target

### **(Key) Percent of License Renewals Submitted Online (TALCB)**

Definition:	Percent of the total number of licensed, registered or certified individuals that renewed their license, registration, or certification online during the reporting period.
Purpose:	To track use of online renewal service by the licensee population.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records which produce reports of online renewal transactions issued during the reporting period. The Director of Information & Technology Services is responsible for this measure.

Methodology:	Total number of individual licenses, registrations, or certifications renewed online divided by the total number of corresponding licenses, registrations, or certifications renewed during the reporting period. The result is multiplied by 100 to achieve a percentage.
Data Limitation:	Factors beyond the Agency's control may affect this measure.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target

### **(Key) Percent of New Applications Processed within 10 Days (TREC)**

Definition:	The percentage of initial individual license applications that were processed during the reporting period within 10 days measured from the time in days elapsed from receipt of the application fee (successfully paid) until the date a curative letter, education evaluation letter or exam eligibility letter is issued to the applicant. This measure includes applications for licenses expired more than six months.
Purpose:	This measures the ability of the Agency to process initial applications in a timely manner and its responsiveness to applicants.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the Education & Licensing Services Division and in Versa, the Agency's centralized database system.
Methodology:	This measure counts the number of days elapsed from receipt of the application fee until issuance of the application curative letter, education evaluation letter or the exam eligibility letter. This measure counts the number of days it takes for an application and supporting documents to be reviewed and a response provided to the applicant consisting of either a curative letter for application or education deficiencies or eligibility to take the exam. In cases where such letters are manually created, a contact history record of type ST will be entered into the system by staff to indicate when a manual response was made. Curative letters, education evaluation letters or exam eligibility letters issued after 10 days are noted. The number of applications processed where the curative letter, education evaluation letter or exam eligibility letter is issued within 10 days is divided by the total number of applications and then multiplied by 100 to achieve a percentage.
Data Limitation:	There are factors beyond the Agency's control that would affect this measure. A system failure or other catastrophic occurrence could also cause a delay in the issuance of curative, education evaluation, or exam eligibility letters.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target

### **(Key) Percent of New Applications Processed within 10 days (TALCB)**

Definition:	The percentage of initial individual license applications that were processed during the reporting period within 10 days measured from the time in days elapsed from receipt of the application fee (successfully paid) until the date a curative letter, education evaluation letter or exam eligibility letter is issued to the applicant. This measure includes applications for licenses expired more than six months.
Purpose:	This measures the ability of the Agency to process initial applications in a timely manner and its responsiveness to applicants.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the Education & Licensing Services Division and in Versa, the Agency's centralized database system.
Methodology:	This measure counts the number of days elapsed from receipt of the application fee until issuance of the application curative letter, education evaluation letter or the exam eligibility

letter. This measure counts the number of days it takes for an application and supporting documents to be reviewed and a response provided to the applicant consisting of either a curative letter for application or education deficiencies or eligibility to take the exam. In cases where such letters are manually created, a contact history record of type ST will be entered into the system by staff to indicate when a manual response was made. Curative letters, education evaluation letters or exam eligibility letters issued after 10 days are noted. The number of applications processed where the curative letter, education evaluation letter or exam eligibility letter is issued within 10 days is divided by the total number of applications and then multiplied by 100 to achieve a percentage.

**Data Limitation:** There are factors beyond the Agency's control that would affect this measure. A system failure or other catastrophic occurrence could cause a delay in the issuance of curative letters or eligibility letters.

**Calculation Type:** Non-Cumulative

**New Measure:** No

**Desired Performance:** Higher than Target

### **(Key) Percent of License Renewals Issued within 7 Days (TREC)**

**Definition:** The percentage of individual license renewal applications that were processed during the reporting period within 7 days of when the application fee is received.

**Purpose:** This measures the ability of TREC to process renewal applications in a timely manner and its responsiveness to its license holders.

**Data Source:** Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the Education & Licensing Services Division.

**Methodology:** This measure counts the number of days elapsed from receipt of the renewal application fee until the license or registration is issued to the individual. Any licenses issued after 7 days are noted. The number of renewal applications where the licenses or registrations are issued within 7 days is divided by the total number of completed applications received to obtain a percentage. The result should be multiplied by 100 to achieve a percentage.

**Data Limitation:** There are factors beyond the Agency's control that would affect this measure. A system failure or other catastrophic occurrence could also cause a delay in the issuance of licenses.

**Calculation Type:** Non-cumulative

**New Measure:** No

**Desired Performance:** Higher than Target

### **(Key) Percent of License Renewals Issued within 7 Days (TALCB)**

**Definition:** The percentage of individual license and certification renewal applications that were processed during the reporting period within seven days of when the application fee is received.

**Purpose:** This measure indicates the relative efficiency of the TALCB and its service to applicants.

**Data Source:** Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. The data is stored in the Education & Licensing Services Division and in Versa, the Agency's centralized database system.

**Methodology:** This measure counts the number of days elapsed from receipt of the renewal application fee until the license, certification, or registration is issued to the individual. Any licenses issued after 7 days are noted. The number of completed renewal applications where the licenses, certifications, or registrations are issued within 7 days is divided by the total number of completed applications received. The result is multiplied by 100 to achieve a percentage.

**Data Limitation:** There are factors beyond the Agency's control that would affect this measure. A system failure or other catastrophic occurrence could cause a delay in the issuance of licenses.

**Calculation Type:** Non-Cumulative

New Measure: No  
Desired Performance: Higher than Target

## Explanatory Measures:

### Total Number of License Holders (TREC)

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

### Total Number of Licenses, Certifications, or Registrations (TALCB)

**Definition:** The total number of licenses, certifications, and registrations issued by TALCB.  
**Purpose:** This measure identifies the total number of appraiser licenses, certifications, and registrations currently issued.  
**Data Source:** Data is derived from the Texas Real Estate Commission's automated records. The Director of Education & Licensing Services is responsible for this measure. Data is stored in the Education & Licensing Services Division and in Versa, the Agency's centralized database system.  
**Methodology:** Report the total number of licenses, certifications, and registrations (General Certified, Residential Certified, State Licensed, Trainees, and Non-resident Registrations) issued by TALCB.  
**Data Limitation:** Economic conditions, federal requirements and other factors beyond the Agency's control may affect the number of persons desiring to enter or remain in the appraisal industry.  
**Calculation Type:** Non-cumulative  
**New Measure:** No  
**Desired Performance:** Higher than Target

## Goal 02: Enforce the laws and rules of the Agency in a fair and consistent manner

### Outcome Measures:

#### Percent of Complaints Resolved Resulting In Disciplinary Action (TREC)

**Definition:** Percent of complaints which were resolved during the reporting period that resulted in disciplinary action.  
**Purpose:** This measure is intended to show the extent to which the Agency exercises its disciplinary authority in proportion to the number of complaints received. It is important that both the public and license holders have an expectation that the Agency will work to ensure fair and effective enforcement of the act and this measure seeks to indicate agency responsiveness to this expectation.  
**Data Source:** Data is derived from the Texas Real Estate Commission's automated records. The Director of Standards & Enforcement Services is responsible for this measure.  
**Methodology:** The total number of complaints resolved during the reporting period that resulted in disciplinary action (numerator) is divided by the total number of complaints resolved during the reporting period (denominator). The result is multiplied by 100 to achieve a percentage. Disciplinary

action includes agreed orders, reprimands, advisory letters, suspensions, probation, revocation, restitution, and administrative penalties agreed to by the licensee. Complaints determined to be non-jurisdictional are not resolved complaints for purposes of this measure, and application inquiries and moral character determination-related closings are not considered for purposes of this measure.

- Data Limitation: Staffing, data sources, and equipment availability, the facts and law, the complexity of the complaints, legal representation by the respondent, SOAH findings, and Commission action all affect this measure.
- Calculation Type: Non-cumulative
- New Measure: No
- Desired Performance: Enforce the laws and rules.

### **Percent of Complaints Resolved Resulting in Disciplinary Action (TALCB)**

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

### **(Key) Percent of Complaints Resolved Within Six Months (TREC)**

- Definition: The percent of complaints resolved during the reporting period that were resolved within a six month period from the time they were initially received by the Agency.
- Purpose: This measure is intended to show the percentage of complaints which are resolved within a reasonable period of time as well as the effectiveness and efficiency of the enforcement and complaint resolution process.
- Data Source: Data is derived from Texas Real Estate Commission's automated records. The Director of Standards & Enforcement Services is responsible for this measure.

Methodology:	The number of complaints resolved within a period of six months or less from the date of receipt (numerator) is divided by the total number of complaints resolved during the reporting period (denominator). The result should be multiplied by 100 to achieve a percentage. Complaints determined to be non-jurisdictional are not resolved complaints for purposes of this measure, and application inquiries and moral character determination related closings are not considered for purposes of this measure.
Data Limitation:	Workloads and staffing levels, complexity of the complaints, SOAH proceedings, and commission meeting schedules all affect this measure.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target

### **(Key) Percent of Complaints Resolved within 6 Months (TALCB)**

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

## **Output Measures:**

### **(KEY) Number of Complaints Resolved (TREC)**

Definition:	The total number of complaints resolved during the reporting period.
Purpose:	Measures the efficiency and effectiveness of the enforcement and complaint resolution process and investigative process.
Data Source:	Data is derived from Texas Real Estate Commission's automated records. The Director of Standards & Enforcement Services is responsible for this measure.
Methodology:	The total number of complaints during the reporting period upon which final action was taken by the commission or for which a determination is made that a violation did not occur, regardless of the period in which the complaint was received. A complaint that, after preliminary review, is determined to be non-jurisdictional is not a resolved complaint. Application inquiries and moral character determinations are not complaints for purposes of this measure.

Data Limitation: Workloads, staffing, and SOAH proceedings affect this measure.  
 Calculation Type: Cumulative  
 New Measure: No  
 Desired Performance: Higher than Target

### **(Key) Number of Complaints Resolved (TALCB)**

Definition: The total number of complaints resolved during the reporting period.  
 Purpose: Measures the efficiency and effectiveness of the enforcement and complaint resolution process and investigative process.  
 Data Source: Data is derived from the Texas Real Estate Commission's automated records. The TALCB Director of Standards & Enforcement Services is responsible for this measure. Data is stored in TALCB's Standards & Enforcement Services Division.  
 Methodology: The total number of complaints during the reporting period upon which final action was taken by the board or for which a determination is made that a violation did not occur, regardless of the period in which the complaint was received. Complaints determined to be non-jurisdictional and Requests for Assistance (RFA) are not resolved complaints for purposes of this measure. Requests for Assistance reflect the work performed by TALCB as a result of the statutory requirement in HB 716 to assist law enforcement agencies investigating mortgage fraud cases.  
 Data Limitation: Workloads and staffing levels, complexity of the complaints, SOAH proceedings, board meeting schedules, and Peer Investigative Committees all affect this measure.  
 Calculation Type: Cumulative  
 New Measure: No  
 Desired Performance: Higher than Target

## **Efficiency Measures:**

### **(Key) Average Number of Days for Complaint Resolution (TREC)**

Definition: The average length of time to resolve a complaint, for all complaints resolved during the reporting period.  
 Purpose: Measures the efficiency and effectiveness of the enforcement and complaint resolution and investigative process.  
 Data Source: Data is derived from Texas Real Estate Commission's automated records. The Director of Standards & Enforcement Services is responsible for this measure.  
 Methodology: The total number of calendar days per complaint resolved, summed for complaints resolved during the reporting period, that elapsed from the receipt of a request for Agency intervention to the date upon which final action on the complaint was taken by the commission (numerator) is divided by the number of complaints resolved during the reporting period (denominator). Application Inquiries and Moral Character Determinations are not complaints for purposes of this measure. The calculation excludes complaints determined to be non-jurisdictional under the Agency's statutes.  
 Data Limitation: The complexity of cases, staffing, and SOAH proceedings affect this measure.  
 Calculation Type: Non-cumulative  
 New Measure: No  
 Desired Performance: Lower than Target

### **(Key) Average Number of Days for Complaint Resolution (TALCB)**

Definition: The average length of time to resolve a complaint, for complaints resolved during the reporting period.

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

## Explanatory Measures:

### Number of Complaints Received (TREC)

Definition:	The total number of complaints received or opened during the reporting period that are within the agency's jurisdiction of statutory responsibility.
Purpose:	The measure shows the number of jurisdictional complaints which helps determine agency workload.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The Director of Standards & Enforcement Services is responsible for this measure.
Methodology:	The Agency sums the total number of complaints received for which it has jurisdiction. The Agency keeps track of the total number of complaints that are not in its jurisdiction but does not use that figure in this calculation. Application inquiries and moral character determination related closings are not considered for purposes of this measure.
Data Limitation:	TREC does not control who files most complaints or the type of complaints filed, and typically responds only to written and signed complaints.
Calculation Type:	Cumulative
New Measure:	No
Desired Performance:	Enforce the laws and rules.

### Number of Complaints Received (TALCB)

Definition:	The total number of complaints received or opened during the reporting period which is within the Agency's jurisdiction of statutory responsibility.
Purpose:	This measure shows the number of jurisdictional complaints which helps determine agency workload.
Data Source:	Data is derived from the Texas Real Estate Commission's automated records. The TALCB Director of Standards & Enforcement Services is responsible for this measure. Data is stored in TALCB's Standards & Enforcement Services Division.
Methodology:	The Agency sums the total number of complaints received only relative to its jurisdiction. The Agency keeps track of the total number of complaints that are not in their jurisdiction but does not use that figure in this calculation. Requests for Assistance are not included in this measure. Requests for Assistance reflect the work performed by TALCB as a result of the statutory requirement in HB 716 to assist law enforcement agencies investigating mortgage fraud cases

Data Limitation: TALCB does not control who files complaints or the type of complaints filed, and may only respond to written and signed complaints.

Calculation Type: Cumulative

New Measure: No

Desired Performance: Higher than Target

### **Goal 03: To communicate effectively with license holders and the public**

#### **Outcome Measures:**

##### **(Key) Average Hold Time Less Than 10 minutes**

Definition: The hold time is the length of time a caller spends holding in the queue before the call is answered by an agency representative. The telephone system calculates an average hold time for all calls received during each 30-minute time frame the communications center is open from 6:30 a.m. to 7:00 p.m. The target average hold time for all calls is less than 10 minutes.

Purpose: The number of calls handled by the Agency's Communications Call Center indicates how many were handled within an average hold time of less than 10 minutes.

Data Source: Data is derived from the Commission's Centergy Software which produces a report on the average hold time. The Director of Reception & Communication Services is responsible for this measure. Data is stored in the Director of Reception & Communication Services' office.

Methodology: This measure keeps track on the length of calls that are in the Queue.

Calculation Type: Cumulative

New Measure: Yes

Desired Performance: Better than Target

##### **(Key) Percent of Emails Responded to Within 2 Working Days**

Definition: Emails received for the Agency's Headquarters are handled by the Reception and Communication Services Division. All emails are targeted to be answered within a two business day time frame.

Purpose: This measure indicates the information demand of the public and the real estate industry and the corresponding workload of the Agency. It also reflects the shift from communication by telephone to e-mail.

Data Source: The Director of Reception & Communications Services maintains a record on the total number of each e-mail response handled by Reception & Communications Services staff on inquires and requests for information. Records are kept in the office of the Director of Reception & Communications Services.

Methodology: The Reception & Communication Division's staff provides a count of e-mails, which are submitted to the Division Director, by fiscal year and by month. The total number of emails includes responses from customer service responses.

Calculation Type: Cumulative

New Measure: Yes

Desired Performance: Higher than Target

#### **Output Measures:**

##### **(Key) Number of Services Accessible on Agency Website**

Definition: Reflects the total number of services that can be completed through online transactions rather than in person or mail-in transactions.

Purpose: Encourage the availability of services offered online where a license holder or prospective license holder can complete their inquiry on their schedule.

Data Source: Data gathered from all online presence by the Director of Information Technology Services and tallied quarterly within a spreadsheet.

Methodology: Count of online services which resolves a request that would normally be dependent upon interaction with agency staff.

Calculation Type: Non-cumulative

New Measure: Yes

Desired Performance: Better than Target

### **(Key) Number of In-Person Inquiries Answered**

Definition: This figure reflects all walk in's at the Agency headquarters Reception area.

Purpose: This measure indicates the information demand of the public and the real estate industry. It also reflects the shift from communication by telephone to assisting in person.

Data Source: Data is collected by the Reception and Communication Services staff that assists the public. The Director of Reception & Communication Services is responsible for this measure. The data is stored in the Director of Reception & Communication Services' office.

Methodology: This measure identifies the number of walk in's that are being assisted in person.

Calculation Type: Cumulative

New Measure: Yes

Desired Performance: Higher than Target (Targets for FY 2014 and 2015 – 7,000 and 7,000)

### **(Key) Number of Calls Answered**

Definition: The figure reflects all calls received at the Agency headquarters Communications Call Center.

Purpose: This measure indicates the information demand of the public and the real estate industry and the corresponding workload of TREC.

Data Source: Data is derived from the Commission's Centergy Software which produces reports of incoming calls. The Director of Reception & Communication Services is responsible for this measure. Data is stored in the Director of Reception & Communication Services' office.

Methodology: This measure identifies all calls received at the TREC headquarters Communications Call Center.

Data Limitation: Factors beyond the Agency's control, such as answering questions about new laws, may affect this measure.

Calculation Type: Cumulative

New Measure: No

Desired Performance: Higher than Target

### **Number of E-mails Answered**

Definition: The figure reflects all requests for information received by the Reception & Communications Division via e-mail which were responded to by return e-mail.

Purpose: This measure indicates the information demand of the public and the real estate industry and the corresponding workload of the Agency. It also reflects the shift from communication by telephone to e-mail.

Data Source: The Director of Reception & Communications Services maintains a record on the total number of each e-mail response handled by Reception & Communications Services staff on inquires and requests for information. Records are kept in the office of the Director of Reception & Communications Services.

Methodology: The e-mail application on the computers in the Reception & Communications Division provides a count of e-mails, which are filed electronically by fiscal year and by month. This includes responses from customer service responses.

Data Limitation: Factors beyond the Agency's control, such as current economic conditions or the need to answer questions about new laws, may affect this measure.

Calculation Type: Cumulative

New Measure: No

Desired Performance: Higher than Target

### **(Key) Number of Online Customer Surveys Received**

Definition: The figure reflects all requests for information received by the Reception & Communications Division via e-mail which were submitted online through the customer service survey.

Purpose: This measure indicates the comments that are submitted by the public and the real estate industry.

Data Source: The Director of Reception & Communication Services maintains a record on the total number of each e-mail response. Records are kept in the office of the Director of Reception & Communications Services.

Methodology: The surveys provide a count of e-mails, which are filed electronically by fiscal year and by month.

Calculation Type: Cumulative

New Measure: Yes

Desired Performance: Higher than Target

### **(Key) Number of Visits to Agency Website**

Definition: Measure the utilization of the website by the public.

Purpose: Tracking the utilization will give an indication of usage of the website tool. Usage of the website allows the Agency to extend the services provided beyond normal office hours and improves public interaction.

Data Source: Monthly web analytics log files.

Methodology: Running of Web Analytic reports product the monthly count of visitors to the site. Track trends through documenting into the WWW pages viewed worksheet.

Calculation Type: Cumulative

New Measure: Yes

Desired Performance: Higher than Target

## **Goal 04: Encourage the use of HUBs in purchasing contracts and subcontracts**

### **Output Measures:**

#### **Number of HUB contractors contacted for bid proposals**

Definition: The number of HUB contractors contacted for bid proposals during the reporting period.

Purpose: It is a statewide initiative to give preference whenever possible to a HUB.

Data Source: Data is derived from the Agency's records. The Director of Staff and Support Services is responsible for this measure. The data is stored in the Staff and Support Services Division.

Methodology: The measure is a count of the total number of HUB Contracts and Subcontracts that are contacted for bid proposals during the reporting period.

Calculation Type: Cumulative

New Measure: No

Desired Performance: Higher than Target

#### **Number of HUB contracts awarded**

Definition: The number of HUB Contracts and Subcontracts awarded during the reporting period.

Purpose: It is a statewide initiative to give preference whenever possible to a HUB.

**Data Source:** Data is derived from the Agency's records. The Director of Staff and Support Services is responsible for this measure. The data is stored in the Staff and Support Services Division.

**Methodology:** The measure is a count of the total number of HUB Contracts and Subcontracts that are awarded during the reporting period.

**Calculation Type:** Cumulative

**New Measure:** No

**Desired Performance:** Higher than historical average.

### **Dollar value of HUB contracts awarded**

**Definition:** The total dollar value of HUB Contracts and Subcontracts awarded during the reporting period.

**Purpose:** It is a statewide initiative to give preference whenever possible to a HUB.

**Data Source:** Data is derived from the Agency's records. The Director of Staff and Support Services is responsible for this measure. The data is stored in the Staff and Support Services Division.

**Methodology:** The measure is a sum of the dollar amounts of the HUB Contracts and Subcontracts that are awarded during the reporting period.

**Calculation Type:** Cumulative

**New Measure:** No

**Desired Performance:** Higher than historical average.

### **Explanatory Measures:**

#### **Total dollar value of contracts awarded**

**Definition:** The total dollar value of all Contracts and Subcontracts awarded during the reporting period.

**Purpose:** It is a statewide initiative to give preference whenever possible to a HUB.

**Data Source:** Data is derived from the Agency's records. The Director of Staff and Support Services is responsible for this measure. The data is stored in the Staff and Support Services Division.

**Methodology:** The measure is a sum of the dollar amounts of the all Contracts and Subcontracts that are awarded during the reporting period.

**Calculation Type:** Cumulative

**New Measure:** Yes

**Desired Performance:** Higher than Target

## Schedule C

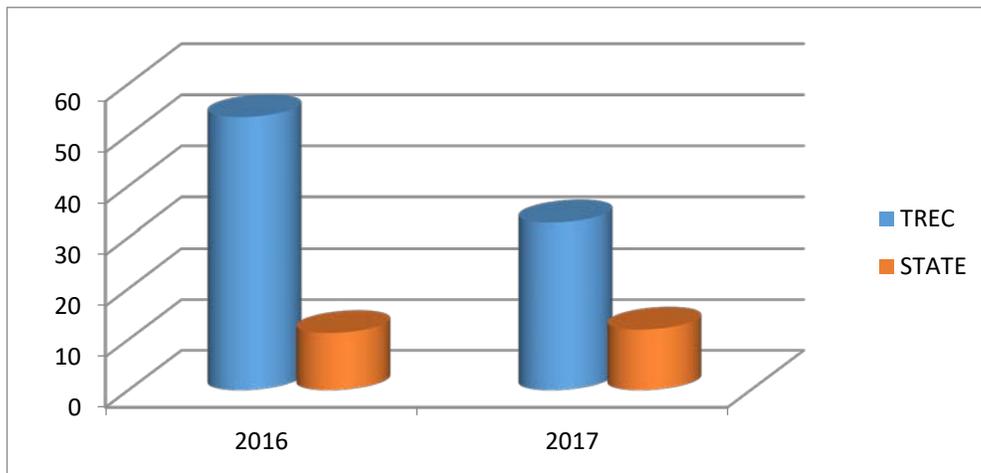
### Historically Underutilized Business Plan

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

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

The following figure reflects the overall HUB performance of FY 2016 and 2017.

Percentage of HUB Purchases by the Agency compared to State



## Schedule F

### Fiscal Year 2019 to 2023 Workforce Plan

#### I. Agency Overview

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

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

The Agency regulates the following license types:

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

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

The Agency's main office is located in Austin, Texas. Six investigators located throughout the state assist in the TREC Standards & Enforcement Services Division. Five appraiser investigators located throughout the state assist in the TALCB Standards & Enforcement Services Division. The Commission currently has 106.2 authorized full time equivalent (FTE) employees, an increase of 1.2 FTEs from FY 2015. In addition, in FY 18, the Agency has authorized the addition of four more staff to directly manage the surge in phone calls and license applications. One hundred percent of the funds needed to finance the Agency's activities come from fees paid by licensees.

### A. *Agency Mission and Philosophy*

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

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

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

### B. *Strategic Goals and Objectives*

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

#### Ensure Standards

**Objective** To maintain procedures through 2022 to evaluate applicants for honesty, integrity, trustworthiness, competency, and legal qualifications through education evaluation, requirement of continuing education, and criminal history background checks.

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

#### Enforce TREC Regulations

**Objective** To resolve 85 percent of documented complaints within six months by 2022.

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

#### Communicate Effectively

**Objective** To maintain a communications center which is available via telephone ten hours daily Monday through Friday and responds to inquiries emails promptly, produce a minimum of eight newsletters annually, and maintain a website that provides clear, concise information through 2022.

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

#### Implement and Enforce TALCB Standards & Regulations

**Objective** To maintain procedures to evaluate applicants for honesty, integrity, trustworthiness, competency and legal qualifications to ensure qualified real estate appraisers through 2022.

- Strategies Perform the Board's licensing function by:
- Processing appraiser license applications
  - Issue licenses, certifications, registrations and renewals
  - Approve appraisal educational coursework
  - Develop standards and agreements for reciprocity with other states for licensing and certification
- Objective To Enforce the provisions of the Texas Appraiser Licensing and Certification Act and the Uniform Standards of Professional Appraisal Practice and the Texas Appraisal Management Company Registration and Regulation Act by resolving 50 percent of complaints within six months by August 31, 2022.
- Strategies Investigate and resolve complaints & failures of Uniform Standards of Professional Appraisal Practice (USPAP) standards  
Impose Penalties as Appropriate

### C. Core Business Functions

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

### D. Anticipated Changes in Strategies

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

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

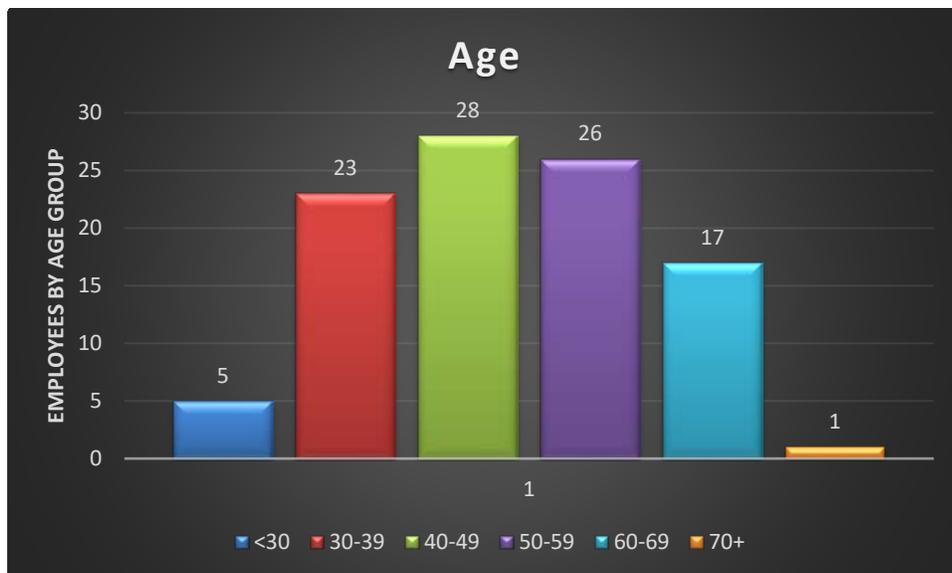
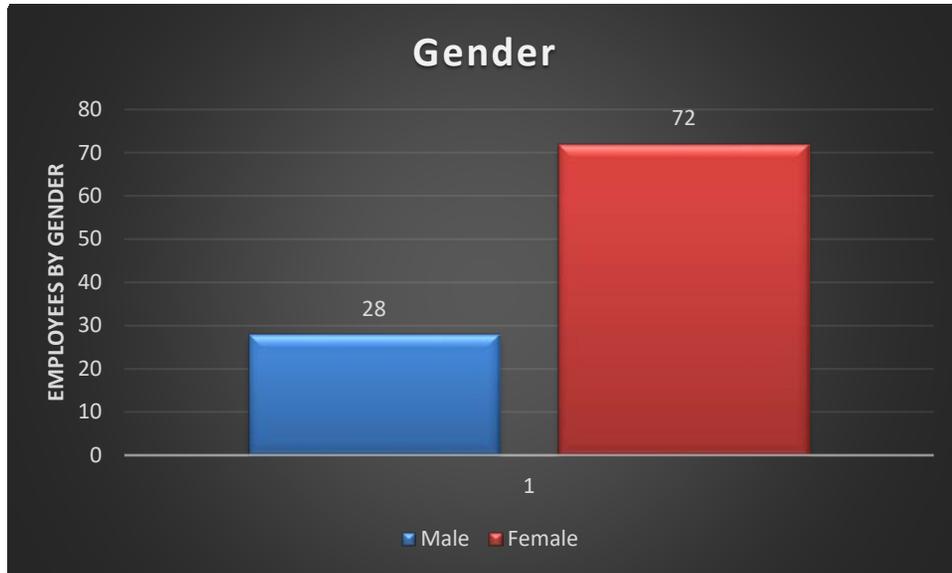
The Agency's weaknesses include:

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

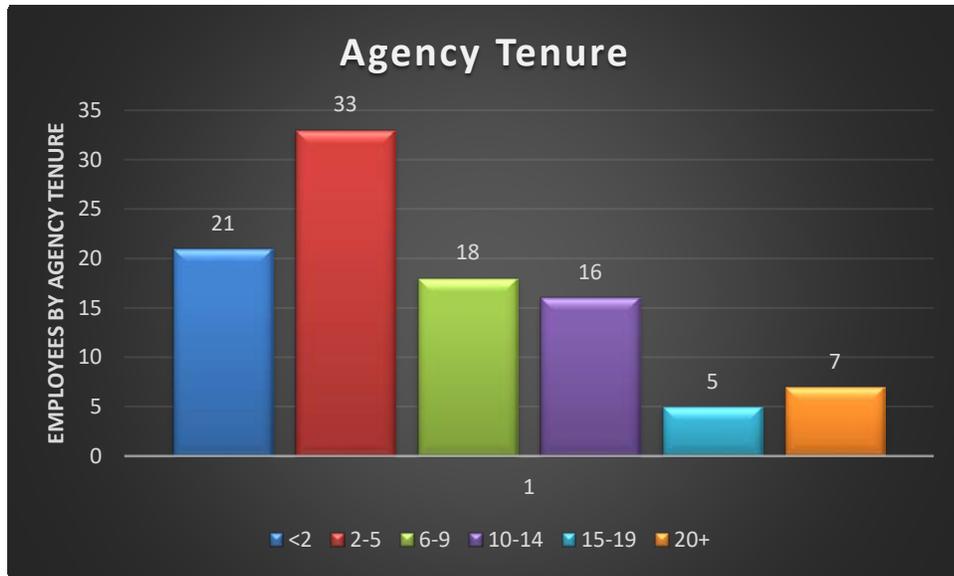
## II. Current Workforce Profile (Supply Analysis)

### A. Workforce Demographics

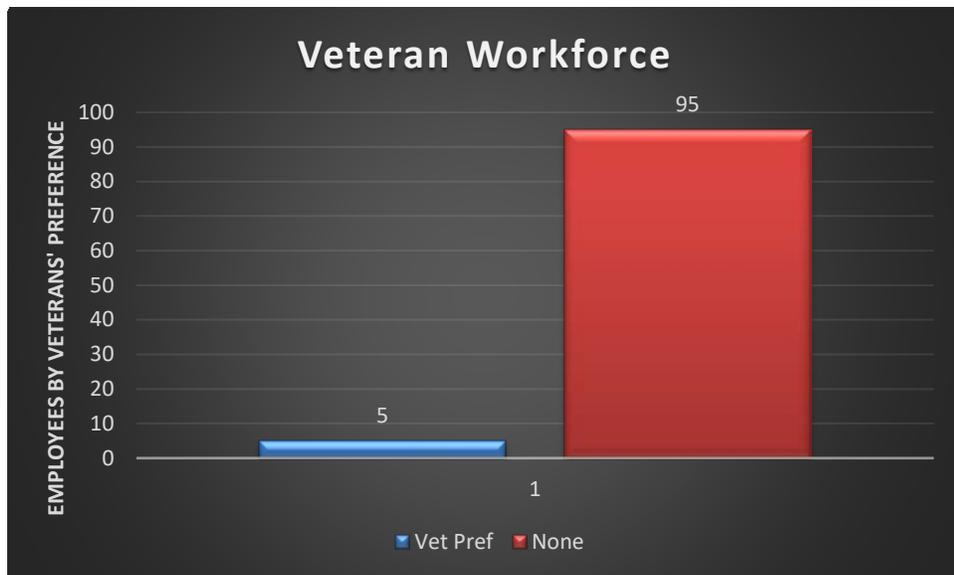
The following chart profiles the Agency’s workforce as of March 22, 2018, based on data from the Uniform Statewide Payroll/Personnel System<sup>1</sup> and includes both full-time and part-time employees. The Agency’s workforce is comprised of 72 (72%) females and 28 (28%) males. The Agency has a mature workforce with employees over age 40 account for 72% of the staff. The experience of our workforce tends to be a balance with the average tenure of Agency employees being 7.53 years and 46% having six or more years of Agency service. The Agency’s veteran population accounts for 5% of the workforce.



<sup>1</sup> This analysis does not include board members, commissioners, or temporary employees, such as contract workers. As of March 22, 2018, there were 100 employees on the payroll.



The chart below compares the Texas Workforce Commission’s Statewide Civilian Workforce Composition (Table 1 of the TWC’s January 2016 Equal Employment Opportunity and Minority Hiring Practices Report) to the Agency’s statistics as of November 30, 2017. (The TWC report only contains data regarding the state’s Caucasian, African American, Hispanic, and female workforce.)



While the Agency does not require any specific position to be bi-lingual, two persons employed in the RCS call center are bi-lingual to help answer questions for from Spanish-speaking customers. Areas in red indicate where the Agency’s Hispanic, African American, or female percentages are lower than eighty percent of the statewide percentages. Areas in grey reflect job categories not utilized by the Agency.

Job Category	Caucasian American		African American		Hispanic American		Females	
	Agency %	State %	Agency %	State %	Agency %	State %	Agency %	State %
Officials/Administrators (A)	77.78%	64.00%	11.11%	7.40%	11.11%	22.10%	55.56%	37.40%
Administrative Support (C)	45.83%	45.30%	33.33%	14.80%	18.75%	34.80%	89.58%	72.10%
Service Maintenance (M)	0.00%	28.00%	0.00%	13.00%	0.00%	54.10%	0.00%	51.00%
Professional (P)	70.27%	59.20%	2.70%	10.40%	21.62%	19.30%	56.76%	55.30%
Protective Services (R)	0.00%	45.50%	0.00%	19.80%	0.00%	31.30%	0.00%	25.60%
Skilled Craft (S)	0.00%	34.60%	0.00%	10.60%	0.00%	50.70%	0.00%	11.60%
Technical (T)	60.00%	49.20%	20.00%	14.40%	20.00%	27.20%	20.00%	55.30%

Overall, the Agency percentages are slightly above the state workforce percentages for African-Americans and females, but are consistently percent below the state averages for Hispanics. Job categories where the Agency’s percentages are less than 80 percent of the state percentage are shown in red (for those job categories found at the Agency. Job categories where the sample size was inconclusive because of the sample size, but indicate a possible underutilization are shown in blue. Agency recruitment will continue to seek out various ways to reach those segments of the state workforce that are under-represented at the Agency in an effort to obtain an applicant pool that reflects the diversity of the state, and thereby help reduce the differentials noted above.

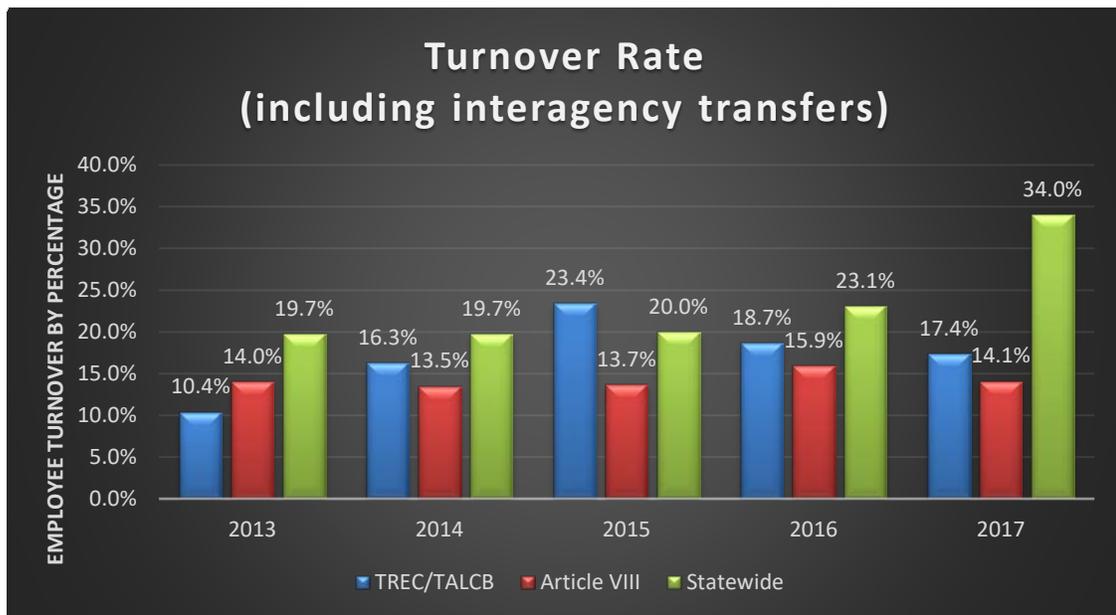
**B. Retirement Eligibility**

As of February 28, 2018, 6% of the workforce was comprised of return-to-work retirees and 15% were currently eligible. An additional 16% will be eligible to retire during this planning period. With the retirement of these employees, the Agency will lose institutional knowledge and expertise. The chart below shows the Agency’s risk based on retirement eligibility.

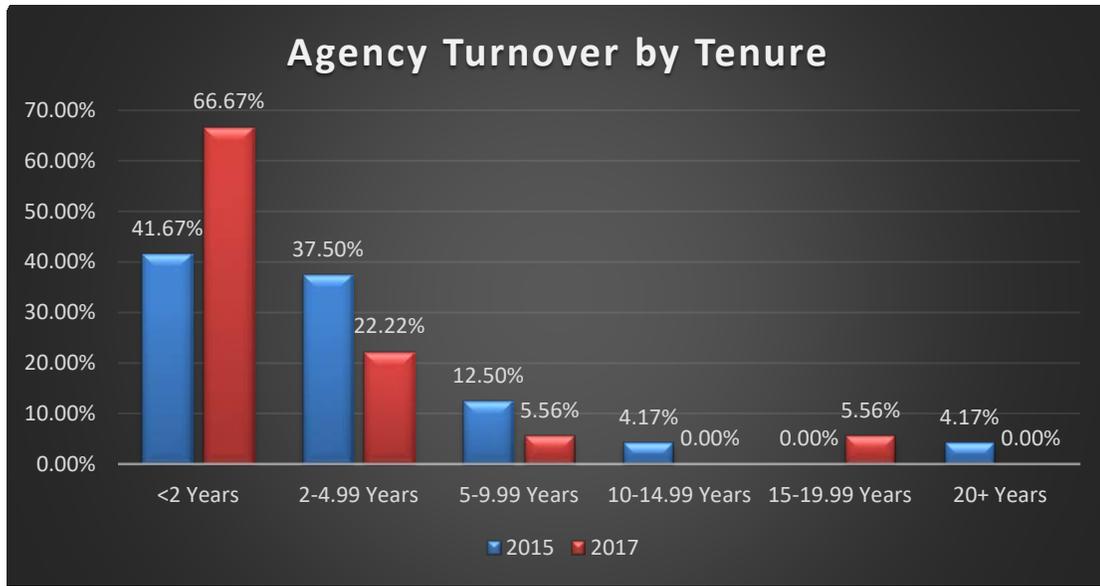


C. *Employee Turnover*

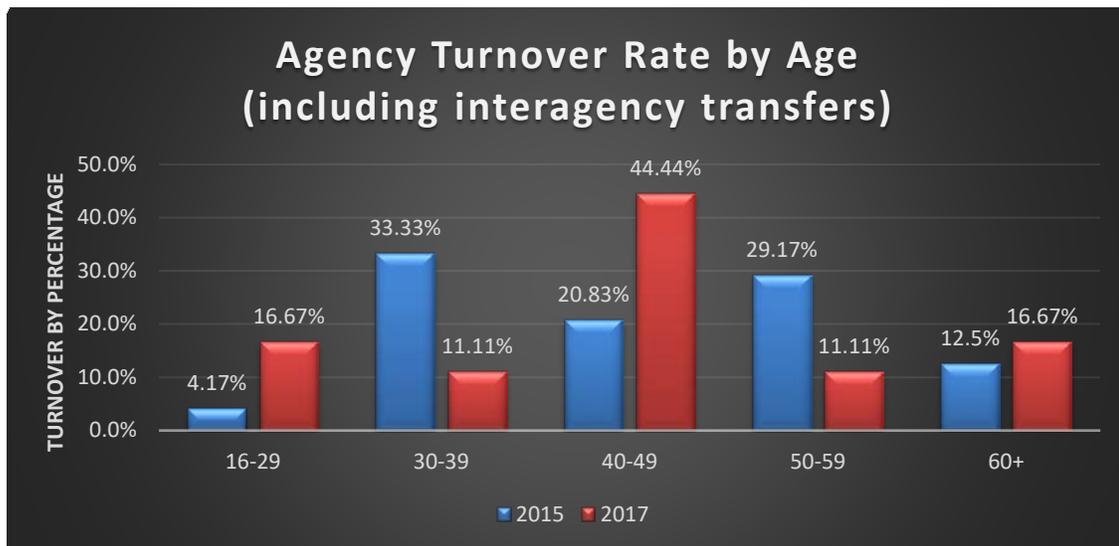
Turnover is an important issue in any organization, and this agency is no exception. The biggest workforce challenge facing the Agency is the retention of qualified and experienced staff. The Agency offers any employee that voluntarily leaves the Agency’s employment the opportunity to take both the SAO Exit Survey and an Agency survey. This provides the Agency with information used to better assess areas of workplace improvement. The major cause of staff turnover has been employees leaving the Agency for more lucrative positions. Some have stated that the workload is greater than initially anticipated. The Agency’s turnover has been greatest in the administrative support positions. Specifically, Legal Assistants represent 22% of the overall turnover (eight of the 106 positions are Legal Assistants, or 7.55% of the Agency), Customer Service Representatives claim another 22%, and nearly 17% of the total turnover is in the License & Permit Specialist series. The turnover in the Reception & Communication Services and Education & Licensing Services Divisions have impacted the Agency the most and have adversely affected the level of service we provide our license holders. The following graph compares the average of Agency turnover (including interagency transfers) to other Article VIII agencies, and the state as a whole.



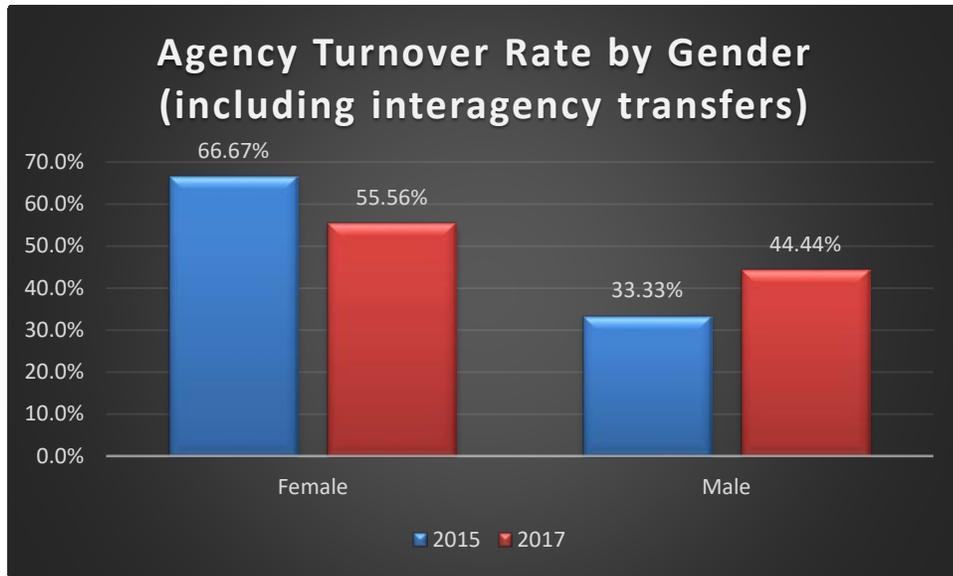
During the last five years, the Agency has seen a variance in turnover. While the Agency generally remains below the statewide average, it tends to be higher than other Article VIII agencies. Fiscal Year 2017 saw a decline in the turnover rate from Fiscal Year 2015 in all areas except the group with 15-19.99 years of service. The Agency attributes this decline to the collection of in house data in addition to the State Auditor’s Offices’ Exit Survey to determine turnover reasons and how to prevent it from becoming a trend and the increases to salaries. Based on the turnover rate from the last five years, procedural and policy changes made to decrease turnover, and the anticipated retirements, the projected employee turnover rate for the next five years will be between 15% - 17%.



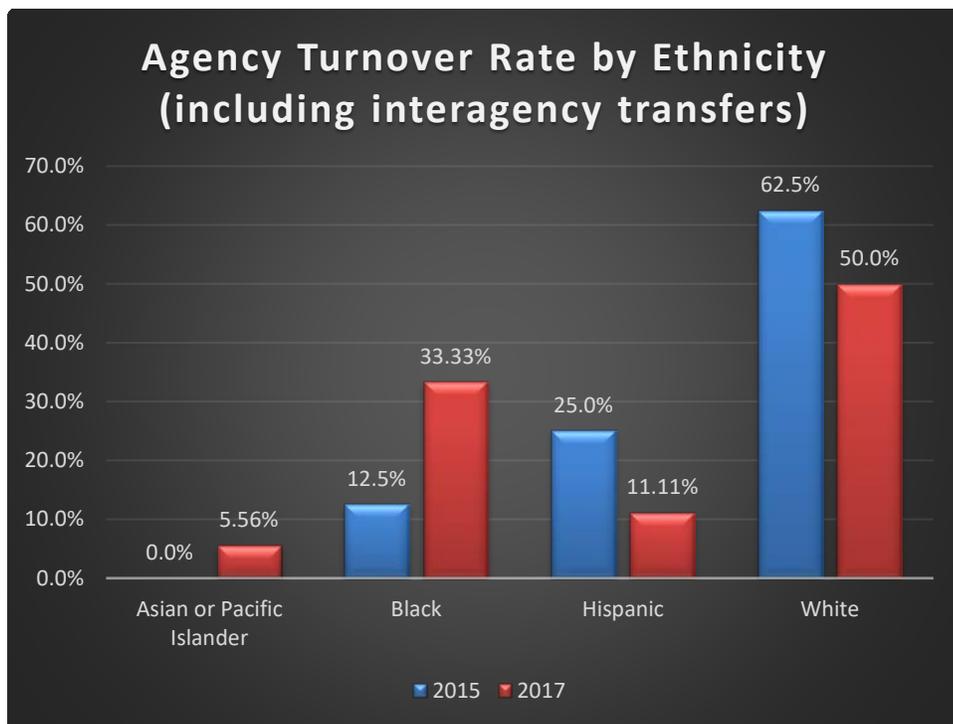
The greatest area of turnover among the 17.4% who departed continues to be with employees with less than two years of experience. Employees in this category account for 66.67% of the Agency’s turnover. In Fiscal Year 2017, employees with less than five years of Agency tenure accounted for nearly 90% of the Agency’s total turnover. This continues to be an area of concern when it can take up to a year to fully train an employee.



In Fiscal Year 2017, the average age for a new hire was 46. As illustrated in the previous chart (Agency Turnover by Tenure), the greatest area of turnover is employees with less than two years of experience. In Fiscal Year 2017, the average age of the employees in that group was 41 years old. Nearly 45% of the Agency’s turnover was in the 40-49 age group. This age group currently represents 28% of the Agency’s employees.



In Fiscal Year 2017, females represented 67.67% of the Agency’s turnover. This is not unexpected since historically, females represent 72-75% of the Agency’s workforce.



In Fiscal Year 2017, 50% of the Agency’s turnover was Caucasian. This is not unexpected since historically, this demographic represents roughly 55% the Agency’s workforce.

**D. Critical Workforce Skills**

Skills are needed in the following substantive areas in order for the Agency to accomplish its basic business functions:

- Regulatory and enforcement
- Financial investment and management

- Investigation
- Real estate appraising
- Business acumen

To succeed in these substantive functions, Agency employees also needs skills in:

- Critical thinking, analysis, and problem solving skills
- Effective written and verbal communication
- Efficient computer systems and peripheral device literacy
- Organizational effectiveness and strategic planning
- Leadership principles and management skills
- Mentoring and coaching techniques and skills
- Practical knowledge of Agency rules, regulations, and practices
- Practical knowledge of regulatory processes
- Customer service and interpersonal relationship skills
- Ability to interpret and accurately apply legal statutes and rules
- Ability to conduct comprehensive and detailed investigations
- Knowledge of administrative law processes
- Litigation and alternative dispute resolution experience
- Negotiation, facilitation, and collaboration skills
- Information systems development, programming, and maintenance
- Internet systems development, and maintenance
- Network and data center operations support
- Data and information management principles and tools
- Government and corporate accounting and financial management
- Government purchasing and contract processes
- Human resources planning, recruitment, retention, staff development, and performance management
- Educational curricula development and critical evaluation
- Effective public presentations to diverse groups
- Public relations management principles and tools
- Inter-governmental relations management skills

If a defined set of skills is required for a particular position, the applicant will take a skills test as part of the interviewing process. The skills test is designed as a modified version of an actual work product of the position.

### III. Future Workforce Profile (Demand Analysis)

Technology innovation is driving business practice changes in the professions licensed by the Agency. More effective communication methods provide better monitoring and oversight of day-to-day activities, allowing remote worksites to be established away from the main headquarters. Additionally, the Agency must find better ways to meet the needs of our customers. The Agency continues to move towards electronic self-service for our license holders. Opportunities for electronic transactions have expanded to include more of our license types. It is a legitimate expectation of the licensee communities and of the consuming public using the services that the Agency overseeing and regulating these service providers will not only understand the implications of these changes, but will also have the skills sets to support the services and enact rules and protections that reflect them.

The future will be characterized by customer maintained data, rapid and reliable electronic communications, and service delivery. These changing demands for licensing, enforcement, and communicating with license holders and with the public regarding the license holders within the real estate industry subject to the Agency's jurisdiction call for the following changes in the Agency's future workforce:

#### A. *Expected Workforce Changes*

Given the Agency's strategic plan priorities, it is anticipated that the workforce will require:

- Increasing emphasis on the use of technology to serve customers and to revise and streamline work processes to make them more efficient and paperless;
- An aging, experienced workforce, which may result in retirement of significant historical knowledge, expertise, and experience;
- Periodic difficulty in attracting and retaining qualified employees due to fluctuations and cycles in the labor market;
- Increased diversity in employee and customer demographics, backgrounds, experience, and other characteristics; and
- Critical analysis of positions, workflow, and external equity, which may result in reclassifications and salary adjustments.

#### B. *Future Workforce Skills Needed*

TREC/TALCB employees will continue to need the critical workforce skills previously listed. In addition, the Agency may face a continued, and possibly growing, need for the following skills:

- A strong ability and willingness to learn and use new and more advanced computer systems and applications on an on-going basis, to include web-oriented skills and interactive voice response telephone services.
- To be ready for the projected high number of future retirements and an aging workforce, the Agency will need employees with strong skills in:
  - Retention of valued employees
  - Succession planning
  - Knowledge transfer (cross training, process documentation, and mentoring)
  - Recruitment of skilled employees
  - Working effectively with a wider variety of generations
  - Management capable of leading and motivating staff, resolving conflict, and building and maintaining morale, productivity, and loyalty
  - Change management

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

The Agency has increased the number of FTEs in its customer services and licensing areas in the past year and does not anticipate needing additional FTEs. Increased and changing demands will be addressed by optimum utilization of technology, continuous review and development of efficient work processes, and the reallocation of FTEs within the Agency.

#### D. *Critical Functions*

The Agency's critical functions are:

- Ensuring TREC/TALCB standards
- Enforcing TREC/TALCB regulations
- Providing effective communications to license holders and the public
- Ensuring education curriculum standards development and evaluation

To successfully complete these critical functions, the Agency relies on a strong set of support areas with expertise in areas such as:

- Customer relations
- Legal services
- Real estate appraisal

- Information technology
- Financial reporting and management
- Budget
- Communications
- Investigations
- Procurement/travel
- Human resources
- Employee relations
- Governmental relations
- Mail and file management

#### *E. Outsourcing*

The subject of outsourcing is always appropriate as a tool for exploring efficiencies or as a means to quickly access needed skills until an effective internal capacity is developed. TALCB utilizes volunteers to serve on the Peer Investigative Committee to assist in performing appraisal reviews as part of a complaint investigation or ensuring the quality of appraisal trainee work product. The Agency has partnered with the Texas Workforce Commission, Goodwill, and other organizations to outsource certain services and to assist unemployed/underemployed individuals to gain the experience needed to rejoin the workforce. The Agency will continue to explore options that are in the best interests of the Agency and its constituents.

### IV. Gap Analysis

#### *A. Anticipated Surplus or Shortage of Workers or Skills*

Given the Agency's current priorities and goals, the Agency has been successful in recruiting and hiring qualified employees in professional and administrative positions. However, there have been difficulties in quickly obtaining a large qualified applicant pool. As long as the unemployment rate in the Austin area remains low, this will continue to be a challenge. There remains an ongoing concern regarding turnover and retention. Similarly, an analysis reflects a gap in professional skills necessary to take the Agency from a data processing workforce to one with strong critical thinking and information technology skills. The Agency has been upgrading positions from lower-level administrative positions to a higher-level information and technology skilled workforce, but still struggles with retaining quality employees beyond five years.

#### *B. Potential Skill Shortage/Surplus*

Due to the workforce data and anticipated changes noted above, the Agency may experience periodic shortages of employees with the following skills:

- Employees with the technology skills needed to develop, maintain, and fully utilize the Agency's continually advancing computer systems;
- Employees with the skills needed to lead and motivate staff, communicate effectively, resolve conflict, and coordinate with other program areas in the Agency, especially during times of change and challenges, in order to meet Agency goals;
- Employees with the skills needed to work in and manage others in an environment that is increasingly diverse in terms of age, ethnicity, and other factors;
- Employees with the knowledge, skills, abilities, and experience needed to replace future retirees and managers prepared to find replacements for these vacated positions; and
- Employees with the skills needed to hire qualified staff for vacancies that are hard to fill due to fluctuations and cycles in the labor market and/or because of overall labor shortages.

V. Strategy Development

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

Gap	Continued difficulty in recruitment and retention of new and existing staff
Goal	Retain quality and experienced staff to ensure excellent customer service
Rationale	Despite significant positive adjustments in the last biennium, the Agency continues to lose quality employees due to offering starting salaries that are not competitive in the state or private marketplace.
Action Steps	<ul style="list-style-type: none"> <li>• Implementation of the Agency’s new compensation philosophy</li> <li>• Continued external and internal benchmarking</li> <li>• Provide equity adjustments as needed</li> <li>• Provide performance-based increases</li> </ul>
Gap	Employees with the technology skills needed to develop, maintain, and fully utilize the Agency’s continually advancing computer systems
Goal	Employ staff with the technology skills needed to develop, maintain, and fully utilize the existing and future Agency computer systems.
Rationale	As the Agency continues to use technology to improve the efficiency and productivity of its work and customer service, the Agency will need adequate staffing of qualified information technology staff and employees who are willing and able to learn to use new and more advanced computer systems and applications on an on-going basis.
Action Steps	<ul style="list-style-type: none"> <li>• Recruit employees with highly technical skills to further develop and refine the information management systems</li> <li>• Develop a robust training program that includes internal and external opportunities</li> </ul>
Gap	Employees with the skills needed to lead and motivate staff, communicate effectively, resolve conflict, and coordinate with other program areas in the Agency, especially during times of change and challenges, in order to meet Agency goals.
Goal	Employ managers who are able to effectively lead, develop, and manage their staff during times of change
Rationale	The Agency may periodically make changes. These changes can lead to reduced productivity, morale, loyalty, and increased conflict and turnover. The Agency needs employees who are adept at working effectively and productively during times of change and who can motivate others to do the same.

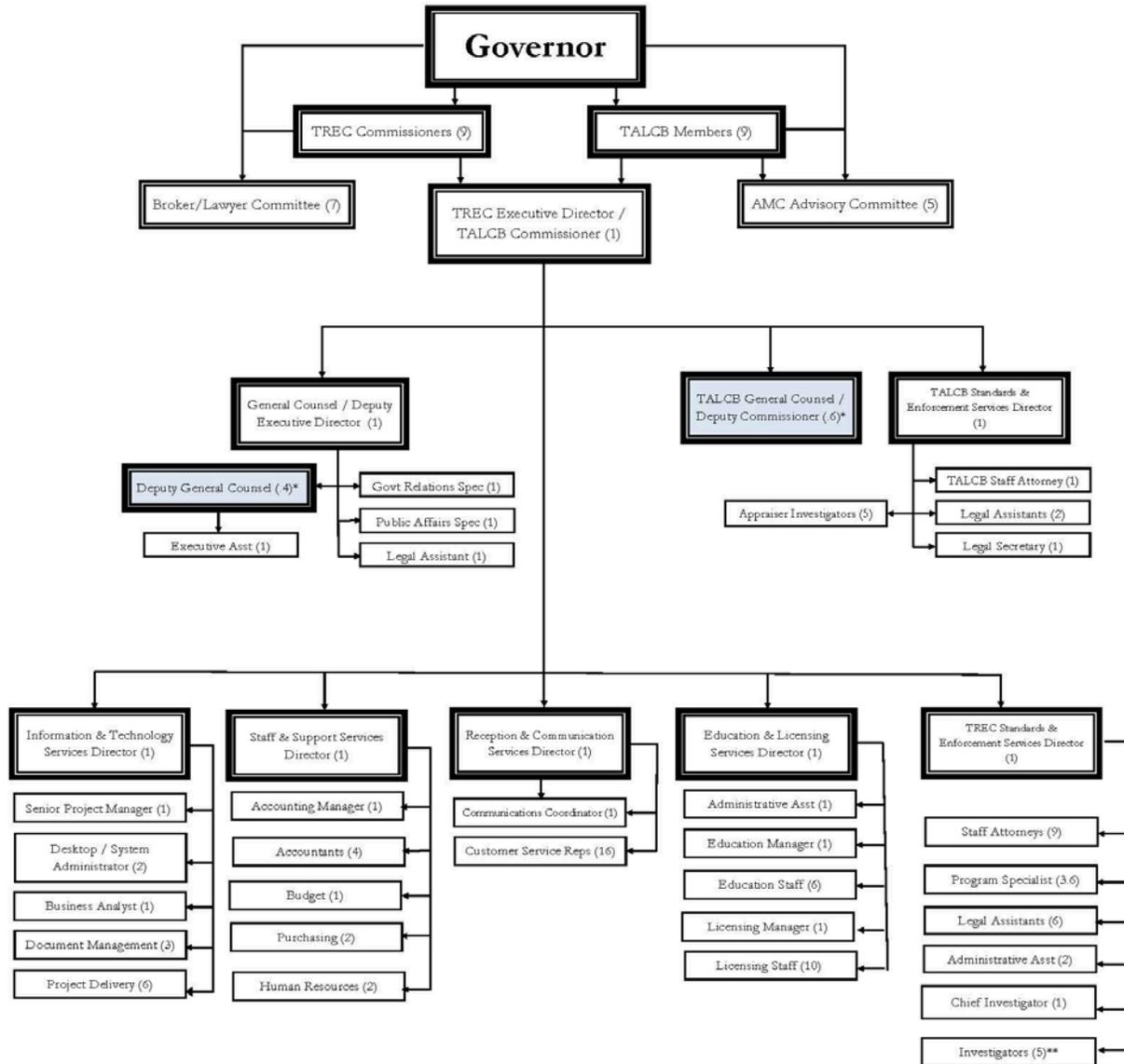
Action Steps	<ul style="list-style-type: none"> <li>• Provide team leads and managers with leadership management training. Include other high-potential employees to prepare them for future leadership roles</li> <li>• Educate Agency managers/team leads on leadership skills needed during times of change to help them increase morale, loyalty, optimism, and productivity</li> <li>• Implement Problem-Solving Teams to empower staff to provide input to operational and procedural policy issues that need attention.</li> <li>• Encourage managers to implement appropriate retention strategies</li> <li>• Maintain the Agency’s Employee Assistance Program and continue to remind employees of its many services that they can use (or they can refer staff to use) to help employees handle change and stress</li> </ul>
Gap	Employees with the skills needed to work with and manage others in an increasingly diverse work environment
Goal	Employee staff who can effectively work and manage in a diverse environment
Rationale	As Texas and the Agency continue to become more diverse in terms of age, ethnicity, language, and other characteristics, Agency employees must be able to work with, assist, and manage people with a myriad of differences in order to do the Agency’s work and to be the kind of workplace that can attract and retain qualified employees
Action Steps	<ul style="list-style-type: none"> <li>• Provide access to diversity-related training classes</li> <li>• Utilize recruitment strategies in an effort to achieve a qualified, diverse applicant pool that more closely mirrors the civilian workforce</li> <li>• Regularly review Agency demographics, looking for trends that suggest areas of further emphasis in development, recruitment, and/or training</li> </ul>
Gap	Employees with valuable institutional knowledge, expertise, and experience; employees needed to fill vacancies; and employees with the skills needed to recruit and hire during a tight labor market
Goal	Maintain a competent and knowledgeable workforce by effectively recruiting, developing, and retaining quality employees
Rationale	Over 37% of the workforce will be eligible to retire by the end of this strategic planning period. This is in addition to non-retirement turnover. The Agency must be ready to either fill these vacancies with existing staff, or aggressively recruit from outside the Agency
Action Steps	<ul style="list-style-type: none"> <li>• Provide Succession Planning training to managers</li> <li>• Make Human Resources’ staff available for one-on-one assistance with succession plans as needed</li> <li>• Encourage programs to ensure institutional knowledge and important program information is retained with written procedures, cross-training to ensure continuity of business functions and processes (with regular opportunity for practice), and/or mentoring</li> <li>• Provide professional development training to employees</li> <li>• Encourage managers to create programs that allow employees who are seeking new challenges to work on special projects, rotations, and/or developmental assignments (to help them increase their knowledge and experience)</li> </ul>

	<ul style="list-style-type: none"><li>• Encourage managers to be proactive in planning employee training to make sure that it provides for their development (perhaps as part of the performance appraisal process)</li><li>• Offer and maintain competitive salaries to the extent possible</li><li>• Broadly market Agency positions in an effort to achieve a qualified applicant pool</li></ul>
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# TREC/TALCB Organization Chart

## APPENDIX B

### *TREC/TALCB Organization Chart*



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

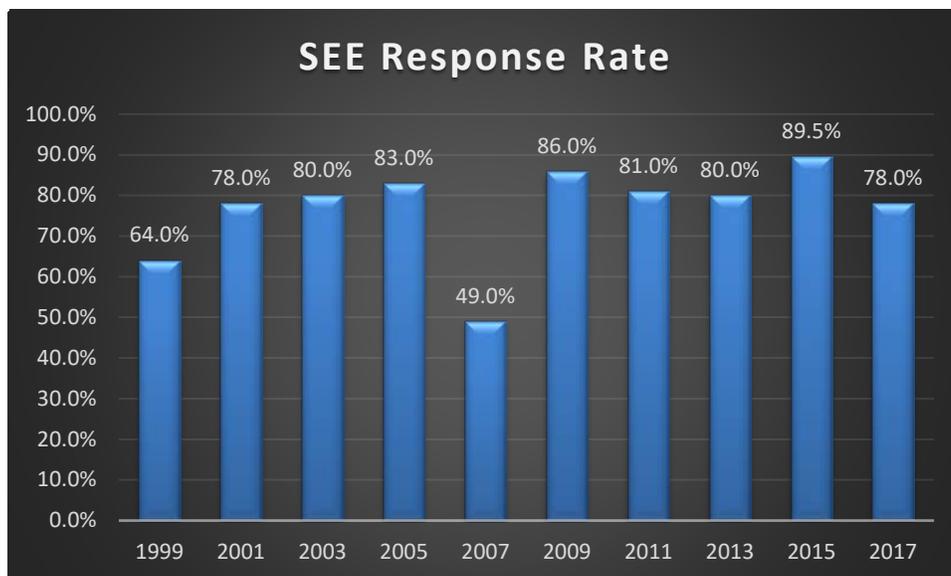
## VI. Survey of Employee Engagement

TREC/TALCB has participated in the Survey of Employee Engagement (SEE) since the 1999 survey. The survey is used as a means of assessing the employee attitudes towards the Agency, identifying employee perceptions of the strengths and weaknesses of the Agency, and identifying areas that could be improved.

### *Survey Results and Analysis*

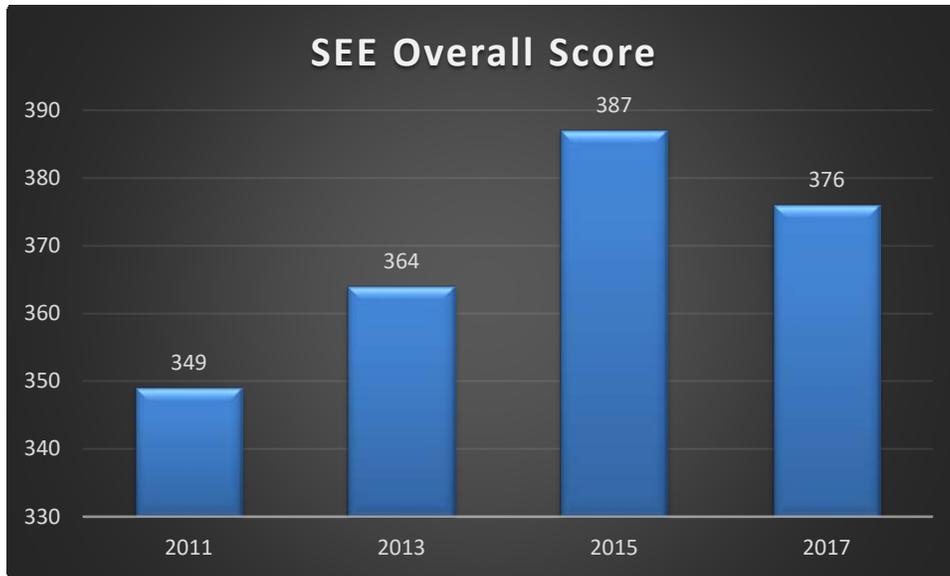
#### Response Rate

The Agency’s response to the SEE is considered high. As a general rule, rates higher than 50% suggest soundness. High rates mean that employees have an investment in the organization and are willing to contribute towards making improvements within the workplace. With this level of engagement, employees have high expectations from leadership to act upon the survey results.



#### Overall Survey Score

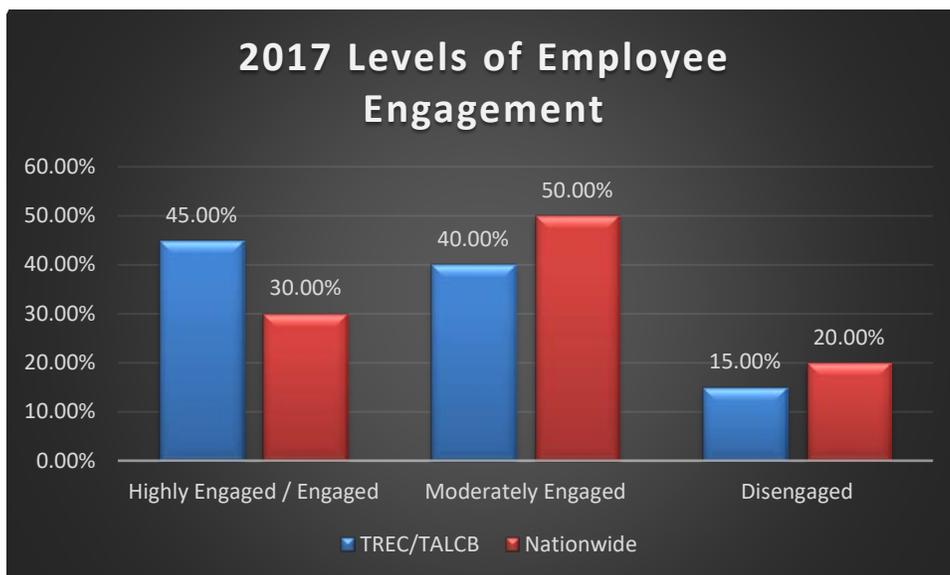
In 2011, the Institute for Organizational Excellence began providing participants with an overall score instead of only scores by constructs. The overall score is a broad indicator for comparison purposes with other entities. While scores above 350 are desirable and ones above 400 are the product of a highly engaged workforce, scores typically range from 325 to 375. The Agency’s overall score is above average at 376. While scores have consistently increased from 2011 to 2015, there was a slight decline in 2017. There are several possible reasons for this waning. The primary reason given by employees deals with the increased workload due to vacancies. The Agency has taken steps to address this to include increasing FTEs in frontline positions, adjusting salaries, and improving the culture by offering employees opportunities to participate in decision-making teams. In late 2016, the Agency began working towards a more transparent culture. This began with leadership training to build a strong senior team, more collaborative cross-functional teams, and remove artificial barriers between divisions. The Agency has also changed the way it communicates information to employees during the quarterly agency-wide meetings. This cultural shift has presented many challenging opportunities and the results are expected to be seen in the 2019 Survey of Employee Engagement.



Levels of Employee Engagement

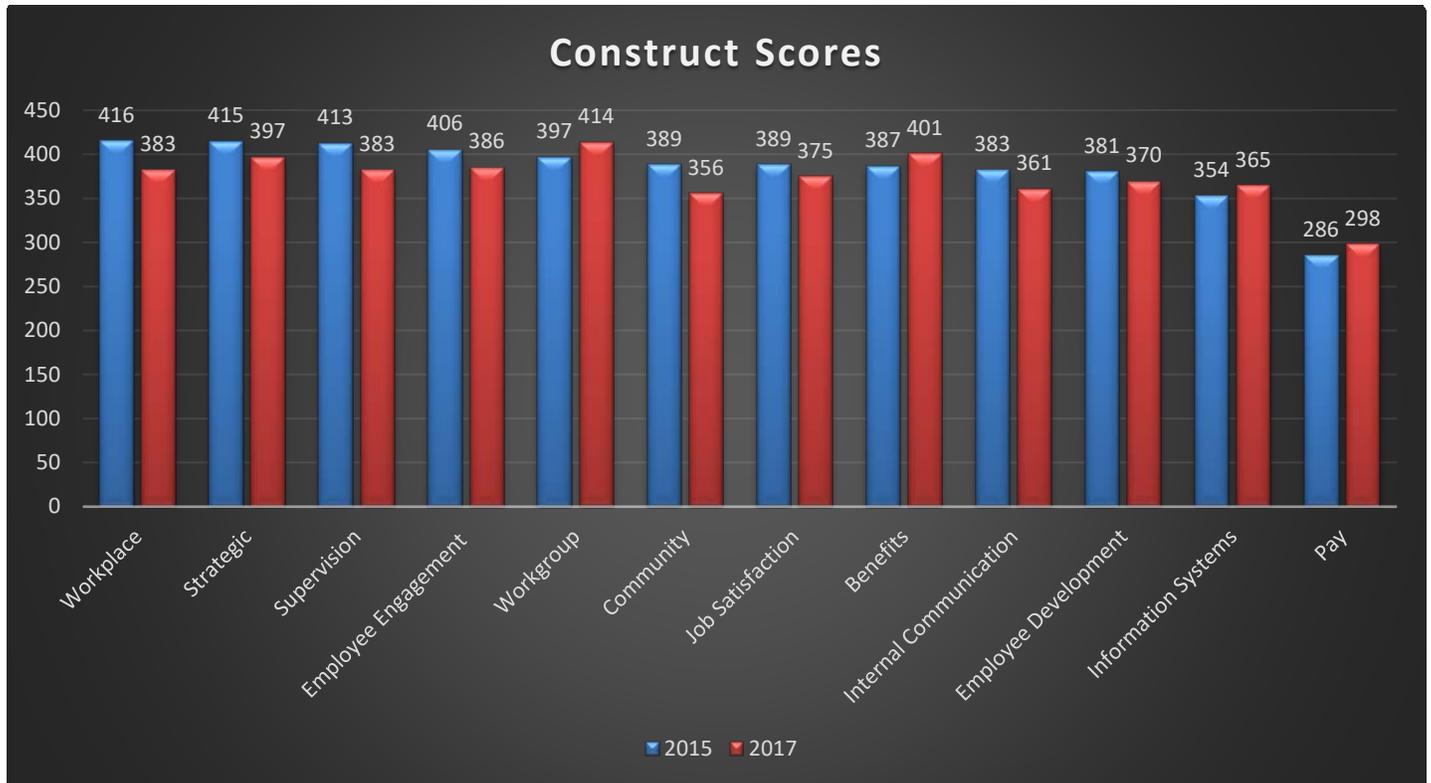
Twelve items crossing several survey constructs assess the level of engagement above individual employees. The percentage of highly engaged, engaged, and moderately engaged employees has decreased. In 2015, 29% of employees were highly engaged, 27% were engaged, 38% were moderately engaged, and 6% were disengaged. The 2017 SEE results reflect 24% of employees are highly engaged, 21% are engaged, 40% are moderately engaged, and 15% are disengaged. Even with this slight decrease, the Agency continues to have a more engaged workforce than the national average.

Highly engaged employees are willing to go above and beyond in their employment. Engaged employees are more present in the workplace and show an effort to help out. Moderately engaged employees are physically present, but put minimal effort towards accomplishing the job. Disengaged employees are disinterested in their jobs and may be actively working against their coworkers. The chart below shows how the Agency compares to nationwide polling data.



Constructs

Constructs capture the concepts most utilized by leadership and drive organizational performance and engagement. Each construct is displayed below with its corresponding score in comparison to 2015. Scores typically range from 300 to 450, and 350 is a tipping point between positive and negative perceptions. The Agency has 9 scores above 350 and 2 over 400, indicating an overall positive perception from employees. In both 2015 and 2017, the Agency had 11 scores in excess of 350.



The Agency’s areas of strength include:

- Workplace – The workplace construct captures employee’s perceptions of the total work atmosphere, the degree to which they consider it safe, and the overall feel. Higher scores suggest that employees see the setting as satisfactory, safe, and that adequate tools and resources are available.
- Benefits – The benefits construct captures employees’ perceptions about how the benefits package compares to packages at similar organizations and how flexible it is. Higher scores suggest that employees think health insurance and retirement benefits are competitive with similar jobs in the community.
- Strategic – The strategic construct captures the employees’ perceptions of their role in the organization and the organization’s mission, vision, and strategic plan. Higher scores suggest that employees understand their role in the organization and consider the organization’s reputation to be positive.

The Agency’s areas of concern include:

- Pay – The pay construct captures employees’ perceptions about how well the compensation package offered by the organization holds up when compared to similar jobs in other organizations. Lower scores suggest that pay is a central concern or reason for discontent and is not comparable to similar organizations. While this

topic is often among the lowest for many organizations, a steady upward trend in this specific metric over the last ten years indicates that Agency management is taking action to address this important area.

- Community – The community construct captures employees' perceptions of the relationships between employees in the workplace, including trust, respect, care, and diversity among colleagues. Lower scores suggest that employees feel a lack of trust and reciprocity from their colleagues.
- Internal Communication – The internal communication construct captures employees' perceptions of whether communication in the organization is reasonable, candid, and helpful. Lower scores suggest that employees feel information does not arrive in a timely fashion and is difficult to find.

## Climate

The climate in which employees work does, to a large extent, determine the efficiency and effectiveness of an organization. The appropriate climate is a combination of a safe, non-harassing environment with ethical abiding employees who treat each other with fairness and respect. Moreover, it is an organization with proactive management that communicates and has the capability to make thoughtful decisions. Below are the percentages of employees who marked disagree or strongly disagree for each of the climate items.

- 19.2% of employees participating in the survey feel that upper management should communicate better.
- 19.2% of employees participating in the survey believe the information from this survey will go unused.
- 10.4% of employees participating in the survey feel there are not enough opportunities to give supervisor feedback.
- 7.8% of employees participating in the survey feel there are issues with ethics in the workplace.
- 7.7% of employees participating in the survey feel they are not treated fairly in the workplace.
- 5.1% of employees participating in the survey feel that workplace harassment is not adequately addressed.

## Plans for Continued Improvement

In addition to the SEE, the Agency participates annually in the Best Places to Work survey. Results from both surveys were provided to all employees via email and at agency-wide staff meetings. Senior management continues to discuss how to improve results and periodically surveys all staff members to gain their feedback prior to implementing changes resulting from the survey. The Agency is committed to researching and/or improving all areas that employees perceive as areas of concern.

TREC/TALCB considers the Agency's participation in the SEE as a valuable tool for improving Agency operations. The Agency will participate in future surveys with a goal to increase participation and improve key indicators related to employee engagement. Comparison of future results with these goals, as well as with the benchmarks, will enable the Agency to further define methods for addressing the needs of the Agency and its employees.

## Schedule G

### Report on Customer Service

#### INFORMATION-GATHERING METHODS

The Texas Real Estate Commission (TREC) and the Texas Appraiser Licensing and Certification Board (TALCB) provide a customer service survey on the Agency's website for customers of the Agency to offer feedback regarding their satisfaction with agency performance. A link to this survey is also included in any reply to persons who contact the Agency by email. Individuals are asked to rate the Agency's performance in a number of areas by providing a ranking of Excellent, Good, Fair, Poor, or No Response. The form is designed to collect customer satisfaction feedback on seven customer service quality elements:

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

#### AGENCY INVENTORY OF EXTERNAL CUSTOMERS

- Real Estate Sales Agents
- Real Estate Brokers/Business Entities
- Real Estate Appraisers
- Real Estate Inspectors
- Education Provider and Instructors
- Residential Service Companies (Home Warranty Companies)
- Timeshare Developers and Projects
- Easement or Right-of-Way Agents
- Buyer or Seller of Real Estate
- Real Estate Services Industry
- Mortgage Lending Industry
- Other

#### TYPES OF SERVICES PROVIDED TO CUSTOMERS

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

**CUSTOMER-DETERMINED SERVICE QUALITY SURVEY RESULTS: 09/01/2016 – 08/31/2017**

<b>Responses by Relationship to the Agency</b>	<b># of Responses</b>	<b>% of Total</b>
R.E. Sales Agent	409	51.6%
R.E. Broker	186	23.5%
R.E. Appraiser	55	6.9%
R.E. Inspector	42	5.3%
Education Provider or Instructor	3	0.4%
Residential Service Company	0	0.0%
Timeshare Developer	1	0.1%
Easement Or Right-of-Way Agent	1	0.1%
Buyer or Seller of Real Estate	4	0.5%
Real Estate Services Industry	5	0.63%
Mortgage Lending Industry	1	0.1%
Other	86	10.8%

<b>Number of Contacts with the Agency</b>	<b># of Responses</b>	<b>% of Total</b>
One Time	304	35.98%
Two to Five Times	345	40.83%
More Than Five Times	196	23.2%

<b>Source of Responses</b>	<b># of Responses</b>	<b>% of Total</b>
Web-based Survey (w)	1396	100.0%

<b>Purpose of Contact</b>	<b># of Responses</b>	<b>% of Total</b>
License Application Status	302	28.8%
License Renewal Information	321	30.6%
File or Respond to Complaint Against License Holder	8	0.8%
Obtain Forms/Publications	26	2.5%
Name/Address Change	47	4.5%
Public Information About Real Estate Laws	6	0.6%
Problem Dealing With Agency	30	2.9%
Open Records Request	4	0.4%
Inquiry About Obtaining a License	71	6.8%
Interpretation of Law or Rules	16	1.5%
Other	219	20.9%

<b>Communication</b>	<b>Excellent</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
Quality of Written Materials	25.7%	20.3%	19.4%	34.6%
Telephone Assistance	16.5%	7.1%	9.1%	67.7%
Email Assistance	26.6%	15%	15.4%	43%

<b>Customer Service Process</b>	<b>Excellent</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
Ease of Filing a Complaint	19.7%	13%	15.2%	52%
Ease of Bringing Concerns	18%	10%	10.9%	61%

<b>Timeliness of Response</b>	<b>Excellent</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
Waiting Time in Person	23.8%	10.46%	10.8%	55.1%
Waiting Time by Letter	13.1%	11.9%	15.4%	59.6%
Waiting Time by E-mail	21.5%	13.4%	18.4%	46.7%
Waiting Time by Phone	8.3%	7.9%	8.6%	75.2%

<b>Resolution of Customer Request</b>	<b>Excellent</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
Adequacy/Appropriateness	28.4%	10.5%	8.7%	52.4%
Explanation of Resolution	24.9%	9.5%	12.7%	52.9%

<b>Staff</b>	<b>Excellent</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
Knowledge	36.8%	16.6%	16%	30.7%
Courtesy	37.5%	18.6%	14.1%	29.9%
Follow-Through	28.2%	12.5%	10%	49.2%

<b>Facility</b>	<b>Excellent</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
Signage	33.9%	14.4%	16.8%	34.9%
Accessibility	18.9%	10.6%	7%	16.4%
Cleanliness	23.1%	10.6%	5.7%	13.4%

<b>Web Site</b>	<b>Excellent</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
Ease of Finding Information	16.4%	21.9%	22.5%	27.2%
Quality of Information	18.3%	24%	19.5%	23.7%

## CUSTOMER SATISFACTION ASSESSMENT ANALYSIS

For FY2017, responses were generally favorable in regards to the knowledge and courtesy of staff, and email assistance.

Responses to questions related to wait time by phone elicited overall poor responses. While this negative response is always to be expected when there is any wait, the wait time has become more prolonged, so during the most recent biennium, the Agency allocated additional resources to increase consumer satisfaction for those customers communicating with the Agency electronically or by telephone.

The Agency has added four more RCS staff, bringing the total number of persons available to assist with telephone calls, emails, and walk-ins to 20. Additionally, the Communication Center has extended by an additional 90 minutes its available hours from 6:30 am - 7 pm. The Agency has communicated these extended hours to the license holders and encouraged them to call during those times with the lowest call volume: before 10am and after 4pm. The wait time on telephone calls is an average of less than 20 minutes, but that is far too long. The wait time has slowly increased over the last year due to the combination of:

1. A delayed update to the Agency's Database System of Record;
2. customer unfamiliarity with the layout of the newly launched agency websites; and
3. an unprecedented multi-year increase in the overall number of license holders regulated by the Agency.

To permanently resolve customer service issues, the Agency is in the process of validating and implementing a new phone system with enhanced call management software that will improve our ability to handle calls. This new combined phone/call center system will assist with robust call center management, allow for call sorting and routing by defined subject matter, provide an optional customer call back feature, and will utilize technology to better manage staff during peak calling times.

In the interim, the Agency has updated the message played while a caller is on hold that provide the caller the additional options to communicate their questions or concerns to staff. The message explains that the Agency has set up a dedicated phone number for a caller to leave a message regarding a question or issue and that a staff member will call back within 24 to 48 hours after the customer leaves a message. Additionally, the hold message provides the caller the option to email the caller's question to staff. The Agency has dedicated at least two staff members to process these voice messages and emails to timely contact those individuals to resolve their issues

The Agency redesigned the TREC website during the last biennium to correspond with the previously redesigned TALCB website. Both websites are designed with the goal of enhancing the Agency's internet presence and improving the online experience for both license holders and the public, by increasing the availability of online services and consumer information, thereby reducing the need to contact the Agency directly. As mentioned above, unfamiliarity with the design of the new websites has contributed to the increase in call volume and wait time. It is anticipated that the calls related to the website should decrease once license holders are comfortable with the new layout, resulting in a positive impact on the wait time.

Several other issues that impact call volume and wait time have also been proactively dealt with.

1. The creation of an online page that reports our progress on application processing helps reduce the number of calls simply checking on the progress of pending applications. Also, adding new staff to the processing tasks will help shorten time to complete, and a significant increase in authorized comp time and paid overtime are also producing good results toward reducing processing times.
2. The creation of a new online Name Management Tool allows brokers to manage all of their business and team names via a free online web service available 24/7 that requires no intervention from agency staff.
3. New Survey tool was created and distributed that allows expedited customer feedback to a much smaller set of questions, allowing us to focus on responding to trends more rapidly. We also analyze customer comments

received via social media outlets like Facebook and Twitter. This gives us a better overall sense and allows for direct customer responses. See the recent results at the end of this Schedule G report.

4. Customer Service Training Refresher Courses have been and are continuing to be offered to enhance the customer service experience by proven best practices and alternative methods.

The Texas Real Estate Commission and the Texas Appraiser Licensing and Certification Board are committed to continual improvement in all areas based on input from license holders and members of the public.

**PERFORMANCE MEASURES RELATED TO CUSTOMER SERVICE STANDARDS AND SATISFACTION**

COMMUNICATIONS				
	FY2016		FY2017*	
<b>Outcome Measures</b>				
• % of surveyed customer respondents expressing overall satisfaction with services received (excellent/good/fair)	70%		51.7 %	
• % of surveyed customer respondents identifying ways to improve service delivery (poor)	30%		48.3%	
<b>Output Measures</b>				
• Total Customers Surveyed	549		693	
• Total Customers Served ( <i>Walk-ins</i> )	2,393		3,217	
• Total number of phone calls received	232,479		432,468	
• Total number of electronic contacts received ( <i>Emails</i> )	83,788		130,648	
• Total number of unique visits to the Agency website	1,111,7047		203,374*	
• Total number of services available via the Agency website	64		100	
<b>Efficiency Measures</b>				
Cost per customer surveyed	\$0.00		\$0.00	
<b>Explanatory Measures</b>				
• Number of Customers Identified	182,177		190,295	
• Number of customer groups inventoried	12		12	
LICENSING				
	FY2016		FY2017	
	TREC	TALCB	TREC	TALCB
<b>Efficiency Measures</b>				
% of individual license renewals issued within 7 days	96.5%	88.7%	94.7%	87.6%
<b>Explanatory Measures</b>				
Total # of individuals licensed	174,726	7,391	182,615	7,680
ENFORCEMENT				
	FY2016		FY2017	
	TREC	TALCB	TREC	TALCB
<b>Outcome Measures</b>				
% of documented complaints resolved within 6 months	62.38%	20.56%	50.35%	18%
<b>Output Measures</b>				
Total # of complaints resolved	943	107	1,138	155
<b>Efficiency Measures</b>				
Average time for complaint resolution (in days)	169.6	300.2	208	338
<b>Explanatory Measures</b>				
Total # of jurisdictional complaints	1,146	82	1,300	168

\* After the conversion to the new TREC website, the number of unique visitors was initially captured incorrectly resulting in an artificially low number.