

TEXAS



## REAL ESTATE COMMISSION

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To: Senate Committee on Business & Commerce

From: Texas Real Estate Commission, by Douglas E. Oldmixon, Administrator

Date: 27 September 2011

RE: Progress Report on Agency's Transition to Self-Directed Semi-Independent (SDSI) Status under SB 1000 (82<sup>nd</sup> Legislature, Regular Session)

On September 1, 2011, the Texas Real Estate Commission (TREC) and its independent subdivision, the Texas Appraiser Licensing & Certification Board (TALCB), together (the "agency") became an SDSI agency under the authority of SB 1000. This progress report outlines steps taken to accomplish the transition.

On July 18<sup>th</sup>, the agency completed its relocation to new and more efficient quarters on the 4<sup>th</sup> floor of the Stephen F. Austin State Office Building. In August, the governing bodies of TREC and TALCB approved FY 12 operating budgets for the agency, as well as provided input to agency staff to propose policy guidance for financial monitoring, management of seasonal cashflow fluctuations and contingencies, and guidelines for potential fee reductions in the preparation of future budgets. In addition, the governing bodies proposed rules to implement increases in initial license application and license renewals fees equal to \$5.00 per license per year, estimated to yield revenues of \$750,000 per year to fund the required annual contribution to the General Fund of Texas. This modest fee increase has been widely forecast and discussed with many large groups of license holders.

The agency has executed interagency agreements with the following agencies: Texas Facilities Commission – lease for office space and furnishings cost recovery, Texas Treasury Safekeeping Trust – banking and cash management services, Texas Office of Attorney General – legal representation of the agency with retainer, Texas State Office of Administrative Hearings – (in final negotiations on details), and Texas State Auditor's Office – (negotiations deferred to January 2012).

The agency has adopted new revenue codes and a revised chart of accounts to enhance tracking and provide staff with additional data for revenue forecasting. The agency will continue using the state's applicable position classification and salary guidelines for its staff. The quarterly measures and benchmarks that previously charted the agency's performance have been retained for the same purposes. No significant obstacles have been encountered by the agency in making the required transitions. The Comptroller's office and Texas Treasury Safekeeping Trust Company staff continue to be valuable resources in making this transition.