

**From:** [Sunset Advisory Commission](#)  
**To:** [Janet Wood](#)  
**Subject:** FW: Public Input Form for Agencies Under Review (Public/After Publication)  
**Date:** Thursday, November 8, 2018 1:18:12 PM

---

-----Original Message-----

From: sunset@sunset.texas.gov <sunset@sunset.texas.gov> On Behalf Of Texas Sunset Commission  
Sent: Thursday, November 8, 2018 1:03 PM  
To: Sunset Advisory Commission <Sunset@sunset.texas.gov>  
Subject: Public Input Form for Agencies Under Review (Public/After Publication)

Agency: TEXAS REAL ESTATE COMMISSION

First Name: Kendall C.

Last Name: Tolbert

Title: Financial Analyst

Organization you are affiliated with:

Email:

City: Austin

State: Texas

Your Comments About the Staff Report, Including Recommendations Supported or  
Opposed:

The Sunset Commission has hit on every single issue that I as a former employee of the Texas Real Estate Commission had during my time of employment. I was the Chief Budget Analyst (the only budget analyst for that matter) officially from February 2012 until January 2015.

Prior to my hiring, this agency had not had an actual budget person in charge of their budgeting process. This process was carried out by the Director of Staff Services, who themselves had no real experience in budgeting. During the time that I held this position, I developed numerous tools that helped to effectively develop, monitor, manage, and maintain their budget(s), with many recommendations and suggestions given related to the amount of excess revenue that would be created based on the recognized trends at the time. Because I was also a licensee, I followed the real estate market closer than most and recognized these upward trends in licensing and would bring my concerns to the attention of the agency; but these recommendations and suggestions would always fall on deaf ears. Therefore, it is my opinion, based on these and other facts, that the agency had no intention of providing accurate budget forecasts and projections, rather there was more of a desire to figure out how to keep as much of its revenue as possible without raising any flags, i.e. the building and permanent school funds. Due to financial disputes and ongoing health concerns, I felt it best to depart the agency in January 2015.

Since that time the agency has not had a true budget person to manage their budgets and it is my belief that they have just been winging it with hopes that they will eventually hit the mark. However, it is obvious from the Commission's findings that they have and more than likely will continue to miss this mark unless they put in place not only an effective budget policy, but an actual budget person who understands how to develop, manage, and maintain their budgets; their revenue and expenditure projections in particular.

I support the following recommendations:

1.1 Continue the Real Estate Commission and Appraiser Board for six years and place them under the SDSI Act.

It is my opinion that the agency needs more legislative oversight to ensure that needed changes are not only made but continued.

1.2 Direct the agency to evaluate and update its key performance measures

The agency needs to take serious its setting and tracking of its performance measures in order to ensure that important trends are not only recognized, but that they have in place a plan on how to address whatever the potential.

1.3 Direct the agency to develop a budget policy that fosters more realistic, straightforward budgeting and fee setting

The agency must be honest with itself and the public and admit that an effective budget policy has been non-existent and that they will rectify this by employing knowledgeable, qualified, competent individuals to develop, implement, and maintain this policy. Current employees, including executive management, do not meet this criteria.

1.4 Direct the agency to update its fund balance policy to limit growth

Not only does this policy need to be updated, it needs to be scrapped and started from scratch. The agency needs to decide on a reasonable, acceptable amount of emergency reserves and stick to it, rather than changing those amounts based on desires, not actuals. And once these amounts have been reached, they should figure out a way to adjust their fees to lessen the burden on the public to fund them in excess of their necessary operations.

Any Alternative or New Recommendations on This Agency: I would recommend that there be some type of mandate from the legislature that would require this agency to spend a certain amount of its revenue on human resources and technology to continue to improve how it operates. As a licensee, I know how stressful it is not being able to address issues that are important to being able to perform the functions of the job, especially those that could potentially cause violations or those that could actually hinder us from doing our jobs. This also means that they need to not only employ the best people, but they must pay them the best possible salary in relation to the market and their duties. Had they followed these recommendations made by me years ago, and I challenge ANYONE to dispute it as they KNOW this to be true, they would not be in this present situation. They created this issue for themselves and now they must own up to it and work to resolve it and regain the trust of the public that they have vowed to protect.

My Comment Will Be Made Public: I agree