

Appendix E

Texas Real Estate Commission

Texas Appraiser Licensing and Certification Board

Fiscal Year 2015-2019 Workforce Plan

I. Agency Overview

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

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

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

The agency's main office is located in Austin, Texas. Eight investigators located throughout the state assist in the TREC Standards & Enforcement Services Division. The Commission currently has 106 authorized full time equivalent (FTE) employees, a reduction of 4.5 FTEs from FY 2009. One hundred percent of the funds needed to finance the agency's activities come from fees paid by license holders.

A. Agency Mission and Philosophy

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

To achieve this mission, our agency:

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

B. Core Business Functions

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

C. Strategic Goals and Objectives

The Texas Real Estate Commission and the Texas Appraiser Licensing and Certification Board have four main goals:

Agency Goals

- I. To protect the public by ensuring license holders meet the educational, ethical, and legal requirements to provide real estate services in Texas** (Texas Occupations Code, Chapters 1101, 1102, 1103, 1104, and 1303, and Texas Property Code, Chapter 221)
- II. To safeguard the public interest by effectively and efficiently enforcing the laws and rules of the agency in a fair and consistent manner.** (Texas Occupations Code, Chapters 1101, 1102, 1103, 1104, and 1303, and Texas Property Code, Chapter 221)
- III. To communicate with license holders and the public by providing reliable information to promote informed decisions in Texas real estate transactions.** (Texas Occupations Code, Chapters 1101, 1102, 1103, 1104, and 1303, and Texas Property Code, Chapter 221)
- IV. To implement purchasing policies encouraging the use of historically underutilized businesses (HUBs).** (Government Code, §2161.123)

D. Anticipated Changes in Strategies

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

- a set of deeply held core values founded on consumer protection and effective personal service;
- the knowledge, experience, and dedication of an exceptional staff;
- policies, processes, and procedures which have been developed over many years and have come to be accepted by its license holders; and
- open channels of communication with its stakeholders, including frequent visits with stakeholder groups and professional associations of license holders, plus a robust system of working and advisory groups for policy issue in-depth review and recommendations.
- The agency's weaknesses include:
 - a dedicated commitment to personalized service, which is of tremendous value when it can be achieved without compromising efficiency, but now is undergoing review as the Commission and the Board strive to become more efficient in order to meet high stakeholder expectations;
 - staffing that does not include many of the "support" functions one would expect to find in an agency overseeing such a large and important fields of activity, such as a staff training function to enhance increasing technical requirements of the agency, a robust staff development effort led by the Human Resources function, and a dedicated and focused consumer outreach and education function;
 - highly detailed historic processes which require the full-time involvement of management in variables arising in day-to-day operations, meaning that strategic initiatives, ongoing process improvements, and similar efficiency measures may be given lower priority than they merit; and
 - in the areas of the Information & Technology, and the education side of the Education & Licensing Services Division, the adequacy of appropriately skilled staff. The issue of adequacy involves primarily the skill levels of qualified individuals appropriated to carry out differing duties, and the ability to pay enough to attract and retain those individuals who possess the skills and knowledge that are essential tools for continuous improvements in curriculum analysis, design and review, and keeping pace with technological changes that bear on gains in efficiency and effectiveness.

II. Current Workforce Profile (Supply Analysis)

A. Critical Workforce Skills

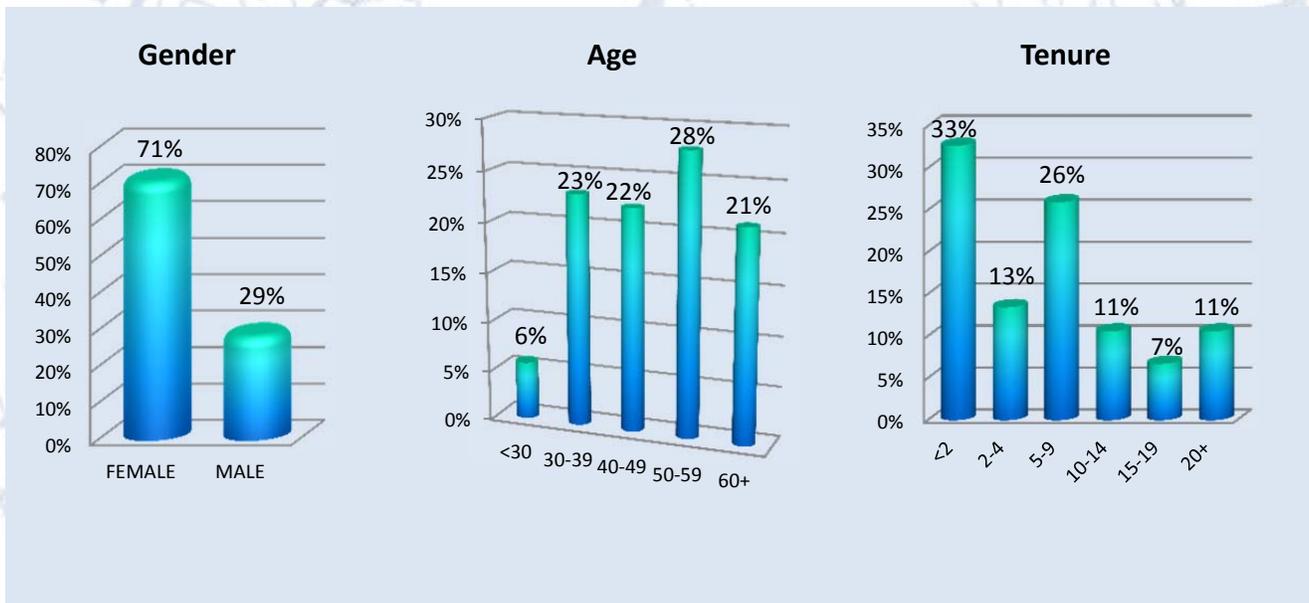
Staff must possess the following critical skills in order to provide basic business functions successfully, in no particular order:

- Practical knowledge of regulatory processes
- Customer service and interpersonal relationship skills
- Effective written and verbal communication
- Ability to conduct comprehensive and detailed investigations
- Ability to interpret and accurately apply legal statutes and rules
- Knowledge of administrative law processes
- Litigation and alternative dispute resolution experience
- Negotiation, facilitation and collaboration skills
- Critical thinking, analysis and problem solving skills
- Information systems design, development, programming and maintenance
- Internet systems design, development, programming and maintenance
- Network and data center operations support
- Data and information management principles and tools
- Efficient computer systems and peripheral device literacy
- Government and corporate accounting and financial management
- Government purchasing and contract processes

- Human resources planning, recruitment, retention, staff development, and performance management
- Educational curricula design, development and critical evaluation
- Organizational effectiveness and strategic planning
- Leadership principles and management skills
- Mentoring and coaching techniques and skills
- Effective public presentations to diverse groups
- Public relations management principles and tools
- Inter-governmental relations management skills

B. Workforce Demographics

The following chart profiles the agency’s workforce as of August 31, 2013 and includes both full-time and part-time employees. The agency’s workforce is comprised of 74 (71%) females and 30 (29%) males. Employees over age 40 account for 71% of the staff. Over half of the employees (54%) have more than five years of agency service.



The following table compares the percentage of Black, Hispanic and Female agency employees (as of August 31, 2013) to the statewide civilian workforce, as reported by the 2011-2012 Equal Employment Opportunity and Minority Hiring Practices Report (January 2013) published by the Texas Workforce Commission. The agency's minority staffing patterns reflect strong minority hiring practice in most categories. The agency does not employ any Skilled Craft Workers (S) and has only one position classified as Technical (I). TREC/TALCB will address areas of weakness as part of the recruiting process.

Job Category	Hispanic		Black		Female	
	Texas	TREC	Texas	TREC	Texas	TREC
	Officials/Administrators (A)	8.969%	33.33%	19.51%	16.67%	39.34%
Professional (P)	11.33%	10.87%	17.40%	4.35%	59.14%	50.00%
Technical (T)	14.16%	0.00%	21.36%	0.00%	41.47%	0.00%
Administrative Support (C)	13.57%	25.00%	30.53%	31.25%	65.62%	87.50%
Skilled Craft Worker (S)	6.35%	0.00%	47.44%	0.00%	4.19%	0.00%
Service & Maintenance (M)*	14.68%	28.57%	48.18%	17.14%	40.79%	97.14%

**Paraprofessionals were included in the Service & Maintenance category per the TWC Report*

C. Employee Turnover

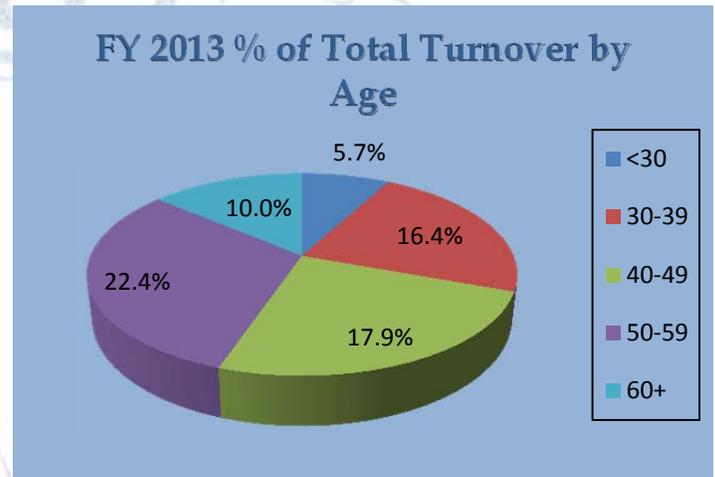
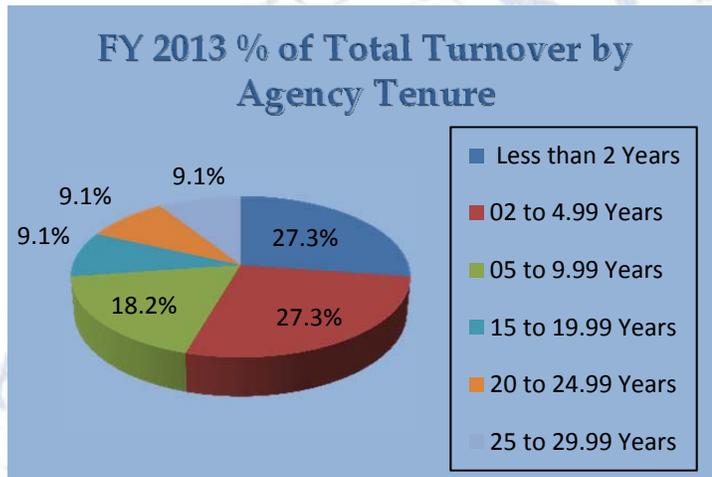
Turnover is an important issue in any organization, and this agency is no exception. The biggest workforce challenge facing the agency is the retention of qualified and experienced staff. The major cause of staff turnover has been employees leaving the agency for more lucrative positions. The agency's turnover has been greatest in the administrative support positions. The turnover in the Reception & Communication Services and Education & Licensing Services Divisions have impacted the agency the most. The following graph compares the average of agency turnover to the state as a whole.



During the last five years the agency has seen a variance in turnover, yet consistently remains below the statewide average. The only aberration was due to budget-cut layoffs in FY2010. Based on the turnover rate from the last five years, the projected employee turnover rate for the next five years will be between 13% - 14%.

D. Retirement Eligibility

Currently 24.8% of the agency’s workforce is eligible to retire. An additional 15.6% will be eligible to retire during this planning period. With the retirement of these employees the agency will lose institutional knowledge and expertise.



The greatest area of turnover is with employees with less than five years of experience. An average of 18.6% of the agency’s workforce did not make it to five years of tenure between Fiscal Years 2009 - 2013. In Fiscal Year 2013, employees with less than five years of agency tenure accounted for 54.6% of the agency’s total turnover.

The Agency’s turnover is higher in the 50-59 and 40-49 age groups.

III. Future Workforce Profile (Demand Analysis)

Technology innovation is driving business practice changes in the professions licensed by the agency. More effective communication methods provide better monitoring and oversight of day-to-day activities, allowing branch offices to be established far from the main office of experienced practitioners. Many transactions engaged in by license holders are allowed, and often even required, to deliver services by electronic means across vast information networks in rapid and secure formats. It is a legitimate expectation of the licensee communities and of the consuming public using the services that the agency which oversees and regulates these service providers will not only understand the implications of these changes, but will also enact rules and protections that reflect them.

The days of paper transactions and massive clerical data entry are behind us. The present and the future will be one characterized by customer maintained data, rapid and reliable electronic communications, and service delivery. These changing demands for licensing, enforcement, and communicating with license holders and with the public regarding the license holders within the real estate industry subject to the agency’s jurisdiction call for the following changes in TREC and TALCB’s future workforce:

A. Critical Functions

- Advanced technical skills in computer and web based application development
- Enforcement legal skills, especially in mediation and alternative dispute resolution
- Education curriculum design standards, development and critical evaluation
- External communications, especially in outreach and education of consumers and other government agencies

B. Expected Workforce Changes

Given the agency’s strategic plan priorities, it is anticipated that the workforce will require the replacement of retiring workers with other FTEs in the areas of Information & Technology Services, TREC and TALCB Standards & Enforcement Services, and Education & Licensing Services. As funding develops over time, the agency will seek to upgrade these FTEs to the required appropriate professional skill levels.

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

Note: No increase in FTEs is anticipated, but funds need to be identified to reclassify and upgrade positions over time. Some funds may come from reducing specific positions based on lack of need as efficiency gains are realized.

D. Future Workforce Skills Needed

Technical skills with computers and web based service delivery systems.
Excellent oral and written communication skills.
Improved customer service skills for effective handling of inquiries and complaints.
Legal expertise especially in alternative dispute resolution methodologies.
Team member development and problem solving approaches
Strategic thinking approaches to anticipate market developments and appropriate regulatory responses
Critical thinking and problem solving skills.

E. Outsourcing

The subject of outsourcing is always appropriate as a tool for exploring efficiencies or as a means to quickly access needed skills until an effective internal capacity is developed. It has been suggested that TALCB explore the concept of contracting with private appraisers as an alternative to or in conjunction with the hiring of additional staff as a means by which to promptly resolve complaint cases in the Standards & Enforcement Services Division. The revitalization of the Peer Investigative Committee function has allowed TALCB SES to access this talent currently on a volunteer basis. Additional FTEs were hired to handle AMC regulatory matters. However, if the pace of complaints rises beyond staff's ability to manage effectively, the agency may have to consider outsourcing some investigation reports on a fee basis. Other suggestions involve the outsourcing of certain aspects of information technology services, which the agency will continue to explore in connection with the future development of its core operating database system and website. Individual technology services are often considered for outsourcing versus skills acquisition based on the tenure of the need, the depth of the skills required and the length of time required to attain proficiency.

IV. Gap Analysis

Anticipated Surplus or Shortage of Workers or Skills

Given the agency's current priorities and goals, the agency has been successful in recruiting and hiring qualified employees in professional and administrative positions although there have been difficulties in obtaining a large qualified applicant pool. There is still an ongoing concern regarding turnover and retention. Similarly, an analysis reflects a gap in professional skills necessary to address the agency's critical functions and FTEs. The agency is struggling in a resource limited environment to upgrade positions from lower-level administrative positions to a higher-level information and technology skilled workforce. The agency has continued to make progress to upgrade some positions, but as new processes and technological improvements are made to address the increased expectations of our customers, more needs to be done. No additional FTEs are expected, but additional funds must be identified to reclassify and upgrade existing FTEs over time.

The primary concerns articulated by the public and the regulated industry address the agency's ability to communicate effectively with its stakeholders and to promptly and effectively resolve complaints filed with both TREC and TALCB. To the first issue, the agency has hired Public Affairs and Government Affairs Specialists to focus primarily on stakeholder and inter-governmental relations. It has also focused on upgrading the capabilities of the database tools and online services available to make both more intuitive and user friendly. On the latter, the agency has emphasized mediation training and skills in hiring new attorneys in the TREC SES division when openings occur. The agency will focus some additional resources in these two vital areas to ensure continued progress is made.

V. Strategy Development

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

Gap	The agency does not have a sufficient funding for the number of higher skilled FTEs needed to address all strategic planning priorities.
Goal	Develop funding to provide training to current staff and upgrade of positions as workload adapts to require higher skills.
Rationale	Given current workloads, ensure higher value tasks are prioritized over others to more effectively deliver priorities articulated in the agency's Strategic Plan.
Action Steps	<p>Identify specific skills required to support higher value functions.</p> <p>Determine fees needed to cover the costs of providing the services to beneficiaries under the program.</p> <p>Request fee increases sufficient to cover program administration costs.</p>
Gap	Continued difficulty in recruitment and retention of new and existing staff.
Goal	Retain qualified and experienced staff to ensure excellent customer service.
Rationale	Turnover remains an issue for the agency. A major cause of this turnover has been employees leaving the agency for better paid positions both within state government and in the corporate arena. Additionally, the agency's aging workforce presents a significant risk of increased turnover.
Action Steps	<p>Ensure sufficient funding is available for staffing issues to be reduced.</p> <p>Hire new staff at the first quartile salary level rather than at the minimum for the position.</p> <p>Increase staff education and development resources to allow staff members to receive critical skill and career enhancement training.</p> <p>Where appropriate, give permanent merit raises annually based on key performance criteria.</p>

TREC/TALCB Organization Chart



* TREC Deputy General Counsel/TALCB General Counsel & Deputy Commissioner positions are held by same person

** Investigators are assigned to work with one or more of the four geographic and subject matter teams