



# Texas Real Estate Commission

## **Strategic Plan** **2007-2011**

John Walton, Chairman



# Strategic Plan 2007-2011

MAY 1, 2006

## COMMISSION MEMBERS

**John Walton**

Chairman  
2001-2007/Lubbock

**James N. Austin, Jr.**

Broker Member  
1999-2005/Fort Worth

**Louise Hull**

Broker Member  
2001-2007/Victoria

**Mary Frances Burleson**

Broker Member  
2003-2009/Sasche

**Lawrence D. Joki**

Broker Member  
1999-2005/Brownsville

**Ramon "Mick" Cantu**

Public Member  
1999-2005/Houston

**Paul Jordan**

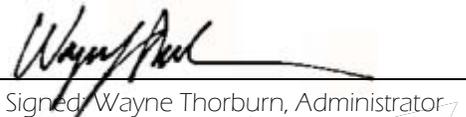
Public Member  
2001-2007/Georgetown

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Public Member  
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Signed: Wayne Thorburn, Administrator

  
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## Vision Texas

### The Statewide Strategic Planning Elements for Texas State Government

March 2006

Fellow Public Servants:

The old adage remains true: If you fail to plan, you plan to fail. We must plan for prosperity. Strategic planning is critical to ensuring a future of opportunity and prosperity. We must always be willing to critically reexamine the role of Texas State Government and the efficiency of its operations. This document specifies our mission and priorities, reflects my philosophy of limited government and my belief in personal responsibility, and it is to be used as your agencies prepare their Strategic Plans. While the role of government must remain limited, governmental endeavors must be done with maximum efficiency and fairness. Our endeavors must always have an eye first for the needs of our clients—the people of Texas.

Throughout the strategic planning process and the legislative session, policymakers will endeavor to address our state's priorities and agencies will be asked to provide great detail about their operations. I encourage you to provide not only open and complete information but also your innovative ideas about how better to deliver government services.

Working together, I know we can accomplish our mission and address the priorities of the people of Texas. My administration is dedicated to creating greater opportunity and prosperity for our citizens, and to accomplish that mission, I am focused on the following critical priorities.

*Assuring open access to an educational system that not only guarantees the basic core knowledge necessary for productive citizens but also emphasizes excellence and accountability in all academic and intellectual undertakings.*

*Creating and retaining job opportunities and building a stronger economy that will lead to more prosperity for our people and a stable source of funding for core priorities.*

*Protecting and preserving the health, safety, and well-being of our citizens by ensuring healthcare is accessible and affordable and by safeguarding our neighborhoods and communities from those who intend us harm; and*

*Providing disciplined, principled government that invests public funds wisely and effectively.*

I appreciate your commitment to excellence in public service.

RICK PERRY  
GOVERNOR

## The Mission of Texas State Government

TEXAS STATE GOVERNMENT MUST BE LIMITED, EFFICIENT, AND COMPLETELY ACCOUNTABLE. IT SHOULD FOSTER OPPORTUNITY, ECONOMIC PROSPERITY, FOCUS ON CRITICAL PRIORITIES, AND SUPPORT THE CREATION OF STRONG FAMILY ENVIRONMENTS FOR OUR CHILDREN. THE STEWARDS OF THE PUBLIC TRUST MUST BE MEN AND WOMEN WHO ADMINISTER STATE GOVERNMENT IN A FAIR, JUST, AND RESPONSIBLE MANNER. TO HONOR THE PUBLIC TRUST, STATE OFFICIALS MUST SEEK NEW AND INNOVATIVE WAYS TO MEET STATE GOVERNMENT PRIORITIES WITHIN A FISCALLY RESPONSIBLE MANNER.

## The Philosophy of Texas State Government

The task before all state public servants is to govern in a manner worthy of this great state. We are a great enterprise, and as an enterprise we will promote the following core principles.

- First and foremost, Texas matters most. This is the overarching, guiding principle by which we will make decisions. Our state, and its future, is more important than party, politics or individual recognition.
- Government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes.
- Decisions affecting individual Texans, in most instances, are best made by those individuals, their families, and the local governments closest to their communities.
- Competition is the greatest incentive for achievement and excellence. It inspires ingenuity and requires individuals to set their sights high. Just as competition inspires excellence, a sense of personal responsibility drives individual citizens to do more for their future, and the future of those they love.
- Public administration must be open and honest, pursuing the high road rather than the expedient course. We must be accountable to taxpayers for our actions.
- State government has a responsibility to safeguard taxpayer dollars by eliminating waste and abuse, and providing efficient and honest government.

Finally, state government should be humble, recognizing that all its power and authority is granted to it by the people of Texas, and those who make decisions wielding the power of the state should exercise their authority cautiously and fairly.

*Aim high.....we are not here to achieve inconsequential things!*

## Regulatory Benchmarks

### **Benchmark:**

Percent of state professional licensee population  
with no documented violations

### **Priority Goal:**

Percent of Licensees with no recent violations  
Percent of complaints resulting in disciplinary action

### **Benchmark:**

Percent of new professional licensees as compared to the existing population

### **Priority Goal:**

Percent of New Licenses Issued to Individuals  
Percent of Licenses Renewed

### **Benchmark**

Percent of documented complaints to licensing agencies  
resolved within six months

### **Priority Goal:**

Percent of documented complaints resolved within six months

### **Benchmark:**

Percent of individuals given a test for licensure  
who received a passing score

### **Priority Goal:**

Pass Rate

### **Benchmark:**

Percent of new and renewed licenses  
issued via Internet

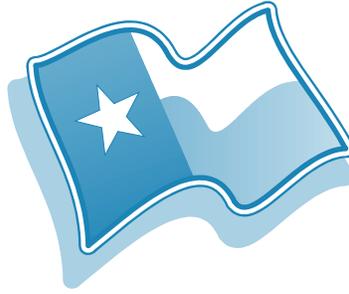
### **Priority Goal:**

Percent of Licensees who renew online  
Percent of new individual licenses issued online



**Mission of  
The Texas Real Estate  
Commission**

THE MISSION of the Texas Real Estate Commission is to assist and protect consumers of real estate services, thereby fostering economic growth in Texas. Through its programs of education, licensing and industry regulation, the Commission ensures the availability of honest and capable real estate service providers.



## **Philosophy of The Texas Real Estate Commission**

Ensuring the availability of honest and capable real estate service providers is a public trust that the Texas Real Estate Commission accepts with the deepest sense of purpose and responsibility. The Commission pledges to act in an ethical, responsible and efficient manner for the citizens of Texas. To achieve its mission, the Commission emphasizes its core values of excellence, customer service, teamwork, and respect.

# External/Internal Assessment

## A. Scope and Function



Created in 1949, the Texas Real Estate Commission (TREC) administers four laws: The Real Estate License Act, (Chapter 1101, Texas Occupations Code), license laws for Inspectors, (Chapter 1102, Texas Occupations Code), The Residential Service Company Act, (Chapter 1303, Texas Occupations Code,) and The Texas Timeshare Act, (Chapter 221, Texas Property Code). TREC is the state's regulatory agency for:

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

**TREC's governing board is composed of nine members appointed by the Governor with the concurrence of the Senate.**

TREC's governing board is composed of nine members appointed by the Governor with the concurrence of the Senate. Members are appointed for six-year terms, and the terms of three members expire every two years. The Governor designates the member who serves as Chairman. Six members must be licensed real estate brokers, and

three members must be from the general public.

TREC has a statutory relationship with three state entities. TREC partners with the Real Estate Center at Texas A&M University on research and education projects. TREC appoints two members to the Mortgage Broker Advisory Committee of the Texas Savings and Mortgage Lending Department and cooperates with that agency on issues affecting real estate licensees and mortgage brokers. TREC provides administrative support to the Texas Appraiser Licensing and Certification Board (TALCB) under a memorandum of understanding approved by each governing board.

TREC exists to protect and serve the citizens of Texas. TREC's programs ensure that real estate service providers are honest, trustworthy and competent.

## B. Organization

### *Performance Measures*

In the current system of performance based budgeting, all state agencies are required to report on their ability to meet certain performance measures. In FY05, the Commission was able to once again meet or exceed all key performance measures developed by the Legislative Budget Board in conjunction with the Texas Legislature, except the measure requiring that 39% of all licenses be renewed online.

In an attempt to exceed the target for online renewals, TREC will begin mailing postcards to licensees on July 1, 2006. Unlike the existing renewal forms that licensees currently mail back with checks and money orders the new postcard will require licensees to renew online with a credit card. This new method of renewal notification will increase convenience and efficiency for licensees as well as for TREC staff. According to a 2004 DIR benchmarking study the average processing time per transaction is cut almost in half when renewals are completed online.

### *Online Services*

The Texas Real Estate Commission has long been dedicated to providing as many services as possible on the Internet. The Commission's website ([www.trec.state.tx.us](http://www.trec.state.tx.us)) has been recognized as one of the best among real estate licensing entities and among State of Texas agencies. From the wealth of forms and materials available to the "licensee lookup" function which includes all education records, to the online distribution of the *TRECAdvisor* newsletter, TREC's web page provides a quick and handy reference to all aspects of real estate regulation. In 2005, TREC received the outstanding web site award from the international Association of Real Estate License Law Officials (ARELLO), the second time it has been the recipient of this honor.

Since the year 2000, the Commission has provided a means by which individuals can renew their licenses online. Beginning first with salesperson renewals, this service now extends to virtually all license types. Additionally, salesperson applications can be made over the Internet. In Fiscal Year 2005, thousands of transactions were conducted online by individuals seeking to

apply or renew a license with the Texas Real Estate Commission. Moreover, literally millions of Commission web pages were viewed by licensees and the public. Over one hundred thousand email addresses are now maintained on the TREC email notification system. Truly, the Internet has changed the means by which this state agency can communicate with the public—both in providing information and in receiving requests and transactions.

Currently one in four license renewals are made over the Internet by use of a credit card while nearly two-thirds of all license applications come via the Internet and the TexasOnline system. As more transactions become available and more individuals become familiar with the process, we anticipate that these percentages will increase substantially—providing additional convenience to the public while reducing processing time and effort by the Commission staff.

### Fees Collected

In the past fiscal year, the Real Estate Commission collected nearly eighteen million dollars in fees and other revenue. Of this amount, less than four million dollars was available for expenditures by the Commission. Although the amount of revenue may vary each year due to the number of individuals who renew or obtain a new license, the agency is appropriated a fixed sum of money by the General Appropriations Act and cannot spend beyond that amount.

### Employees

Competition from the private sector and other state agencies has direct impact on the ability of the Commission to recruit and retain its employees. While not able to equal the pay and benefits available in the private sector, TREC must be able to meet or approximate the remuneration provided by other state agencies. This it has not been able to do under the constraints of current appropriations.

The following table compares the percentage of African-American, Hispanic and female employees to the state-wide availability of African-Americans, Hispanics and females in the civilian workforce.

## Characteristics of TREC Employees Compared to Texas Civilian Workforce

January 1, 2006

Job Category	African-American		Hispanic		Female	
	Texas	Agency	Texas	Agency	Texas	Agency
Administration	7%	0%	12%	17%	32%	50%
Professional	9%	8%	11%	13%	47%	65%
Technical	14%	0%	19%	0%	39%	40%
Para-Professional	18%	32%	31%	6%	56%	100%
Admin. Support	20%	55%	26%	9%	80%	100%

### Enforcement Division

As an integral division within the agency, the Enforcement Division ensures that consumers are protected by providing firm, fair and consistent enforcement of The Real Estate License Act, The Texas Timeshare Act, The Residential Service Company Act, and Chapter 1102 of the Texas Occupations Code, relating to real estate inspectors. The division is managed by a director who supervises six attorneys, four legal assistants, ten investigators and various support staff.



The division receives signed written complaints from individuals concerning alleged violations of the law. In fiscal year 2005 the Enforcement Division received 2,817 complaints from the public, and closed 2,719 complaints after review and resolution. While most complaints relate to the purchase or lease of a home, they may include charges ranging from misleading advertising to unlicensed activity.

The division also reviews license applications as well as requests for moral character determination to verify the honesty, trustworthiness and integrity of applicants. In fiscal year 2005 the division reviewed 966 applications and moral character determinations. The division also processes many administrative type violations committed by licensees including failure to take mandatory continuing education courses, failure to provide requested information to the Commission or presenting an insufficient fund check to the Commission. In fiscal year 2005 the division opened 1,710 and closed 1,253 of these matters.

Some complaints are closed with no

### Minority Hiring Figures

January 1, 2005 through December 31, 2005

White	Hispanic	Black	Hispanic	Black	White	Total
Female	Female	Female	Male	Male	Male	New Hires
1	0	3	1	0	3	8
13%	0%	37%	13%	0	37%	100%

TREC continues to strive for diversity in its workforce. Currently, the Commission's workforce is authorized 76.0 full time equivalent (FTE) employees. The preceding chart shows the result of agency hiring practices from January 1, 2005 to December 31, 2005.

action taken, usually because of a lack of jurisdiction or lack of evidence. When a decision is made to pursue formal action, the licensee is notified of the alleged violation and a hearing is set in the county where the licensee conducts business or, in some instances, Travis County. Informal settlement discussions between the licensee and the TREC staff attorney may result in an agreed order in lieu of a hearing to conclude the matter. If the complaint is not resolved informally, a hearing is conducted according to the Administrative Procedures Act.

The division staff currently monitors the 20 residential service companies licensed to conduct business in this state, on an ongoing basis to ensure compliance with the Residential Service Company Act, including the companies' ability to meet financial obligations to Texas contract holders. The division also reviews timeshare registrations and amendment applications submitted by timeshare registrants currently operating in Texas to ensure that the requirements of the Texas Timeshare Act are met.

The staff answers a high volume of consumer and licensee inquiries concerning the division's procedures, the License Act and Rules, and other statutes administered by the Commission. As resources permit, the staff provides speakers to various organizations.

### Licensing, Education and Communications Division

This division is composed of three sections: Licensing, Education and Communications.

#### Licensing Section



Licensing processes applications and renewals, information changes, and education credits, as well as maintains records on over 200,000 current and former licensees.

Fiscal Year 2005 closed with a total of 137,563 licensed real estate brokers and salespersons, 4,037 licensed inspectors, and 985 easement or right-of-way registrants. There has been an increase in real estate licensees consistently every month over the past five years. Moreover, there is every indication that the trend will continue into the immediate future as more and more Texans seek to obtain a real estate license and a high percentage of licensees decide to renew.

This continuing influx of licensees can

be seen in the following "pipeline" from transcript evaluation (where one finds out how many classes must be completed before filing an application) to original application (where one obtains approval to take a real estate examination) and on to individuals examined (the number who take an examination at a testing center) ending up with new licenses issued. At each of these stages, the increase over the past five years has been substantial, resulting in an overall 34.3% increase in licensed salespersons.

### Growth in Real Estate Licensees over the past five years

	FY01	FY02	FY03	FY04	FY05	5 Year Change
<b>Transcript Evaluations</b>	16,897	20,378	22,346	27,190	31,421	+86.0%
<b>Original Applications</b>	11,941	16,668	17,298	18,226	21,556	+80.5
<b>Individuals Examined</b>	11,768	16,534	15,482	19,369	23,440	+99.2
<b>Licensed Salespersons</b>	72,318	78,086	82,296	88,421	97,126	+34.3
<b>Licensed Brokers</b>	39,673	39,659	39,366	39,691	40,437	+1.9
<b>Licensed Inspectors</b>	2,196	2,399	2,599	3,077	4,037	+83.8

While more individuals are attempting to obtain real estate licensure, the pass rate on the salesperson examination has increased. The broker pass rate increased from 91.4% in FY03 to 93.9% in FY05 while the salesperson pass rate went from 77.6% two years ago to a pass rate of 84.7% in FY05. This is a good sign for continuing a high level of service and competency among real estate professionals in Texas. The pass rate for professional inspector candidates has also increased from only 45.0% in FY03 to 61.7% last year. Inspector candidates are limited to three examination attempts in a six month period while there is no limit on salesperson and broker candidates.

License renewal rates remained roughly the same as in previous years with approximately nine of every ten brokers choosing to retain their license. Nearly as high a percentage of experienced salespersons (those with two-year licenses) renewed their licenses in FY05 while more than three-fourths of newer salespersons (those still under Salesperson Annual Education) decided to keep their real estate license. Given the number of possible reasons why an individual might not renew, these percentages are quite high and indicate a desire to retain licensure whether or not one is actively involved in the profession. In fact, approximately 20% of all real estate

licenses (28,145) are "inactive," held by those who wish to retain a license for possible future use.



## Education Section

The Education section determines that education and experience requirements are satisfied for five types of licenses by evaluating education documents and processing course completion rosters.

The Texas Real Estate Commission is responsible for oversight of many aspects of real estate education, including the registration of real estate providers, instructors and courses for both pre-licensure and continuing education. While accredited colleges and universities can provide pre-licensure real estate courses without TREC approval, any proprietary school or association wishing to offer pre-licensure courses must make application and obtain approval from the Commission. All continuing education providers, including accredited colleges and universities, must obtain TREC approval as a provider as well as for each continuing education course they wish to offer. At the end of Fiscal Year 05 there were 51 approved providers of pre-licensure education in Texas and 236 approved continuing education providers.

These totals reflect a sizeable increase in just two years as there were only 42 core education providers and 160 MCE providers at the end of FY03. Periodically, TREC Investigators conduct onsite audits of these education providers to ensure compliance with provisions of the Real Estate License Act (Chapter 1101, Texas Occupations Code).

During this past year the Commission approved two new continuing education courses which will be required of all salespersons and brokers beginning with 2007 license renewals. The new TREC Legal Update and Ethics courses are each three hours in length, must be taught by a certified instructor, and were developed by the Real Estate Center at Texas A&M University. These courses were an outgrowth of the Education Task Force headed by Commissioner Louise Hull. The courses were recognized by receiving the award as the outstanding Continuing Education Courses by ARELLO at its 2005 annual meeting in Toronto.

## Communications Section



Communications is TREC's centralized customer service department; as such, it is the primary contact point for telephone and e-mail in-

quiries. Additionally, Communications handles all customer survey responses for the agency.

Currently, this section answers 5 toll-free and 3 local lines for TREC and 1 toll-free line for TALCB. A total of approximately 167,000 calls are answered every year by Communications staff.

Staff in Communications are carefully trained and kept up to date on TREC's laws, the Commission's rules, policies, procedures, and processes. Further, all staff in Communications have immediate computer access to TREC's licensee database and TREC's web site which is a repository of a wealth of information for staff, licensees, and the general public. Continuous staff training, combined with authority from management to "conclude the call" allows Communications staff to handle calls from a broad base of knowledge and to respond to queries immediately rather than transferring the call to another division within TREC. TREC's customers appreciate the ability to contact the agency via toll-free lines and to receive prompt and correct answers to their questions. In addition to answering phones, TREC's Communications staff respond to e-mail and customer survey questions within 48 hours.

## Information Services Division



The agency continues to be a leader in the use of technology that improves service delivery to its customers and increases the productivity of its employees. The technical infrastructure is developed to continually support the agency business requirements while meeting standards set forth by the Texas Department of Information Resources (DIR) and industry best practices. Information Services manages the technical infrastructure supporting all internal, cooperative and public systems for the agency.

## Internal Systems

Application software systems have been created and are managed by the software development staff to fulfill legislative mandates, respond to public inquiries and increase employee productivity. Samples of these software systems include:

- fee receipts,
- education evaluations,
- license issuance and renewal,
- open records access,
- education provider approval systems,
- complaint tracking.

The Local area network (LAN), personal computers and internet are the foundation for software products that are used throughout the agency and assist in helping the operating divisions deliver on their goals. Proper management of the technical infrastructure ensures security, availability and performance are maintained in delivering reliable technical resources.

### Cooperative Systems

The agency has established a relationship with the following entities and share information to help fulfill our agency goals and mission.

- The Texas Guaranteed Student Loan Corporation (TGSLC) in the collection of delinquent student loans;
- The Office of the Attorney General in the collection of delinquent child support.
- The Department of Public Safety in background checks of applicants; and
- The Real Estate Center at Texas A&M University in licensee demographic and address data.

The agency takes advantage of services offered by the Texas Department of Information Resources (DIR) that allow for expanded and shared technical resources that would otherwise be unattainable. The Division provides full technical support for the Texas Appraiser Licensing and Certification Board.

### Public Systems

Information Services offers comprehensive public access to information through internet services including licensee search, online renewal and application submission, data downloads and document and newsletter publications. Internet technology has enabled the agency to expand the hours of availability for certain operations while reducing costs for those services.



### Staff Services Division

The Staff Services division provides accounting, budget, human resources, purchasing, cashier, quick copy, and other support services to the agency. Purchasing efforts give specific emphasis to historically under-utilized businesses.

The division maintains recovery funds which are used to pay judgments against licensees. The Director of Staff Services has been appointed by the nine-member Commission to act as Investment Officer for the funds in accordance with the Public Funds Investment Act.

In addition, the Commission's independent auditor, Garza-Gonzalez & Associates, reviewed the agency's compliance with the Public Funds Investment Act. In its fiscal year 2005 report to the State Auditor's Office, the independent auditor made no recommendations for modifications related to compliance with the Public Funds Investment Act.

The Comptroller of Public Accounts audited a sample of payroll, purchase, and travel transactions processed through the Uniform Statewide Accounting System (USAS) and the Uniform State Payroll/Personnel System (USPS) and in its letter of February 27, 2004 made the following overall conclusion:

*"We commend the Commission on satisfactorily resolving all but one of the monetary issues identified during fieldwork. There were no errors identified for the payroll and travel portions of the audit. We attribute the Commission's performance to your staff's diligent attention to detail and knowledge of the rules and laws governing expenditures."*

*"The current audit showed a continued high level of performance in all of the audit groups."*

The Texas Building and Procurement Commission conducted a post-procurement and payment audit to test for the 90% compliance rate required by Texas Government Code, Title 10, Subtitle D, Section 2155.132 and Rule 1TAC 113.11. Its report dated January 26, 2005 stated:

*"After review of additional documentation, the final post-procurement audit findings have resulted in a score of 97.21% for your agency."*

The division monitors the agency space allocation plan, whereby the Commission downsized its space by relinquishing 4,247 sq. ft. in fiscal year 2002. TREC's current lease for 22,832 square feet was renewed effective September 1, 2006 for five years with an option to renew for an additional five year period. The cost per square foot of the lease expiring August 31, 2006 is \$18.48 while the new lease

cost is \$16.40. Funds saved through the reduction in cost per square foot will be transferred to the General Revenue Fund in fiscal year 2007. The current lease is a turn-key lease and the lessor pays for lease services such as utility, janitorial, security, and extermination.

Staff Services also oversees the records management program, an essential component of the space allocation plan.

## Administration Division



While the appointed Members of the Texas Real Estate Commission determine the overall policy direction for TREC, the Administration Division provides the leadership and day-to-day management of the agency.

In assisting and protecting the consumers of real estate services, the Administration Division performs several important functions to further TREC's programs of education, licensing and industry regulation. These include:

- cooperating with consumer groups, industry trade associations, real estate educators, and regulatory agencies from other jurisdictions.
- establishing relationships and maintaining liaison with other agencies and public officials.
- providing administrative supervision of the staff responsible for carrying out the functions of the agency.
- drafting proposed rules and legislation for consideration by the nine-member Commission.
- conducting administrative hearings on enforcement matters in response to complaints filed by the public or initiated by the Commission.
- distributing information about TREC's functions and activities to the public and the media.
- coordinating and providing staff support to the TREC advisory committees and task forces.
- administering other statutory provisions outside the Real Estate License Act.

Overall agency direction for the Texas Real Estate Commission is provided by the Administrator who is selected by, and reports to, the nine appointed Members of

the Commission. This person serves as the main representative of TREC to other agencies and organizations and to the public. The Administrator is also responsible for the staff activities of the Texas Appraiser Licensing and Certification Board (TALCB) in the capacity as Commissioner of TALCB.

Ensuring the smooth operation of all TREC staff functions is the responsibility of the Assistant Administrator. This individual directly supervises the division directors in Enforcement, Staff Services and Information Services and serves as the division director for Education, Licensing and Communications. The Assistant Administrator also coordinated TREC's efforts relating to the Sunset Advisory Commission and the Strategic Plan development process.

Legal advice to the nine-Member Commission and TREC's staff is provided by the General Counsel. This individual serves as staff liaison to the Texas Real Estate Broker-Lawyer Committee and is responsible for drafting proposed rules and statutory changes. The General Counsel reviews and responds to claims by consumers for payment of judgments against licensees from the two recovery funds administered by TREC.

TREC's Administrative Law Judge presides over hearings and approves all agreed orders involving consumer complaints and contested license applications. The Administrative Law Judge enters final orders in contested complaint matters, but the decision may be appealed to the nine-member Commission or subsequently to State District Court.

The Administration Division is responsible for coordinating TREC's publications, including the online *TRECA* advisor newsletter published six times per year, the agency Strategic Plan, the TREC Annual Report, and the Employee Handbook as well as news releases.

Two advisory committees authorized by the Commission's enabling legislation consist of individuals who volunteer their time to assist TREC in critical areas. Both of these committees meet on a limited basis in Austin to review proposed rules and make recommendations to the nine-member Commission. In 2003, the Legislature eliminated travel reimbursement for licensee members of these advisory committees, increasing the level of contribution demanded of the non-attorney committee members.

One advisory committee, The Texas Real Estate Broker-Lawyer Committee develops standard contract forms and addenda which are recommended to the nine-member Commission and promulgated for mandatory use by real estate licensees. The committee is composed of six brokers appointed by the nine-member Commission, six attorneys appointed by the President of the State Bar of Texas and a public member appointed by the Office of the Governor.

In most jurisdictions, contract forms are developed by the real estate industry and may not reflect the legitimate interests of the consumer. Contract forms promulgated by the Commission balance the interests of the parties, reduce controversy and misunderstanding, and contain safeguards for all involved. On a regular basis, the Broker-Lawyer Committee reviews and revises all contract forms to ensure that these documents are usable in the current market.

The Real Estate Inspector Committee provides advice and assistance to the Commission on matters relating to the licensing and regulation of home inspectors. It consists of nine licensed professional inspectors who are appointed for six-year terms by the nine-member Commission. The committee is authorized to review and revise the inspection standards of practice and make recommendations for changes in licensing and education rules and procedures. Most recently, the committee developed a major restructuring of the pre-licensure education requirements for professional inspector candidates who have not served an apprenticeship.

While the Mortgage Broker Advisory Committee is part of the Texas Savings and Mortgage Lending Department, the nine-member Texas Real Estate Commission is authorized to appoint two real estate licensee members to this committee. The Mortgage Broker Advisory Committee provides input to the Commissioner of the Texas Savings and Mortgage Lending Department on matters relating to the licensing and regulation of loan officers and mortgage brokers.

Finally, the Texas Real Estate Commission is responsible for the administration of the Texas Timeshare Act and the Residential Service Company Act. Entities which desire to offer timeshare interests for sale to Texas residents are required to

register such projects with the agency regardless of the location of these projects. Any company wishing to offer home warranties which cover existing residential properties must be licensed with the Commission.

## C. Fiscal Aspects

### Appropriations

The Texas Real Estate Commission is authorized to make expenditures consistent with the General Appropriations Act. The Commission's appropriations pattern includes funding for the Texas Appraiser Licensing and Certification Board (TALCB) which is governed by an independent commission whose members are appointed by the Governor. The following totals reflect the amounts appropriated to the Texas Real Estate Commission by strategies, including the sum appropriated to TALCB.

	FY2004	FY2005	FY2006	FY2007
Ensure Standards	1,260,024	1,260,024	1,197,189	1,182,056
Enforce Regulations	1,222,057	1,222,057	1,288,063	1,287,603
Provide Education	470,294	470,294	554,276	557,990
Indirect Administration	1,175,940	1,175,940	1,235,502	1,227,613
<b>TALCB</b>	471,909	493,559	480,245	480,245
<b>Subtotal</b>	<b>4,600,224</b>	<b>4,621,874</b>	<b>4,755,275</b>	<b>4,735,507</b>
Direct and Indirect Other Costs	966,964	964,383	1,169,138	1,204,751
<b>TOTAL</b>	<b>\$5,567,188</b>	<b>\$5,586,257</b>	<b>\$5,924,413</b>	<b>\$5,940,258</b>

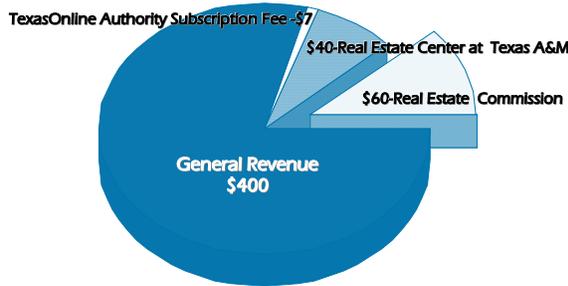
### Method of Finance

The Commission receives its funding from fees submitted by licensees and applicants. An appropriations bill rider requires Commission receipts to cover all direct and indirect expenses.

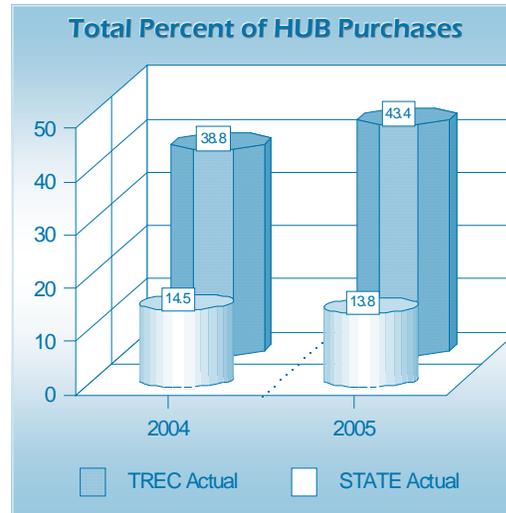
By statute, the Commission collects occupational fees from real estate brokers for general government purposes. TREC also collects fees from all real estate licensees and applicants for the Real Estate Center at Texas A & M University. Beginning with licenses expiring September 30, 2002, of the \$507 two-year broker renewal fee, \$400 is distributed to General Revenue, \$40 is allocated to the Real Estate Center at Texas A&M University, \$7 is allocated to the Texas Online Authority, and the remaining \$60 (which constitutes 12% of the total) is credited towards covering the direct and indirect costs of the Texas Real

Estate Commission. Salespersons pay \$98 for a two-year license renewal of which \$35 is allocated to the Real Estate Center, \$3 is allocated to the Texas Online Authority, and the remaining \$60 credited towards covering TREC expenses.

## Broker Renewal Fee



Revenues continue to exceed appropriations. The licensee population continues to grow with a resulting increase in revenue. If the agency is to provide a reasonable level of service to this expanded number of individuals paying fees, then additional appropriations authority from revenue paid by those licensees will be needed.



## D. Service Population Demographics

The population of Texas continues to increase at one of the highest rates of any state. This growth contributes to the need for additional housing which, in turn, results in an expanding real estate market. The rate of home ownership has increased in Texas also, assisted by the historically low interest rates on mortgages and the availability of little and no down payment financing. While there is speculation as to the existence of a real estate "bubble" in certain areas of the nation, few prognosticators foresee the bursting of any bubble in Texas. Rather, as interest rates increase the state may experience a decline in refinancing and a slight downturn in the appreciation of residential real estate.

A sizeable percentage of Texas residents have a first language other than English, a situation that results in the need for more bi-lingual and multi-lingual real estate licensees. Much of the state's population growth will take place along the Texas-Mexico border. To meet the needs of this growing population the Commission will continue increasing the availability of its services in this geographic area.

Currently, two of the nine Members of the Texas Real Estate Commission reside in communities along the Texas-Mexico border (El Paso and Brownsville). To provide easier access to residents of this region, license examinations can be taken in El Paso, Harlingen, Corpus Christi, and San Antonio. One field investigator is responsible for complaint investigations and proprietary school audits in the San Antonio area while an additional field investigator is

## Distribution of Revenue Collected By TREC

Type of Revenue	Credited to	FY 02	FY 03	FY 04	FY 05
TexasOnline	OTHERS	\$8,506	\$207,942	\$215,376	\$282,661
Real Estate Center at Texas A&M	OTHERS	\$2,226,683	\$2,317,195	\$2,489,153	\$2,638,935
General Revenue	OTHERS	\$7,153,200	\$6,891,200	\$7,038,000	\$7,050,000
General Revenue	TREC	\$6,053,198	\$6,091,824	\$6,600,797	\$7,258,376

## Historically Underutilized Businesses

The Texas Real Estate Commission is committed to improving the procurement relationship between the State of Texas and various businesses which have been underutilized historically and which have met the qualifications for inclusion in this program. TREC will attempt to increase the total value of all contracts awarded by the Commission to Historically Underutilized Businesses (HUB) in the five years of this strategic plan. The following figure reflects the overall HUB performance of TREC for fiscal years 2004 and 2005:

located in South Texas and has responsibility for the border region. Regular travel is conducted by investigators and other staff to maintain liaison with licensees and various organizations in the Texas-Mexico border areas.

Along the state's eastern border with Louisiana and Arkansas, TREC provides examination testing facilities in Tyler as well as in Shreveport and Lake Charles, Louisiana for easy access by residents of East Texas. This area is serviced by field investigators located in the Dallas and Houston areas.

To ensure access to agency policy-making and programs, the Commission has held Strategic Planning Public Forums in Dallas, Fort Worth, Lubbock, Austin, Harlingen, and Houston. While nearly all Commission meetings are held in Austin at the TREC headquarters, the Commission has held recent meetings in Houston and Fort Worth to provide an opportunity for licensee and public input. In addition, agency staff provide information on TREC programs, policies, and procedures at various meetings involving licensees throughout the state. During 2005, the agency conducted a series of recognition ceremonies honoring those individuals who had been continuously licensed for at least fifty years.

The ten TREC field investigators must travel extensively in the geographic regions where they are located. Additionally, TREC's governing statute requires that many administrative hearings must be held around the state, necessitating travel by both the agency's Administrative Law Judge and an investigator and attorney from the Enforcement Division.

There has been a significant increase in the number of individuals seeking real estate licenses over the past two years. At the same time, the number of salespersons and brokers renewing their licenses remains quite high, with over 90% of all brokers renewing in a timely fashion. These two factors have resulted in a continual increase in the number of real estate licensees for every month over the past three years. As more individuals enter the profession, the level of ethnic, racial, and gender diversity has increased.

### ***Ethnic, Racial and Gender Characteristics of Licensees as of April 1, 2006***

Race	Broker and Salesperson	Inspector	Easement and Right-of-way
<b>Anglo</b>	<b>78.9%</b>	<b>87.1%</b>	<b>92.4%</b>
<b>Hispanic</b>	<b>9.7%</b>	<b>6.0%</b>	<b>4.4%</b>
<b>African-American</b>	<b>6.7%</b>	<b>4.5%</b>	<b>1.7%</b>
<b>Asian</b>	<b>3.7%</b>	<b>1.8%</b>	<b>0.1%</b>
<b>Other</b>	<b>1.0%</b>	<b>.6%</b>	<b>1.4%</b>
<b>Gender</b>			
<b>Male</b>	<b>47.0%</b>	<b>95.8%</b>	<b>87.5%</b>
<b>Female</b>	<b>53.0%</b>	<b>4.4%</b>	<b>12.5%</b>

Over the past two years the percentage of Anglo brokers and salespersons has decreased from 82.1% to the current 78.9% while the proportion of Hispanic real estate licensees has increased from 8.2% to 9.7%, the percentage of African-American real estate professionals has gone from 5.8% to 6.7%, the number of Asians has increased from 3.2% to 3.7% while the percentage classifying themselves as Other has gone from 0.7% to 1.0%. The percentage of Hispanic home inspectors also has increased during this period of time.

As of February 1, 2006, there were 40,908 licensed real estate brokers and 102,496 licensed salespersons in Texas. The total number of inspectors licensed as of February 2006 was 4,009 and the total number of Easement or Right-of-Way registrants was 1,080. With the current influx of individuals taking real estate preparatory courses and making application to take the real estate examination, combined with the high rate of renewals, the total number of licensees is anticipated to increase over the next several years.

One of the major difficulties confronting the agency over the past five years is that while the population of licensees and registrants served has increased significantly, resulting in a concomitant increase in revenue collected, TREC's staff size has been cut and its appropriations authority decreased. This has resulted in a substantial over-collection of fees from licensees.

## E. Technological Developments

The Commission utilizes technology in virtually every aspect of its operations. TREC has adopted and implemented technology based upon Department of Information Resources (DIR) and industry standards. All TREC employees have electronic access to vital licensee and applicant information directly from their workspace.

### Public Access Initiatives

#### 1. World Wide Web Services

TREC's web site ([www.trec.state.tx.us](http://www.trec.state.tx.us)) is often the first point of contact for our customers. It is TREC's philosophy to make available as much useful information as possible on its web site in order to provide services on demand through a self service initiative. With this goal in mind TREC's web site contains licensee data, renewal and application submission, general information, contact information, FAO's, forms, laws, policies, procedures, customer surveys and a wealth of other useful information.

The most frequently used pages on TREC's website include:

- **Licensee Look Up**—Real estate professionals and the public can verify information on salespersons, brokers, inspectors and ERW registrants through use of the "Licensee Look Up" function at TREC's web site. Through this feature one can verify that an individual has an active real estate license, determine a sponsoring broker, and check the permanent mailing address of the licensee.

- **E-Government Services**—Using the TexasOnline Authority as a payment portal, TREC currently provides for online license renewals for real estate salespersons, real estate brokers, apprentice inspectors, real estate inspectors, professional inspectors, and easement or right-of-way (ERW) agents. Individuals may make application for a broker and salesperson license online, as well.

- **Forms and Contracts**—Forms and contracts are made available for download.

- **Disciplinary Action Update**—Individuals have the ability to search for TREC disciplinary actions by specific type of offense, by name or by month.

- **Customer Feedback**—Members of the public can complete a Customer Service Survey online. The web site also allows instant e-mail access to TREC commissioners and key staff.

- **Licensee Education Records**—Up to date information on the core real estate and continuing education completed by all real estate licensees is available to the public at TREC's web site.

- **Permanent Mailing Address**—All licensees can correct and update their permanent mailing address online ensuring more accurate data entry.

#### 2. E-Government Services

The Texas Real Estate Commission is pleased to have been the first licensing agency to provide online license renewals in the State of Texas.

During FY05, 64.3% of all salesperson applications were processed online as were 24.9% of license renewals. Licensees make payment for all online transactions by credit card.

In January, 2004, TREC participated in a Pre- and Post- Implementation Benchmarking study with the Division of Information Resources (DIR). According to the results of DIR's analysis, the benefits of making online transactions available to licensees include better customer service via faster turnaround times and enhanced public access via service and information being available from any location 24 hours a day, 7 days a week.

According to DIR's report:

*"TREC is a prime example of how offering a service online can increase efficiency for a state agency."*

A comparison of pre- and post-implementation statistics reveals the following efficiencies per transaction for 2-year salesperson renewals:

- cost down to \$1.11 from \$3.68
- average processing time down to 2.183 minutes from 4 minutes
- average turnaround time down to 1 working day from 3 working days
- percentage of exceptions down to 1% from 18%.

Savings from TREC's affiliation with TexasOnline have been rechanneled into customer service activities.

#### 3. Electronic Mail Services (E-mail)

Commissioners and staff members may be contacted by e-mail. In addition, general e-mail correspondence may be sent to each division's e-mail address, for example, [licensing@trec.state.tx.us](mailto:licensing@trec.state.tx.us).

E-mail has become a major information delivery mechanism expanding the public's access to the Commission.

#### 4. E-Mail List Server

TREC's e-mail list server complements its interactive services by distributing information automatically to subscribers. Currently, there are over 114,000 subscribers.

#### 5. File Transfer Protocol (FTP)

TREC's FTP site (<ftp.trec.state.tx.us>) allows for the downloading of files for storage and viewing. In addition, TREC utilizes FTP to exchange data with many other state agencies and receives daily the results of the real estate and inspector examinations from the contracted vendor. Licensee database information is also shared with the Real Estate Center at Texas A&M University using this resource.

#### 6. Texas Real Estate Licensing Information System (TRELIS)

The Texas Real Estate Commission developed its own software for a comprehensive and coordinated licensing system in 1988. TRELIS is a fee and history-driven system consisting of more than 800 reporting programs and interactive screens maintained by two staff programmers. TRELIS was developed and operates via the UNISYS Enterprise Application Environment.

TRELIS provides a complete licensing system beginning with information on applications for licenses, integration of education records for candidates, incorporation of examination results, determination of eligibility for licensure, certification that the minimum requirements have been met, and the production of a license which is subsequently mailed to the licensee.

The TRELIS system tracks financial and historical events occurring for each license, maintains continuing education records, produces a licensee data base, and ensures accurate computerized record-keeping for over 200,000 licensees. The system automatically produces:

- "curative" letters seeking missing information from licensees
- renewal notices in advance of each license expiration date
- new and renewed licenses
- "expires" licenses when appropriate.

A wide range of reports concerning licensing matters is produced by the TRELIS system to help measure and manage the entire process.

An additional element of the TRELIS system consists of its ability to track all information on each license for the Enforcement Division, including opening and closing complaint cases, the status of any complaint matter, automated letters to complainants and respondents concerning a case, and reports on the activities of attorneys, legal assistants and investigators.

TREC uses the TRELIS system for the licensing or registering and record-keeping of the following:

- real estate salespersons and brokers
- apprentice, real estate, and professional inspectors
- easement or right-of-way agents
- real estate core and continuing education instructors
- real estate and inspector proprietary schools
- residential service companies
- timeshare projects.

The TRELIS licensing system has been highly customized to comply with statutory changes and to meet the specific needs of TREC. At the same time, TRELIS is flexible enough to incorporate TREC's future needs and has served us well for 15 years. While no other agency can simply "plug it in" without modifications, TRELIS is being used for the Texas Appraiser Licensing & Certification Board.

## F. Customer Service Report

As part of the Texas Real Estate Commission's Compact with Texans, the agency provides for public response by making available a Customer Service Survey. This brief questionnaire is available at the agency's customer service window, and is accessed from the TREC web site.

Individuals are asked to rate the agency's performance in a number of areas by providing a ranking of Excellent, Good, Fair, or Poor. For twelve areas measuring agency performance, positive scores (excellent or good) exceeded 90% of the responses. In every key area being measured, at least 80% of all customers provided a positive response. A positive response consists of "Excellent" and "Good" feedback.

### Customer Service Survey FY 05

<u>Category</u>	Positive Response % (Excellent or Good)
<b>Staff</b>	
Knowledge	94.9
Accessibility	87.3
Friendliness	93.6
Courtesy	94.1
Appearances	94.6
Follow-through	88.5
<b>Communications</b>	
Accuracy of written materials	96.5
Quality of written materials	86.3
Telephone assistance	93.9
<b>Customer Service Process</b>	
Access to toll-free number	93.9
Access to local number	78.1
Ease of filing a complaint	83.3
Ease of bringing concerns to TREC	81.3
<b>Timeliness of Response</b>	
Timeliness of service	90.4
Waiting time in person	85.8
Waiting time by letter	82.0
Waiting time by e-mail	84.7
Waiting time by phone	76.9
<b>Resolution of Customer Request</b>	
Adequacy or appropriateness	92.5
Explanation of resolution	89.0
<b>Web Site</b>	
Ease of use	88.6
Information on web site	90.1
Links to other sites	87.0
Contact person for web site	80.2

## G. Economic and Legal Variables

### Key Economic Variables

The overall demand for housing, the level of consumer purchasing power, and the incentives for entering the real estate business are the key economic variables which have the greatest impact on the Commission and its licensees.

The demand for housing continues to be pushed by the increase in overall population due to both in-migration and natural growth combined with the relatively easy availability of mortgage credit at historically low interest rates. Compared to many other states, the "affordability index" for housing in Texas remains relatively favorable with more consumers able to finance the purchase of single-family residences.

The desire for real estate licenses is a product of both market and non-market influences. Market influences include the expected amount of real estate sales and rental activity, the earnings potential for the licensee, and alternative job opportunities. The major non-market factors influencing the decision to obtain or renew a license are the costs of initial licensure and license renewal and the educational requirements to obtain or retain a license. Over the past several months TREC has witnessed a significant increase in the number of applicants for a real estate license. To date, there is no indication of a decline in applications and the license renewal rate remains high.

### Legal Issues

TREC monitors changes in state and federal law to ensure that its licensees continue to provide quality real estate services. The Commission makes licensees aware of new developments in the law through its education programs, the *TREC Advisor* newsletter, TREC's web site, partnered ventures with the Real Estate Center at Texas A&M University, and other information delivery systems.

Federal law provides oversight or regulation in these areas:

- services provided in connection with the closing of the sale, the Real Estate Settlement Procedures Act of 1974 (RESPA), as amended
- anti-competitive real estate industry practices, the Sherman Anti-Trust and Clayton Anti-Trust Acts
- discrimination based on disability, the Americans with Disabilities Act of 1990 (ADA)
- protection from lead based paint, the Residential Lead-Based Paint Hazard Reduction Act

### TALCB

The Texas Appraiser Licensing and Certification Board (TALCB) has been an independent subdivision of TREC since 1991. TALCB has its own governing board appointed by the Governor which is responsible for setting policy and overall direction of the licensing and certification of appraisers and appraiser trainees. This function is shown as part of the TREC bill pattern in the General Appropriations Act. Under a Memorandum of Understanding, many administrative services are provided by TREC staff. The TREC Administrator serves as Commissioner of the TALCB and the TREC Administrative Law Judge hears all TALCB complaint cases brought to a hearing. The TALCB staff are located in a suite at the TREC headquarters building.

### Recovery Trust Account and Inspection Recovery Fund

TREC maintains two recovery funds which are used to pay judgments obtained by consumers against its licensees or registrants. The Real Estate Recovery Trust Account is available to consumers harmed by brokers, salespersons, or registered easement or right-of-way agents. The Real Estate Inspection Recovery Fund provides a similar remedy for consumers holding an unsatisfied judgment against a real estate inspector.

## H. Self Evaluation and Opportunities for Improvement

Based on information gathered during TREC's strategic planning process that included feedback from both licensees and registrants as well as the general public, a number of changes and trends in the real estate industry were identified.

The increased availability and use of the Internet as a tool in the search for real estate has influenced the industry significantly. Regulation of the profession is impacted by the greater occurrence of online searches and sales, the presence of out-of-state brokers, and the growth in the name-referral business. Internet advertising becomes more difficult to monitor as to its compliance with state law. The creation of "teams" headed by a salesperson leads to consumer confusion as to the identity of the responsible broker. Security of transactions and the acceptance of electronic signatures have become major concerns.

Changes in demographics have special significance in Texas. The fact of more baby boomers reaching retirement is likely to have an effect on the market for suburban family homes, urban town homes and condominiums as "empty nesters" seek smaller, easier to maintain residences. At the same time, the growing percentage of Hispanics and Asians in the state population raises new challenges to real estate professionals, not only in terms of language but also culture and traditions.

While some predict that the "bubble" in real estate sales and appreciation will burst in certain parts of the nation, few predict it will occur in Texas. In fact, it may lead real estate investors from other areas to purchase properties in Texas. The steady but slow rate of appreciation in Texas is likely to continue. Texas' relatively low homeownership rate means that as the economy holds steady, more families will be in a position to purchase their first home. This strong real estate market causes a continued growth in the licensee population as more individuals seek to start a career in real estate.

Instances of mortgage fraud in major metropolitan areas indicate the involvement of loan officers, real estate brokers, escrow agents and appraisers. This requires TREC to work closely with other licensing and regulatory agencies to ensure effective and comprehensive enforcement actions. Additionally, it raises questions as to the appropriate relationship between real estate brokers and mortgage brokers, especially when one individual acts in both

capacities. There is a concern that the Federal government may take a more active role in real estate regulation or that it will allow financial institutions to become directly involved in the real estate brokerage business.

All of these developments reinforce the need for an effective and properly funded licensing and regulatory agency in Texas to oversee the real estate profession and ensure compliance with state and Federal laws. Unfortunately, the inequity of revenue to appropriations continues to grow. TREC's appropriation authority in FY 05 was actually less than it was back in FY 01-not even considering the increased costs of goods and services over those four years.

In FY 01, TREC's share of the fees paid by licensees and registrants was \$5,066,129 of which the agency was granted appropriations authority to spend \$3,975,285 (78.5% of fees). In FY 05, while the agency collected a total of approximately \$18 million, TREC's share of the fees from licensees and registrants was \$7,176,396 while the agency had appropriations authority to spend \$3,973,623 (55.4% of TREC fees). Over four years this is a reduction in both actual dollars as well as the percentage of fees spendable. Thus, for every \$30 in license fees paid to sustain TREC, only \$16.62 was authorized to be spent by the agency.

While licensees and registrants clearly are paying more than sufficient fees to fund needed agency functions, TREC has not been allowed to spend a growing percentage of that revenue. This has prevented the agency from adequately upgrading its communications and information technology operations as well as modernizing its licensee record-keeping. Perhaps the greatest gap exists in salaries paid to TREC staff where the average salary is more than \$9,000 per year below the average salary for similar Texas state regulatory agencies. Retaining quality staff who can receive higher salaries at other similar state agencies is an ongoing challenge. That is why Human Resources is once again our top priority.

Meanwhile, the demands for servicing licensees and the public continue to grow. At the end of FY 01, there were 114,187 licensed brokers, salespersons, and inspectors in Texas. By the close of FY 05, the total was 141,600-an increase of 24% in four years. TREC has also taken on more responsibility for the appraiser licensing and certification program as

well as continued regulation of timeshare projects, residential service companies, easement and right-of-way agents, real estate education providers and instructors. Despite this growth in service population, and the resultant increase in revenue, TREC's appropriation authority has decreased. This is the overriding opportunity for improvement but one beyond the immediate control of the agency.

### **Prioritization of Strategic Planning Initiatives**

From the internal brainstorming sessions conducted with TREC staff and the four external public forums held in February 2006 a wide range of service delivery challenges and opportunities was identified. In addition, a number of individuals submitted written suggestions and observations on Commission policies and procedures.

TREC's Strategic Planning Work Group took the various ideas and recommendations, reviewed and analyzed them, and categorized each possible policy change as to time-frame and method of implementation. Some recommendations could be enacted immediately while others would require a longer period of time. Likewise, some policy or procedural changes could be made at the staff level while others would require modification of rules by the nine-member Commission, statutory change, or additional appropriations.

### **Human Resources**

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

The biggest workforce challenge facing TREC in the next six years is the retention of qualified and experienced staff. During the last five years the agency has seen an improvement in turnover from 26.97% in FY 2001 to 12.1% in FY 2005. The major cause of TREC turnover has been employees leaving TREC for more lucrative positions within state government. TREC's turnover has not occurred in any particular

occupational class. The turnover in the Enforcement Division has impacted the agency the most.

It is therefore critical that TREC receive an additional appropriation authority to cover its human resources needs for both exempt and non-exempt staff. Since TREC is a self-funded agency, any additional appropriation authority would be covered by agency-generated revenue. The legislature will be asked to grant approval to raise the Administrator's salary to a level that is commensurate with other similar-sized state agencies not only to retain existing leadership skills and abilities, but also to reduce the likelihood of turnover in TREC management and other staff positions.

Details pertaining to TREC's human resources issues are delineated in the Workforce Plan (Appendix E).

### **Communications**

The Texas Real Estate Commission has been an innovator in the provision of information and materials via electronic communications. From the comprehensive web site to the program of systematic e-mail messaging, the Commission has employed the latest technology to ensure public and licensee access to information. Over the next four years, TREC will increase the availability of consumer information on its web site as well as encourage enhanced licensee use of the Commission web site.

Over the five year period of this strategic plan, TREC plans to expand consumer education via public appearances, press releases, newspaper articles, and columns in relevant trade and/or consumer magazines.

To allow for more effective response to calls from the public, TREC must enhance its telephone answering capacity through additional equipment and staff.

To ensure prompt, economical, and efficient communication with licensees, TREC will continue to make greater use of e-mail communication over the coming years. This will ensure that accurate information is easily available quickly and at nominal cost to the Commission.

### **Real Estate Education**

Many of the comments received from those attending TREC's public forums placed a priority on real estate education. While TREC is not a direct provider, one of its fundamental obligations is to ensure

the appropriate education of real estate applicants and licensees. The Commission must optimize its limited resources and authority to ensure that competent and ethical individuals provide real estate services to all Texans

Continuing education remains an important method by which licensees remain competent and knowledgeable of changes in law, policy, and industry developments. TREC will strive to improve the quality of continuing education for its licensees.

## Licensing

Working with the Comptroller of Public Accounts and the Department of Information Resources, TREC was the first state agency to accept license applications and renewals over the Internet. This on-line application and renewal process began in August 1, 2000 with broker renewals and now includes virtually all license types.

The Commission will continue to explore the feasibility of an imaging system for the retention of licensee records.

## Technology

As an innovator in the area of employing technology for licensing, regulation and information distribution, TREC is committed to continue exploring technological enhancements for its customer base. Initiatives related to technology modifications or upgrades include developing and deploying technology solutions to facilitate access to agency information for both internal and external customers and to enhance the productivity of staff. Details pertaining to such recommendations are delineated in TREC's Information Resources Strategic Plan (Appendix G).

## Enforcement

The commitment to firm, fair and consistent resolution of complaints is an important aspect of the customer service provided by the Texas Real Estate Commission. TREC will continue to give the highest priority to improving the timeliness and consistency of the agency's complaint resolution process.

## Specific Strategic Planning Suggestions

For the following suggestions (S) indicates a statutory change would be needed to carry out this recommendation, (R) means it could be accomplished with a Rule change by the Commission, and the absence of a notation indicates that this involves a procedural or policy modification by the staff. Additionally, many of the recommendations require additional appropriations authority which would need to be requested as part of the agency's Legislative Appropriations Request for Fiscal Years 2008-2009.

### Education

1. Create core courses specific to commercial education. Commercial real estate is a growing area and there is a need for an expansion of commercial courses (S).
2. More education required regarding disclosure given ongoing confusion pertaining to agency.
3. The Enforcement division should provide a list of recurring problem areas to instructors to guide instruction. This would alert licensees to common violations of the law.
4. Create an education course for new licensee orientation. This course would provide information on RE business/expectations upon entering field. Many licensees begin working without a clear understanding of RE business practices (S).
5. Reevaluate core courses perhaps by establishing a taskforce (R).
6. Write more practically-oriented questions for the examination, especially in the area of contracts.
7. Encourage providers to create MCE courses in universal design that would give information on home designed for individuals with special needs.
8. Consider the outsourcing of education evaluation and education reporting (core and MCE).
9. Eliminate student signature on Alternative Delivery Method (ADM) report form. This form is used for online courses and is currently

signed by both the student and the course provider. (R)

\$20,000 under Section 1101.302(b)(1) of TRELA. (S)

10. Detailed contract training is needed (core and MCE). Many licensees need further education on how to accurately complete contract forms.
11. Evaluate the need for a separate commercial or non-residential module to the legal update course.
12. Require a "Broker Responsibility" core course to emphasize what a broker should do in supervising a salesperson. (S)
13. Ensure ongoing training of brokers by requiring MCE on specific broker-relevant topics. (R)
14. All core courses should expire when a providership expires. Currently core courses do not expire. This change would ensure that core courses are refreshed every 5 years. (R)
15. Revise rules to include a requirement for a Power-of-Attorney for someone to be custodian of records for out-of-state core providers. This would allow TREC staff to review records for out-of-state core providers.
16. Examine TREC's Internet advertising rules for education providers. Current advertising practices are frequently confusing for consumers. (R)
17. Drop the requirement that correspondence courses come from accredited universities and colleges. TREC has no regulatory authority over universities and colleges as it does over proprietary schools. This change would allow greater oversight of correspondence courses. (R)
18. Mandate that all core schools submit rosters rather than certificates. This would create greater efficiencies for the Education department. (R)
19. Track and post pass rates by school. This would provide for greater accountability with schools and would offer valuable information to consumers.
20. Increase the surety bond that is required of TREC approved proprietary schools from \$10,000 to

### *Licensing*

1. Conduct stricter background checks (fingerprints, FBI check, etc.) on all applicants and renewals. (S)
2. Display sponsorship transfer records online. This would allow licensees to view sponsorship changes online.
3. Licensure requirement for Home Owners Association (HOA) property manager. (S)
4. Need further oversight of homeowners' associations or the licensing of HOA managers but don't over regulate or create responsibilities that cannot be met. (S)
5. Licensure of builders' representatives. (S)
6. Accept national exam from other states in lieu of reciprocity. (R)
7. TREC should be involved more with homebuilding industry and apartment management industry perhaps to better coordinate licensing and responsibilities.
8. Consider using e-mail to notify salesperson that license renewal is due.
9. Make applicants use their name as it appears on their driver's license for sales applications. Alternatively, make them use the same name as they have on whatever ID they will use for the examination. (R)
10. Eliminate the \$20.00 fee for a change of sponsorship or revise the form. (S)
11. Make it a condition of disciplinary action or a probationary license that the licensee be restricted in access to listed properties.

### *Enforcement*

1. Eliminate "straw principal" and trustee loopholes (as with agent-in-fact) – cap on number of transactions. (S)
2. Allow Enforcement to initiate administrative complaints (\$200 fee cases, etc.) without Commission

- approval. (S)
3. Review Chapter 53, Occupations code (currently, some felons end up with licenses). (S)
  4. Advertise the Moral Character Determination process more clearly.
  5. Explore the possibility of prohibiting conflict of interest by an individual being a mortgage broker and real estate broker in the same transaction and if necessary propose statutory modifications to address same.
  6. Buyer/seller should acknowledge in contract that they received IABS and IABS should be attached as an exhibit to the contract. (R)
  7. Closer cooperation among various licensing agencies (TALCB, TDI, TSML, TREC) to deal with growing incidents of mortgage fraud and other mutual problems.
  8. Clarify and enforce the advertising rules so that the public knows who is broker.
  9. Speak to mineral rights conveyance on residential contracts (base it on Farm & Ranch contract language.) (R)
  10. Revise Chapter 1102 Occupations code so that it stands alone and doesn't refer back to 1101. 1102 is the inspector statute and it refers to 1101 for many of its provisions. It needs to stand on its own. (S)
  11. Clarify that both administrative penalties and disciplinary actions affecting license can occur in the same enforcement action. Increase penalty to \$2,500 maximum per violation. (S)
  12. Eliminate the 'trustee' loophole in 1101.005(5) to mimic (2). A person acting as a trustee does not need a real estate license so it's a loophole around licensure. Some people "abuse" it by naming themselves as "trustees" as a way of doing business rather than as a one-time thing. (S)
  13. Provide for the revocation of any TREC license for failing to repay the trust account (recovery fund). (S)
  14. Reconsider 541.1 crimes. Specify types of crimes directly related to real estate. A few crimes which escape our ability to do anything: possession of a controlled substance; aggravated assault with bodily injury. (R)
  15. Require brokers to keep copies of transaction records for a period of time such as 48 months, the time limit for filing a complaint. (R)
  16. Overhaul of MCE procedures. No need for hearing or do away with 60 day extension. No ability to renew without education at time of expiration of prior license for salespersons. (S)
  17. Ability to terminate RSC applications in 90 days without a response, similar to timeshare. (S)
  18. Add to the list of 1101.204, the failure to give notice of crime pursuant to 1101.652(a)(9). 1101.204 is the section which allows Enforcement to open certain types of complaints without going to the Commission. Since 9/1/05 a licensee is required to give us 30 days notice after conviction of crimes. We'd like to add that to the list of things Enforcement can open a complaint without Commission approval. (S)
  19. 1101.652(a)(9) add to include 'guilty pleas.' This requires a person to give 30 day notice after conviction of crimes. For some reason "guilty pleas" was omitted from the types of acts which require notification — a plea of "nolo" or "conviction" is there, but no pleas of "guilty." (S)
  20. 1303.302 (Residential Service Company Act) add to include Buyer's agents.
    - (a) A seller, seller's agent or buyer's agent may not condition the sale of the property on the buyer's purchase of a residential service contract.
    - (b) A seller or a residential property or the seller's or buyer's agent shall provide to the buyer a statement that clearly and conspicuously states that:
      - (1) the purchase of a residential service contract is optional, and
      - (2) the buyer may purchase similar coverage through another residential service

company or insurance company authorized to engage in business in this state. (S)

21. Clarify that nobody but TREC can use the seal on anything. (R)
22. 1101.363(d): clarify that once the license is issued by TREC, the broker no longer needs to receive license before allowing salesperson to work. (S)
23. Explore the possibility of considering the role of a whistleblower when assessing penalties pertaining to disciplinary actions.

### Technology

1. Enhance the search function for licensees on website. Currently it is not possible to search for licensees by region. This type of feature should be added to the search function.
2. Expand web services to include enhanced licensee search, reporting, custom data downloading. This would allow for more self-help and increase efficiencies at TREC.
3. Add DBAs/assumed names to Licensee Info Search.
4. Upgrade Communications.
  - (a) Upgrade existing telephone system.
  - (b) Install more phone lines and hire additional staff to answer phones at TREC.
  - (c) Install VOIP to replace existing phone system.
5. Allow electronic submission of all education by providers. (R)
6. Develop a Windows-based record-keeping system.
7. Capture licensee's email and be able to access it by licensee name (as opposed to merely dumping all emails into one massive file without ability to tie to individuals).
8. Request an appropriation for an imaging project and begin by imaging new documents in master file.
9. Provide online printing of license after renewal. If licensee prints license immediately suppress the printing and mailing at office.
10. Allow online sponsorship changes without a fee. (S)
11. Replace TRELIS with a new system.
12. Consolidate TALCB and TREC infrastructure – network, e-mail, fileshare, etc.
13. Explore broadcasting commission meetings on internet.
14. Setup of login capability for web usage – assignment of id and pin number in order to complete secured tasks (renewals, address change, sponsor change, etc.)
15. Allow core and MCE instructors to renew online. (R)
16. Allow MCE and Core instructors to change their mailing address online.
17. Provide License History On-Line with the required fee (\$20.00) – Note: licensees who are still current who held a license prior to 1988, their records will not be on the system.
18. Sponsorship Changes On-Line - allow applicants and licensees to change sponsorship on-line.
19. Explore the purchase of recording equipment for Commission room that is more compatible with standard recording equipment. Present setup records at 1/2 speed, needs special transcriber and reformatter for copies of tapes requested by public.
20. Change fee structure for filing an original application or late renewal so that all fees are combined into one fee on the application. Require all applicants to pay the Recovery Fund fee each time they file an original application. (S)

### Communication

1. Remove log in requirement for accessing TRECAdvisor online. This may increase the Advisor's readership.
2. TREC needs to hire a Public Relations/Communications Specialist to publicize information about contract, rule changes through preparing news releases, mailings, emails, etc. and arranging appearances by TREC Commissioners and staff where appropriate.

3. Request additional funds for out of state travel to allow staff/commissioners to benefit from exchange of ideas and applications with other real estate regulators.

## *Human Resources*

1. Evaluate TREC's staffing needs and request appropriate appropriations/FTE.
2. Analyze staff salaries agency-wide to ensure equity with other licensing agencies.

## *Miscellaneous*

1. Require sample Residential Service Company contract to buyer before/at closing. (S)
2. Enhance cooperation among state agencies perhaps through memoranda of understanding to obtain documents for investigations (such as from title companies).
3. "Illness or disability" is now a cause for removal from Commission if a person cannot deliver their duties. Change this to delete the reference to "illness or disability." (S)
4. Consider appointing qualified disabled individuals to the Broker/lawyer and the Inspector committees.
5. Integrate TREC and TALCB staff in a functional manner with appropriate intermediate oversight.
6. License fees should be tied more closely to appropriations. TREC should either be allowed to spend all fees collected for running agency or the fees should be reduced.
7. Create fillable contract forms. Currently, approximately 15 companies provide this service to their customers. TREC would need additionally software to produce such forms.

## *Inspector Items*

1. Modify inspector licensure to require experience prior to designation as a Professional Inspector. (S)
2. Create a distinction between core and Continuing Education Unit (CEU) courses in the rules (with the

intent to make CEU course and speaker approval easier). (S)

3. Require TREC-approved CEU providers to submit student completion rosters to TREC. Students may still submit completion certificates in lieu of a completion roster (notably for alternative provider sources). (R)
4. Accept courses approved by other Texas state agencies for CEU credit, where relevant to real estate inspection. (R)
5. Reimburse the TREIC for travel expenses. (LAR)
6. Allow teleconferencing for TREIC. (S)
7. Fund an additional programmer for inspector education and record keeping. (S)
8. Eliminate the cap on exam fees. (S)
9. Abolish business licensing (corp. & LLC) for inspectors. (S)
10. Remove exception for Employee Relocation Council from mandatory report form rules. (R)
11. Explore additional statutory violation categories (similar to agent/broker side). (S)

## Goals of the Texas Real Estate Commission

- I. To determine that applicants for licensure meet legal requirements for real estate license issuance.  
[Chapters 1101, 1102 and 1103 Texas Occupations Code and Texas Property Code, Chapter 221]
- II. To act promptly and aggressively to enforce the laws and rules of the Commission in a fair and evenhanded manner.  
[Chapters 1101, 1102 and 1103 Texas Occupations Code and Texas Property Code, Chapter 221]
- III. To communicate effectively with the public and licensees concerning matters within the Commission's jurisdiction.  
[Chapters 1101, 1102 and 1103 Texas Occupations Code and Texas Property Code, Chapter 221]
- IV. To establish and implement policies governing purchasing that foster meaningful and substantive inclusion of historically underutilized businesses (HUBs).  
[Section 2161.123, Government Code ]

## Objectives / Outcome Measures

### Goal I Ensure Standards

To determine that applicants for licensure meet legal requirements for real estate license issuance. [Texas Occupations Code §§1101, 1102, 1303 and Texas Property Code §221]

#### Objective 01-01

To maintain procedures to evaluate applicants for honesty, integrity, trustworthiness, competency and legal qualifications such that: 100 percent of applications are submitted for criminal record checks within 10 working days; 100 percent of candidate information brochures are issued within 5 working days; and 100 percent of licenses are issued within one working day.

#### Outcome Measures:

- Percent of licensees with no recent violations
- Percent of licensees who renew online
- Percent of new individual licenses issued online

### Goal II Enforce Regulations

To act promptly and aggressively to enforce the laws and rules of the Commission in a fair and even-handed manner. [Texas Occupations Code §§1101, 1102, 1303 and Texas Property Code §221]

#### Objective 02-01

To resolve 70% of documented complaints within six months.

#### Outcome Measures:

- Percentage of complaints resolved resulting in disciplinary action
- Percentage of documented complaints resolved within six months

### Goal III Provide Education

To communicate effectively with the public and licensees concerning matters within the Commission's jurisdiction. [Texas Occupations Code §§1101, 1102, 1303 and Texas Property Code §221]

#### Objective 03-01

To notify 100 percent of the licensed real estate population of all law and rule changes within 60 days of adoption; and survey 95 percent of the buyers, sellers and other principals in Texas real estate transactions who come in contact with the Commission daily.

#### Outcome Measures:

- Percentage of electronic contacts received resulting in a document being provided

### Goal IV Working with HUBs

To establish and implement policies governing purchasing that foster meaningful and substantive inclusion of historically underutilized businesses (HUBs). [Government Code, Section 2161.123]

#### Objective 04-01

To include historically underutilized businesses (HUBs) in at least 30 percent of the total value of contracts and subcontracts awarded annually by the agency in purchasing.

#### Outcome Measures:

- Percent of Total Dollar Value of Purchasing Contracts Awarded to HUBs

## Strategies and Output, Efficiency and Explanatory Measures

### Strategy 01-01-01 Real Estate Licensing

Perform the Commission's licensing function by: reviewing applications; processing criminal records checks; issuing candidate information brochures to take competency examinations; and issuing licenses.

#### Output Measures:

- Number of individuals examined
- Number of new licenses issued to individuals
- Number of licenses renewed (individuals)

#### Efficiency Measures:

- Average licensing cost per individual license issued
- Average time for individual license issuance (days)
- Average time for individual license renewal
- Percentage of new individual licenses issued within 10 days
- Percentage of individual license renewals issued within 7 days

#### Explanatory Measures:

- Pass rate
- Total number of programs/schools licensed
- Total number of individuals licensed

### Strategy 02-01-01 Real Estate Enforcement

Administers an effective system of enforcement and adjudication which includes investigating and resolving complaints.

#### Output Measures:

- Number of complaints resolved
- Number of orders issued by hearings officer

#### Efficiency Measures:

- Average time for complaint resolution (days)
- Average cost per complaint resolved

#### Explanatory Measure:

- Jurisdictional complaints received

### Strategy 03-01-01

#### Real Estate Public Education

Prepare and distribute information describing the functions of the Commission and statutory and regulatory provisions.

#### Output Measures:

- Number of calls received
- Number of electronic contacts received

### Strategy 04-01-01 Historically Underutilized Businesses

Implement the Commission's plan aimed at increasing the amount of HUBs through purchasing contracts and subcontracts.

#### Output Measures:

- Number of HUBs contractors contacted for Bid Proposals
- Number of HUBs Contracts Awarded
- Dollar Value of HUBs Contracts Awarded

## APPENDIX A

### Texas Real Estate Commission's Planning Process

Texas state agencies are asked to review and update their five-year Strategic Plan every two years. The Strategic Plan becomes a road map for the direction in which the agency intends to proceed over the next five years. Much of the outline and the contents of the Strategic Plan are dictated by requirements set forth by the Legislative Budget Board and the Governor's Office of Budget, Planning and Policy. However, to ensure the development of a meaningful Strategic Plan which reflects the needs and desires of consumers and licensees, the Texas Real Estate Commission undertakes an active program of outreach to seek public input.

In 2006, the Commission embarked on an extensive outreach effort to ensure an opportunity for all interested parties to participate and submit recommendations. Notification of the strategic planning process was posted in the January issue of *TRECA Advisor* and news releases were sent to various real estate publica-

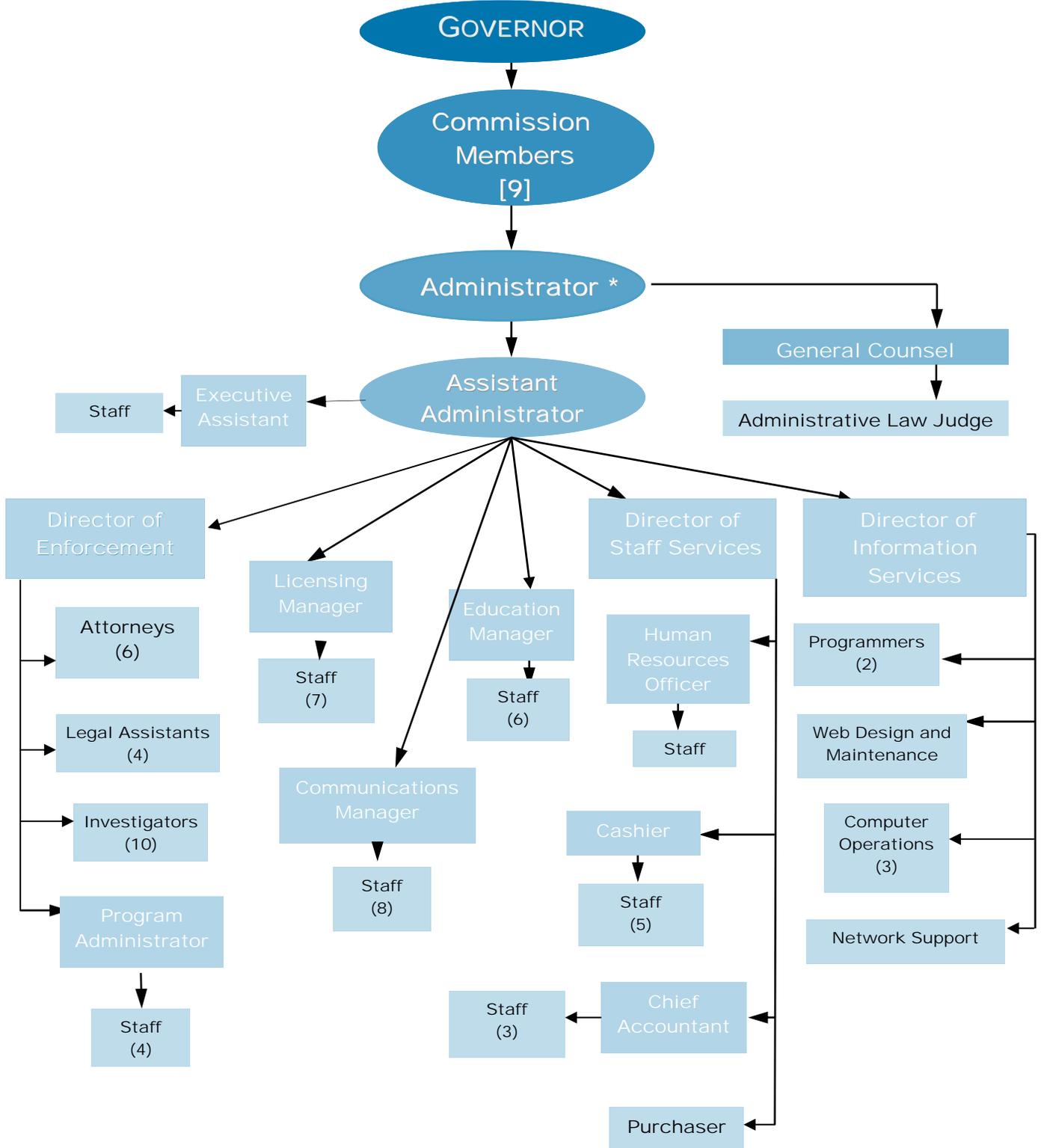
tions. More than 100,000 individuals received an e-mail notification informing them of the dates, times and places for strategic planning public forums. Comments were also obtained on the TREC web site via a web submittal form, allowing individuals to make recommendations anonymously or by name.

Five public forums were held across the state during February 2006 in Austin, Houston, Lubbock and Fort Worth. One of these five sessions was dedicated exclusively to inspector issues and was held in Austin. Various Commissioners and staff participated in these forums and catalogued all recommendations whether requiring statutory, rule, or procedure changes. In addition, internal assessment and recommendations for action were obtained through divisional brainstorming sessions and general staff public forums. After collecting recommendations from a wide range of sources, the staff prepared a list of suggested items for review and acceptance by the Commission at its meeting on May 1, 2006. Public comment was sought at that meeting and a final Strategic Plan was approved at the June 2006 Commission meeting.

#### STRATEGIC PLANNING PROCESS CALENDAR - 2006

JANUARY	Finalize strategic planning process and develop outline of assignments: establish date, time, location of public forums. Publicize strategic planning process, including invitations to public forums.
FEBRUARY	Conduct internal divisional brainstorming sessions. Conduct public forums in Austin, Fort Worth, Houston and Lubbock.
MAY	Submit recommendations to Commissioners and prepare draft Strategic Plan.
JUNE	Commission approves and adopts final Strategic Plan for 2007-2011.
JULY	Strategic plan submitted to state government officials.

**APPENDIX B  
Organization Chart**



\* As of December 2003, under a Memorandum of Understanding, the TREC Administrator also serves as Commissioner for the Texas Appraiser Licensing and Certification Board, an independent subdivision of TREC, which has its own governing board.

## APPENDIX C Projection of Outcomes for Five-Year Planning Horizon

<b>Texas Real Estate Commission Outcomes 2007-2011</b>					
<b>Outcome</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Percentage of Licensees With No Recent Violations	98%	98%	98%	98%	98%
Percent of Licensees Who Renew Online	25%	35%	35%	45%	45%
Percent of New Individual Licenses Issued Online	45%	45%	45%	45%	45%
Percentage of Complaints Resolved Resulting in Disciplinary Action	5%	5%	5%	5%	5%
Percent of Documented Complaints Resolved Within Six Months	70%	70%	70%	70%	70%
Percentage of Electronic Contacts Received Resulting In a Document	100%	100%	100%	100%	100%
Percentage of Total Dollar Value of Purchasing Contracts Awarded to HUBs	30%	30%	30%	30%	30%

Targets for fiscal year 2007 are at the legislative appropriation level. Targets for fiscal years 2008 thru 2011 are estimated.

## APPENDIX D

### Performance Measure Definitions

#### Goal 01: Determine that TREC Applicants Meet Legal Requirements for Licensure

##### Outcome Measures:

##### **(Key) Percent Of Licensees With No Recent Violations**

Definition:	The percent of the total number of licensed, registered, or certified individuals 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 are derived from Texas Real Estate Licensing and Information System (TRELIS) automated records (PPLRECIDVM Report and Licensee Type/Status Report). The Director of Enforcement is responsible for this measure. Data is stored in the Enforcement Division.
Methodology:	The total number of individuals currently licensed, registered, or certified by the agency who have <i>not</i> 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 licensees with violations during the three-year period from the total number of licensees at the end of the reporting period. The denominator is the total number of licensees at the end of the reporting period. The result is multiplied by 100 to achieve a percentage.
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 (Targets for Fiscal Year 2006 and 2007: 98% and 98%)

##### **(Key) Percent of Licensees Who Renew Online**

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 technology by the licensee population.
Data Source:	Data are derived from the Commission's Texas Real Estate Licensing and Information System (TRELIS) which produces reports of online renewal transactions. The Director of Information Services is responsible for this measure. Data are stored in the Director of Information Services' office.

Methodology:	Total number of individual licenses, registrations, or certifications renewed online divided by the total number of individual licenses, registrations, or certifications renewed during the reporting period. The result should be multiplied by 100 to achieve a percentage.
Data Limitation:	Economic conditions as well as commission and legislative actions may affect this measure.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Target (Targets for Fiscal Year 2006 and 2007: 25% and 25%)

## **(Key) Percent of New Individual Licenses Issued Online**

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 technology by the licensee population.
Data Source:	Data are derived from the Commission's Texas Real Estate Licensing and Information System (TRELIS) which produces reports of online license issuance transactions. The Director of Information Services is responsible for this measure. Data are stored in the Director of Information Services' office.
Methodology:	Total number of new licenses, registrations, or certifications issued to individuals online divided by the total number of new licenses, registrations, or certifications issued to individuals during the reporting period. The result should be multiplied by 100 to achieve a percentage.
Data Limitation:	Economic conditions as well as commission and legislative actions may affect this measure.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Target (Targets for Fiscal Year 2006 and 2007: 45% and 45%)

## **Output Measures:**

### **Number of Individuals Examined**

Definition:	The number of individuals to whom examinations were administered in whole or in part during the reporting period.
Purpose:	This measure shows the number of individuals examined which is a primary step in licensing the individual, and indicates the number of individuals desiring to enter the real estate industry and the corresponding number of examinations administered.
Data Source:	Data are derived from Texas Real Estate Licensing and Information System (TRELIS) automated records (EXAMSTATS Report). The Director of Licensing and Education is responsible for this measure. The data is stored in the Licensing and Education Division.
Methodology:	For an exam administered in one session, even if comprised of periods with breaks or on more than one day, the individuals attending the session are counted only once. An individual who attends two sessions for two exams or parts of exams should be counted twice.

Data Limitation:	Economic conditions may affect the number of individuals desiring to enter the real estate industry.
Calculation Type:	Cumulative
New Measure:	No
Desired Performance:	Target (Targets for Fiscal Year 2006 and 2007: 33,000 and 33,000)

**(Key) Number of New Licenses Issued To Individuals**

Definition:	The number of licenses issued during the reporting period to previously unlicensed individuals and to previously licensed individuals who did not renew timely.
Purpose:	A successful licensing structure must ensure that legal standards for professional education and practice are met prior to licensure. This measure is a primary workload indicator which is intended to show the number of unlicensed persons and previously licensed persons who did not renew timely who were documented to have successfully met all licensure criteria established by statute and rule as verified by the agency during the reporting period.
Data Source:	Data are derived from Texas Real Estate Licensing and Information System (TRELIS) automated records (AVGTIMEAPP Report) . The Director of Licensing and Education is responsible for this measure. The data is stored in the Licensing and Education Division.
Methodology:	This measure counts the total number of licenses issued to previously unlicensed individuals and to previously licensed individuals who did not renew timely during the reporting period, regardless of when the application was received. Licenses are counted as new for persons who were previously licensed whose license expired.
Data Limitation:	Economic conditions and legislative actions may affect the number of individuals desiring to enter the real estate industry.
Calculation Type:	Cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for Fiscal Year 2006 and 2007: 20,000 and 20,000)

**(Key) Number of Licenses Renewed (Individuals)**

Definition:	The number of licenses issued during the reporting period to licensed individuals who renewed timely.
Purpose:	License renewal is intended to ensure that persons who want to continue to practice in their respective profession satisfy current legal standards established by statute and rule for professional education and practice. This measure is intended to show the number of licenses issued during the reporting period to individuals who currently held a valid license and renewed timely.
Data Source:	Data are derived from Texas Real Estate Licensing and Information System (TRELIS) automated records (AVGTIMEREN Report). The Director of Licensing and Education is responsible for this measure. The data is stored in the Licensing and Education Division.
Methodology:	This measure is calculated by querying the Texas Real Estate Licensing and Information System (TRELIS) automated records to produce the total number of licenses issued to individuals who currently held a valid license and renewed timely.

Data Limitation:	Economic conditions and legislative actions 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 (Targets for Fiscal Year 2006 and 2007: 60,000 and 60,000)

## Efficiency Measures:

### (Key) Average Licensing Cost Per Individual License Issued

Definition:	Total expenditures (including encumbrances) for direct licensing activities during the reporting period divided by the total number of individuals licensed during the reporting period.
Purpose:	This measure is intended to show how cost-effectively the agency processes new and renewal license applications for individuals.
Data Source:	Data are derived from Texas Real Estate Licensing and Information System (TRELIS) automated records (AVGTIMEREN Report and AVGTIMEAPP Report) The number of new and renewed licenses is obtained from performance measurement data calculated each quarter. All cost data is retrieved from quarterly USAS reports (DAFR7410). USAS reports reflect time and cost allocations. The Director of Licensing and Education is responsible for this measure. The data is stored in the Licensing and Education Division.
Methodology:	Total funds expended and encumbered during the reporting period for the processing of initial and renewed licenses for individuals (numerator) is divided by the total number of initial and renewed licenses for individuals issued during the reporting period (denominator). Costs include the following categories: salaries; supplies; travel; postage; rent; utilities and other costs directly related to licensing, including document review, handling, and notification. Costs related to the examination function and indirect costs are not included within this calculation.
Data Limitation:	Various costs related to this measure are relatively fixed and a marked decrease in licenses issued due to legislative actions or economic conditions beyond agency control could cause average cost to be higher than target.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Lower than Target (Targets for Fiscal Year 2006 and 2007: 15.00 and 15.00)

### (Key) Average Time for Individual License Issuance (Days)

Definition:	Average number of calendar days for a license to be issued during the reporting period.
Purpose:	This measure is intended to show how effectively the agency processes new license applications for individuals and the average time period for the issuance of a license from the time the application is received until a license is issued.

Data Source:	Data are derived from Texas Real Estate Licensing and Information System (TRELIS) automated records (AVGTIMEAPP Report). The Director of Licensing and Education is responsible for this measure. The data is stored in the Licensing and Education Division.
Methodology:	Total number of days involved with each application from date of receipt of the application until a license is issued (numerator) is divided by the total number of licenses issued (denominator) during the reporting period. The total number of days begins when an application is filed and ends when the examination is passed and a license is issued.
Data Limitation:	This measure is directly affected by how quickly an applicant passes the examination. The agency has little control over how many times or how soon applicants take an exam. Applicants have six months to complete the examination requirement.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Lower than Target (Targets for Fiscal Year 2006 and 2007: 37 and 37)

### **Average Time for Individual License Renewal**

Definition:	Average number of calendar days for a renewal license to be issued during the reporting period.
Purpose:	This measure is intended to show how effectively the agency processes renewal license applications for licensees and the average time period for the issuance of a license from the time the renewal application is received until a license is issued.
Data Source:	Data are derived from Texas Real Estate Licensing and Information System (TRELIS) automated records (AVGTIMEREN Report). The Director of Licensing and Education is responsible for this measure. The data is stored in the Licensing and Education Division.
Methodology:	Total number of days involved with each renewal application from date of receipt of the application until a license is issued (numerator) is divided by the total number of licenses issued (denominator) during the reporting period. The total number of days begins when a renewal application is filed and ends when a license is issued.
Data Limitation:	There are few influencing factors beyond the agency's control that would affect this measure. A power failure or other catastrophic occurrence could cause a delay in the issuance of licenses.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Lower than Target (Targets for Fiscal Year 2006 and 2007: 3.5 and 3.5)

### **(Key) Percentage of New Individual Licenses Issued within 10 Days**

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 initial completed application until the date the license is mailed.
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Purpose:	This measures the ability of the agency to process new applications in a timely manner and its responsiveness to applicants.
Data Source:	Data are derived from Texas Real Estate Licensing and Information System (TRELIS) automated records. The Director of Licensing and Education is responsible for this measure. The data is stored in the Licensing and Education Division.
Methodology:	This measure counts the number of days elapsed from the date each completed application is received by the agency until the license is issued to the individual. Examination requirements must be satisfied before an application is deemed complete. Any licenses issued after 10 days are noted. The number of completed applications where the license is issued within 10 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 few influencing factors beyond the agency's control that would affect this measure. A power 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 (Targets for Fiscal Year 2006 and 2007: 92% and 92%)

## **(Key) Percentage of Individual License Renewals Issued within 7 Days**

Definition:	The percentage of individual license renewal applications that were processed during the reporting period within 7 days of receipt, measured from the time (in calendar days) elapsed from receipt of the renewal application until the date the renewal license is mailed.
Purpose:	This measures the ability of TREC to process renewal applications in a timely manner and its responsiveness to its licensees.
Data Source:	Data are derived from Texas Real Estate Licensing and Information System (TRELIS) automated records. The Director of Licensing and Education is responsible for this measure. The data is stored in the Licensing and Education Division.
Methodology:	This measure counts the number of days elapsed from the date each completed renewal application is received by the agency until the license is mailed to the individual. Any licenses issued after 7 days are noted. The number of completed renewal applications where the licenses is 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 few influencing factors beyond the agency's control that would affect this measure. A power failure or other catastrophic occurrence could cause a delay in the issuance of licenses.
Calculation Type:	Non-cumulative
New Measure:	Yes
Desired Performance:	Higher than Target (Targets for Fiscal Year 2006 and 2007: 97% and 97%)

**Explanatory Measures:****Pass Rate**

Definition:	The percent of individuals to whom a whole examination, or segments of a multi-part examination were administered during the reporting period who received a passing score.
Purpose:	This measure shows the rate at which those examined passed. This is an important step in the licensing process and a low pass rate may represent unnecessarily restrictive licensure requirements or inadequate preparation by licensure applicants.
Data Source:	Data are derived from Texas Real Estate Licensing and Information System (TRELIS) automated records (EXAMSTATS Report). The Director of Licensing and Education is responsible for this measure. The data is stored in the Licensing and Education Division.
Methodology:	The total number of individuals who passed the examination (numerator) is divided by the total number of individuals examined (denominator). The result should be multiplied by 100 to achieve a percentage. Persons taking the exam or parts of the exam multiple times are counted each time they take the exam.
Data Limitation:	Examination pass rates can be affected by how well applicants prepare for the examination.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Slightly higher or slightly lower than Target (Targets for Fiscal Year 2006 and 2007: 80% and 80%)

**Total Number of Programs/Schools Licensed**

Definition:	The unduplicated number of programs/schools licensed, certified, or registered by the agency at the end of the reporting period.
Purpose:	This measure indicates the number of proprietary schools willing to offer real estate related courses to licensees and potential applicants.
Data Source:	This measure is calculated manually. The mandatory continuing education provider list and the proprietary school list (owners and directors) are utilized.
Methodology:	This measure identifies the number of programs/schools licensed as of the last day of the reporting period. The Director of Licensing and Education is responsible for this measure. The data is stored in the Licensing and Education Division.
Data Limitation:	Economic conditions can affect the number of programs/schools licensed.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Target (Targets for Fiscal Year 2006 and 2007: 180 and 180)

## Total Number of Individuals Licensed

Definition:	Total number of individuals licensed (brokers, salespersons, inspectors, easement or right-of-way agents) at the end of the reporting period.
Purpose:	The measure shows the total number of individual licenses currently issued which indicates the size of one of the agency's primary constituencies.
Data Source:	Data are derived from Texas Real Estate Licensing and Information System (TRELIS) automated records (TYPESTATUS Report). The Director of Licensing and Education is responsible for this measure. The data is stored in the Licensing and Education Division.
Methodology:	This measure identifies the number of licensees (brokers, salespersons, inspectors, easement or right-of-way agents) at the end of the reporting period. The totals are obtained directly from TRELIS reports.
Data Limitation:	Economic conditions and legislative actions 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 (Targets for Fiscal Year 2006 and 2007: 127,500 and 127,500)

**Goal 02: Enforce the TREC laws and rules in a fair and evenhanded manner****Outcome Measures:****Percent Of Complaints Resulting In Disciplinary Action**

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 licensees 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 are derived from Texas Real Estate Licensing and Information System (TRELIS) automated records (PPLCTREPRI Report and CASE CLSDT Report). The Director of Enforcement is responsible for this measure. The data is stored in the Enforcement Division.
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, warnings, suspensions, probation, revocation, restitution, and/or fines 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:	Economic conditions may affect the number and type of complaints filed.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for Fiscal Year 2006 and 2007: 5% and 5%)

**(Key) Percent Of Documented Complaints Resolved Within Six Months**

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. It is important to ensure swift enforcement of the Real Estate License Act which is an agency goal.
Data Source:	Data are derived from Texas Real Estate Licensing and Information System (TRELIS) automated records (COMPRES180 Report). The Director of Enforcement is responsible for this measure. The data is stored in the Enforcement Division.
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 may affect this measure.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for Fiscal Year 2006 and 2007: 70% and 70%)

## Output Measures:

### (KEY) Number of Complaints Resolved

Definition:	The total number of complaints resolved during the reporting period.
Purpose:	This measure shows the workload associated with resolving complaints.
Data Source:	Data are derived from Texas Real Estate Licensing and Information System (TRELIS) automated records (CASECLSDT Report). The Director of Enforcement is responsible for this measure. The data is stored in the Enforcement Division.
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. A complaint that, after preliminary investigation, is determined to be non-jurisdictional is <i>not</i> a resolved complaint. Application Inquiries and Moral Character Determinations are not complaints for purposes of this measure.
Data Limitation:	Workloads and staffing may affect this measure.
Calculation Type:	Cumulative
New Measure:	No
Desired Performance:	Higher than Target (Targets for Fiscal Year 2006 and 2007: 2,700 and 2,700)

### Number of Orders Issued by Hearings Officer

Definition:	The total number of orders issued by the hearings officer during the reporting period.
Purpose:	This measure indicates the number of complaints that are not resolved and require the issuance of orders by the hearings officer. These complaints generally indicate more serious violations of the Real Estate License Act.
Data Source:	Data are derived from Texas Real Estate Licensing and Information System (TRELIS) automated records (PPLCTADMIN Report). The Director of Enforcement is responsible for this measure. The data is stored in the Enforcement Division.
Methodology:	This measure identifies the number of orders issued by the hearings officer within the reporting period.
Data Limitation:	Types (degree of severity) of complaints may affect this measure.
Calculation Type:	Cumulative

New Measure:	No
Desired Performance:	Higher than Target (Targets for Fiscal Year 2006 and 2007: 150 and 150)

**Efficiency Measures:****(Key) Average Time For Complaint Resolution (Days)**

Definition:	The average length of time to resolve a complaint, for all complaints resolved during the reporting period.
Purpose:	This measure shows the agency's efficiency is resolving complaints.
Data Source:	Data are derived from Texas Real Estate Licensing and Information System (TRELIS) automated records (EFRESOLVTI Report). The Director of Enforcement is responsible for this measure. The data is stored in the Enforcement Division.
Methodology:	The total number of calendar days per complaint resolved, summed for all 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). The calculation excludes complaints determined to be non-jurisdictional of the agency's statutory responsibilities.
Data Limitation:	The complexity of cases and staffing may affect this measure.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Lower than Target (Targets for Fiscal Year 2006 and 2007: 110 and 110)

**Average Cost Per Complaint Resolved**

Definition:	Total costs expended for the resolution of complaints during the reporting period divided by the total number of complaints resolved during the reporting period.
Purpose:	This measure shows the cost efficiency of the agency in resolving a complaint.
Data Source:	All cost data is retrieved from quarterly USAS reports. USAS reports reflect time and cost allocations. The number of complaints resolved is from Texas Real Estate Licensing and Information System (TRELIS) automated records (CASECLSDT Report). The Director of Enforcement is responsible for this measure. The data is stored in the Enforcement Division.
Methodology:	The total funds expended and encumbered during the reporting period for complaint processing, investigations, and resolution (numerator) is divided by the number of complaints resolved (denominator). Costs include the following items: salaries; supplies; travel; postage; subpoena expenses; rent; utilities; and other costs directly related to the agency's enforcement and administrative hearings function. Indirect costs are not included within this calculation. For multiple reporting periods, year-to-date performance is calculated by adding

all costs related to complaints for all reporting periods (numerator) which is divided by the number of complaints resolved for all reporting periods (denominator). 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:	Fewer complaints being resolved would result in higher average cost.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Lower than Target (Targets for Fiscal Year 2006 and 2007: 300 and 300)

## Explanatory Measures:

### Jurisdictional Complaints Received

Definition:	The total number of complaints received during the reporting period which 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:	The number of jurisdictional complaints received is derived from Texas Real Estate Licensing and Information System (TRELIS) automated records (LISTENFAEO Report). The Director of Enforcement is responsible for this measure. The data is stored in the Enforcement 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. Application inquiries and moral character determination related closings are not considered for purposes of this measure.
Data Limitation:	Funding for educational purposes.
Calculation Type:	Cumulative
New Measure:	No
Desired Performance:	Target (Targets for Fiscal Year 2006 and 2007: 2,900 and 2,900)

**Goal 03: To communicate effectively with the public and licensees****Outcome Measures:****Percent Of Electronic Contacts Resulting In A Document**

Definition:	The percent of pages on the TREC's web site requested during the period divided by the total number of successful hits to TREC's entire web site during the period.
Purpose:	This measure indicates the responsiveness of TREC to the public and licensees.
Data Source:	Data are derived from traffic log analysis tools utilized by TREC for its fax-on-demand system and web site. The Director of Information Services is responsible for this measure. The data is stored in the Information Services Division.
Methodology:	The percent is the number of fax-on-demand (TRECfax) documents provided and pages on the TREC's web site requested during the period (numerator) divided by the total number of TRECfax requests and successful hits to TREC's entire web site during the period (denominator).
Data Limitation:	If an electronic contact is made and a software problem is encountered the individual may not receive a document.
Calculation Type:	Non-cumulative
New Measure:	No
Desired Performance:	Target (Targets for Fiscal Year 2006 and 2007: 100% and 100%)

**Output Measures:****(Key) Number of Calls Received**

Definition:	The figure reflects calls received on Austin local and 1-800 telephone lines.
Purpose:	This measure indicates the information demand of the public and the real estate industry and the corresponding workload of TREC
Data Source:	Data are derived from the Commission's call detail recording (CDR) software which produces reports of incoming calls. The Director of Staff Services is responsible for this measure. Data are stored in the Director of Staff Services' office.
Methodology:	This measures identifies calls received on Austin local and 1-800 telephone lines. Reports from the CDR software are manually adjusted to determine the actual reported figure.
Data Limitation:	Economic conditions as well as commission and legislative actions may affect this measure.
Calculation Type:	Cumulative
New Measure:	No

Desired Performance: Target (Targets for Fiscal Year 2006 and 2007: 450,000 and 450,000)

## **Number of Electronic Contacts Received**

Definition: The figure reflects successful hits on TREC's entire web site.

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

Data Source: Data are derived from traffic log analysis tools utilized by TREC for its web site. The Director of Information Services is responsible for this measure. The data is stored in the Information Services Division.

Methodology: This measure counts the successful hits on TREC's entire web site.

Data Limitation: The unavailability (downtime) of the web site would impact this measure. The number of individuals having access to the internet would also affect this measure. When the internet was relatively new this was a much more meaningful measure.

Calculation Type: Cumulative

New Measure: No

Desired Performance: Target (Targets for Fiscal Year 2006 and 2007: 15,000,000 and 15,000,000)

**APPENDIX E**  
**Texas Real Estate Commission**  
**Fiscal Year 2007-2011 Workforce Plan**

**I. Agency Overview**

Created in 1949, the Texas Real Estate Commission (TREC) administers four laws: The Real Estate License Act, Chapter 1101, Texas Occupations Code, Chapter 1102, Texas Occupations Code, The Residential Service Company Act, Chapter 1303, Texas Occupations Code and The Texas Timeshare Act, Chapter 221, Texas Property Code. TREC is the state's regulatory agency for:

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

TREC's mission is carried out through broad activities that include Administration, Staff Services, Information Services, Licensing, Communications and Education, and Enforcement. TREC's main office is located in Austin, Texas. Ten investigators located throughout the state assist in the Enforcement function.

The Commission currently has 76 authorized FTEs. One hundred percent of the funds needed to finance the Commission's activities come from fees paid by licensees.

**A. Agency Mission and Philosophy**

**The mission of the Texas real Estate Commission** is to assist and protect consumers of real estate services, thereby fostering economic growth in Texas. Through its programs of education, licensing and industry regulation, the Commission ensures the availability of capable and honest real estate service providers.

**The philosophy of the Texas Real Estate Commission:** ensuring the availability of honest and capable real estate service providers is a public trust that the Texas Real Estate Commission accepts with the deepest sense of purpose and responsibility. The Commission pledges to act in an ethical, responsible and efficient manner for the citizens of Texas. To achieve its mission, the Commission emphasizes its core values of excellence, customer service, teamwork and respect.

## ***B. Strategic Goals and Objectives***

The Texas Real Estate Commission has three main goals:

### ***Goal 1 Ensure Standards***

**Objective** To determine that applicants for licensure meet legal requirements for real estate license issuance.

**Strategies** Perform the Commission's licensing function by:

- Reviewing applications
- Processing criminal records checks
- Issuing candidate information brochures to take competency exams
- Issuing licenses

### ***Goal 2 Enforce Regulations***

**Objective** To act promptly and aggressively to enforce the laws and rules of the Commission in a fair and evenhanded manner.

**Strategies** Investigate and resolve complaints by reviewing complaints for validity, opening complaint files as indicated, and by reviewing investigative reports.

### ***Goal 3 Provide Education***

**Objective** To communicate effectively with the public and licensees concerning matters within the Commis-

**Strategies** Prepare and distribute information describing the functions of the Commission and statutory and

## **C. Anticipated Changes in Strategies**

### **Business Trends**

Based on information gathered during TREC's strategic planning process that included feedback from both licensees and registrants as well as the general public, a number of changes and trends in the real estate industry were identified.

- The increased availability and use of the Internet as a tool in the search for real estate has influenced the industry significantly. Regulation of the profession is impacted by the greater occurrence of online searches and sales, the presence of out-of-state brokers, and the growth in the name-referral business. Internet advertising becomes more difficult to monitor as to its compliance with state law. The creation of "teams" headed by a salesperson leads to consumer confusion as to the identity of the responsible broker. Security of transactions and the acceptance of electronic signatures have become major concerns.
- Changes in demographics have special significance in Texas. The fact of more baby boomers reaching retirement is likely to have an effect on the market for suburban family homes, urban town homes and condominiums as "empty nesters" seek smaller, easier to maintain residences. At the same time, the growing percentage of Hispanics and Asians in the state population raises new challenges to real estate professionals, not only in terms of language but also culture and traditions.

- While some predict that the "bubble" in real estate sales and appreciation will burst in certain parts of the nation, few predict it will occur in Texas. In fact, it may lead real estate investors from other areas to purchase properties in Texas. The Steady but slow rate of appreciation in Texas is likely to continue. Texas' relatively low home-ownership rate means that as the economy holds steady, more families will be in a position to purchase their first home. This strong real estate market causes a continued growth in the licensee population as more individuals seek to start a career in real estate.
- Instances of mortgage fraud in major metropolitan areas indicate the role of loan officers, real estate brokers, escrow agents and appraisers. This requires TREC to work closely with other licensing and regulatory agencies to ensure effective and comprehensive enforcement actions. Additionally, it raises questions as to the appropriate relationship between real estate brokers and mortgage brokers, especially when one individual acts in both capacities. There is a concern that the Federal government may take a more active role in real estate regulation or that it will allow financial institutions to become directly involved in the real estate brokerage business..

All of these developments reinforce the need for an effective and properly funded licensing and regulatory agency in Texas to oversee the real estate profession and ensure compliance with state and Federal laws.

While licensees and registrants clearly are paying more than sufficient fees to fund needed agency functions, TREC has not been allowed to spend a growing percentage of that revenue. This has prevented the agency from adequately upgrading its communications and information technology operations as well as modernizing its licensee record-keeping. Perhaps the greatest gap exists in salaries paid to TREC staff where the average salary is more than \$9,000 per year below the average salary for similar Texas state regulatory agencies. Retaining quality staff who can receive higher salaries at other similar state agencies is an on-going challenge. That is why Human Resources is once again our top priority.

## II. Current Workforce Profile (Supply Analysis)

### A. Critical Workforce Skills

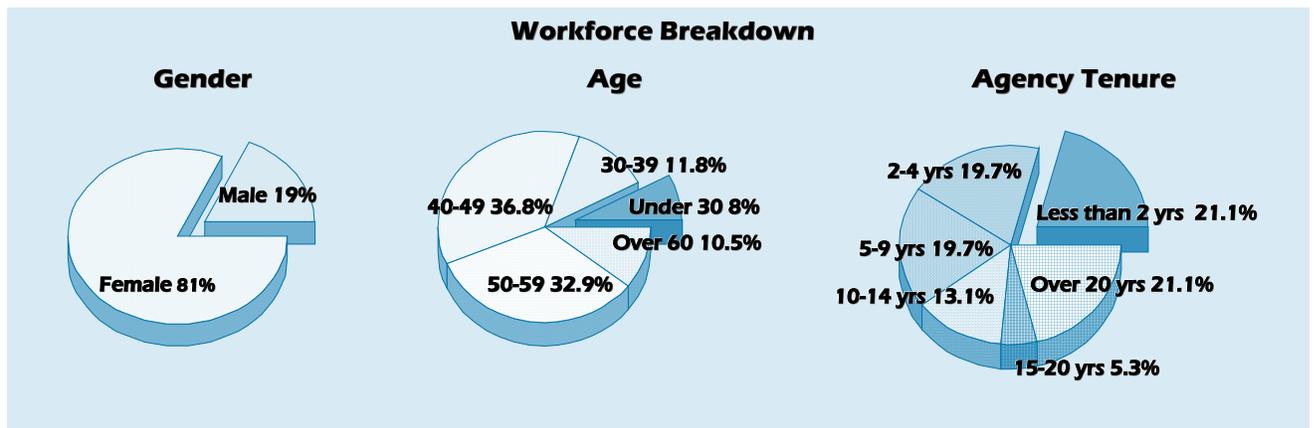
TREC staff must possess the following critical skills in order to provide basic business functions successfully:

- Regulatory process experience
- External relations
- Public speaking
- External customer service/communications
- Conducting Investigations
- Interpreting legal statutes
- Administrative law
- Litigation experience
- Mainframe systems development and maintenance
- Mainframe programming
- Internet systems development and maintenance
- Network support
- Computer data center operations support
- Data Entry
- Clerical
- Personal Computer (word processing, spreadsheet, presentation)
- Accounting
- Purchasing
- Human resources/benefits
- Mail processing
- Education evaluation skills

### B. Workforce Demographics

The following chart profiles the agency's workforce as of January 2006 and includes both full-time and part-time employees. TREC's workforce is comprised of 81% females and 19% males. Approximately 80% of our employees are over age 40. Almost 59% have more than five years of TREC service.

The following table compares the percentage of African American, Hispanic and Female TREC employees (as of January 2006) to the statewide civilian workforce, as reported by the Texas Commission on Human Rights.



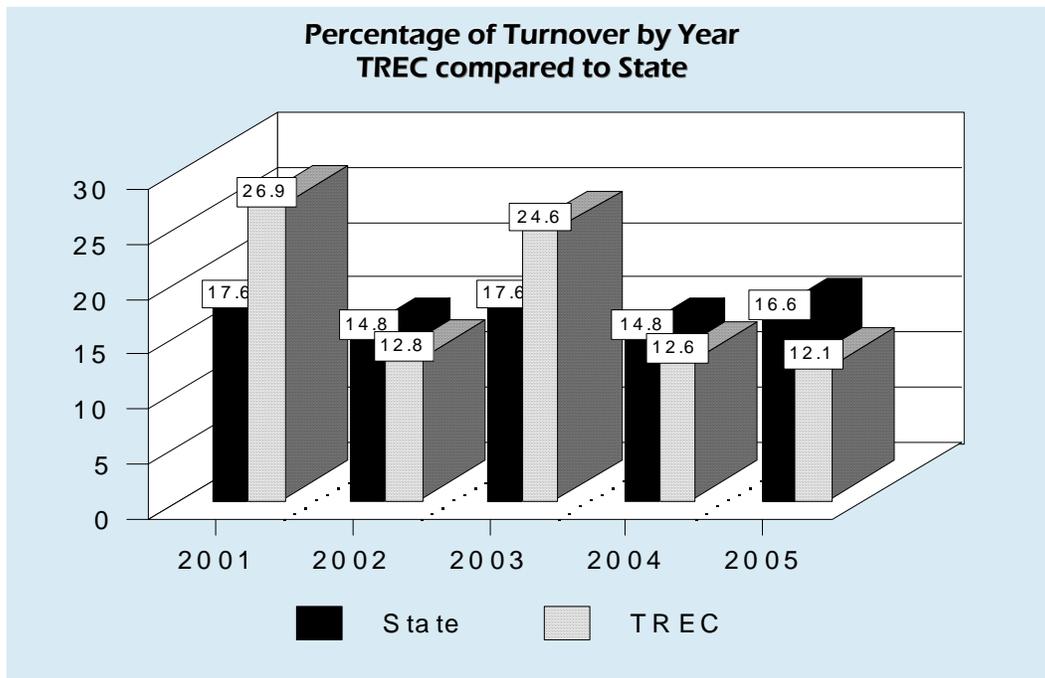
TREC's minority staffing patterns deviate only slightly from the minority staffing patterns in the state. Any deviations will be addressed in the recruiting process.

**Characteristics of TREC Employees to Texas Civilian Workforce  
January 2006**

Job Category	African-American		Hispanic		Female	
	State %	Agency %	State %	Agency %	State %	Agency %
	Administration	7.0%	0.0%	12.0%	17.0%	32.0%
Professional	9.0%	8.0%	11.0%	13.0%	47.0%	65.0%
Technical	14.0%	0.0%	19.0%	0.0%	39.0%	40.0%
Para-Professional	18.0%	32.0%	31.0%	6.0%	56.0%	100.0%
Administrative Support	20.0%	55.0%	26.0%	9.0%	80.0%	100.0%

**C. Employee Turnover**

Turnover is an important issue in any organization, and TREC is no exception. The biggest workforce challenge facing TREC in the next six years is the retention of qualified and experienced staff. During the last five years the agency has seen an improvement in turnover from 26.97% in FY 2001 to 12.1% in FY 2005. The major cause of TREC turnover has been employees leaving TREC for more lucrative positions within state government. TREC's turnover has not occurred in any particular occupational class. The turnover in the Enforcement Division has impacted the agency the most. The following graph compares the average of TREC turnover to the state as a whole.



## ***D. Retirement Eligibility***

Currently 5% of TREC's workforce is eligible to retire. An additional 3% will be eligible to retire in the next two years. With the retirement of these employees, TREC will lose institutional knowledge and expertise.

Length of service:

The greatest area of turnover is with employees with less than nine years of experience. An average of 88% of TREC employees who enter the agency do not make it past that point.

FY 04-05	No of employees	% of Total
Less than 2 yrs	6	33%
2-4 yrs	4	22%
5-9 yrs	6	33%
10-14 yrs	1	6%
15 Years +	1	6%

Age:

TREC's turnover is higher in the 31-40 age group.

FY 04-05	No of employees	% of Total
30 yrs and under	1	6%
31-40 yrs	7	38%
41-50 yrs	5	28%
51 yrs and older	5	28%

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

The changing demands for licensing, enforcement and communicating/educating licensees within the real estate industry call for the following changes in TREC's future workforce:

#### ***A. Critical Functions***

- Enforcement
- External communications
- Programming
- Clerical

#### ***B. Expected Workforce Changes***

Given TREC's strategic plan priorities, it is anticipated that the workforce would require the addition of eight new FTE in the areas of Communications, Enforcement, Licensing, Administration and Information Services.

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

- 3 FTE for Communications (Admin. support)
- 1 FTE for Administration Consumer Information Specialist (Prof.)
- 1 FTE for Enforcement (attorney (Prof.))
- 1 FTE for Enforcement (legal assistant (Admin. Support))
- 1 FTE for Information Services programming (Prof.)
- 1 FTE for Licensing file clerk (Admin. Support)

#### ***D. Future Workforce Skills Needed***

- Data entry
- Computer programming
- Writing skills for external communications
- Customer service
- Legal expertise

## IV. Gap Analysis

### Anticipated Surplus or Shortage of Workers or Skills

Given TREC's current priorities and goals, the agency has been successful in recruiting and hiring qualified employees in professional and clerical positions. However, there is an on-going concern regarding turnover and retention.

An analysis of TREC's 2007-2011 strategic plan does reflect a gap in professional skills and FTEs.

Skill	Officials/Admin			Professional			Technical			Admin Support		
	Have	Need	Gap	Have	Need	Gap	Have	Need	Gap	Have	Need	Gap
Regulatory process experience	4	4	0	3	3	0	2	2	0	2	2	0
External relations				0	1	1						
Public speaking	4	4	0	4	4	0	0	0	0	0	0	0
External Customer service/Communications	3	3	0	3	3	0	2	2	0	4	7	3
Conducting investigations	0	0	0	3	3	0	0	0	0	0	0	0
Interpreting legal statutes	4	4	0	3	3	0	0	0	0	2	2	0
Administrative law	4	4	0	3	4	1	0	0	0	0	0	0
Litigation experience	4	4	0	4	4	0	0	0	0	0	0	0
Mainframe systems development and maintenance	0	0	0	4	4	0	2	2	0	0	0	0
Programming	0	0	0	0	1	1	0	0	0	0	0	0
Internet systems development and maintenance	0	0	0	4	4	0	0	0	0	0	0	0
Network support	0	0	0	2	2	0	4	4	0	0	0	0
Computer data center operations support	0	0	0	2	2	0	4	4	0	0	0	0
Data Entry	1	1	0	1	1	0	4	4	0	4	4	0
Clerical	2	2	0	2	2	0	3	3	0	3	5	2
Personal Computer (word processing, spreadsheet, presentation)	3	3	0	4	4	0	3	3	0	2	2	0
Accounting	2	2	0	4	4	0	0	0	0	0	0	0
Purchasing	1	1	0	4	4	0	1	1	0	1	1	0
Human resources/benefits	4	4	0	4	4	0	3	3	0	3	3	0
Mail processing	0	0	0	4	4	0	2	2	0	4	4	0
Curriculum development	0	0	0	0	0	0	0	0	0	0	0	0
Education evaluation skills	2	2	0	4	4	0	0	0	0	4	4	0

## V. Strategy Development

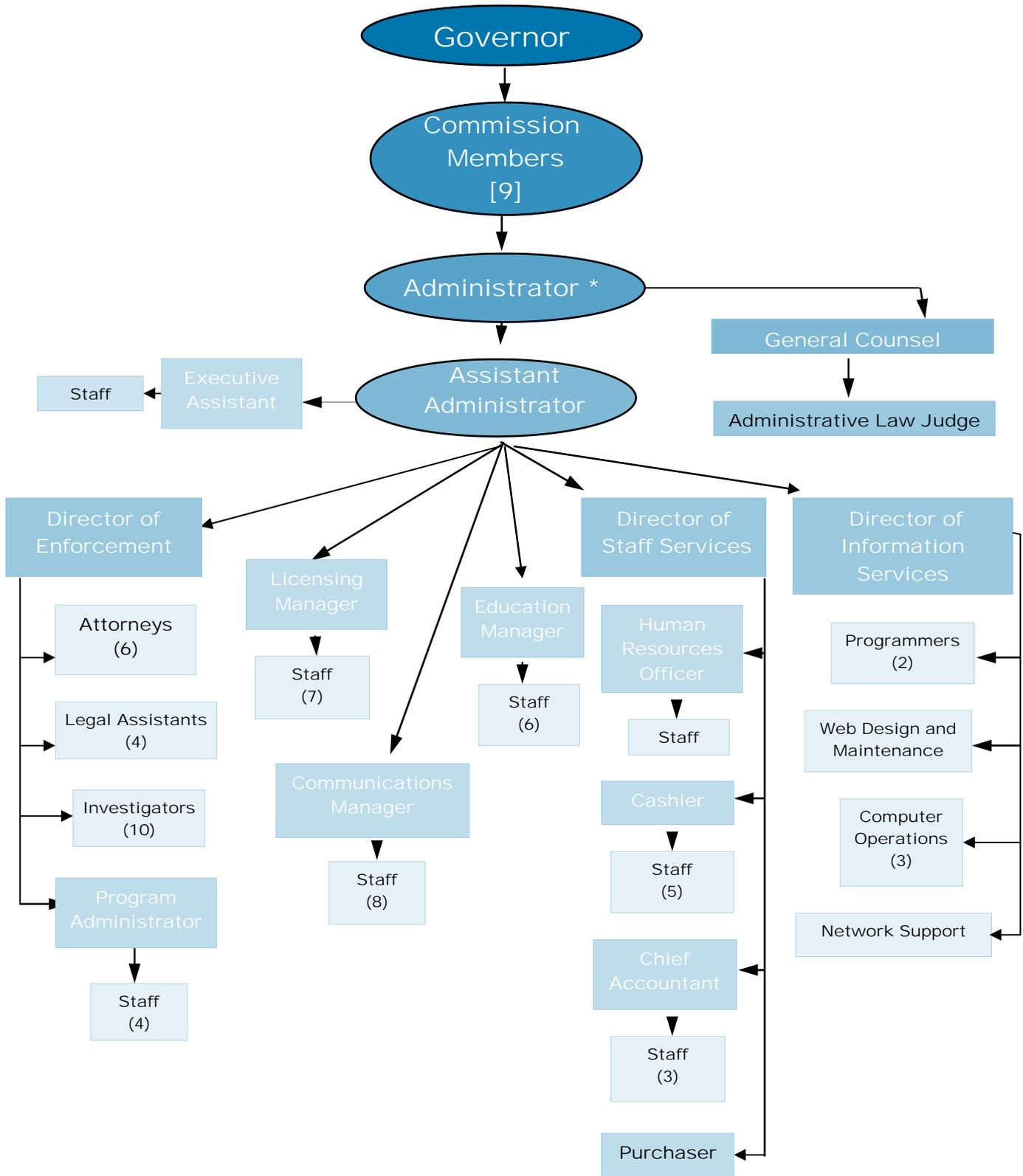
In order to address many of the deficits between the current workforce and future demands, TREC has developed several goals for the current workforce plan. These are based on a range of factors identified by analyzing the agency and its workforce. TREC's future workforce requirements can be grouped into three key areas.

<b>Gap</b>	<ul style="list-style-type: none"> <li>• Current employees lack critical skills</li> </ul>
<b>Goal</b>	Recruit and retain professionals with the requisite skills to complement TREC's existing workforce.
<b>Rationale</b>	Consumer protection priorities articulated in TREC's strategic plan mandate an "external relations" position; this is a "new" skill-set for TREC staff.
<b>Action Steps</b>	<ul style="list-style-type: none"> <li>• Post new position by August, 2007</li> <li>• Hire new staff by October, 2007</li> </ul>

<b>Gap</b>	<ul style="list-style-type: none"> <li>• Difficulty in retention of new and existing staff</li> </ul>
<b>Goal</b>	Retain qualified and experienced staff to ensure excellent customer service.
<b>Rationale</b>	Although TREC's turnover has been significantly reduced from 24.6% in FY03 to 12.6% and 12.1% in FY04 and FY05, turnover remains an issue for the agency. A major cause of this turnover has been employees leaving TREC for more lucrative positions both within state government and in the corporate arena.
<b>Action Steps</b>	<ul style="list-style-type: none"> <li>• Request additional appropriation from legislature during the next session to make salaries comparable with other state agencies</li> <li>• Hire new staff in at the first quartile rather than at the minimum for the position</li> <li>• Give permanent merit raises annually</li> </ul>

<b>Gap</b>	<ul style="list-style-type: none"> <li>• TREC does not have a sufficient number of FTEs to address all new strategic planning priorities</li> </ul>
<b>Goal</b>	Hire a total of 8 new FTEs during FY 08.
<b>Rationale</b>	Given current workloads, additional staff must be hired to deliver on Enforcement, Licensing, Administration and IS priorities articulated in TREC's 2007-2011 strategic plan.
<b>Action Steps</b>	<ul style="list-style-type: none"> <li>• Request additional FTEs during 2007 legislative session</li> <li>• Recruit for new positions</li> <li>• Hire and train new staff in FY 08</li> </ul>

## Organization Chart



\* As of December 2003, under a Memorandum of Understanding, the TREC Administrator also serves as Commissioner for the Texas Appraiser Licensing and Certification Board, an independent subdivision of TREC, which has its own governing board.

**APPENDIX F**

*Survey of Organizational Excellence*  
**Measuring Employee Perceptions**  
**2005**

Administered every two years by the School of Social Work at the University of Texas at Austin, the Survey of Organizational Excellence reflects how an agency's staff view the work environment. Since the survey has been given multiple times in past years and is administered to employees at several state agencies, this year's results can be compared with past performance and with the perceptions of staff at other state agencies.

Questions in the Survey of Organizational Excellence are grouped together into Survey Constructs designed to broadly profile organizational strengths and weaknesses. Scores for the constructs range from a low of 100 (negative) to a high of 500 (positive). Thus, scores above 300 suggest that employees perceive the issue more positively while scores below 300 are issues viewed more negatively by employees.

In each of the workplace dimensions except "accommodations", TREC scored significantly higher in the current survey than (1) the benchmark for similar sized organizations, (2) organizations with licensing missions, and (3) all state agencies participating in the survey. Overall, TREC has improved in many areas compared to the last survey.

The following areas are especially noteworthy and are coded by the survey as TREC's "areas of strength."

***Strategic******Area of Substantial Strength******Score: 408***

Strategic (Strategic Orientation) reflects employees' thinking about how the organization responds to external influences that should play a role in defining the organization's mission, vision, services, and products. Implied in this construct is the ability of the organization to seek out and work with relevant external entities.

High scores indicate employees view the organization as able to quickly relate its mission and goals to environmental changes and demands. It is viewed as creating programs that advance the organization and having highly capable means of drawing information and meaning from the environment. Maintaining these high scores will require leadership to continually assess the ability of the organization and employees at all levels to test programs against need and to continue to have rapid feedback from the environment.

***Quality******Area of Substantial Strength******Score: 406***

This construct focuses upon the degree to which quality principles, such as customer service and continuous improvement are a part of the organizational culture. This Construct also addresses the extent to which employees feel that they have the resources to delivery quality services.

High scores indicate that employees feel the organization delivers at the state of the art for customers. In general quality is a result of understanding the needs of customers or clients coupled with a continuous and zealous examination of products and processes for improvement. Achieving quality requires the full and thoughtful attention of all members of the organization. Essential to maintaining high levels is clear articulation of goals, careful attention to changes in the environment that might affect resources or heightened competition and vigorous participation by all members. Leadership must maintain a clear articulation of the importance of quality and role of everyone in achieving quality.

## *Goal Oriented*

*Score: 394*

This construct examines the extent to which the organization has clear goals and focuses efforts on reaching those goals. It addresses the organization's ability to include its

## *Availability*

*Score: 391*

This construct addresses the extent to which employees feel that they know where to get needed information, and when they get it, they know how to use it.

## *External*

*Score: 387*

This construct looks at how information flows into the organization from external sources, and conversely, how information flows from inside the organization to external constituents. It addresses the ability of organizational members to synthesize and apply external information to work performed by the organization.

## **APPENDIX G**

# **Information Resources Strategic Plan**

### **Goals, Objectives and Strategies**

TREC has four major goals, three of which directly apply to TREC customers and are particularly relevant to the development of an Information Resources Strategic Plan.

**Goal I:** To determine that applicants for licensure meet legal requirements for real estate license issuance.

**Goal II:** To act promptly and aggressively to enforce the laws and rules of the Commission in a fair and evenhanded manner.

**Goal III:** To communicate effectively with the public and licensees concerning matters within the Commission's jurisdiction.

The major application systems are the Texas Real Estate Licensing Information System (TRELIS) TREC Online Licensee Search, TREC Internet Portal, TREC Online Licensing Services, and the Customer Satisfaction Survey.

The tables presented here provide the elements of information requested as part of the Information Resources Strategic Plan. Following the tables is a description of the major initiatives that address TREC's strategic objectives for Information Resources for the current fiscal year and the years 2007-2011.

**Table 1: Goals, Objectives and Strategies**

<b>GOAL #1</b>	<b>Develop and deploy technology solutions which facilitate access to agency information for both external and internal customers.</b>
<b>Objective:</b>	Improve ease of access of agency data.
<b>Strategy #1</b>	Expand flexibility and breadth of web based access to licensee information.
<b>Strategy #2</b>	Image and OCR incoming documents to reduce key entry and paper records.
<b>Strategy #3</b>	Implement technical redundancy to protect critical system availability.
<b>GOAL #2</b>	<b>Develop and implement technology solutions to enhance the productivity of agency staff.</b>
<b>Objective:</b>	Achieve standardization of hardware and software products.
<b>Strategy #1</b>	Implement TREC's Technology Refresh Plan
<b>Strategy #2</b>	Purchase hardware and software for any additional staff.
<b>Strategy #3</b>	Implement software management process ensuring license compliance.
<b>Objective:</b>	Modernize existing agency application to consolidate mini applications and aging software into an effective product.
<b>Strategy #1</b>	Expand use of online services beyond applications and renewals to cover additional types of frequently performed transactions.
<b>Strategy #2</b>	Expand system integration for inspector license type.
<b>Strategy #3</b>	Expand system integration for Appraiser license type.
<b>Strategy #4</b>	Increase automation of licensee education received for all license types.
<b>Strategy #5</b>	Incorporate OCR, Images and agency data to drive business work flow requirements.
<b>Strategy #6</b>	Analyze business processes to prioritize application areas that would most benefit from application overhauls.
<b>GOAL #3</b>	<b>Implement solutions enhancing technical security and infrastructure ensuring accurate and timely services for operating divisions.</b>
<b>Objective:</b>	Increase security measures protecting technical environment.
<b>Strategy #1</b>	Implement additional detection and reporting mechanisms.
<b>Strategy #2</b>	Implement identification methods for access to online services that require restricted access.
<b>Strategy #3</b>	Review and implement additional methods reducing network exposure from malicious attacks.

## Table 2: Information Resources Policies and Practices

**IR Priorities:** The Agency has an Information Resources (IR) Steering Committee, chaired by the Assistant Administrator, which has the responsibility of monitoring Information Services strategy, priorities and progress. This steering committee consists of the following persons:

- Administrator
- Assistant Administrator
- General Counsel
- Director of Staff Services
- Director of Enforcement
- Director of Information Services (IRM)

Project priorities are established by the Director of Information Services in keeping with the Agency Strategic Plan and the Rules of the Commission. Conflicts in the assignment of priorities and resources are resolved through the IR Steering Committee.

The Director of Information Services serves as the Agency IRM and reports to the Assistant Administrator.

**IR Planning Methodology:** The biennial planning process for the agency serves as the strategic basis for all IR planning efforts. Goals, Objectives and Strategies of the agency plan address issues and give direction for a multi-year strategy. As such, the IR plan is developed to support the operational requirements and agency direction. Technical considerations are also evaluated and planned that compliment the operational strategy. These considerations address IR issues ensuring "Best Practices" continue to be achieved.

### Guidelines for Planning Processes

- IR plans should support the agency Goals, Objectives and Strategy. (*operational focus*)
- Planning process should evaluate and prioritize existing programs and services. (*operational focus*)
- Planning processes should identify and prioritize new initiatives. (*strategic focus*)
- Planning processes should link funding to the operational and strategic priorities. (*budget focus*)
- Planning processes should incorporate an appraisal of efficiency and quality. (*measurement focus*)
- Planning processes should include a progress update with feedback. (*reporting focus*)
- Planning processes should involve appropriate employees. (**Operational & Strategic focus**)

**IR Disaster Recovery:** TREC continues the migration of applications to a more open architecture allowing for quick response to a business interruption. TREC has established a Disaster Recovery Plan to expedite restoration of services. This plan has been approved by the State Office of Risk Management (SORM). Building and Procurement has committed to gaining facilities for recovery once they are notified of a disaster.

## Table 2: Information Resources Policies and Practices

**Business Continuity:** The agency business continuity plan is in place and tested on an annual basis. The last test was conducted January 2006. The following planning steps were used to guide in the development of the business continuity plan.

- **CONDUCT BUSINESS IMPACT ANALYSIS**  
Define system requirements, processes and interdependencies supporting contingency requirements and priorities. Its purpose is to identify necessary resources required to support critical services.
- **CONDUCT RISK ANALYSIS**  
Determine the potential loss of a threat versus the cost of the protective measure against the value of the asset or service.
- **IDENTIFY PREVENTIVE CONTROLS.**  
Implement measures to reduce the effects of system disruptions, increase system availability and reduce contingency life cycle costs.
- **DEVELOP RECOVERY STRATEGY**  
Provide a means to restore IR operations quickly and effectively following a service disruption. The strategies address disruption impacts and allowable outage times identified in the business impact analysis.
- **PLAN MAINTENANCE.**  
The plan is a living document and is updated at least annually to remain current with system enhancements.

**Development Methodology:** Information technology (IT) projects can be delivered successfully using the Texas Project Delivery Framework (Framework). The Framework establishes a consistent, statewide method for project selection, control, and evaluation based on alignment with business goals and objectives. Utilizing the Framework will ensure that agencies heads have the tools and information to guide technology deployment towards the right business outcome.

The Framework consists of five review phases with guidance and tools for each. A review phase is a distinct division of effort for a specified purpose during project delivery. Each phase is intended to synchronize the state's investment in a project based on approval of business outcomes at a specific point during project delivery. The review phases are:

- **BUSINESS JUSTIFICATION**  
Business Justification is the initial phase of project delivery. Business Justification consists of project selection, approval, and initiation. Before a business solution is selected, the agency must examine the solution's return on investment (ROI) in relation to other IT projects and DIR must assess the project's impact on use of information technology resources across the state. Once both of these activities have been completed, the proposed business solution may then be formally approved and initiated as a project. Business Justification processes are intended to work in concert with existing agency selection, approval, and initiation structures such as IT governance.
- **PROJECT PLANNING**  
The Project Planning phase includes planning for both project management and technology-related activities and deliverables. Planning involves definition and sequencing of activities and resources to actually deliver the product and/or ser-

**Table 2: Information Resources Policies and Practices**

vice. From a project management perspective, methods for managing the planned project activities over the life of the project are included. From a technology perspective, technology aspects of the product or service, such as requirements and design descriptions for translation into an actual product or service, are also completed as part of the project planning activities.

- **SOLICITATION AND CONTRACTING**  
The Solicitation and Contracting phase includes development and management of IT solicitations and contracts. A decision regarding procurement is made during the Project Planning Review Gate. For IT projects that require the procurement of goods and/or services to achieve the business goals and objectives, the agency head makes the final determination on the procurement decision
- **PROJECT IMPLEMENTATION**  
The Project Implementation phase includes development, testing, and installation based on project planning deliverables. Technology aspects of the project, such as requirements and design descriptions, are translated to an operational product/service.
- **BENEFITS REALIZATION**  
The Benefits Realization Review Phase includes measurement and evaluation of all project outcomes. The measurement and evaluation results will be documented and used to make process improvements in future project phases or other projects.

**Software Audit and Management****SOFTWARE MANAGEMENT POLICY**

A software management policy is in force and distributed to all new and existing employees via the employee handbook. The policy addresses issues such as:

- Non licensed software should not be used or installed on agency PCs
- Software will only be installed and purchased with the approval of IR
- Installed software may be tracked via automated tools
- Potential actions of unlicensed software

**LICENSE TRACKING**

Total valid licenses are tracked within the IS organization by the security administrator. All software purchases will be managed through this resource to ensure valid licenses are accurately maintained.

**SOFTWARE ASSESSMENT**

Regular reoccurring process of monitoring installed software on desktop and server PC's. Evaluate results with actual purchased licenses to identify discrepancies. Reconcile differences by removing unapproved or unlicensed software from PC or purchasing valid license.

**Table 3: Agency Platforms, Systems and Telecommunications**

Category	Type	Operating System	Database Management System	Capacity/ Size Count	Descriptive Information
Mainframe	N/A				
Micro computer	N/A				
LAN Servers (Central)	Unisys Dell Other	Microsoft Windows2000/ 2003/MCP	DMSII,MS SQL Server,MS Access97	400 GB 120GB 9	
LAN Servers (Remote)	N/A				
LAN Client/ Workstations (Central)	PC	Microsoft Windows98/ 2000/XP	Paradox, MS Access97	40 GB 100	
LAN Client/ Workstations (Remote)	N/A				
WAN Servers	Mail, WebDNS	Microsoft Windows2000/ NT	MS SQL Server	80 GB 6	
Standalone PC Workstations	PC	Microsoft Win- dows XP	N/A	80 gb	
Internet Service Provider	Utilize DIR for ISP Services			0	
Shared Network	N/A				

**Table 4: Database Assets**

<b>Database Name</b>	TRELIS(TRCDB)
<b>Database Description</b>	Texas Real Estate Licensing Information System
<b>Database System</b>	DMSII
<b>Estimated Physical Storage Requirement</b>	Currently 10 GB <b>Increase 2 GB per year</b>
<b>GIS Data Classification</b>	N/A
<b>Sharing</b>	FTP: OAG, DPS, TGSLC
<b>Future</b>	No significant change in usage anticipated.
<b>Database Name</b>	TexasOnline eligibility (App_Online)
<b>Database Description</b>	Allows eligible applications and licensees to submit their application/renewal form data online at a secure TREC site. Associated fees can be paid via the secured TexasOnline e-pay portal.
<b>Database System</b>	Microsoft SQL Server 2000
<b>Estimated Physical Storage Requirement</b>	Currently 100 mb <b>Increase approximately 200 mb per year</b>
<b>GIS Data Classification</b>	N/A
<b>Sharing</b>	N/A
<b>Future</b>	Additional on-line payment options are planned over the next year which will increase the demand on this database.
<b>Database Name</b>	E-mail notification (listServ)
<b>Database Description</b>	E-mail notification and tracking system. Coordinates the distribution of mass mailings to licensees that sign up for service.
<b>Database System</b>	Microsoft SQL Server 2000.
<b>Estimated Physical Storage Requirement</b>	Currently 26 mb <b>Increase approximately 50 mb per year</b>
<b>GIS Data Classification</b>	N/A
<b>Sharing</b>	N/A
<b>Future</b>	Anticipate additional uses growth for electronic notification via e-mail
<b>Database Name</b>	Customer Survey
<b>Database Description</b>	Presentation and collection of survey results
<b>Database System</b>	Microsoft SQL Server 2000.
<b>Estimated Physical Storage Requirement</b>	Currently 7 GB <b>Increase 2 GB per year</b>
<b>GIS Data Classification</b>	N/A
<b>Sharing</b>	N/A
<b>Future</b>	Anticipate increase in usage as surveys are developed for additional feedback on new services.

**Table 4: Database Assets cont.**

<b>Database Name</b>	Venice
<b>Database Description</b>	Purchasing database.
<b>Database System</b>	Microsoft SQL Server 7.0.
<b>Estimated Physical Storage Requirement</b>	Currently 100 mb <b>Increase approximately 10 mb per year</b>
<b>GIS Data Classification</b>	N/A
<b>Sharing</b>	N/A
<b>Future</b>	Database to be replaced by e-Procurement initiative

<b>Database Name</b>	Education
<b>Database Description</b>	Education provider details
<b>Database System</b>	Microsoft SQL Server 2000.
<b>Estimated Physical Storage Requirement</b>	Currently 2 mb <b>Increase approximately 1 mb per year</b>
<b>GIS Data Classification</b>	N/A
<b>Sharing</b>	N/A
<b>Future</b>	No significant change in usage anticipated.

<b>Database Name</b>	Enforcement
<b>Database Description</b>	Disciplinary action data
<b>Database System</b>	Microsoft SQL Server 2000.
<b>Estimated Physical Storage Requirement</b>	Currently 2 mb <b>Increase approximately 1 mb a year</b>
<b>GIS Data Classification</b>	N/A
<b>Sharing</b>	N/A
<b>Future</b>	No significant change in usage anticipate.

<b>Database Name</b>	Licensing
<b>Database Description</b>	Residential Service Company (RSC) tracking.
<b>Database System</b>	Microsoft SQL Server 2000.
<b>Estimated Physical Storage Requirement</b>	Currently 2 mb <b>Increase approximately 1 mb a year</b>
<b>GIS Data Classification</b>	N/A
<b>Sharing</b>	N/A
<b>Future</b>	No significant change in usage anticipate.

**Table 5: Software Assets**

<b>Application Name</b>	TRELIS (TRCDB)
<b>Application Description</b>	Texas Real Estate Licensing Information System
<b>Database System</b>	DMSII
<b>Development Language</b>	LINC II
<b>Sharing</b>	None
<b>Future</b>	Maintenance existing environment supporting daily needs.
<b>Application Name</b>	TREC online internet portal
<b>Application Description</b>	Provides online services and information to public.
<b>Database System</b>	SQL Server 2000, DMSII
<b>Development Language</b>	VBScript, Transact SQL.
<b>Sharing</b>	Public
<b>Future</b>	Maintenance to improve usability and performance.
<b>Application Name</b>	TREC online licensing services
<b>Application Description</b>	Provides renewal and original application of license information and payment.
<b>Database System</b>	SQL Server 2000, DMSII
<b>Development Language</b>	VBScript, Unisys active LINC
<b>Sharing</b>	Licensee
<b>Future</b>	Expand to include remaining renewal and application licenses.
<b>Application Name</b>	TREC online licensing search
<b>Application Description</b>	Provides searching capability for various types of licenses.
<b>Database System</b>	SQL Server 2000, DMSII
<b>Development Language</b>	VBScript, Unisys active Linc
<b>Sharing</b>	Public
<b>Future</b>	Maintenance to improve usability and performance.
<b>Application Name</b>	TREC online Customer Survey
<b>Application Description</b>	Provide survey and results for analysis
<b>Database System</b>	SQL Server 2000,
<b>Development Language</b>	VBScript, Transact SQL
<b>Sharing</b>	Public
<b>Future</b>	No significant changes anticipated.

**Table 5: Software Assets**

<b>Application Name</b>	TREC online e-mail notification
<b>Application Description</b>	Allow for the signup of multiple e-mail list for information distribution.
<b>Database System</b>	SQL Server 2000,
<b>Development Language</b>	VBScript, Transact SQL
<b>Sharing</b>	Public
<b>Future</b>	Expansion of features enhancing data collection, accuracy and security.
<b>Application Name</b>	Education Roster Load
<b>Application Description</b>	Capture, process and load roster information into TRELIS via electronic and fax submission. Convert documents via OCR (TELEForm) into data stream for loading.
<b>Database System</b>	DMS II
<b>Development Language</b>	N/A
<b>Sharing</b>	Education providers
<b>Future</b>	No significant changes anticipated.
<b>Application Name</b>	Venice—Accounting Application
<b>Application Description</b>	Purchasing tracking and management functions
<b>Database System</b>	Microsoft SQL 7
<b>Development Language</b>	Unknown
<b>Sharing</b>	None
<b>Future</b>	Product is being phased out.

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