

## **Appendix E**

### **Texas Real Estate Commission**

### **Texas Appraiser Licensing and Certification Board**

### **Fiscal Year 2011-2015 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 1103, Real Estate Appraisers; 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:

- real estate brokers and salespersons
- real estate inspectors
- real estate appraisers
- 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, 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 statute for TALCB is the Texas Occupations Code, Chapter 1103, the Texas Appraiser Licensing and Certification 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 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. Eight investigators located throughout the state assist in the TREC Standards & Enforcement Services Division. The Commission currently has 110.5 authorized full time equivalent (FTE) employees. One hundred percent of the funds needed to finance the agency's activities come from fees paid by licensees.

#### **A. Agency Mission and Philosophy**

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

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

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

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

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

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

**Objective** To maintain procedures through 2015 to evaluate applicants for honesty, integrity, trustworthiness, competency, and legal qualifications through education evaluation, requirement of continuing education, and criminal history background checks.

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

- Reviewing applications
- Issuing exam eligibility letters
- Evaluating education
- Processing criminal history background checks
- Issuing licenses

### **Goal 2: Enforce TREC Regulations**

**Objective** To resolve 85 percent of documented complaints within six months by 2015.

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

### **Goal 3: Communicate Effectively**

**Objective** To maintain a communications center which is available via telephone ten hours daily Monday through Friday and responds to inquiries emails promptly, produce a minimum of eight newsletters annually, and maintain a website that provides clear, concise information through 2015.

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

### **Goal 4: Implement and Enforce TALCB Standards & Regulations**

**Objective** To maintain procedures to evaluate applicants for honesty, integrity, trustworthiness, competency and legal qualifications to ensure qualified real estate appraisers through 2015.

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

- Processing appraiser license applications
- Issue licenses, certifications, registrations and renewals
- Approve appraisal educational coursework
- Develop standards and agreements for reciprocity with other states for licensing and certification

**Objective** To enforce the provisions of the Texas Appraiser Licensing and Certification Act and the Uniform Standards of Professional Appraisal Practice by resolving 50 percent of complaints within six months by August 31, 2015.

**Strategies** Investigate and resolve complaints & failures of Uniform Standards of Professional Appraisal Practice (USPAP) standards  
Impose Penalties as Appropriate

## **C. Core Business Functions**

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

## **D. Anticipated Changes in Strategies**

Based on information gathered during the strategic planning process that included feedback from persons subject to the agency's jurisdiction as well as the general public, a

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number of strengths and weaknesses were identified. The agency's strengths with respect to workforce planning include:

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

The agency's weaknesses include:

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

## **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:

Regulatory processes understanding and experience  
Public speaking  
External customer service/communications  
Conducting comprehensive and detailed investigations  
Interpreting and applying legal statutes and rules  
Familiarity with administrative law processes  
Litigation and alternative dispute resolution experience  
Information systems development, programming and maintenance  
Internet systems development and maintenance  
Technology network support  
Computer data center operations support  
Rapid and accurate data entry  
Clerical, including administrative support  
Computer systems operations literacy  
Government and corporate accounting  
Government purchasing processes  
Human resources planning, recruitment and training  
Mail and funds processing  
Educational curricula development and evaluation  
Agency organizational effectiveness and strategic planning

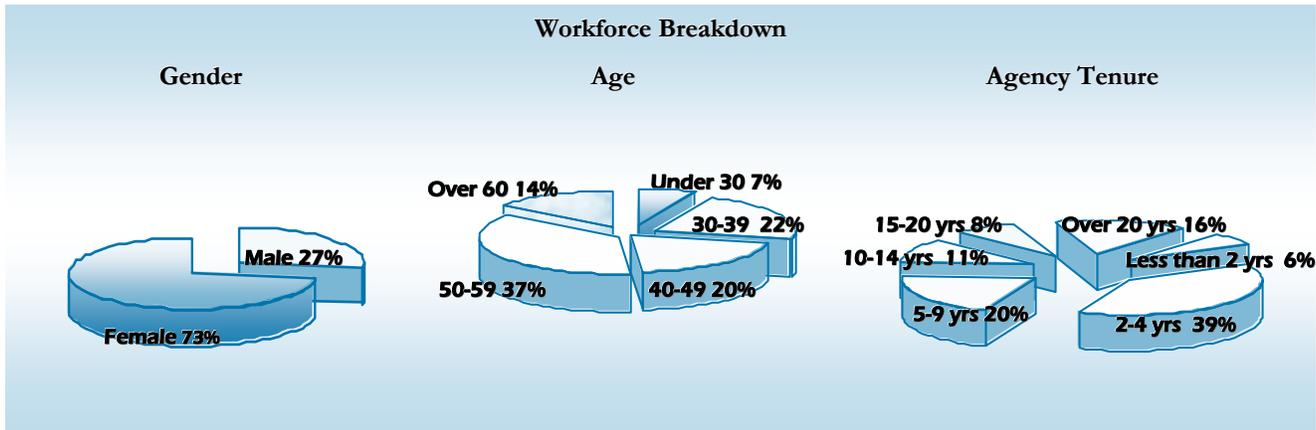
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Public relations management  
Inter-governmental relations management

## B. Workforce Demographics

The following chart profiles the agency's workforce as of December 31, 2009 and includes both full-time and part-time employees. The agency's workforce is comprised of 73% females and 27% males. Approximately 79% of employees are over age 40. Almost 55% have more than five years of agency service.

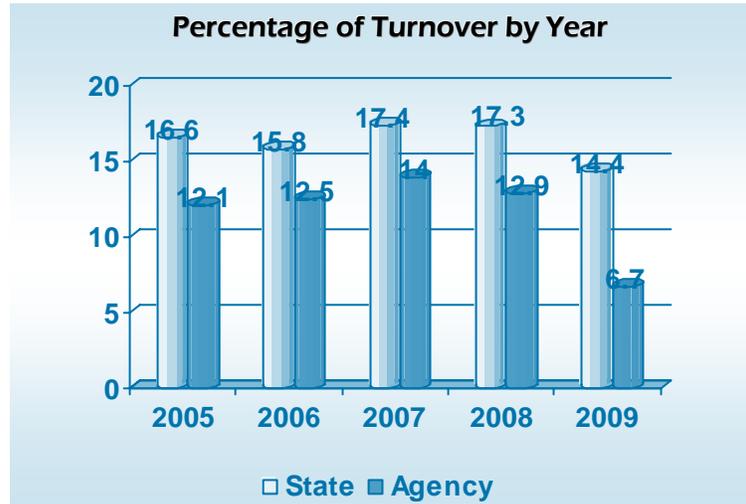


The following table compares the percentage of African American, Hispanic and Female agency employees (as of December 31, 2009) to the statewide civilian workforce, as reported by the Texas Commission on Human Rights. The agency's minority staffing patterns deviate only slightly from the minority staffing patterns in the state. Any deviations will be addressed in the recruiting process.

Job Category	African-American		Hispanic		Female	
	State %	Agency %	State %	Agency %	State %	Agency %
Administration	9%	16%	23.7%	32%	38.8%	83%
Professional	11.7%	7%	19.9%	15%	54.5%	51%
Technical	17%	0%	27%	0%	55.6%	0%
Para-Professional	12.8%	29%	44.8%	27%	39.7%	86%
Administrative Support	13.2%	64%	31.9%	9%	66.2%	82%

### 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 within state government. The agency's turnover has not occurred in any particular occupational class. The turnover in the TREC Standards & Enforcement Services Division has 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 an improvement in turnover from 12.1% in FY 2005 to 6.7% in FY 2009. Based on the turnover rate from the last five years, the projected employee turnover rate for the next five years will be 10%.

### D. Retirement Eligibility

Currently 9% of the agency's workforce is eligible to retire. An additional 1% will be eligible to retire in the next two years. With the retirement of these employees the agency will lose institutional knowledge and expertise.

Length of Service for Employees Who have Left the Agency	
January-December 2009	% of Total
Less than 2 yrs	0%
2-4 yrs	60%
5-9 yrs	20%
10-14 yrs	0%
15 Years +	20%

#### Length of service:

The greatest area of turnover is with employees with less than nine years of experience. An average of 80% of the agency's employees who enter the agency do not make it to 9 years.

Ages of Employees Who Have Left the Agency	
January-December 2009	% of Total
30 yrs and under	0%
30-39 yrs	20%
40-49 yrs	40%
50-59 yrs	0%
60 and older	40%

#### Age:

The Agency's turnover is higher in the 40-49 and 60 and older age groups.

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## **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 standards development and evaluation
- External communications, especially in outreach to and education of consumers

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

Given the agency's strategic plan priorities, it is anticipated that the workforce will require the addition of new funding for seven FTEs in the areas of Information & Technology Services, Staff & Support Services, TREC and TALCB Standards & Enforcement Services, Education & Licensing Services, and Administration & Management Services. The agency has the available FTEs to convert, it does not need additional staff positions, but it has no funding appropriated 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, but the funds are needed to reclassify and upgrade them.

- 1 FTE - Information & Technology Services (Web applications developer)
- 1 FTE - Administration & Management Services (Consumer Affairs Specialist) (Professional)
- 1 FTE - Education Curriculum Standards Development and Evaluation (Professional)
- 1 FTE - Staff & Support Services (Accountant for budgeting and efficiency analysis) (Professional)
- 2 FTEs - TREC Standards & Enforcement Services (1 mediator; 1 admin tech) (Professional and Administrative)
- 1 FTE - TALCB Standards & Enforcement Services (1 attorney) (Professional)

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

- Technical skills with computers and web based service delivery systems
- Excellent oral and writing skills for external communications with consumers
- Customer service skills for effective handling of inquiries and complaints
- Legal expertise especially in alternative dispute resolution methodologies

### ***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. However, if the pace of complaints continues to rise at the current accelerating pace, the agency may have to consider outsourcing some investigation reports on a fee basis. Other suggestions involve

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the outsourcing of certain aspects of information technology services, which the agency will continue to explore in connection with the future development of its new core operating database 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 administrative positions. There is, despite an improving trend, still an ongoing concern regarding turnover and retention. Similarly, an analysis of TREC and TALCB's 2011-2015 Strategic Plan 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 low-level administrative positions to a higher-level information and technology skilled workforce. No additional positions are needed, but additional funds are needed to reclassify and upgrade existing 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 and effectively resolve complaints filed with both TREC and TALCB. To the first issue, the Agency hired a Public Affairs Specialist in early FY 2010 to focus primarily on stakeholder and governmental relations. The Agency intends to request additional funding for current FTEs to reclassify and upgrade these positions to better fulfill the Agency's mission and goals, and to communicate more effectively especially with the consumer public.

## V. Strategy Development

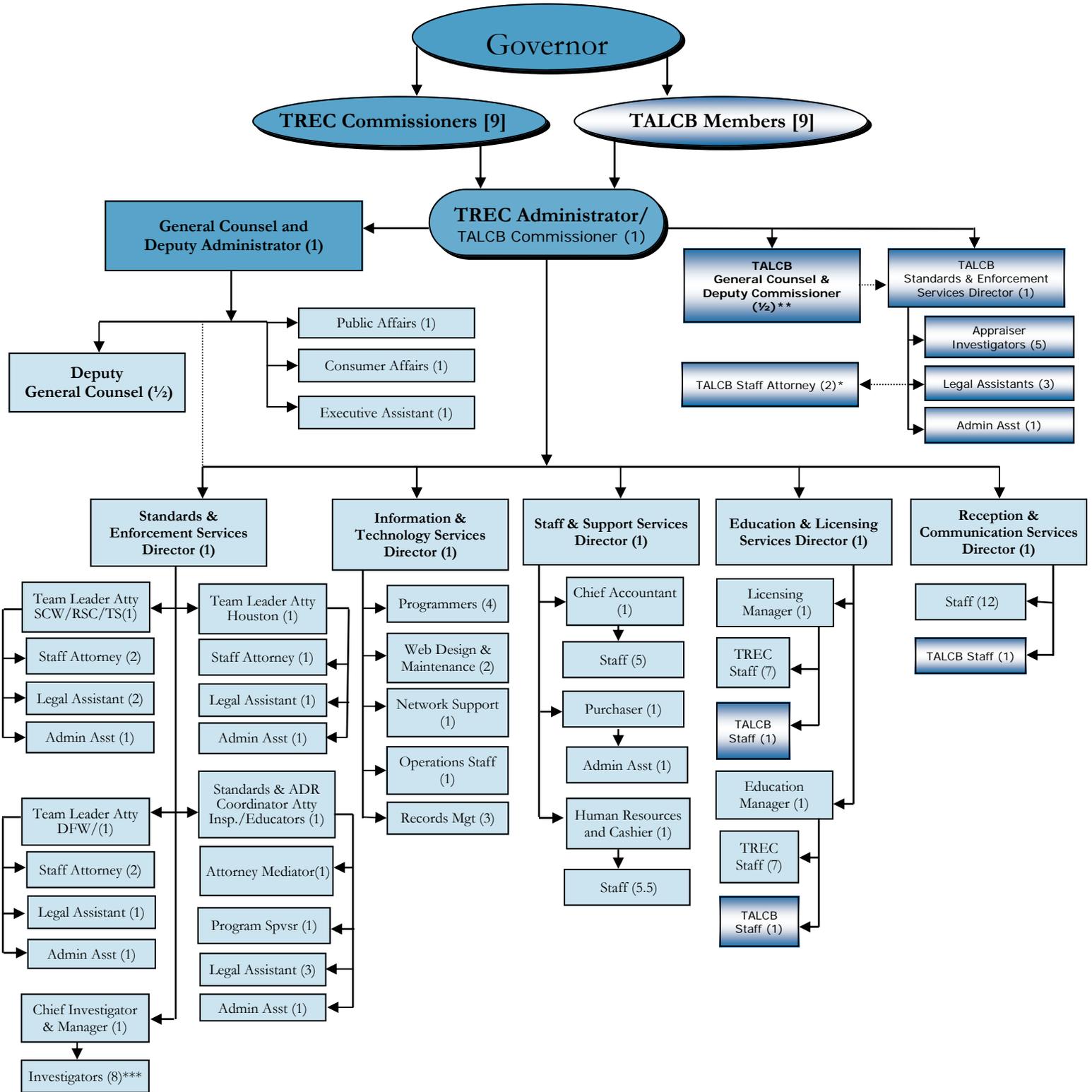
In order to address many of the deficits between the current workforce and future demands, the Agency has developed several goals for the current workforce plan. These are based on a range of factors identified by analyzing the agency and its workforce. Future workforce requirements can be grouped into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

<b>Gap</b>	The agency does not have a sufficient funding for the number of higher skilled FTEs needed to address all strategic planning priorities.
<b>Goal</b>	Hire a total of 7 new staff to fill upgraded FTEs during FY 12.
<b>Rationale</b>	Given current workloads, additional staff must be hired to deliver priorities articulated in the agency's 2011-2015 Strategic Plan.
<b>Action Steps</b>	Request additional funding for FTEs during 2011 Legislative Session. Recruit for new positions. Hire and train new staff in FY 2012.
<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 12.4% in FY 2005 to 6.7% in FY 2009, 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.
<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 at the first quartile salary level rather than at the minimum for the position. Increase staff education and development resources to allow staff members to receive critical skill and career enhancement training. Give permanent merit raises annually based on performance criteria.

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## TREC/TALCB Organization Chart (If fully funded & staffed)



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

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

\*\*\* Investigators are assigned to work with one or more of the four geographic and topic area teams