

## Appendix F

### Texas Real Estate Commission Texas Appraiser Licensing and Certification Board Fiscal Year 2009-2013 Workforce Plan

#### I. Agency Overview

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

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 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 statute for TALCB is the Texas Appraiser Licensing and Certification Act, Chapter 1103, Texas Occupations Code.

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 licensees and other 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 licensees and the general public to educate them about the many programs administered by the agency.

The Agency's main office is located in Austin, Texas. Eleven investigators located throughout the state assist in the TREC Enforcement function. The Commission currently has 106 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.

The mission of the Texas Appraiser Licensing and Certification Board is to protect the public interest by assuring that consumers of real estate appraisal services are served by real estate appraisers qualified in accordance with federal and state law and in sufficient numbers to facilitate the free flow of commerce and industry.

**The Philosophy of the Texas Appraiser Licensing and Certification Board:** The first allegiance of the Texas Appraiser Licensing and Certification Board is to the public. We believe in: fair, minimal, and effective regulation which encourages a competitive market for appraisal services and yet demands high standards of professional conduct and responsibility; equal opportunity and nondiscrimination; and efficiency and accountability in the use of public funds.

**B. Strategic Goals and Objectives**

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

**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 Commission's jurisdiction.

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

**Goal 4: Implement and Enforce TALCB and Standards**

**Objective** To provide sufficient qualified Real Estate Appraisers

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

- Reviewing applications
- Processing criminal records checks
- Issuing licenses, certifications and registrations

**Objective** Resolve TALCB Complaints in a timely manner

**Strategies**

- Investigate and Resolve Complaints
- Impose Penalties as Appropriate

**C. 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 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 personal service;
- the knowledge, experience, and dedication of an exceptional staff;
- processes and procedures which have been developed over many years and have come to be accepted by its licensees; and
- open channels of communication with its stakeholders.

The Agency's weaknesses include:

- an historic commitment to personalized service, which is of tremendous value when it can be achieved without compromising efficiency but now needs to be revisited as the Commission and the Board strive to become more efficient in order to meet stakeholder expectations;
- staffing that does not include many of the "support" functions one would expect to find in an agency overseeing such large and important fields of activity, such as a dedicated planning function, a public relations function, and a government relations function;
- processes which require the full-time involvement of management in day-to-day operations, meaning that strategic initiatives, process improvements, and the like may be given lower priority than they merit; and
- in the areas of TALCB and TREC enforcement, TREC communications, and Administration, adequacy of staffing. The issue of adequacy involves both the number of qualified individuals appropriated to carry out differing duties and the ability to attract and retain those individuals who possess the skills and knowledge that are the essential tools for change.

**II. Current Workforce Profile (Supply Analysis)**

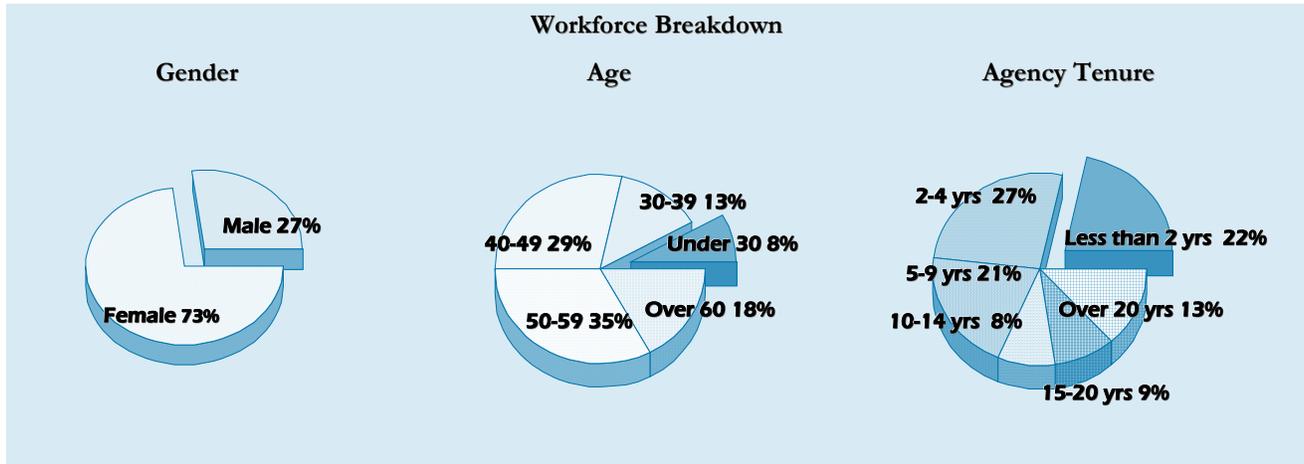
***A. Critical Workforce Skills***

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

- Regulatory process experience
- Public speaking
- External customer service/communications
- Conducting Investigations
- Interpreting legal statutes
- Familiarity with administrative law
- Litigation experience
- Information systems development, programming and maintenance
- Internet systems development and maintenance
- Network support
- Computer data center operations support
- Data Entry
- Clerical, including administrative support
- Computer literacy
- Accounting
- Purchasing
- Human resources
- Mail processing
- Education evaluation skills
- Agency planning
- Public relations
- Government relations

**B. Workforce Demographics**

The following chart profiles the agency’s workforce as of January 2008 and includes both full-time and part-time employees. The Agency’s workforce is comprised of 73% females and 27% males. Approximately 77% of our employees are over age 40. Almost 49% have more than five years of agency service.



The following table compares the percentage of African American, Hispanic and Female Agency employees (as of January 2008) to the statewide civilian workforce, as reported by the Texas Commission on Human Rights.

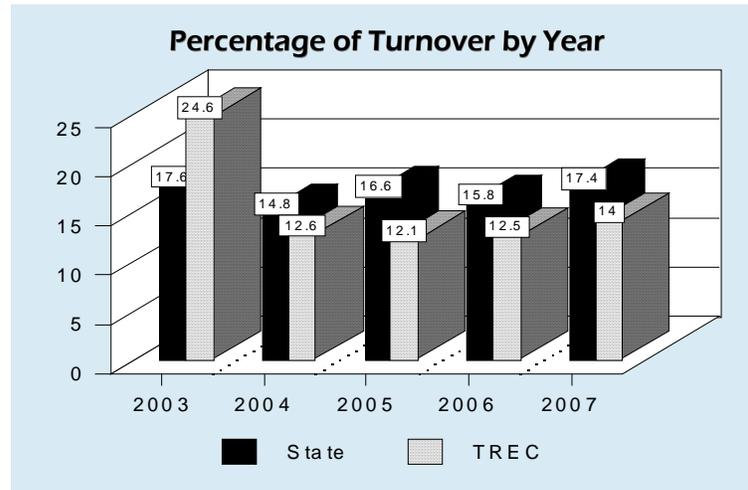
The Agency’s minority staffing patterns deviate only slightly from the minority staffing patterns in the state. Any deviations will be addressed in the recruiting process.

Characteristics of TREC Employees to Texas Civilian Workforce January 2006						
Job Category	African-American		Hispanic		Female	
	State %	Agency %	State %	Agency %	State %	Agency %
Administration	6.6%	0.0%	14.2%	9.0%	37.3%	50.0%
Professional	8.3%	5.0%	13.4%	7.0%	53.2%	25.0%
Technical	12.4%	0.0%	20.2%	0.0%	53.8%	0.0%
Para-Professional	13.8%	7.0%	40.7%	4.0%	39.0%	32.0%
Administrative Support	11.2%	7.0%	24.1%	3.0%	64.7%	11.0%

**C. Employee Turnover**

Turnover is an important issue in any organization, and TREC is no exception. The biggest workforce challenge facing the Agency 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 24.6% in FY 2003 to 14% in FY 2007. The major cause of TREC and TALCB turnover has been employees leaving the Agency for more lucrative positions within state government. The Agency’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 6% of the Agency’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 and TALCB 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 the Agency’s employees who enter the agency do not make it past that point.

FY 06-07	No of employees	% of Total
Less than 2 yrs	3	20%
2-4 yrs	5	33%
5-9 yrs	4	27%
10-14 yrs	1	7%
15 Years +	1	7%

Age:

The Agency’s turnover is higher in the 60 and older age group.

FY 06-07	No of employees	% of Total
30 yrs and under	3	20%
30-39 yrs	1	7%
40-49 yrs	4	27%
50-59 yrs	2	13%
60 and older	5	33%

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

The changing demands for licensing, enforcement and communicating with licensees and the public regarding the licensees subject to its jurisdiction within the real estate industry call for the following changes in TREC and TALCB's future workforce:

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

- Enforcement
- External communications

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

Given the Agency's strategic plan priorities, it is anticipated that the workforce would require the addition of seven new FTEs in the areas of Communication, Enforcement, Licensing, and Administration.

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

- 1 FTE for TALCB Communications (Admin. support)
- 1 FTE for Administration Consumer Information Specialist (Prof.)
- 1 FTE for TREC Enforcement (attorney (Prof.))
- 4 FTE for TALCB Enforcement (1 attorney, 2 appraiser investigators, 1 legal assistant)

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

- Excellent oral and writing skills for external communications
- Customer service
- Legal expertise

#### ***E. Outsourcing***

The subject of outsourcing was discussed at many of the strategic planning hearings. 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 to as a means by which to promptly resolve complaint cases in the Enforcement Division. Other suggestions involve the outsourcing of certain aspects of information technology services, which the Agency intends to explore in connection with the development of a new operating system.

### **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 clerical positions. There is, however, an ongoing concern regarding turnover and retention. Similarly, an analysis of TREC and TALCB's 2009-2013 strategic plan reflects a gap in professional skills necessary to address the Agency's critical functions and FTEs.

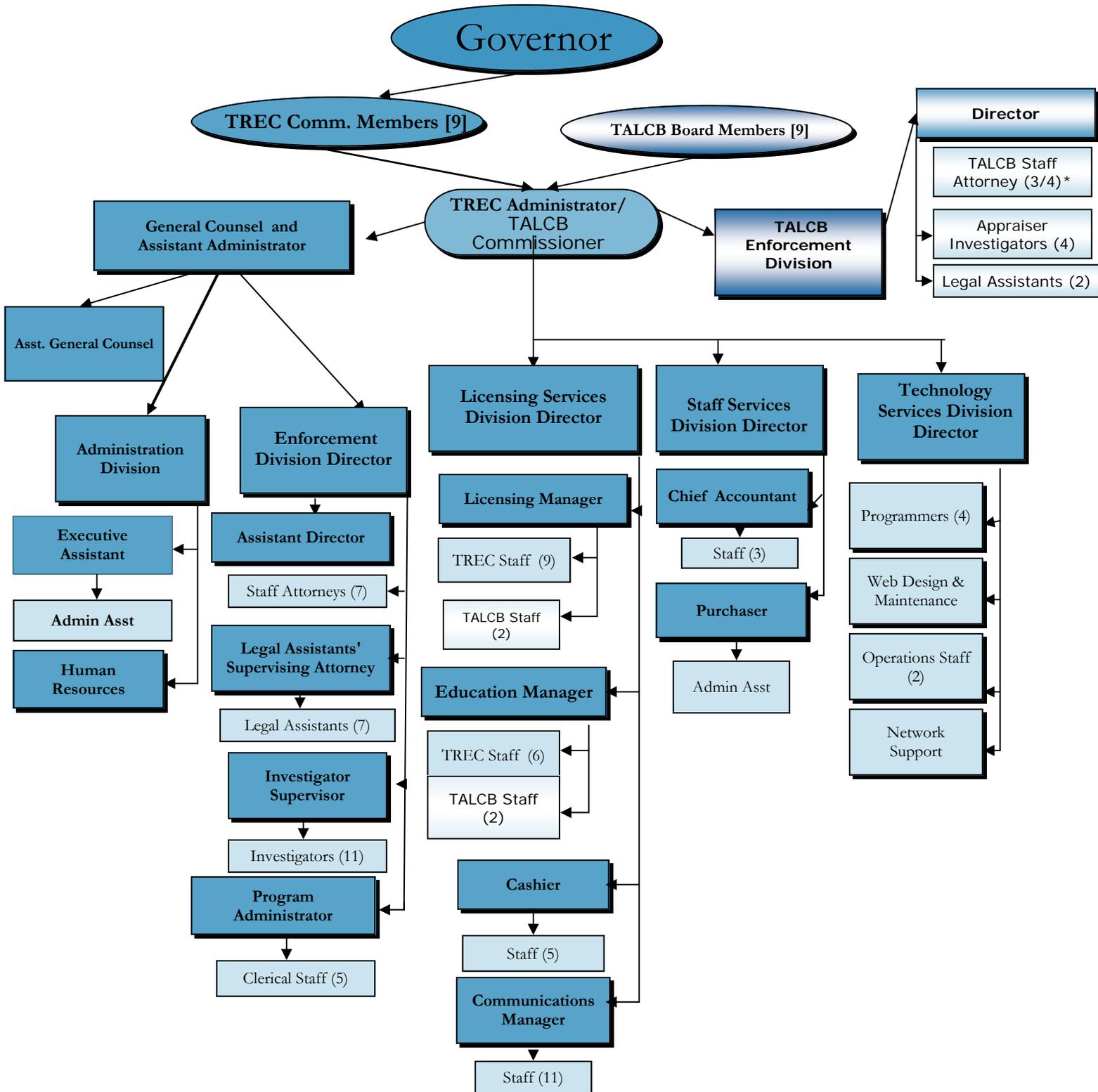
The primary concerns articulated by the public and the regulated industry address the Agency's ability to communicate effectively with its stakeholders and to promptly resolve complaints filed with both TREC and TALCB. To that end, the Agency intends to request additional funding and FTE's to fulfill the Agency's enforcement mission and goals and to communicate more effectively with the public, regulated industries and other state agencies.

**V. Strategy Development**

In order to address many of 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. TREC and TALCB's future workforce requirements can be grouped into three key areas.

<b>Gap</b>	Current employees lack critical skills in external relations
<b>Goal</b>	Recruit and retain professionals with the requisite skills to complement the Agency's existing workforce.
<b>Rationale</b>	Consumer protection priorities articulated in the Agency's strategic plan mandate an "external relations" position.
<b>Action Steps</b>	Post new position by August 2009 Hire new staff by October 2009
<b>Gap</b>	Difficulty in retention of new and existing staff
<b>Goal</b>	Retain qualified and experienced staff to ensure excellent customer service.
<b>Rationale</b>	Although the Agency's turnover has been significantly reduced from 24.6% in FY03 to 12.5% and 14% in FY06 and FY07, turnover remains an issue for the agency. A major cause of this turnover has been employees leaving the Agency for more lucrative positions both within state government and in the corporate arena.
<b>Action Steps</b>	Request additional appropriation from the legislature during the next session to make salaries comparable with other state agencies Hire new staff in at the first quartile rather than at the minimum for the position. Give permanent merit raises annually
<b>Gap</b>	The Agency does not have a sufficient number of FTEs to address all new strategic planning priorities
<b>Goal</b>	Hire a total of 7 new FTEs during FY 09.
<b>Rationale</b>	Given current workloads, additional staff must be hired to deliver on Enforcement, Communications, Administration and priorities articulated in the Agency's 2009-20013 strategic plan.
<b>Action Steps</b>	Request additional FTEs during 2009 legislative session Recruit for new positions Hire and train new staff in FY 09

**Organization Chart TREC/TALCB**



\*TALCB staff attorney is supervised by TREC Director of Enforcement.