

**ANNUAL
BUDGET**
2nd Draft
Presented :
Aug 16, 2024

Revised:
Aug 19, 2024





TABLE OF CONTENTS

Description	Page
Executive Summary	01
Budget Highlights	02
Budget Overview	03
2nd Draft Line Item Budget	05
FY20-27 Revenue Analysis	06
Agency Staffing	07



EXECUTIVE SUMMARY

The following summary of the 2025-2027 budget proposal for the Texas Appraiser Licensing and Certification Board is respectfully submitted for review and input. Thorough analysis has been performed in order to reasonably project revenue and expenditures of the agency.

This budget proposal is presented as a three-year budget. It is important to note that due to fluctuating circumstances from year to year such as anticipated number of licensees, the second and third year of the budget is intended to be informative and indicative of planned activity levels and will be refined as necessary during subsequent budget cycles.

The first year of the budget, labeled “proposed 2025” is the only year intended to be adopted, while “projected 2026 and 2027” are to be considered as a forecast using a constant active license holder count.

The final draft of the 2025 budget proposal is presented to the Budget Committee of the Texas Appraiser Licensing and Certification Board (TALCB) for consideration.



HIGHLIGHTS

The Texas Appraiser Licensing and Certification Board operates on a lean budget, and there are not many categories where reductions in the budget are feasible. Staff thoroughly reviewed operational costs and have incorporated such costs in the FY25 Budget. The highlights are as follows:

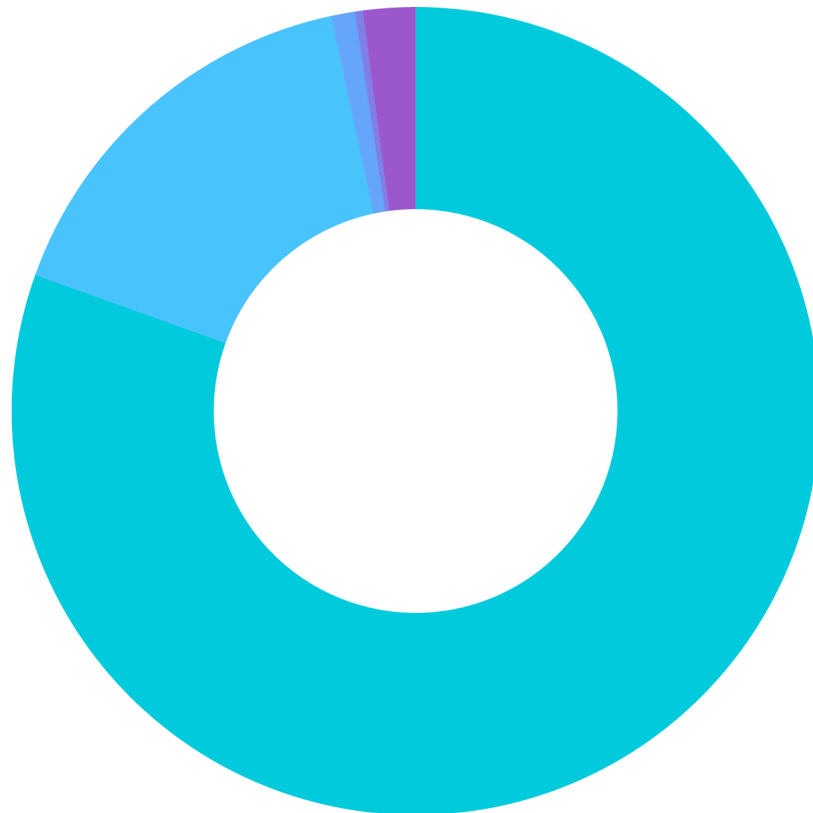
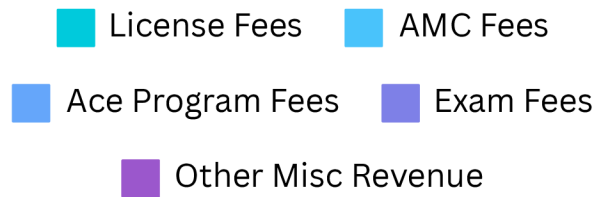
- The budget incorporates a change to the Operating Reserve to reflect six months of budgeted operating expenses.
- No additional changes to revenue or expenditure estimates. This information is the same as was presented on 08/16/2024.
- Estimated carryover is:
 - FY25 \$2,281,130
 - FY26 \$2,270,999
 - FY27 \$1,775,179
- Recommendations to decrease fund balance were provided to the Governing Body under separate cover.



BUDGET OVERVIEW

REVENUE

REVENUE OVERVIEW							
Revenue	Actual 2022	Actual 2023	Approved 2024	Projected Actual 2024	Proposed 2025	Projected	
						2026	2027
License Fees	\$1,824,920	\$1,784,895	\$1,813,645	\$1,706,820	\$1,783,120	\$1,729,650	\$1,778,485
AMC Fees	\$941,575	\$354,988	\$851,960	\$800,000	\$358,715	\$900,160	\$356,415
ACE Program	\$19,190	\$20,825	\$19,310	\$17,800	\$20,780	\$18,265	\$20,315
Examination Fees	\$5,480	\$7,050	\$6,990	\$6,440	\$7,070	\$7,070	\$7,080
Other Miscellaneous Revenue	\$51,102	\$57,847	\$34,000	\$55,000	\$46,236	\$48,472	\$45,309
ASC Grant	\$236,055	\$144,801	\$0	\$0	\$0	\$0	\$0
Total:	\$3,078,322	\$2,370,406	\$2,725,905	\$2,586,060	\$2,215,921	\$2,703,617	\$2,207,604

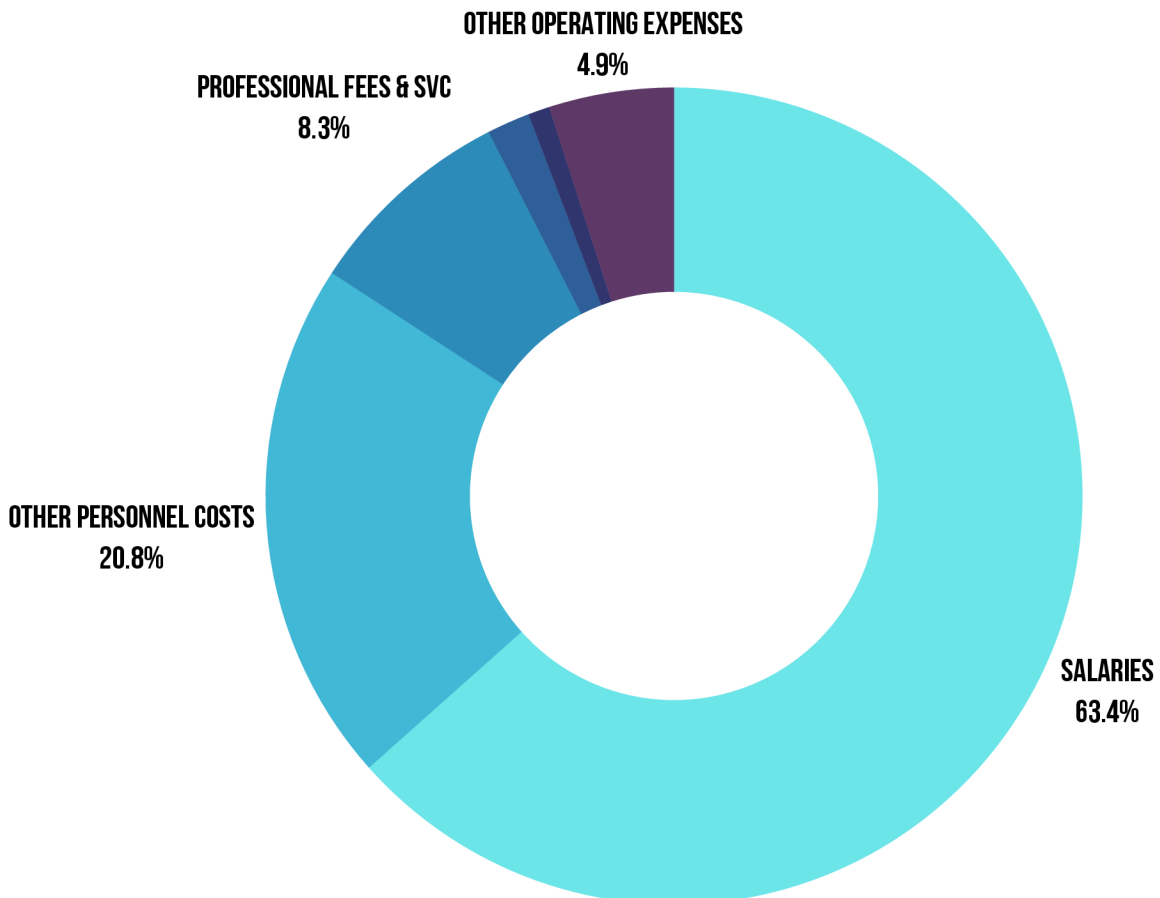




BUDGET OVERVIEW

EXPENSES

EXPENSE OVERVIEW							
Expenses	Actual 2022	Actual 2023	Approved 2024	Projected Actual 2024	Proposed 2025	Projected	
						2026	2027
Salary & Wages	\$1,086,532	\$1,343,227	\$1,442,627	\$1,488,265	\$1,562,370	\$1,610,591	\$1,660,259
Other Personnel Costs	\$390,063	\$454,185	\$486,946	\$481,144	\$511,782	\$520,052	\$528,570
Professional Fees & Services	\$247,169	\$165,314	\$205,751	\$213,108	\$204,600	\$204,600	\$154,600
Consumables	\$193	\$402	\$2,000	\$152	\$2,000	\$2,000	\$2,000
Utilities	\$0	\$285	\$201	\$50	\$190	\$190	\$190
Travel	\$24,456	\$27,024	\$42,000	\$31,275	\$42,000	\$42,000	\$42,000
Office & Space Rent	\$21,323	\$19,741	\$21,276	\$20,000	\$20,072	\$20,072	\$20,072
Equipment Rental	\$6,679	\$1,834	\$1,643	\$1,000	\$854	\$854	\$854
Other Operating Expenses	\$70,091	\$82,151	\$115,884	\$62,070	\$121,803	\$122,506	\$123,229
Statewide Cost Allocation Plan (SWCAP)	\$31,209	\$30,928	\$30,928	\$34,779	\$34,779	\$34,779	\$34,779
Annual General Revenue Contribution	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500
Total:	\$1,900,215	\$2,147,591	\$2,371,756	\$2,354,343	\$2,522,950	\$2,580,144	\$2,589,053



FY2025

REVISED LINE ITEM BUDGET

Texas Appraiser and Licensing Board/TALCB								
FINAL BUDGET DRAFT, AS OF AUGUST 19, 2024								
	Actual 2022	Actual 2023	Budget 2024	Estimated Expenditures 2024	Budget 2025	Budget Variance FY24 to FY25	Budget 2026	Budget 2027
Beginning Balance	\$2,373,564	\$3,465,390	3,591,965	3,591,965	4,001,703		3,694,674	3,818,147
Operating Reserves	(\$652,638)	(\$889,252)	(830,115)	(889,252)	(1,261,475)		(1,290,072)	(1,294,527)
Available fund balance within Texas Treasury Safekeeping Trust account	\$1,720,926	\$2,576,138	2,761,850	\$2,702,713	2,740,228		2,404,602	2,523,620
Revenues								
License Fees	1,824,920	1,784,895	1,813,645	1,706,820	1,783,120	-1.68%	1,729,650	1,778,485
AMC Fees	941,575	354,988	851,960	800,000	358,715	-57.90%	900,160	356,415
ACE Program Revenue	19,190	20,825	19,310	17,800	20,780	0.00%	18,265	20,315
Examination Fees	5,480	7,050	6,990	6,440	7,070	1.14%	7,070	7,080
Other Miscellaneous Revenue	51,102	57,847	34,000	55,000	46,236	35.99%	48,472	45,309
ASC Grant	236,055	144,801	0	\$0	0	0		
Total Revenues	3,078,322	2,370,406	2,725,905	2,586,060	2,215,921	-18.71%	2,703,617	2,207,604
Education Reserve	22,914	-	-	-	-		-	-
Reallocation from Fund Balance	-	-	-	-	-			
Expenditures								
Salaries & Wages	1,086,532	1,343,227	1,442,627	1,488,265	1,562,370	8.30%	1,610,591	1,660,259
Other Personnel Costs	390,063	454,185	486,946	481,144	511,782	5.10%	520,052	528,570
Professional Fees & Services	247,169	165,314	205,751	35,088	204,600	-0.56%	204,600	154,600
Consumables	193	402	2,000	152	2,000	0.00%	2,000	2,000
Utilities	-	285	201	50	190	-5.47%	190	190
Travel	24,456	27,024	42,000	31,275	42,000	0	42,000	42,000
Office and Space Rent	21,323	19,741	21,276	20,000	20,072	-5.66%	20,072	20,072
Equipment Rental	6,679	1,834	1,643	1,000	854	-48.02%	854	854
Other Expenses								
GAA Mandated Payroll Contributions	16,091	20,673	21,276	18,000	23,408		24,111	24,834
Registration & Membership	2,757	3,013	15,115	5,190	18,545	22.69%	18,545	18,545
Maintenance & Repairs	1,751		1,500	251	1,500	0.00%	1,500	1,500
Reproduction & Printing	50		350	100	350	0.00%	350	350
Contract Services	7,610	5,509	23,569	5,333	23,165	-1.71%	23,165	23,165
Postage	200	500	1,961	200	1,850	-5.66%	1,850	1,850
Supplies & Equipment	8,807	18,707	750	1,307	750	0.00%	750	750
Communication Services	30,243	31,232	40,485	27,523	41,435	2.35%	41,435	41,435
Other Operating	1,586	1,670	8,378	3,166	8,300	-0.93%	8,300	8,300
DPS Criminal History Checks	995	846	2,500	1,000	2,500	0.00%	2,500	2,500
Statewide Cost Allocation Plan (SWC	31,209	30,928	30,928	34,779	34,779	12.45%	34,779	34,779
Total Expenditures	1,877,715	2,125,091	2,349,256	2,153,822	2,500,450	6.44%	2,557,644	2,566,553
Contribution to General Revenue	22,500	22,500	22,500	22,500	22,500	0.00%	22,500	22,500
Total Expenditures and GR Contribution	\$1,900,215	\$2,147,591	\$2,371,756	\$2,176,322	\$2,522,950	6.37%	\$2,580,144	\$2,589,053
Operating Gain/Loss	1,178,107	222,815	354,149	409,738	(307,029)		123,473	(381,449)
Estimated Carryover Balance	1,201,021	222,815	3,115,999	3,112,451	2,433,199	-22%	2,528,075	2,142,171

FTEs

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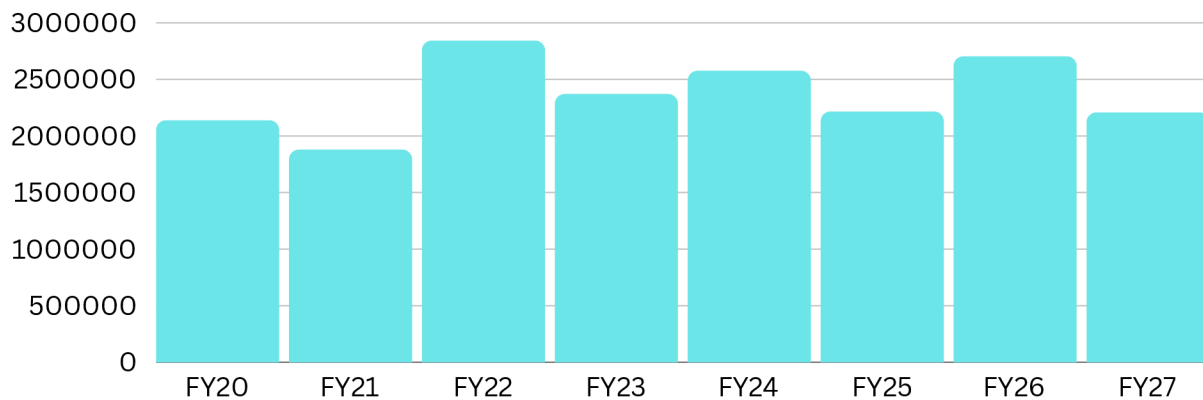
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HISTORICAL REVENUE ANALYSIS

TALCB Revenue	Projected	Actual as of August 31 of each year	Over/Under Projected
FY20	2,022,262.00	2,138,219.97	5.73%
FY21	1,598,525.00	1,878,979.00	17.54%
FY22	2,335,820.00	2,842,267.00	21.68%
FY23	2,312,847.00	2,370,406.00	2.49%
Projected FY24*	2,725,905.00	2,586,060.00	-5.13%
Projected FY25*	2,215,921.00	2,215,921.00	0.00%
Projected FY26*	2,703,617.00	2,703,617.00	0.00%
Projected FY27	2,207,604.00	2,207,604.00	0.00%



Apps & Renewal Counts	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Projected	FY25 Projected	FY26 Projected	FY27 Projected	Trends
Certified General Appraiser App	64	71	78	95	89	109	108	108	
Certified Residential App	117	130	186	225	223	154	157	156	
Residential App	66	96	183	149	155	111	113	112	
Trainee App	400	646	906	355	418	240	244	241	
Reciprocal Apps	99	131	182	134	146	100	101	101	
Non-Resident Apps	196	226	267	262	263	233	234	234	
AMC App	15	16	20	20	16	19	19	19	
Certified General Appraiser Renewal	998	1,249	1,055	1,204	1,076	1,188	1,048	1,173	
Certified Residential Renewal	1,122	1,246	1,196	1,273	1,204	1,269	1,265	1,268	
Residential Renewal	164	213	192	220	195	218	210	217	
Trainee Renewal	301	276	308	313	307	317	396	326	
AMC Renewal	115	34	113	44	105	43	109	43	

	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Projected	FY2025 Projected	FY2026 Projected	FY2027 Projected	Revenue Trend
Certified General Appraiser App	27,640	31,740	42,080	53,200	49,840	61,040	60,480	60,480	
Certified Residential App	43,887	48,895	81,060	97,060	102,580	70,840	72,220	71,760	
Residential App	22,270	32,770	70,945	55,600	62,000	44,400	45,200	44,800	
Trainee App	105,550	169,800	226,505	88,755	104,500	60,000	61,000	60,250	
Reciprocal Apps	40,580	52,915	84,715	64,660	75,080	50,920	51,480	51,480	
Non-Resident Apps	49,000	56,500	66,750	65,500	65,750	58,250	58,500	58,500	
AMC App	49,619	52,800	66,000	66,000	52,800	62,700	62,700	62,700	
Certified General Appraiser Renewal	427,012	529,000	553,880	632,240	602,560	665,280	586,880	656,880	
Certified Residential Renewal	404,194	444,290	519,655	550,390	553,840	583,740	581,900	583,280	
Residential Renewal	53,280	67,965	72,785	82,400	78,000	87,200	84,000	86,800	
Trainee Renewal	75,300	69,000	77,000	78,250	76,750	79,250	99,000	81,500	
AMC Renewal	345,110	102,000	339,000	132,000	315,000	129,000	327,000	129,000	
AMC Panelists Revenue	407,377	132,255	519,825	151,888	481,810	162,075	494,140	159,825	
Test Administration Fee	2,806	4,710	5,480	7,050	6,990	7,070	7,070	7,080	

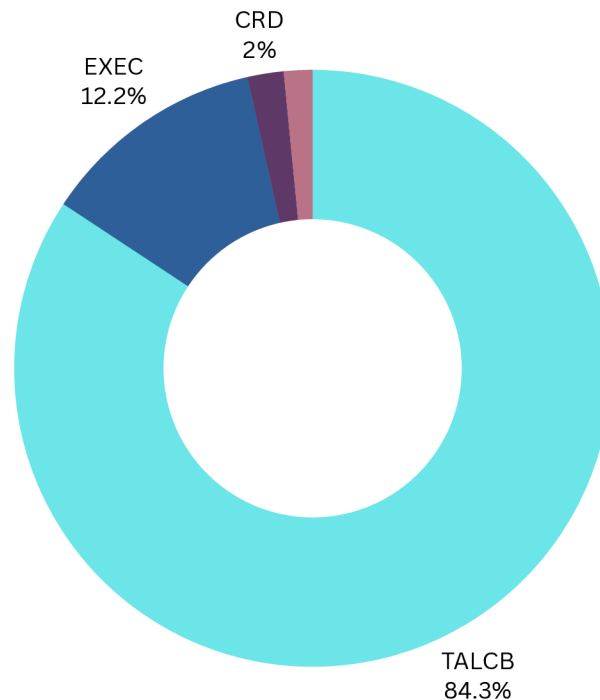
AGENCY STAFFING

BUDGETED FULL-TIME EQUIVALENT (FTEs)

Functional Divisions	Authorized 2024	Currently Filled 2024	Vacant FTE 2024	Contractors 2024	Proposed 2025	New FTEs
Executive Division	1.200	1.400	0.000	0.000	1.400	0.00
Customer Relation Division	0.700	0.700	0.000	0.000	0.700	0.00
Education & Examination Services Division	0.500	0.500	0.000	0.000	0.500	0.00
TALCB	15.000	14.000	1.000	0.000	15.000	0.00
Total:	17.400	16.600	1.000	0.000	17.600	0.00
TREC	2.400	2.600	0.000	0.000	2.600	0.00
TALCB	15.000	14.000	1.000	0.000	15.000	0.00

BUDGETED BASE SALARY REQUIREMENT

Functional Divisions	Authorized 2024	Currently Filled 2024	Vacant FTE 2024	Contractors 2024	Proposed 2025	New FTEs 2025
Executive	\$ 164,923	\$ 172,565	\$ -	\$ -	\$ 190,674	\$ -
Customer Relations Division	\$ 29,987	\$ 30,017	\$ -	\$ -	\$ 30,516	\$ -
Education	\$ 23,759	\$ 23,783	\$ -	\$ -	\$ 24,178	\$ -
TALCB	\$ 1,223,958	\$ 1,209,606	\$ -	\$ -	\$ 1,315,185	\$ -
Total Base Salary Requirement:	\$ 1,442,627	\$ 1,435,971	\$ -	\$ -	\$ 1,560,553	\$ -





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FUND BALANCE REDUCTION RECOMMENDATIONS

The Board directed staff to make recommendations to reduce the available fund balance the agency carries from year to year. The following recommendations are presented in order of most flexible to least flexible. Those considered flexible could be implemented without rule change and could be paused or stopped when funding is depleted. Those least flexible would require a rule change, and as such could not be quickly changed should funding be depleted. Please note that TALCB revenue fluctuates between odd and even years. Based on the cycle of license holders, odd years are lower revenue generating years than even-numbered years. In FY 25, we estimate that we will have approximately \$1.3M as available fund balance to cover any revenue deficits and implement any fund balance reduction recommendations.



WAIVE WPR FOR TRAINEES

Waiving the fee of \$100 for the work product reviews would provide a substantial benefit to trainees by giving them feedback while they are in the process of gaining experience to that they can address any deficiencies before they become habits. During FY2022-2023 we had 187 WPRs submitted. We've only had 19 submitted for FY2024 for a total of \$1,900.



OPERATIONAL CONTRACTS

Allow flexibility in the budget so that TALCB may contribute financially to operational contracts that have been historically funded by TREC, where TALCB receives a direct benefit or is requesting a specific modification. Examples are: Internal Auditing Services, Regulatory Applications Modernization Project, etc.
Estimated contribution is approximately \$50,000.



M.O.U ADJUSTMENTS

Historically TREC has paid expenses for the Board given it's budget size. Several adjustments have been presented to the Executive Committees for both TREC & TALCB.

Those adjustments include incorporating the following employee cost share changes (\$78K salary increase, & \$18,720 benefits):

General Counsel: 80% (currently the cost share is 60% TALCB/ 40% TREC)

HR Director: 8% (currently this is 100% TREC funded)

CFO: 8% (currently this is 100% TREC funded)

IT Director: 8% (currently this is 100% TREC funded)

Government & Strategic Communications Director: 8% (currently this is 100% TREC funded)

**No rule change is required, but it would require amendments to the MOU with TREC*