

# TEXAS



## REAL ESTATE COMMISSION

### APPRAISER LICENSING & CERTIFICATION BOARD

#### TREC Commissioners

13 November 14

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Honorable Chair and Sunset Commission members,

Thank you for this opportunity. As the newest agency to be granted self-directed, semi-independent (SDSI) status by the legislature, TREC & TALCB are proud to report to you that this policy decision has been successful. It has greatly benefitted the 160,000 license holders we regulate, the 3-5 million Texas families that are their clients annually, the consumers of Texas in general, and this state's bottom line.

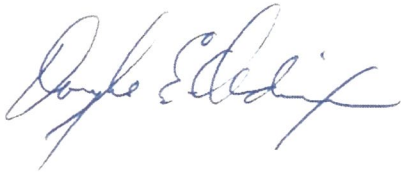
Placing budget responsibility with the appointed policy makers who guide that agency offers the flexibility to respond more effectively to rapidly developing market forces and the unique opportunities afforded by technology. Allocating resources to develop increased online capabilities and to live web-stream our public meetings offers significant convenience and efficiencies for our license holders and enhanced transparency for all of our stakeholders. More flexibility in agency staff utilization allows us to pivot resources to those areas of greatest concern, based on trends in consumer complaints and respond to Texans in a manner previously unavailable. In 3 short years, significant innovations in regulatory matters have earned Texas the attention of other states and enhanced our role as a model of effective state oversight in education, licensing and enforcement of the broad field of real estate service providers. At no cost to the state, in fact to the benefit of many other agencies, we collect and transmit far more revenue to others (60 cents of every dollar - and at no cost to them) than we retain for our operations, and out of the 40 cents we pay in full for our occupancy costs and every service we request of any other agency – and also make regular annual additional contributions to the general revenue, enhancing the state's flexibility to allocate resources. For all of these benefits, we credit the wisdom of the legislature in granting the agency SDSI status. We were ready for it, and we thank you.

The staff study recommends establishing better standards for reporting and for more oversight. While we were not interviewed during the course of the study, there are many suggestions in it that we agree with. While we agree that all would benefit from increased clarity in reporting requirements, there is no shortage of oversight opportunities. We conduct annual internal audits, we compile annual financial reports, special SDSI reports and biennial strategic plans and file all of these with state leadership and oversight offices,

all of our revenues and expenditures are accounted for via USAS, the Comptroller is our banker, we are subject to audit by the State Auditor, and sunset review by this body. We truly welcome all of these oversight measures and look forward to the opportunity to build upon our track record of openness and effectiveness.

The genius of Texas government lies partly in our carefully balanced approach to regulation, and our commitment to innovation. Clearly one size does not fit all. Transparency and accountability are paramount. Like the other seven SDSI agencies, we are eager to work with the Sunset Commission to help to shape some effective recommendations for improving this efficient and proven status option. Thank you.

Sincerely,

A handwritten signature in blue ink, reading "Douglas E. Oldmixon". The signature is fluid and cursive, with the first name "Douglas" and last name "Oldmixon" clearly legible.

Douglas E. Oldmixon, Administrator and Commissioner

Texas Real Estate Commission and Appraiser Licensing & Certification Board

TEXAS



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## APPRAISER LICENSING &amp; CERTIFICATION BOARD

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16 October 2014

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Douglas E. Oldmixon  
Commissioner

Mr. Ken Levine

Director

Sunset Advisory Commission

1501 North Congress Ave, 6<sup>th</sup> Floor REJ Bldg  
Austin, Texas 78701

Thank you for sending the SAC study on SDSI agencies. We are in full agreement that it would best serve the people of Texas and their representatives in the legislature if some additional clarity was provided in the application and interpretation of SDSI agency requirements, especially in the area of reporting directives. While each agency is fully responsible for all funds that come into its possession and for the reports filed, a lack of consistent guidance from oversight agencies on the unique requirements of SDSI agencies has led to some inconsistent results. This lack of consistency has the potential to foster some misleading conclusions if not clarified.

This agency collects much more revenue annually for "pass-through" to other agencies (approx. \$16MM) than it retains to operate its core regulatory functions (approx. \$10MM). The SDSI report for each year has been filed per the statutory requirements without adverse comment from any of the several statutory recipients. This report contained only the operating revenues and expenses and not any pass-throughs. The yearly AFR has contained the more comprehensive financial report, including all pass-throughs. It would seem to provide no obvious value for both of these reports to contain the same information.

We agree that the "standardization" of SDSI reporting requirements would have a positive result for the agencies themselves, the oversight agencies and the legislature. But some flexibility should remain for other requirements to account for the unique responsibilities of each agency. If you believe it would be helpful, I would be happy to be more specific in comments at the public hearing on November 12<sup>th</sup> or 13<sup>th</sup>. Thank you.

Sincerely,

Douglas E. Oldmixon  
Administrator

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16 October 2014

Mr. Ken Levine  
Director  
Sunset Advisory Commission  
1501 North Congress Ave, 6<sup>th</sup> Floor REJ Bldg  
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Douglas E. Oldmixon  
Administrator