



TEXAS

APPRAISER LICENSING & CERTIFICATION BOARD

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Education Committee Report May 15, 2015**Members: Jim Jeffries, Chair, Walker Beard and Brian Padden**

The Education Committee met via teleconference on May 7, 2015.

Meeting on May 7, 2015**Committee Members in attendance:** Jim Jeffries, Chair; Walker Beard and Brian Padden.**Other Board Members in attendance:** None**Staff in attendance:** Douglas Oldmixon, Commissioner; Kristen Worman, General Counsel; Tony Slagle, Government Affairs; Dione Frederick, Recording Secretary; Troy Beaulieu, Managing Attorney-SES; Jennifer Wheeler, Education Manager.**Public in attendance:** Joe Woller, on behalf of FACT; Teresa Walker, on behalf of ATA; Bobby Crisp, on behalf of ATA.

The Committee discussed several items, including resources needed for approval of education courses, the development of a voluntary appraiser trainee review program and a request about appraiser designations and the criteria for Board-approved Mentors referred from the Enforcement Committee. The Committee asked staff to bring back a recommended structure for the voluntary appraiser trainee review program for discussion at the next Committee meeting.

After due consideration, the Committee recommends that, as an alternative to being a currently certified USPAP Instructor, a certified appraiser with at least ten years of experience and who holds a recognized professional appraiser designation and is currently approved to teach the courses required to obtain that designation, should be considered as qualified to become a Board approved Mentor. This is in addition to other criteria recommended by the Board's Enforcement Committee.

The Committee also received an update from staff on the number of providers of the required appraiser trainee/sponsor course. There are currently three approved online providers for the appraiser trainee/sponsor course, and one provider has been approved for an in-person classroom course. The Committee welcomes feedback from appraiser trainees and sponsors who take this required course.

The Committee set a tentative future meeting date for a teleconference meeting on July 23, 2015 at 10:00am.

Approved Budget Development Policies for TALCB**Adopted as of 15 Feb 13**

Like all state agencies, TALCB's fiscal year is from 1 Sep to 31 Aug. The Commissioner and agency staff are responsible for preparing a draft budget for the Board's consideration each year, and after approval by the Board, to administer the budget within the parameters set by the Board.

The Board meets for regular quarterly sessions in February, May, August and November each year. The budget must be finalized each year at the Board's August meeting in order to be in effect for each new fiscal year commencing Sep 1. To ensure adequate preparation, appropriate Budget Committee and Board review, and timely final approval, the Board adopts the following policy guidance for staff:

PROCESS - TIMELINES & DUTIES:

The Board's Budget Committee and its Chair are appointed by the Board Chair in February of each year and will consist of not more than 3 members of the Board. By interpreting and detailing the Board's policies, the Budget Committee is responsible to provide necessary direction to agency staff to enable them to meet these responsibilities. This memo provides the procedures that will guide this process.

The Budget Committee will meet prior to the regularly scheduled Board meetings in May and August to review the current draft budget, receive explanations for any staff recommendations, and provide any needed direction for additional details, emphasis or presentation issues. This first draft budget prepared by staff and sent to the Committee by April 15 will also contain the last year's budget for comparison, with notes for any recommended variances or historical anomalies. The staff will also provide the most current year to date financial statement for both revenues and expenditures as a resource document with each draft budget. The Budget Committee will review the first draft budget and provide any comments or direction to the staff prior to April 30th, allowing sufficient time for revisions prior to the May Board meeting. The Budget Committee Chair will present the Committee's report on its activities to the Board meeting in May. Staff will be available as needed to answer any questions posed by Board members.

Staff will take the direction and guidance of the Budget Committee and any revisions requested by the Board at its May meeting and incorporate these consensus recommendations into the second draft budget. By June 1st, a second draft will be sent to the Budget Committee members for review and comment not later than June 30th. Staff will take the direction and guidance of the Budget Committee members prior to July 15th and incorporate additional recommendations into the third and final draft budget and distribute it to all Board members. At the discretion of its Chair, the Budget Committee may be called into a special meeting to address any major issues which arise during this draft budget development and review process.

The Budget Committee will meet again immediately prior to the Board meeting in August to complete its final review of the third draft and make any final recommendations for the Board budget. The

Committee Chair will present the Committee's report to the Board at its regular August meeting. Staff will be available as needed to answer any questions posed by Board members.

POLICIES:

In compiling each draft budget, the staff will adhere to these specific policy guidelines:

1. Each budget will be compiled with a 5 year data set of revenues and expenses to support it – two full completed prior years, the current fiscal year “to date” and “projected” through fiscal year end, and the upcoming fiscal year as proposed, plus the next fiscal year to follow. The proposed budget and next fiscal year following will also show a monthly ‘cash-flow” projection. Because of the 2 year license period and the seasonal cycle of renewals, it is prudent to see the expected cycle of revenue fluctuations over this extended 2 year period.
2. In addition to covering anticipated expenses for each year, including capital expenses for any needed technology maintenance and/or necessary upgrade, and excluding any amount carried over from the prior year to account for predictable revenue spikes (e.g. AMC registration fees), the Board aims to accumulate and maintain an Operating Reserve totaling not less than 3 months average operating expenses, excluding all “pass through” expense items, as a tool to manage unexpected cash flow fluctuations and for any unanticipated contingencies.
3. Once the target Operating Reserve is achieved, if a specific revenue surplus (amount to be determined) is prudently accumulated, it is the Board's policy to prepare a proposed plan for the possibility of a fee reduction for licensees. Staff will make conservative recommendations for the specific conditions that would allow for any such fee reduction, the proposed category and amount, the appropriate time frame for its commencement and termination, and a forecast for the overall effect on the Board's revenue. The Board will specifically approve each proposed fee reduction by the normal rule process.
4. The final decisions on all budget matters rest clearly with the Board. The Commissioner will carry out the directions and policies of the Board in administering the approved budget. At each quarterly meeting, the Commissioner will provide a report on the current state of the budget with a detailed report of the budget vs. actual revenues and expenditures and answer the questions of the Board. Any variance of significance will also have a written note of explanation.