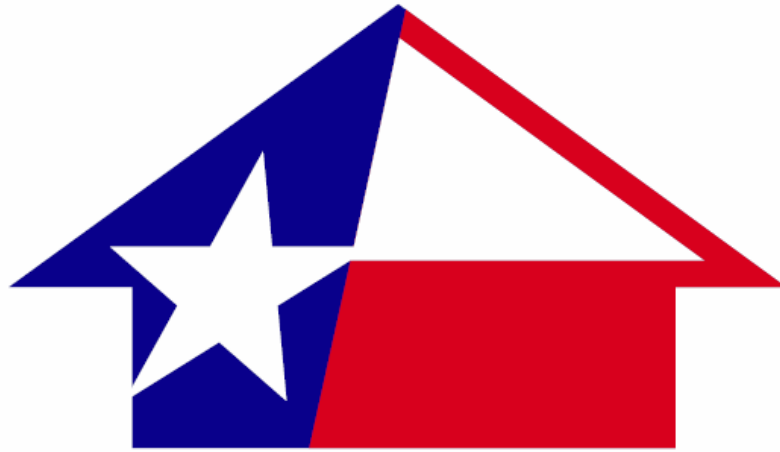




Strategic Plan
2005-2009



***Texas Residential
Construction Commission***
Quality Construction for Texans

Mission Statement

Provide Texas homeowners and the residential construction industry an opportunity to resolve differences through a neutral dispute resolution process and ongoing education.

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TEXAS RESIDENTIAL CONSTRUCTION COMMISSION
STRATEGIC PLAN
FOR THE FISCAL YEARS 2005-2009

<u>Commission Members</u>	<u>Term</u>	<u>Hometown</u>
Patrick H. Cordero, Jr. (Chair)	February 1, 2009	Midland, Texas
Art Cuevas (Vice-Chair)	February 1, 2005	Lubbock, Texas
Mickey Redwine (Secretary)	February 1, 2007	Ben Wheeler, Texas
Paulo Flores	February 1, 2005	Dallas, Texas
John R. Krugh	February 1, 2009	Houston, Texas
Glenda Mariott	February 1, 2007	College Station, Texas
Scott M. Porter	February 1, 2007	Kerrville, Texas
Kenneth L. Davis, P.E.	February 1, 2009	Fort Worth, Texas
Thomas Killebrew	February 1, 2005	Fort Worth, Texas

JUNE 18, 2004

SIGNED: _____

STEPHEN D. THOMAS, EXECUTIVE DIRECTOR

APPROVED: _____

PATRICK H. CORDERO, JR., CHAIR



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Guiding Principles



Guiding Principles

STATE VISION

Working together, I know we can accomplish our mission and address the priorities of the people of Texas. My administration is dedicated to creating greater opportunity and prosperity for our citizens, and to accomplish that mission, I am focused on the following critical priorities:

- ★ Assuring open access to an educational system that not only guarantees the basic core knowledge necessary for citizenship, but also emphasizes excellence and accountability in all academic and intellectual undertakings;
- ★ Creating and retaining job opportunities and building a stronger economy that will lead to more prosperity for our people, and a stable source of funding for core priorities;
- ★ Protecting and preserving the health, safety and well-being of our citizens by ensuring healthcare is accessible and affordable, and our neighborhoods and communities are safe from those who intend us harm; and
- ★ Providing disciplined, principled government that invests public funds wisely and efficiently.

THE MISSION OF TEXAS STATE GOVERNMENT

Texas State Government must be limited, efficient, and completely accountable. It should foster opportunity and economic prosperity, focus on critical priorities, and support the creation of strong family environments for our children. The stewards of the public trust must be men and women who administer state government in a fair, just, and responsible manner. To honor the public trust, state officials must seek new and innovative ways to meet state government priorities in a fiscally responsible manner.

THE PHILOSOPHY OF TEXAS STATE GOVERNMENT

The task before all state public servants is to govern in a manner worthy of this great state. We are a great enterprise, and as an enterprise we will promote the following core principals.

- ★ First and foremost, Texas matters most. This is the overarching, guiding principle by which we will make decisions. Our state, and its future, is more important than party, politics, or individual recognition.
- ★ Government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes.
- ★ Decisions affecting individual Texans are best made by those individuals, their families, and the local governments closest to their communities.
- ★ Competition is the greatest incentive for achievement and excellence. It inspires ingenuity and

requires individuals to set their sights high. And just as competition inspires excellence, a sense of personal responsibility drives individual citizens to do more for their future, and the future of those they love.

- ★ Public administration must be open and honest, pursuing the high road rather than the expedient course. We must be accountable to taxpayers for our actions.
- ★ Finally, state government should be humble, recognizing that all its power and authority is granted to it by the people of Texas, and those who make decisions wielding the power of the state should exercise their authority cautiously and fairly.

STATE GOALS AND BENCHMARKS

Primary Goal: Regulatory

To ensure Texans are effectively and efficiently served by high-quality professionals and businesses through clear standards, compliance, and market-based solutions.

Benchmarks

- ★ Percent of state professional licensee population without documented violations
- ★ Percent of documented complaints to licensing agencies resolved within six months
- ★ Percent of new and renewed licenses issued via Internet

This commission services this goal primarily through the Registration Department. The Registration Department ensures that applicants meet eligibility requirements necessary to operate in Texas. The Compliance Department ensures that the state-sponsored inspection and dispute resolution process is available to assist homeowners and builders in resolving issues prior to requiring court action.

Secondary Goal: Economic Development

To foster economic opportunity, job creation, capital investment, and infrastructure development by promoting a favorable business climate, addressing transportation and housing needs, and developing a productive workforce.

Benchmarks

- ★ Per capita gross state product
- ★ Texas unemployment rate
- ★ Median household income
- ★ Net number of new non-government, non-farm jobs created
- ★ Number of new small businesses created
- ★ Texas Housing Affordability Index
- ★ Percent of the small communities' population benefiting from public facility, economic development, housing assistance, and planning projects

The commission ensures that the residential construction industry provides well-built, reliable homes for Texans. Additionally, strong companies help to support a strong economy through job creation and materials spending in local communities across Texas. Satisfied homeowners and confident buyers are essential for Texas's housing industry to remain strong.

COMMISSION MISSION

The mission of the Texas Residential Construction Commission is to provide Texas homeowners and the residential construction industry an opportunity to resolve differences through a neutral dispute resolution process and ongoing education.

COMMISSION PHILOSOPHY

The Texas Residential Construction Commission (the "commission") promotes the highest principals of professional conduct, ethics, and sensitivity to cultural diversity issues. The commission aims for high quality standards to:

- ★ *Regulate*
fairly, efficiently, and effectively, addressing both consumers and industry needs by registering homes and homebuilders; overseeing the state-sponsored inspection and dispute resolution process; registering third-party inspectors; preparing and adopting limited warranties and building and performance standards; overseeing three task forces; providing a voluntary certification of arbitrators; and providing for the filing of arbitration award summaries.
- ★ *Educate*
consumers and the regulated industry of their rights, remedies, and responsibilities.
- ★ *Communicate*
collaboratively with and encourage communication among the industry, consumer public, and the commission.
- ★ *Assist*
the state's judicial system by ensuring the prompt resolution of post-construction issues that arise between a homeowner and the builder or remodeler.
- ★ *Reduce*
the insurance cost for the Texas Residential Construction Industry by reducing the volume of claims made as a result of lost litigation.

Commission Overview



Commission Overview

The Texas Residential Construction Commission (the "commission") is charged with implementing the provisions of House Bill 730 as passed by the 78th Legislature during the 2003 regular session. This Strategic Plan summarizes the major issues the commission is likely to face through 2009 and provides a forecast of what the future may bring.

KEY RESPONSIBILITIES

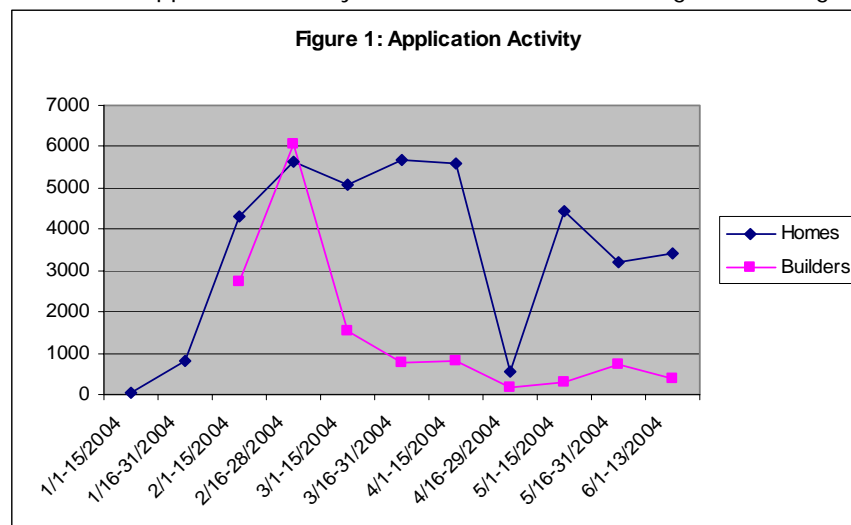
Recognizing the need for a strong construction industry in Texas, the commission encourages a level playing field by providing a baseline of consistent building standards and warranties that allows all Texans access to reliable, well-built homes. Therefore, the commission offers protections to consumers, coordinates educational efforts aimed at consumers and industry alike, and attempts to resolve differences between homeowners and builders through a timely neutral dispute resolution process without requiring court action.

Register Homes and Homebuilders

The commission works to ensure that Texas's multi-billion dollar residential industry adheres to prescribed construction standards. This large and varied industry ranges from small, independent builders and remodelers that complete one job at a time to large corporations that develop and build subdivisions statewide.

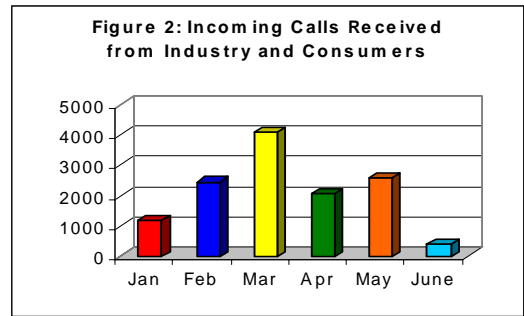
The Role of Registration

The commission's primary task is to register homes and builders. In addition to registering each builder and remodeler after conducting background checks for a specified builder agent, the commission also registers each home. The registration of a home is the initial step in accessing the state-sponsored inspection and dispute resolution process that was included in House Bill 730. Figure 1 represents the application activity of the commission since registration began.



Oversee the State-sponsored Inspection and Dispute Resolution Process

An essential component of the commission's mission is to provide assistance to both consumers and industry through a neutral dispute resolution process. When a homeowner and builder or remodeler reach an impasse prior to initiating court action, the commission's dispute resolution process attempts to resolve the situation. Either party may initiate a request for resolution; Figure 2 provides information about the number of incoming calls received from industry and consumers on the commission's toll-free consumer helpline (877-651-TRCC). Once a valid request is received and the fee is paid to reimburse the commission for a neutral third-party inspection, a certified Residential Combination Inspector is assigned to conduct an on-site review and issue an opinion. Each inspection is conducted based upon the applicable construction standards in place at the time of construction and may contain a recommendation of repair. Opinions may be appealed to an appeals panel of state inspectors.



The swift, fair resolution of disputes generally satisfies both parties and serves the people of Texas by reducing the need for costly, lengthy legal proceedings.

Prepare and Adopt Limited Warranties and Building and Performance Standards

Limited warranties and building and performance standards and will be adopted with a goal to protect consumers from harm that could result from product failure or improper installation practices of builders and remodelers. The standards are currently under development with the assistance of the Department of Construction Science at Texas A&M University. These standards and warranties will create a minimum uniform standard statewide.

Figure 3 provides an example of what a performance standard might resemble. The creation and adoption of standards will require input from builders/remodelers, suppliers, consumers, municipalities, inspectors, and warranty companies. To assist in this, the commission is prepared to aggressively seek input into a transparent process.

The standards and warranties, anticipated to be adopted in late 2004, will provide a firm foundation for industry operation and bolster the confidence of Texas homebuyers statewide for many years to come.

Figure 3: Noisy Water Pipe

Condition: Water pipe makes noise.

Performance Guideline: There should be no loud clunking or banging noises, known as "water hammer", from a water pipe.

Builder Responsibility: Builder will repair or replace as necessary to eliminate the "water hammer".

Homeowner Responsibility: None.

Exclusion: A "ticking" sound in a water pipe is common due to expansion or contraction of the pipe as warmer or cooler water is run through it. Builder cannot remove all noise due to water flow and pipe expansion; therefore only excessive noise will be eliminated.

Oversee Three Task Forces

Included in the creation of the commission in House Bill 730 were provisions to create and oversee three task forces groups: Mold Reduction and Remediation, Rain Harvesting and Water Recycling, and Arbitration.

Mold Reduction and Remediation Task Force

The task force will establish clear and concise guidelines that reduce the general population's exposure to mold in residential real property and improvements and appurtenances for a single-family residential dwelling or duplex. To accomplish its goals, the task force will study several items, including methods by which mold, water damage and microbial volatile compounds in indoor environments may be recognized; recommended management practices for limiting moisture intrusion into a home; the assessment and remediation techniques used if mold is encountered in a home; and the feasibility of adopting permissible limits for exposure to mold in indoor environments.

Rain Harvesting and Water Recycling

The task force will develop design recommendations for residential construction that encourage rain harvesting and water recycling. To accomplish its goals, the task force will study several items, including methods by which rain water can be harvested and methods by which water can be recycled; recommended management practices for rain harvesting and water recycling; the feasibility for adopting residential design guidelines for rain harvesting and water recycling; and the items necessary to develop a comprehensive outline for consumer education.

Arbitration

The task force will study and advise the commission on residential arbitrators and arbitration. The task force will also report to the 79th and 80th Legislatures, in 2005 and 2007, respectively, on the task force recommendations and the effect of those recommendations. To accomplish its goals, the task force will:

- ★ Study agreement characteristics including identifying different types of arbitrated agreements, determining the length of time and cost required to conduct arbitration, estimating the percentage of arbitration agreements/rulings being complied with, identifying those arbitration clauses or agreements that have been considered invalid, ascertaining the percentage of rulings favoring home builders vs. homeowners, identifying typical cases, and estimating the number of satisfied customers by type (builder vs. owner).
- ★ Study arbitrator characteristics including the background and qualifications of practicing arbitrators.
- ★ Conduct a home builders contract survey to determine the percentage of home building contracts mandating arbitration before House Bill 730, the percentage of home building contracts mandating arbitration since House Bill 730, and whether personal injury is included as a part of the arbitration clause.
- ★ Develop recommendation strategies to ensure arbitration is independent and fair, to select an arbitrator, for legislative changes, for commission rule/process changes, and for arbitration outcome measures.

Provide a Voluntary Certification of Arbitrators

The Registration Department takes applications from individuals seeking to become a certified arbitrator. Although voluntary, an applicant must demonstrate that the person meets certain statutory and commission-defined qualifications. Each applicant must: have a minimum of five years of experience conducting arbitrations between homeowners and builders involving construction defects; is familiar with the statutory warranties and building and performance standards outlined in House Bill 730 and with the provisions of Property Code Chapter 27 (Residential Construction Liability Act); has not had a professional license or certification suspended or revoked in any jurisdiction; and, provide a list that includes any person registered as a builder or certified as a third-party inspector with whom the applicant has a direct or indirect personal or business relationship that could reasonably be considered a conflict of interest for that person in serving as an arbitrator in a dispute involving the person listed as a party or a witness.

After an application is submitted, the commission publishes notice of the application in the *Texas Register* for 21 days requesting public comment. After the comment period, if the commission finds it to be in the public interest, the commission will register the individual as a certified arbitrator. The list of certified arbitrators is published on the commission's website and made available to the public,

Provide for the Filing of Arbitration Awards Summaries

Once a residential construction arbitration award is filed in a court of competent jurisdiction in Texas, the filing party, not later than the 30th day after the award is made, must file with the commission, on a commission-prescribed form, a summary of the arbitrator award. If an award summary is not filed with the required thirty day period, the person responsible for filing the award may be subject to a \$100 late penalty assessed by the commission. Additionally, award summaries may be voluntarily filed that were not filed with the court. The commission will maintain information about arbitration awards in order to provide more detailed information to the arbitration task force, the Legislature, and other interested parties on how arbitration is working in Texas with respect to resolution of residential construction defect disputes.

External Assessment



External Assessment

ECONOMIC ENVIRONMENT

The Federal Reserve Board of Dallas reports that not that long ago, both Texas and the United States were in the midst of potentially the most explosive, sustained period of economic growth and prosperity in either of their histories, that was until a shock was delivered on September 11, 2001. The terrorist attacks in New York and Washington pushed the US economy into a slump. "The subsequent energy price decline worsened the outlook for Texas's economic growth. The energy industry quickly cut back activity, and the airline and travel industries laid off thousands of workers."

Texas's financial landscape is shaped by a wide variety of economic factors: unemployment rates, per capita income, inflation rates, and the health of the general economy. Now concerns for the general economy are diminishing for the immediate future and the residential construction industry in Texas is strong. The National Association of Home Builders reports that both the Dallas/Fort Worth Metroplex and Houston are among the nations top 10 in housing starts. In Dallas/Fort Worth housing starts have climbed by 4%, while Houston's housing starts jumped by 14%. This means more Texans are buying homes and the demand for affordable houses is increasing. With that demand and activity comes the stimulation of local economies statewide (according to Residential Strategies, Inc. this translates into more than \$8 billion in Dallas/Fort Worth alone).

EFFECTIVE AND EFFICIENT REGULATION

The importance of this new registration program cannot be underestimated. The commission's ability to revoke the authority of businesses to operate and the ability of consumers to access information and procedures necessary to resolve complaints are valuable enforcement mechanisms that were included in the House Bill 730.

Although the residential construction industry is strong and healthy, it is important as regulators to remember that the regulatory burden on the industry does impact home ownership rates. The United States Department of Housing and Urban Development reported that regulatory costs were an obstruction to improving home ownership rates. Barriers cited in the report involved federal, state and local building codes, zoning, administrative processing delays, and fees. In some states, excessive regulation adds 25 to 35 percent to the cost of a home. The commission will stay focused on managing efficient operations while maximizing effective oversight.

Internal Assessment



Internal Assessment

ORGANIZATIONAL INFORMATION

Oversight

The Commission is the supervisory and oversight body, consisting of a nine-member board appointed by the Governor. The commissioners are appointed by the Governor with the advice and consent of the Senate. Four members are builders, three are members of the general public, one member must be a licensed professional engineer, and one must be either a licensed architect or a registered building inspector. The commission members serve six-year staggered terms with three members expiring February of each odd-numbered year.

The commission functions are divided into four functional areas: Registration, Communication and Complaints (SIRP), Education, and Administration and Legal.

Registration

The registration process determines whether builders and remodelers meet the minimum qualifications to operate in Texas. To establish applicants' eligibility for registration, the staff reviews applicants' criminal history on a designated company agent and ensures a valid physical Texas address.

The compliance operations of this section will review registrant operations and investigate transactions or particular business practices of a registrant, typically initiated in response to and with the goal of resolving a consumer complaint.

Communications

The primary activity of the Communications Department revolves around the traffic on the commission toll-free number (877-651-TRCC). Through the use of this number, both Texas consumers and the residential construction industry can reach regulatory assistance quickly and easily to attain resolution of problems that may arise. The commission received over 10,000 calls during the first six months of operation. With the goal of providing excellent customer service, the employees of the Communications Department strive to provide complete and accurate information even if the request is beyond the scope of the commission's jurisdiction.

Texas Star Builder Program

House Bill 730 authorizes the commission to create a Texas Star Builder Program. The commission, in creating this special recognition category, may review the following initial qualifications: education, continuing education, financial responsibility, historical operations, customer commitment and best management practices before designating a builder as a Texas Star Builder.

The Texas Star Builder designation will allow consumers to have increased confidence in their builder selection and as a result will be assured of a reliable well-built home that will last for years to come.

In addition, the Communication Department operates an education program designed to address the needs of Texas consumers and the regulated industry. The commission will work to make the most of its resources in part by collaborating with other private, public, and non-profit entities—proven as an effective method for extending the reach of the commission. The commission's multifaceted approach to disseminating information includes these strategies:

- ★ Customized presentations and outreach made to community and industry groups.
- ★ Attendance at community events, such as home shows or other consumer-oriented events.
- ★ Press releases and public service articles offered for publication to Texas periodicals.
- ★ Publication of information and links on commission Web site.
- ★ Web-enabled training for third-party inspectors.

Education programs will continue to be instrumental in making Texas and the regulated industry aware of the commission's presence.

Administration and Legal

The primary responsibility of the legal and administration area is the operation of the commission, accomplished through staff devoted to issues ranging from legal matters, personnel, accounting, purchasing, and information resources to essential management functions.

Over the next several years, the commission will remain adaptable and effective in addressing the changing environment of Texas's marketplace. Technological innovations occur at a rapid pace; in addition, expected demographic shifts will affect marketing and home sales. Certainly the residential construction industry plays a key role in the economy of Texas and offers a dynamic marketplace presenting consumers with increasing choices.

Fiscal Aspects

The commission is financed through fees paid by the regulated industry that fund a general revenue appropriation. The commission will set the annual registration fees and the home registration fees to ensure that sufficient revenues are generated to provide for the direct and indirect cost of operations.

TECHNOLOGY

The commission increasingly depends on Internet offerings, and as a result, customers are demanding more productivity from government. Therefore, the commission utilizes a scalable database system that will ensure the speed that commission information is delivered, both to the public and to commission staff members. In addition, the commission can adapt to increased demand and responsibilities. In the future, an imaged record system will be employed to allow commission personnel to retrieve and view the information contained in files more quickly from their desks through keyword searches (rather than manual retrieval).

At the same time the commission avails itself of technology advances, it must also keep a watchful eye on the security of its computer systems. Disruptions to Internet access—through viruses, DoS (denial of service) attacks and other security threats—have become more prevalent. Preventing and repairing damage caused by these attacks consumes increasing amounts of time and other resources as maintaining network and Internet availability become crucial to routine commission operations.

Commission Intranet

The commission's internal network provides the tools necessary for daily operations and consists of several servers supporting all the internal clients. All employees are provided with workstations and the adequate infrastructure necessary to complete their tasks efficiently. The data is partitioned across servers increasing the security of the information.

Internet Utilization

One of the commission's most important service deliverables is information. The Internet enables the commission to distribute this information quickly and without a large investment of resources. In this arena, the commission has made great strides. All staff members have use of Internet e-mail, an increasingly vital component in the commission's efforts to provide efficient, top quality service. The commission Web site (www.trcc.state.tx.us) is continuously updated with essential commission information—statutes and rules, registration forms, education materials, news releases, consumer assistance pages, and a registration search feature—creating a valuable resource that is just a click away.

The online home registration system has become an extremely valuable tool for the industry. The ability to upload data directly from a builder's system or to key multiple homes in a single sitting allows the builder or remodeler to control the integrity of the data. Additionally, the automated processing features in the system allow for registrations to be completed instantaneously. The commission will also allow for registration renewals through the Web site.

Appendices



Appendices

APPENDIX A: STRATEGIC PLANNING PROCESS

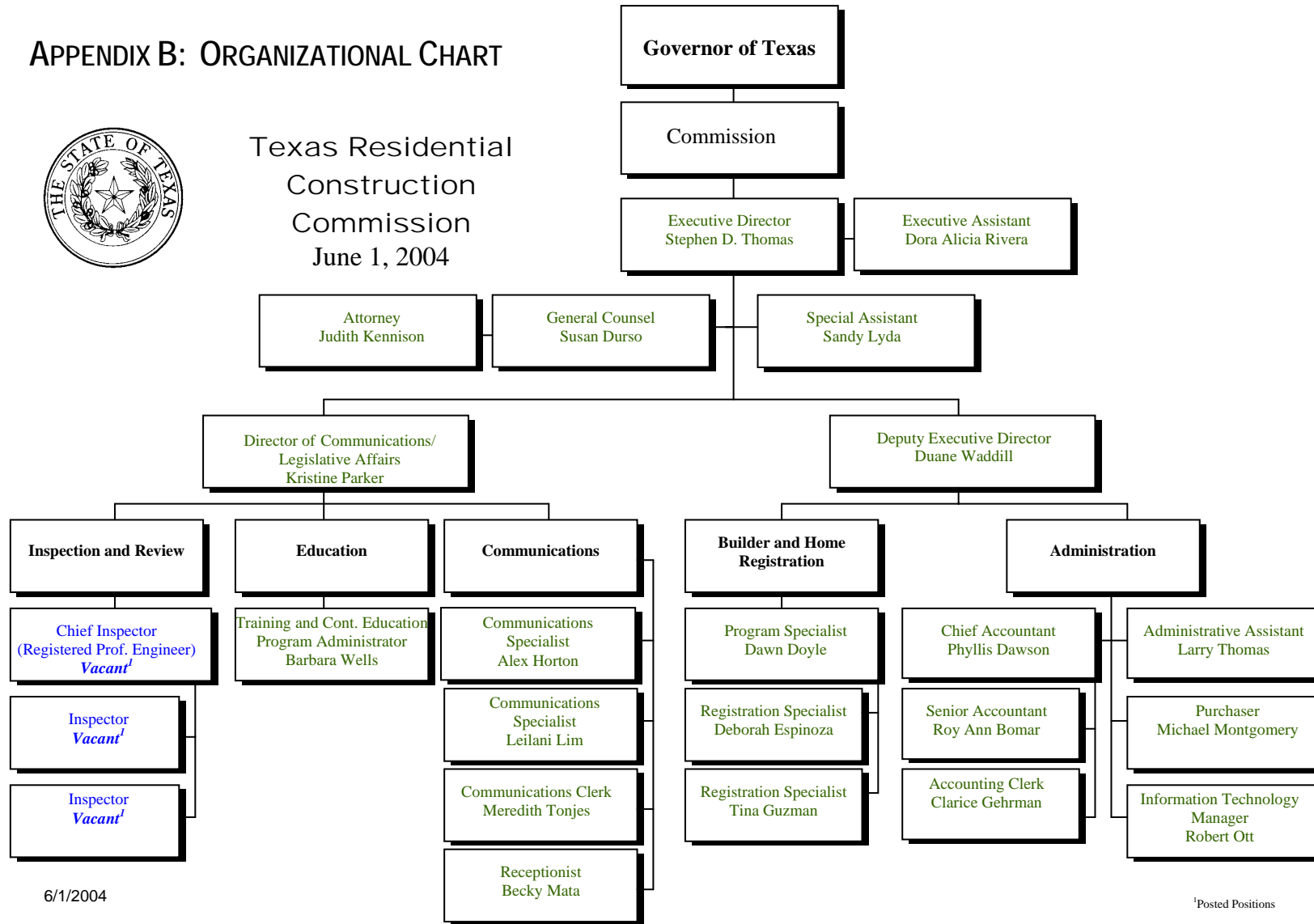
Strategic Planning Process

January 2004	Staff and members of finance committee of the Commission met and developed activity based budgeting areas and set out timelines for completion.
March 2004	Survey of Texans was contracted for and completed to determine knowledge levels relating to the commission and its operations as a baseline for future review.
March 2004	The developed budgeting structure was drafted and distributed to Commission members, the Governor's Office of Budget, Policy and Planning, and to the Legislative Budget Board for review.
April 2004	Measures relating to the budgeting structure were developed and distributed Commission members, the Governor's Office of Budget, Policy and Planning, and to the Legislative Budget Board for review.
April 2004	Commission staff participated in strategic planning initiatives and met with Commission members to develop long-range vision.
April 2004	Portions of the strategic plan were assigned to individual staff members for development. Each element was reviewed by executive management and commission members and blended, refined, and assembled into a draft.
May 2004	Copies of the draft distributed to executive management and to the members of the finance committee of the Commission for review.
June 2004	A final draft was created for full commission review at the full commission meeting and submitted to the appropriate oversight bodies on time.

APPENDIX B: ORGANIZATIONAL CHART



Texas Residential
Construction
Commission
June 1, 2004



6/1/2004

¹Posted Positions

APPENDIX C: GOALS AND OUTCOME MEASURES

GOAL 1: Registration	It is the goal of the Texas Residential Construction Commission to ensure timely, fair, and effective supervision of the residential construction and remodeling industry in order to supply quality housing to Texans and promote public confidence in the industry.
Objective:	To provide quality regulation through an effective and efficient system of registration of homes, builders, remodelers, third-party inspectors, arbitrators, and third-party warranty companies.
Strategy:	Implement and monitor the registration program ensuring fair, efficient and effective oversight of all registrants.

GOAL 2: Complaint Resolution & Compliance	It is the goal of the Texas Residential Construction Commission to ensure timely, fair, and effective resolution of consumer complaints by providing a neutral, independent review by a qualified inspector to ensure compliance with the adopted building warranties and performance standards.
Objective:	To provide quick resolution of building complaints through the use of the state-sponsored inspection and dispute resolution process and through the implementation of minimum performance standards and warranties.
Strategy 1: Complaint Resolution	Implement and monitor an effective and efficient state-sponsored inspection and dispute resolution process.
Strategy 2: Compliance	Develop and adopt effective minimum performance standards and warranties to provide an independent basis for review of alleged construction defects.

GOAL 3: Industry & Consumer Education	It is the goal of the Texas Residential Construction Commission to provide quality information to the regulated industry and to consumers to assist in providing a base level of understanding by all parties about each one's rights and responsibilities.
Objective:	To provide quality information to interested parties through cost-effective outreach channels to education Texas consumers and the residential building and remodeling industry.
Strategy:	Develop and implement an efficient and effective educational outreach program to provide information about the commission and the rights and responsibilities of the regulated industry and Texas consumers.

GOAL 4: Historically Underutilized Businesses (HUB) Contracting	It is the goal of the Texas Residential Construction Commission to establish and implement policies governing purchasing and public works contracting that foster meaningful and substantive inclusion of historically underutilized businesses (HUBS).
Objective	To include historically underutilized businesses in at least 25% of the total value of contracts and subcontracts awarded annually by the commission in purchasing and public works contracting by fiscal year 2005.
Strategy	Implement and monitor the plan for increasing the use of historically underutilized businesses through purchasing and public works contracts and subcontracts.

Outcome Measures		2005	2006	2007	2008	2009
A.1.1.	Percent of Registrants Renewing Online	20%	25%	30%	35%	40%
A.1.2.	Percent of Home Registrations Completed Online	20%	25%	30%	35%	40%
B.1.1.	Percent of Complainants completing the State-sponsored Inspection and Dispute Resolution Process (SIRP) in less than 100 days	80%	80%	80%	80%	80%
B.1.2.	Percent of Registrants with No Recent Violations	95%	95%	95%	95%	95%
C.1.1.	Percent of Texans Reached with Information about the commission or any of its programs	25%	20%	15%	15%	15%
D.1.1.	Percentage of Total Dollar Value of Purchasing and Public Works Contracts and Subcontracts Awarded to HUBs	25%	25%	25%	25%	25%

APPENDIX D: GOALS AND PERFORMANCE MEASURES

Goal A: Registration

Objective: Registration

Outcome Measures:

- ★ Percent of Registrants Renewing Online
- ★ Percent of Home Registrations Completed Online

Strategy: Registration

Output Measures:

- ★ Number of Home Registrations

Efficiency Measures:

- ★ Average Cost per Registration

Explanatory Measures:

- ★ Number of Builder/Remodeler Registrations
- ★ Number of Inspector Registrations
- ★ Number of Arbitrator Registrations
- ★ Number of Registrations Renewed (all types)

Goal B: Complaint Resolution & Compliance

Objective: Complaint Resolution & Compliance

Outcome Measures:

- ★ Percent of Complainants completing the State-sponsored Inspection and Dispute Resolution Process (SIRP) in less than 100 days.
- ★ Percent of Registrants with No Recent Violations

Strategy 1: Complaint Resolution

Output Measures:

- ★ Percent of Complaints Closed
- ★ Total SIRP Actions Closed

Efficiency Measures:

- ★ Average cost of SIRP Inspection
- ★ Average days to complete the SIRP

Explanatory Measures:

- ★ Total Complaints Closed
- ★ Total Calls to Toll-Free Helpline

Strategy 2: Compliance

Output Measures:

- ★ Total Days to Complete a Disciplinary Action

Goal C: Industry & Consumer Education

Objective: Industry & Consumer Education

Outcome Measures:

- ★ Percent of Texans Reached with Information about the TRCC or any of its programs

Strategy: Industry & Consumer Education

Output Measures:

- ★ Total Number of Texans Reached in Person

Efficiency Measures:

- ★ Average cost per Texan Reached

Goal D: Historically Underutilized Businesses (HUB) Contracting

Objective: Historically Underutilized Businesses (HUB) Contracting

Outcome Measures:

- ★ Percentage of Total Dollar Value of Purchasing and Public Works Contracts and Subcontracts Awarded to HUBs

Output Measures:

- ★ Number of HUB Contracts and Subcontracts Contacted for Bid Proposal
- ★ Number of HUB Contracts and Subcontracts Awarded
- ★ Dollar Value of HUB Contracts and Subcontracts Awarded

Goal A (Registration) – Outcome 1
Percent of Registrants Renewing Online

Short Definition:

The total number of registrant renewals (builders, remodelers, third-party inspectors, arbitrators) renewed online divided by the total number of all renewals received during the measuring period. Home registrations do not renew and are excluded from this computation. The result is then displayed as a percentage.

Purpose/Importance:

This measure provides information of the number of registrants utilizing the online renewal capabilities offered versus manual paper renewal submissions. The online renewal method provides a faster and more convenient method of renewal, eliminating the need for data entry by commission staff.

Source/Collection of Data:

Registrants have the option of renewing online through the commission Web site or by mailing or faxing the information to the commission. Each renewal application must meet certain eligibility criteria and include the appropriate fee. All renewals are entered into the commission Registration Database. A commission Registration Specialist examines each application for verification and authorizes final approval into the database. Not later than the 15th day after the commission receives an application for renewal, a certificate of renewal is mailed to the registrant. Daily totals are extracted from the database for each type of registration. The Registration Database generates reports reflecting the number of online renewal registrations. A daily and weekly report is submitted to executive management summarizing the registration totals.

Method of Calculation:

A percentage is obtained by dividing the number of renewing online registrations by the total number of renewals during the measuring period. These numbers are obtained from the commission Registration Database. The calculation of online renewal registrations can be compared to those renewal registrations sent by mail or fax and entered by a commission Registration Specialist.

Data Limitations:

The measure of online registrations relies heavily on registrant access and knowledge of computers. Many of the smaller businesses do not use computers.

Calculation Type:

Non-cumulative.

New Measure:

Yes.

Desired Performance:

Higher than target.

Goal A (Registration) – Outcome 2
Percent of Home Registrations Completed Online

Short Definition:

The total number of home registrations completed online divided by the total number of all home registrations received during the measuring period. The result is then displayed as a percentage.

Purpose/Importance:

This measure provides information on the number of homes registered by a builder, a remodeler, or a homeowner utilizing the online registration capabilities offered versus manual paper registration submissions. The online home registration method provides a faster and more convenient method of registration, eliminating the need for data entry by commission staff.

Source/Collection of Data:

Registrants have the option of registering homes either online through the commission Web site or by mailing or faxing the information to the commission. Each home registration must meet certain eligibility criteria and include the required registration fee. All home registrations are entered into the commission Registration Database. A commission Registration Specialist examines each registration for verification and authorizes final approval into the database. Not later than the 30th day after the commission receives a completed home registration, a registration letter is mailed to the registrant. Daily totals are extracted from the database for each type of registration. The Registration Database generates reports reflecting the number of online home registrations. A daily and weekly report is submitted to executive management summarizing the registration totals.

Method of Calculation:

A percentage is obtained by dividing the number of online home registrations by the total number of home registrations during the measuring period. These numbers are obtained from the commission Registration Database. The calculation of online home registrations can be compared to the home registrations sent by mail or fax and entered by a commission Registration Specialist.

Data Limitations:

The measure of online home registrations relies heavily on registrant access and knowledge of computers. Many of the smaller businesses do not use computers.

Calculation Type:

Non-cumulative.

New Measure:

Yes.

Desired Performance:

Higher than target.

Goal A (Registration) – Outcome 3
Percent of Registrants with No Recent Violations

Short Definition:

The total number of registrations of builders, remodelers, and third-party inspectors with no recent violations divided by the total number of these types of appropriate registrations approved and active on the last day of the measuring period. The result is then displayed as a percentage.

Purpose/Importance:

This measure provides information on the number of substantiated violations incurred by a registrant during the measuring period. The commission can deny an application and/or impose an administrative penalty for certain violations of rules or orders issued by the commission.

Source/Collection of Data:

Builders, remodelers, and third-party inspectors must meet certain criteria in order to be registered with the commission. General Counsel is notified on each application violation excluding late registration. General Counsel initiates appropriate disciplinary actions and/or administrative penalties. Any violation is entered into the registrant's database file. The Registration Database generates reports reflecting and flagging violations for each registrant.

Method of Calculation:

A percentage is obtained by subtracting the number of builders, remodelers, and third-party inspectors with administrative actions that were closed during the reporting period from the number of approved and active builders, remodelers, and third-party inspectors as of the last day of the reporting period and dividing that sum by the number of approved, active builders, remodelers, and third-party inspectors as of the last day of the reporting period. These numbers are obtained from the commission Registration Database.

Data Limitations:

In the event there is a violation, the process of penalty assessment, notification, imposition, enforcement, or the appeal procedure must be completed before this violation is recorded. Criminal background checks obtained on each registrant are sometimes difficult to interpret and require additional information before an action can be taken.

Calculation Type:

Non-cumulative.

New Measure:

Yes.

Desired Performance:

Higher than target.

Goal A (Registration) – Output 1
Number of Home Registrations Issued

Short Definition:

The total number of home registrations issued by this commission. This number is comprised of homes registered by builders/remodelers and homeowners. A home must be registered in order to have access to the state-sponsored inspection and dispute resolution process (SIRP).

Purpose/Importance:

This measure provides information on the number of homes constructed or remodeled annually.

Source/Collection of Data:

A builder/remodeler or homeowner must register a home by submitting an application and fee either by mail/fax or online at the commission Web site. A homebuilder must register a home with the commission on or before the 15th day of the month following the month of the transfer of title from the builder to the homeowner. When there is no transfer of title, the builder must register the home not later than the 15th day after the earlier of either the date of the agreement of the work, or the date of the commencement of the work. A material improvement or an improvement to the interior of an existing home in excess of \$20,000 must also be registered. Homeowner who want to utilize the state-sponsored inspection and dispute resolution process can also register their home. The information is entered into the commission database associating the home address with the builder, homeowner, city and state. Registration Specialists submit their total number of homes entered into the database to compare their totals with the daily report produced from the database to ensure accurate numbers. The Registration Database generates daily, monthly, quarterly, and annual reports of the totals of all homes registered.

Method of Calculation:

A report is generated from the commission Registration Database providing data on each home registered. The total number of home registrations can be sorted by the reporting period dates specified.

Data Limitations:

The industry is comprised of builders, remodelers and homeowners that may not be aware of the recently created House Bill 730 and the requirements to register a home.

Calculation Type:

Cumulative.

New Measure:

Yes.

Desired Performance:

Higher than target.

Goal A (Registration) – Output 2
Number of New Builder/Remodeler Registrations Issued

Short Definition:

The total number of new builder/remodeler registrations issued by this commission. This number is comprised of first time builder/remodeler registrations.

Purpose/Importance:

This measure provides information on the number of builders/remodelers that register with the commission in order to conduct residential construction in Texas.

Source/Collection of Data:

A first time builder/remodeler must register prior to conducting residential construction in the State. Each applicant must meet the eligibility requirements of the Act and satisfy the commission that the applicant is honest, trustworthy, and has integrity. Data about the builder/remodeler is entered into the Registration Database which generates daily, monthly, quarterly, and annual reports of the totals of all builders/remodelers registered.

Method of Calculation:

A report is generated from the commission Registration Database providing data on each builder/remodeler registered. The total number of builder/remodeler registrations can be sorted by the reporting period dates specified.

Data Limitations:

The industry is comprised of builders/remodelers that may not be aware of the recently created House Bill 730 and the requirements to register. This measure is temporal in nature, as the industry becomes aware of registration requirements, fewer builders and remodelers will register for the first time.

Calculation Type:

Cumulative.

New Measure:

Yes.

Desired Performance:

Higher than target.

Goal A (Registration) – Output 3
Number of New Third-party Inspector Registrations Issued

Short Definition:

The total number of new third-party inspector registrations issued by this commission. This number is comprised of first time third-party inspector registrations.

Purpose/Importance:

This measure provides information on the number of third-party inspectors that register with the commission in order to participate in the state-sponsored inspection and dispute resolution process (SIRP). These qualified inspectors are approved by the commission to inspect homes that are involved in post-construction disputes and have been approved for the SIRP.

Source/Collection of Data:

A third-party inspector must meet the eligibility requirements of the Act and satisfy the commission that the applicant is honest, trustworthy, and has integrity. The information about the applicant is entered into the commission database by a Registration Specialist. The Registration Database generates daily, monthly, quarterly, and annual reports of the totals of all third-party inspectors registered.

Method of Calculation:

A report is generated from the commission Registration Database providing data on each third-party inspector registered. The total number of third-party registrations can be sorted by the reporting period dates specified.

Data Limitations:

Many applicants are denied registration with the commission as a third-party inspector because they do not meet the statutory requirement that they be certified as a Residential Combination Inspector by the International Code Council. This measure may be temporal in nature as fewer and fewer inspectors will seek to register for the first time.

Calculation Type:

Cumulative.

New Measure:

Yes.

Desired Performance

Higher than target.

Goal A (Registration) – Output 4
Number of New Arbitrator Registrations Issued

Short Definition:

The total number of new or first time arbitrator registrations issued by this commission.

Purpose/Importance:

This measure provides information on the number of arbitrators that register with the commission in order to participate as a certified residential construction arbitrator involving a post-construction defect of a registered home. The commission maintains a list of certified arbitrators and makes the list available to the public.

Source/Collection of Data:

An arbitrator must meet the eligibility requirements of the Act. The commission publishes notice of the arbitrator's application in the *Texas Register* for 21 days. If the commission finds that certification of the arbitrator is in the public interest, the commission will register the arbitrator. The information about the applicant is entered into the Registration Database by the Registration Specialists. The Registration Database generates daily, monthly, quarterly and annual reports of the totals of all arbitrators registered.

Method of Calculation:

A report is generated from the commission Registration Database providing data on each arbitrator registered. The total number of arbitrator registrations can be sorted by the reporting period dates specified.

Data Limitations:

Since arbitrators who do not hold a certificate issued by the commission can conduct arbitration involving residential construction disputes, and since arbitrator registration with the commission is voluntary, there are minimal arbitrator registrations with the commission.

Calculation Type:

Cumulative.

New Measure:

Yes.

Desired Performance

Higher than target.

Goal A (Registration) – Efficiency 1
Average Cost per Registration

Short Definition:

The total amount of direct expenditures associated with the registration of builders/remodelers, homes, third-party inspectors, and arbitrators in the residential construction industry, divided by the number of active and approved registrations.

Purpose/Importance:

This measure provides information to the extent the commission is able to efficiently register residential builders/remodelers, homes, third-party inspectors, and arbitrators in Texas. This measure calculates the direct costs of administering the registration program.

Source/Collection of Data:

Actual cost to operate the commission registration program obtained from the USAS expenditure report for the registration strategy is divided by the total number of all active registrations as taken from the Registration Database as of the last day of the reporting period.

Method of Calculation:

The total amount of costs of registration obtained for the direct cost strategy from the USAS accounting system divided by the total number of builders/remodelers, homes, third-party inspectors, and arbitrators actively registered in the Registration Database as of the last day of the reporting period.

Data Limitations:

This calculation is directly impacted by the number of registrations. The data limitations of the total number of registrations will impact the average cost to the extent projections of cost and staffing plans are based upon the estimated number of registrations.

Calculation Type:

Cumulative.

New Measure:

Yes.

Desired Performance

Higher than target.

Goal A (Registration) – Explanatory 1
Total Number of Builder/Remodeler Registrations

Short Definition:

The total number of active builder/remodeler registrations issued. This number is comprised of all builder/remodeler registrations as of the last day of the reporting period.

Purpose/Importance:

This measure provides information on the number of builders/remodelers that have registered with the commission in order to conduct residential construction in Texas.

Source/Collection of Data:

A builder/remodeler must renew registration annually by submitting an application and fee either by mail/fax or online at the commission's Web site. A new or first time builder/remodeler must register prior to conducting residential construction in the State. Each applicant must meet the eligibility requirements of the Act and satisfy the commission that the applicant is honest, trustworthy, and has integrity. Data about the builder/remodeler is entered into the Registration Database which generates daily, monthly, quarterly, and annual reports of the totals of all builders/remodelers registered.

Method of Calculation:

A report is generated from the commission Registration Database providing data on each builder/remodeler registered. The total number of builder/remodeler registrations can be sorted by the reporting period dates specified.

Data Limitations:

The industry is comprised of builders/remodelers that may not be aware of the recently created House Bill 730 and the requirements to register.

Calculation Type:

Non-cumulative.

New Measure:

Yes.

Desired Performance:

Higher than target.

Goal A (Registration) – Explanatory 2
Total Number of Third-party Inspector Registrations

Short Definition:

The total number of active third-party inspector registrations issued. This number is comprised of all third-party inspector registrations as of the last day of the reporting period.

Purpose/Importance:

This measure provides information on the number of third-party inspectors that have registered with the commission in order to participate in the state-sponsored inspection and dispute resolution process (SIRP). These qualified inspectors are approved by the commission to inspect homes that are involved in post-construction disputes and have been approved for the SIRP.

Source/Collection of Data:

A third-party inspector must meet the eligibility requirements of the Act and satisfy the commission that the applicant is honest, trustworthy, and has integrity. The information about the applicant is entered into the commission database by a Registration Specialist. The Registration Database generates daily, monthly, quarterly, and annual reports of the totals of all third-party inspectors registered.

Method of Calculation:

A report is generated from the commission Registration Database providing data on each third-party inspector registered. The total number of third-party registrations can be sorted by the reporting period dates specified.

Data Limitations:

Many applicants are denied registration with the commission as a third-party inspector because they do not meet the statutory requirement that they be certified as a Residential Combination Inspector by the International Code Council.

Calculation Type:

Non-cumulative.

New Measure:

Yes.

Desired Performance

Higher than target.

Goal A (Registration) – Explanatory 3
Total Number of Arbitrator Registrations

Short Definition:

The total number of active arbitrator registrations issued. This number is comprised of all arbitrator registrations as of the last day of the reporting period.

Purpose/Importance:

This measure provides information on the number of arbitrators that have registered with the commission in order to participate as a certified residential construction arbitrator involving a post-construction defect of a registered home. The commission maintains a list of certified arbitrators and makes the list available to the public.

Source/Collection of Data:

An arbitrator must meet the eligibility requirements of the Act. The commission publishes notice of the arbitrator's application in the *Texas Register* for 21 days. If the commission finds that certification of the arbitrator is in the public interest, the commission will register the arbitrator. The information about the applicant is entered into the Registration Database by the Registration Specialists. The Registration Database generates daily, monthly, quarterly and annual reports of the totals of all arbitrators registered.

Method of Calculation:

A report is generated from the commission Registration Database providing data on each arbitrator registered. The total number of arbitrator registrations can be sorted by the reporting period dates specified.

Data Limitations:

Since arbitrators who do not hold a certificate issued by this commission can conduct arbitration involving residential construction disputes, and since arbitrator registration with this commission is voluntary, there are minimal arbitrator registrations with this commission.

Calculation Type:

Non-cumulative.

New Measure:

Yes.

Desired Performance

Higher than target.

Goal A (Registration) – Explanatory 4
Total Number of Registrations Renewed

Short Definition:

The total number of all types of registrations renewed annually. This number does not include the new or first-time registrants.

Purpose/Importance:

This measure provides information on the number of registrants that have renewed and are eligible to conduct business in Texas.

Source/Collection of Data:

Builders/remodelers, third-party inspectors, and arbitrators must renew annually by submitting an application and fee. Data about the registrants is entered into the Registration Database which generates daily, monthly, quarterly, and annual reports of the totals of all registrations renewed as of the last day of the reporting period.

Method of Calculation:

A report is generated from the commission Registration Database providing data on each type of registration. The total number of renewal registrations can be sorted by the reporting period dates specified.

Data Limitations:

The industry is comprised of builders/remodelers, third-party inspectors, and arbitrators that are not aware that they must renew on an annual basis.

Calculation Type:

Non-cumulative.

New Measure:

Yes.

Desired Performance

Higher than target.

Goal B (Complaint Resolution & Compliance) Outcome 1
Percent of Complainants completing the State-sponsored Inspection
And Dispute Resolution Process (SIRP) in less than 100 days

Short Definition:

The total number of disputes arising out of alleged post-construction defects between homeowners and builders that are completed through the state-sponsored inspection and dispute resolution process (SIRP) in less than 100 days divided by the total of all disputes resolved during the measuring period. The result is then displayed as a percentage.

Purpose/Importance:

This measure provides information to the extent that the commission is able to resolve alleged construction disputes within 100 days, potentially avoiding lengthy and costly legal proceedings. The disputes not resolved within 100 days are normally a result of appeals or extension of appeal deadlines by the parties involved.

Source/Collection of Data:

When a SIRP request is received by the commission and it is determined that the claim is within the jurisdiction of the commission's SIRP, the commission will appoint a third-party inspector to conduct an inspection. The third-party inspector sets a time for the inspection and files the report on the findings and recommendations. A homeowner or builder may appeal the report and recommendation of the third-party inspector. An appellate panel is appointed by the Executive Director of the commission to review the findings and recommendations and shall issue a ruling which is a final agency decision with no further administrative appeal. Each step of the SIRP is entered into the complaint database with the dates, resolutions and length of time for each complaint. The commission can track statutory time limitations on each step as well as the entire process.

Method of Calculation:

A percentage is obtained by dividing the total number of commission accepted complaints completing the SIRP in less than 100 days by the total of all accepted complaints completing the SIRP. These total numbers retrieved from the complaint database. Complaints not within the jurisdiction of the commission are excluded from this computation.

Data Limitations:

Due to specific statutory time limitations, it is necessary that all parties involved in the SIRP are made aware of their specific functions and duties that are required by the commission in order to facilitate dispute resolutions.

Calculation Type:

Non-cumulative.

New Measure:

Yes.

Desired Performance:

Higher than target.

Goal B (Complaint Resolution & Compliance) - Output 1
Number of Complaints Resolved

Short Definition:

The total number of complaints between homeowners and builders that are resolved through this agency. These complaints are resolved prior to going through the state-sponsored inspection and dispute resolution process.

Purpose/Importance:

This measure provides information to the extent that the commission is able to resolve alleged post-construction complaints prior to advancing to the SIRP. Complaints that are resolved are usually comprised of disputes arising from construction complaints during construction rather than post construction, money issues, and issues not within commission jurisdiction. This measure reflects the extent that the commission was able to help builders and homeowners reach solutions prior to the SIRP.

Source/Collection of Data:

When a complaint is received (written), it is entered into the database with the names and contact information on the parties involved, a summary of the complaint and the resolution. When the complaint is closed, a notation is made in the database. The database generates daily, monthly, quarterly, and annual reports of the totals of all complaints filed and resolved.

Method of Calculation:

A report is generated from the commission database providing data on each complaint received and resolved by the commission. The total number of resolved complaints can be sorted by the reporting period dates specified.

Data Limitations:

Determination of resolution of a complaint may be based on an administrative decision when required additional information cannot be obtained. Therefore, the actual resolution of the issue is unknown. Many complaints received by the commission are not considered a justifiable construction complaint.

Calculation Type:

Cumulative.

New Measure:

Yes.

Desired Performance:

Higher than target.

Goal B (Complaint Resolution & Compliance) - Output 2
Total SIRP Actions Closed

Short Definition:

The total number of state-sponsored inspection and dispute resolution processes (SIRP) closed by this agency. The SIRP is a prerequisite to commencing a legal action to resolve post-construction residential disputes.

Purpose/Importance:

This measure provides information to the extent that the commission is able to resolve alleged construction disputes potentially avoiding lengthy and costly legal proceedings. This process is used to resolve post-construction claims resulting from alleged construction defects between a builder and homeowner.

Source/Collection of Data:

When SIRP request is received by the commission and it is determined that the claim is within the jurisdiction of the commission's SIRP, the commission will appoint a third-party inspector to conduct an inspection. The third-party inspector sets a time for the inspection and files the report on the findings and recommendations. A homeowner or builder may appeal the report and recommendation of the third-party inspector. An appellate panel is appointed by the Executive Director of the commission to review the findings and recommendations and to issue a final agency ruling on the matter. Each step of the SIRP is entered into the database with the dates, actions and length of time to resolve each complaint. The commission tracks the total number of state-sponsored inspection and dispute resolution processes closed through the database.

Method of Calculation:

A sum of SIRP closed is taken from a report generated by the database. The report will sum the total of all SIRP in which the closing date in the database falls within the reporting period.

Data Limitations:

Due to specific statutory time limitations, it is necessary that all parties involved in the SIRP are made aware of their specific functions and duties that are required by the commission in order to facilitate dispute resolution.

Calculation Type:

Cumulative.

New Measure:

Yes.

Desired Performance:

Higher than target.

Goal B (Complaint Resolution & Compliance) - Efficiency 1
Average Cost of SIRP Inspection

Short Definition:

The total amount of fees paid by the state-sponsored inspection and dispute resolution process requestor for the third-party inspection divided during the reporting period by the total number of SIRP inspections conducted during the reporting period. The third-party inspection fees vary depending on the alleged post-construction defect. The requestor is required to submit the appropriate third-party inspection fee with the SIRP request to the commission. This fee is paid by the commission to the third-party inspector once the inspection is completed.

Purpose/Importance:

This measure provides information to the extent the commission was able to cost effectively provide Texas home consumers and home builders with access to post-construction dispute inspections at a reasonable cost. It is important that the cost be substantially lower than the cost of pursuing legal proceedings.

Source/Collection of Data:

Each SIRP action is maintained in the database and the data includes the total dollar amount of the appropriate fees collected from each requestor. The database maintains the total dollar amount submitted for all SIRP inspection fees. The total number of all SIRP inspections conducted is taken from the database as of the last day of the reporting period.

Method of Calculation:

The total amount of SIRP inspection fees paid by the requestors during the reporting period divided by the total number of inspections.

Data Limitations:

The average cost of a SIRP inspection is commensurate with the scope of the requested inspection and the type of construction defect.

Calculation Type:

Non-cumulative.

New Measure:

Yes.

Desired Performance:

Lower than target.

Goal B (Complaint Resolution & Compliance) – Efficiency 2
Average Days to Complete the SIRP

Short Definition:

The total average days to complete the state-sponsored inspection and dispute resolution process (SIRP) related to each approved request received by the commission. The total number of days that a SIRP action was open for all SIRP actions closed during the reporting period divided by the number of SIRP actions closed during the reporting period.

Purpose/Importance:

This measure provides information to the extent that the commission was able to conduct and complete the SIRP within specific time limitations during the reporting period. Reports reflect the average days to complete the SIRP for structural and non-structural defect allegations.

Source/Collection of Data:

When a SIRP request is received by the commission and it is determined that the claim is within the jurisdiction of the commission's SIRP, the commission will appoint a third-party inspector to conduct an inspection. The third-party inspector sets a time for the inspection and files the report on the findings and recommendations. A homeowner or builder may appeal the report and recommendation of the third-party inspector. An appellate panel is appointed by the Executive Director of the commission to review the findings and recommendations and shall issue a final agency decision. Each step of the SIRP is entered into the complaint database with the actions, dates, resolutions and length of time for each complaint. The commission can track completion days for each SIRP in the process.

Method of Calculation:

Information is gathered from a report generated by the database counting the total number of days from SIRP application to completion of the SIRP for each incident. The report then sums the days and divides the total number of processing days by the number of SIRP's closed during the reporting period. Complaints and request for the SIRP that are not eligible for SIRP are excluded from this computation.

Data Limitations:

Due to specific statutory time limitations, it is necessary that all parties involved in the SIRP are made aware of their specific functions and duties that are required by the commission in order to facilitate dispute resolutions.

Calculation Type:

Non-cumulative.

New Measure:

Yes.

Desired Performance:

Lower than target.

Goal B (Complaint Resolution & Compliance) – Explanatory 1
Number of Jurisdictional Complaints Received

Short Definition:

The total number of complaints received which include a dispute between a homeowner and a builder that involve a claim which is eligible for submission as a request under the SIRP. Complaints which are eligible for submission as a request under the SIRP are jurisdictional complaints.

Purpose/Importance:

This measure provides information to the extent that the commission was able to determine which complaints were jurisdictional and which were non-jurisdictional. Jurisdictional complaints qualify for the state-sponsored inspection and dispute resolution process.

Source/Collection of Data:

When a complaint (written) is received by the commission, it is entered into the database. Each complaint is processed and coded in the database. The commission determines if the complaint is subject to the SIRP and requires the complainant to submit a request to begin the SIRP. The database generates a report with the total number of complaints received, as well as those that are jurisdictional and non-jurisdictional.

Calculation:

The sum of all jurisdictional complaints will be taken from a report generated by the database. A daily, weekly, quarterly and annual report is extracted from the database.

Data Limitations:

This measure is directly impacted by the number of complaints that are subject to the statute limitations on the type of construction complaint designated as jurisdictional. A complainant may not always agree with the regulatory analysis.

Calculation Type:

Cumulative.

New Measure:

Yes.

Desired Performance:

Lower than target.

Goal B (Complaint Resolution & Compliance) – Explanatory 2
Total Calls to Toll-Free Helpline

Short Definition:

The total number of telephone calls received by the commission toll-free helpline.

Purpose/Importance:

This measure provides information to the extent that the commission was able to assist Texas homeowners and builders contact the appropriate regulatory authority and obtaining answers to questions related to residential construction and statutory regulations and requirements pertaining to House Bill 730. The toll-free helpline provides Texans a method for free and quick access to the residential construction commission.

Source/Collection of Data:

When a consumer calls the commission on the helpline, an automated call distribution system routes the call to a trained communications specialist who is able to answer simple inquiries. These calls are entered into the commission database producing daily, weekly, quarterly and annual reports allowing the commission to review activity and ensure consumers questions or issues are quickly and efficiently handled.

Method of Calculation:

The sum all toll-free helpline calls is gathered from the billing for each month.

Data Limitations:

Calls are received by the commission and the reports may include misdialed calls, calls lost while waiting in cue or calls received when the office is closed. The numerous calls received on regular phone lines and not the agency toll-free helpline are not included in the reports. Call volume is a direct result of consumer need for assistance or industry need for information and is outside the control of the commission.

Calculation Type:

Cumulative.

New Measure:

Yes.

Desired Performance:

Higher than target.

Goal B (Complaint Resolution & Compliance) – Efficiency 1
Average Days to Complete an Enforcement Action

Short Definition:

The total average days to complete an enforcement action related to each disciplinary action taken by the commission. These may include registration revocations, suspensions and administrative penalty assessments.

Purpose/Importance:

This measure provides information to the extent that the commission is able effectively regulate the residential construction industry and others who are registered with the Commission. When substantial non-compliance exists or a registrant fails to adequately respond to commission instructions, regulations and/or statutory requirements, an enforcement action may be necessary to obtain compliance with Texas residential construction laws.

Source/Collection of Data:

As an enforcement action moves through the process, key dates are tracked and recorded in the database. The total number of days that an enforcement action is pending is recorded from the date the action is initiated through the date it is closed.

Method of Calculation:

The sum of days that each disciplinary action is open is gathered from a report generated by the database. The report sums the days a closed disciplinary action item was open and divides by the number of disciplinary actions closed during the reporting period.

Data Limitations:

Matters which are referred to the State Office of Administrative Hearings are not under agency control.

Calculation Type:

Non-cumulative.

New Measure:

Yes.

Desired Performance:

Lower than target.

Goal C (Industry & Consumer Education) - Outcome 1
**Percent of Texans Reached with Information about the TRCC
Or Any of Its Programs**

Short Definition:

The aggregate number of people receiving published or broadcast announcements as determined by published subscriber or audience bases and of those people in contact with or exposed to the commission through any medium, divided by the total Texas population.

Purpose/Importance:

This measure provides information on the extent to which the commission is able to provide Texas consumers, the regulated industry, or concerned parties with educational information. The information helps to create well informed, educated consumers and empowers them to access the state-sponsored inspection and dispute resolution process to resolve issues with their builder or remodeler. Additionally, the information assists the industry and interested parties in ensuring compliance with the applicable provisions of the statute.

Source/Collection of Data:

Each publication advertising the commission's toll-free helpline, web address, or even basic commission information has a reach to a separate consumer base. Even the same publication on different publication days and weeks reaches different subscribers. Each qualifying publication's circulation is obtained and summed. The Texas population estimate is obtained from the Comptroller of Public Accounts Web site. The total reach for all publications is divided by the population estimate to obtain a percentage.

Method of Calculation:

The sum of the total reach for all publications is divided by the estimated Texas population and displayed as a percentage.

Data Limitations:

The reach numbers for publications often is derived from the subscriber rates, and all subscribers may not read the paper on various days. The commission also counts multiple occurrences in the same paper. The number of the Texas population is an estimate based upon projected and historical census numbers.

Calculation Type:

Non-cumulative.

New Measure:

No.

Desired Performance:

Higher than target.

Goal C (Industry & Consumer Education) - Output 1
Total Number of Texans Reached in Person

Short Definition:

The total number of people receiving in-person assistance through the toll-free helpline or via inquiries to the info@trcc.state.tx.us email address, or that attend an event or presentation where the commission participates.

Purpose/Importance:

This measure provides information on the extent to which the commission was able to provide Texans information. This information helps to create well informed, educated consumers and industry members.

Source/Collection of Data:

The commission receives inquiries on its toll-free helpline or through its public inquiry email address. These inquiries allow commission staff to directly assist Texans in need of information or assistance. Additionally, commission personnel receives invitations to speak to consumer groups throughout the year in small classroom settings and at large trade shows. The commission takes advantage of those opportunities to directly provide information to consumers and industry.

Method of Calculation:

The sum of the population who receive direct services from commission personnel is taken from a monthly report of email contacts received, call volume reports related to the toll-free helpline, and from logs maintained by staff and reported monthly to executive management. The reports are maintained in a notebook with all requisite supporting documentation attached.

Data Limitations:

The commission counts the attendees at events where the commission participated and provided educational information to those attendees; it may be that the commission is unable to actually personally contact each participant at some events or obtain third-party independent validation of attendance numbers.

Calculation Type:

Cumulative.

New Measure:

Yes.

Desired Performance:

Higher than target.

Goal C (Industry & Consumer Education) - Efficiency 1
Average Cost per Texan Reached

Short Definition:

The total amount of direct expenditures associated with the education strategy, divided by the number of consumers who were reached with educational information.

Purpose/Importance:

This measure provides information on the extent to which the commission was able to provide Texas consumers with educational information. This information helps to create well-informed, educated consumers and industry members. This measure also provides information to the legislature and the public about the cost to provide this public service and will more easily allow that user to make a cost/benefit analysis.

Source/Collection of Data:

This measure is derived by dividing the actual cost to operate the commission's educational program obtained from the USAS strategy expenditure report by the actual number of Texans reached with commission information. The number of Texans reached is the same number used in the calculation for the percentage of Texans reached.

Method of Calculation:

An amount is obtained by dividing the total dollar amount reported by USAS for the direct expenditures for the educational strategy by the number of Texans reached as determined for the percentage of Texans reached.

Data Limitations:

The direct strategy costs do not include a pro-rata share of the administrative cost of the commission or the statewide indirect allocation of costs made in the General Appropriations Act. The number of Texans reached is subject to the same limitations discussed in that measure.

Calculation Type:

Non-cumulative.

New Measure:

No.

Desired Performance:

Lower than target.

APPENDIX E: WORKFORCE PLAN

I. Agency Overview and Purpose

In 1989, the Residential Construction Liability Act (RCLA) became effective and, along with its subsequent amendments, provided remedies applicable to residential construction defect lawsuits. The lack of state performance standards for residential construction in Texas and case law made it difficult for homeowners and builders to resolve construction issues without costly and time legal proceedings. Without state involvement, homeowners and builders would continue to resort to legal proceedings to resolve disputes. During the 78th Legislative Session lawmakers created the Texas Residential Construction Commission (“the commission”) with the passage of House Bill 730. The commission was set up to provide homeowners and builders an opportunity to resolve differences through a neutral administrative process prior to pursuing legal action.

The Commission is comprised of nine members appointed by the Governor; four registered builders, three members of the general public, an engineer who practices in the area of residential construction and either one architect or one inspector who practices in the area of residential construction. The Commission members serve six-year staggered terms.

Commission Responsibilities:

- Register homes and homebuilders;
- Oversee the state-sponsored inspection and dispute resolution process;
- Prepare and adopt limited warranties and building and performance standards;
- Oversee three task forces;
- Provide a voluntary certification of arbitrators; and
- Provide for the filing of arbitration award summaries.

Key economic and environmental factors facing the commission over the next five years include:

- Recruitment and Retention
To accomplish one of the key commission responsibilities, oversee the state-sponsored inspection and dispute resolution process, qualified state inspectors must be hired. Education and certification programs will need to be developed within the state to insure training accessibility and therefore, an adequate pool of potential qualified employment candidates.
- Demand of Services
With the registration of nearly four times the anticipated builders and the potential for a significant and unanticipated number of consumer complaints this will increase the demand for administrative services provided by the commission.

The ability to adequately administer our responsibilities requires that sufficient support be provided through technology, legal services, communication, administrative and registration services.

A. Commission's Mission Statement

The Commission's mission is to provide Texas homeowners and the residential construction industry an opportunity to resolve differences through a neutral dispute resolution process and ongoing education.

B. Strategic Goals and Objectives

Goal 1: Registration	It is the goal of the Texas Residential Construction Commission to ensure timely, fair, and effective supervision of the residential construction and remodeling industry in order to supply quality housing to Texans and promote public confidence in the industry.
Objective	To provide quality regulation through an effective and efficient system of registration of homes, builders/remodelers, third-party inspectors, arbitrators, and third-party warranty companies.
Strategies	Implement and monitor the registration program ensuring fair, efficient and effective oversight of all registrants.

Goal 2: Complaint Resolution & Compliance	It is the goal of the Texas Residential Construction Commission to ensure timely, fair, and effective resolution of consumer complaints by providing a neutral, independent review by a qualified third-party inspector to ensure compliance with the adopted building warranties and performance standards.
Objective	To provide quick resolution of building complaints through the use of the state-sponsored inspection and dispute resolution process and through the implementation of minimum performance standards and warranties.
Strategies	<ul style="list-style-type: none"> • Complaint Resolution- implement and monitor an effective and efficient state-sponsored inspection and dispute resolution process. • Compliance- develop and adopt effective minimum performance standards and warranties to provide an independent basis for review of alleged post-construction defects.

Goal 3: Industry & Consumer Education	It is the goal of the Texas Residential Construction Commission to provide quality information to the regulated industry and to consumers to assist in providing a base level of understanding by all parties about each one's rights and responsibilities.
Objective	To provide quality information to interested parties through cost-effective outreach channels to educate Texas consumers and the residential building and remodeling industry.
Strategies	Develop and implement an efficient and effective educational outreach program to provide information about the commission and the rights and responsibilities of the regulated industry and Texas consumers.

C. Anticipated Changes in Strategies

No changes are expected with the commission's Strategies from its inaugural year.

An unanticipated increase in consumer complaints beyond those originally forecasted will strain existing agency resources. Additionally, any programs that may be legislatively mandated in the future, outside of existing responsibilities, may require appropriate increases in staff to administer them.

II. Current Workforce Profile (Supply Analysis)

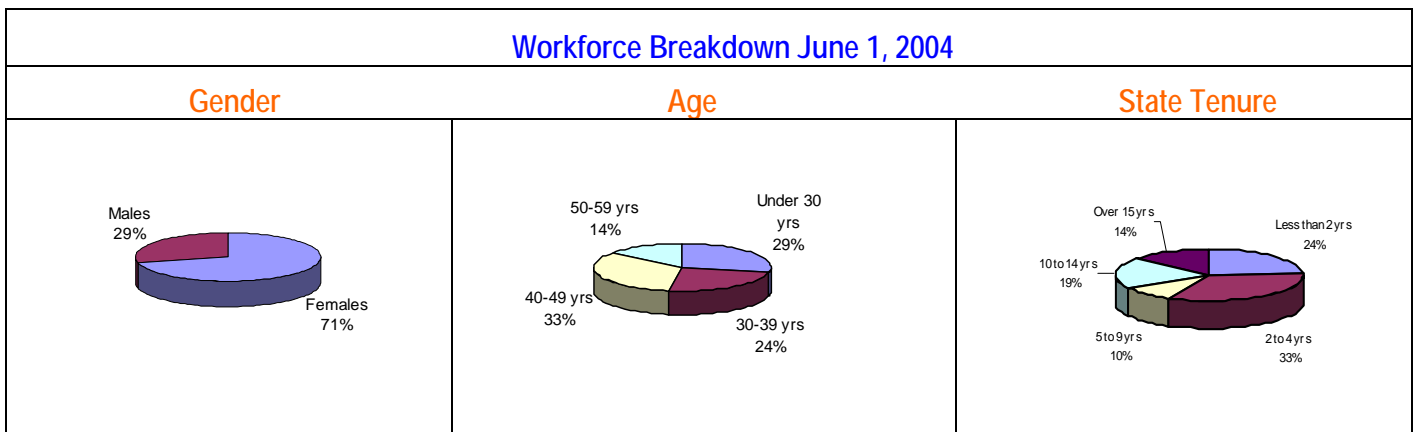
The commission's employees are comprised of diverse well qualified individuals. There are several critical skills commission employees must have that are necessary to carry out our mission.

A. Critical Workforce Skills

- Agency Knowledge
- Computer Software Knowledge
- Customer Service
- Governmental Laws, Rules and Regulations
- Knowledge of International Residential Code
- Knowledge in the Residential Construction Industry
- Leadership/Management
- Legislative Process
- Research and Writing

B. Workforce Demographics

The following charts profile the agency's workforce as of June 1, 2004. The commission's staff currently employs only full-time employees. The commission's workforce is comprised of 29% males and 71% females. Approximately 47% of our workforce is over the age of 40 and approximately 67% have less than five years of state service.



The following tables compare African American, Hispanic American, and female commission staff as of June 1, 2004, to the statewide civilian workforce as reported by the Texas Workforce Commission, Civil Rights Division. The commission is working to meet various diversity targets.

TRCC Workforce by Job Category as of June 1, 2004						
JOB CATEGORY	African American		Hispanic American		Females	
	TRCC %	State %	TRCC %	State %	TRCC %	State %
Officials/Administration	0.00%	7.3%	0.00%	11.6%	60.0%	31.0%
Administrative Support	12.5%	19.6%	50.0%	27.0%	75.0%	80.0%
Professional	25.0%	9.3%	12.5%	10.0%	75.0%	47.0%

C. Employee Turnover

Turnover is an important issue in any organization, and Texas Residential Construction Commission is no exception. The agency tenure is less than a year. The turnover rate is 11 %.

D. Retirement Eligibility

the agency projects that 4% of the agency staff will be eligible for retirement in the next 5 years.

III. Future Workforce Profile (Demand Analysis)

The commission’s mission and goals are not likely to change, assessing the future workforce requirements of the commission encompasses a broad range of issues. These issues have been identified through the commission’s strategic planning process, and industry demand.

Critical Functions

- Creation of education and certification program for state inspectors.

IV. Gap Analysis

After review and assessment of information compiled on the commission’s workforce, the commission has determined that one important gap exists between the commission’s workforce supply and future demand.

Anticipated Shortage of Workers or Skills

- Limited number of qualified state inspectors.

V. Strategy Development

The training and development of current employees is critical to the success of the commission. The primary objective to staff development and training is to ensure that commission employees have the knowledge and skills to effectively and efficiently perform their duties.

- Provide localized training for state inspectors.

Gap	Limited number of trained qualified state inspectors.
Goal	Maintain qualified state inspectors.
Rationale	To accomplish one of the key commission responsibilities, oversee the State-sponsored inspection and dispute resolution process, qualified state inspectors must be hired.
Action Steps	<ul style="list-style-type: none">• Identify skills required to meet changes that have occurred and are anticipated in the residential construction industry.• Provide localized training for state certified inspectors.

APPENDIX F: INFORMATION RESOURCES STRATEGIC PLAN

Information Resources Vision

The Texas Residential Construction Commission (the "commission") will utilize appropriate technological resources to provide a seamless information stream and efficiently support commission personnel, the regulated industry, and Texas consumers.

Executive Summary

The commission provides Texas homeowners and the residential construction industry an opportunity to resolve differences through a neutral dispute resolution process and ongoing education. The primary responsibilities assigned to the commission by House Bill 730 passed during the 78th Regular Legislative Session are:

- Register homes and homebuilders;
- Oversee the state-sponsored inspection and dispute resolution process;
- Prepare and adopt limited warranties and building and performance standards;
- Oversee three task forces;
- Provide a voluntary certification of arbitrators; and
- Provide for the filing of arbitration award summaries.

Hardware for the commission is primarily leased and includes a network consisting of 2 file servers, 2 database servers, 3 Web servers, 1 e-mail server, 2 application servers, 2 streaming media servers, desktop computers, printers, portable computers with printers, telephones, and a fax machine. The commission has purchased databases to provide applicant and registrant tracking, complaint and state-sponsored inspection and dispute resolution process tracking, correspondence tracking, and human resources applicant and employee tracking. Additionally, the commission has developed an on-line training program for third-party inspectors that will allow the commission to train third-party inspectors online, eliminating travel costs. The commission has purchased, leased, or acquired through interagency transfer, the hardware and commercial software sufficient to provide all the necessary information services to fulfill commission responsibilities. The commission determines best value for lease versus purchase as it relates to hardware and maintains and upgrades its hardware, software, databases, T-1 line, and Web site as necessary.

Future plans include upgrading and integrating the registration database to increase efficiency and enhance reliability. This project will be assigned to an outside contractor.

Internal/External Assessment

Technology continues to change the operation of the commission and the industry. The complexity of external user system varies greatly from small construction companies using dial-up internet connections to download forms to large registrants that directly load data sets onto the commission's database and make electronic registration payments. This complexity of uses and users requires careful commission planning and ongoing activity monitoring.

Additionally, the demand to access information grows daily and changes are necessary to adjust to meet the needs of the regulated industry operations and consumer behaviors.

Commission Intranet

The commission runs a hybrid internal network, supporting a Windows DNS, a Windows 2000 SQL server, an IIS web server, an Orion Web server, an Apache web server, and a Microsoft e-mail server. This network supports the 24 employee computers, which operate on Windows XP Professional systems, and provides the tools necessary for daily operations. The use of this commission-wide network, supports a prompt, professional review of the regulated industry's compliance. Technology advances continue to enhance communications and the resources available to commission staff.

One of the most important service deliverables of the commission is, simply, information. The Internet enables the commission to distribute information quickly and without a large investment of resources. The commission regularly updates its Web site (www.trcc.state.tx.us); recent additions include a registrant search function, a consumer resources section, and full sets of application forms and instructions. The importance of Internet and e-mail in the commission's delivery of efficient, top-quality service continues to increase.

Goals, Objectives, Strategies, and Programs

This section presents commission goals and the projected means to accomplish those goals.

Commission Goals

The goals of this commission are to:

IR Goal #1	Manage information resources wisely to provide for timely and efficient regulation of the building and remodeling industry.
IR Objective #1	Provide efficient access to complaint, registration, and educational information.
IR Strategy #1	Provide the entire staff with workstations and solutions that allows efficient information retrieval and data presentation as well as sharing of complaint/SIRP information, registration information, and other commission operational information.

Action Items

1. Maintain servers, workstations, and communications systems.
2. Enhance database applications to meet the needs of the commission, the industry, and the public.
3. Increase use of optical imaging and other electronic record maintenance systems to decrease reliance on paper copies.
4. Maintain and regularly update commission Web site.

Supplemental Information

To promote the most effective use of the commission's technological resources, the Executive Director appoints an Information Resources Manager (IRM). The IRM has these responsibilities:

1. Maintain positive control of and oversee information resources operations on a daily basis.
2. Detect variances and correct deficiencies before they cause an adverse impact on the commission.

3. Provide the required reports to various parties in an accurate and timely manner.
4. Provide commission managers with sufficient, timely information in a user-friendly format that will assist in making operational decisions.
5. Provide executive management with key information in a concise and meaningful format so that management decisions may be made in an informed and timely manner.
6. Provide the commission members with key summary information, displayed in a clear and concise manner, so that the commission may properly discharge its responsibilities.
7. Provide the data required to determine the degree to which the commission has met its goals and objectives.

II. Databases and Applications

The following tables provide essential information about the commission's databases and applications.

Database Name	Registration
Database Description	Relational database containing information about regulated entities.
Database System	Oracle
Estimated Physical Storage	14 Gig
GIS Data Classification	No GIS Data exists.
Sharing	None
Future	This is a new off-the-shelf database purchased to allow the commission to meet a short implementation timeline; however, it is inefficient and unworkable. The commission plans on replacing the database with a modified database acquired from another state agency. This approach will allow cost to remain low and will reduce implementation time as well.

Database Name	Correspondence Tracking System
Database Description	A database containing consumer complaints, correspondence, contact tracking, and SIRP information.
Database System	Microsoft Access 2003
Estimated Physical Storage	1 Gig
GIS Data Classification	No GIS Data exists.
Sharing	None
Future	Updates to the database to interact with the new registration database are under evaluation.

Database Name	Human Resources Database
Database Description	A database containing all employee data.
Database System	Microsoft Access 2003
Estimated Physical Storage	500 mb
GIS Data Classification	No GIS Data exists.
Sharing	None
Future	Limited maintenance of the database to coincide with legislative or operational changes as necessary.

Database Name	Applicant Tracking System
Database Description	A database containing all applicant information as well as correspondence regarding employment.
Database System	Microsoft Access 2003
Estimated Physical Storage	500 mb
GIS Data Classification	No GIS Data exists.
Sharing	None
Future	Limited maintenance of the database to coincide with legislative or operational changes as necessary.

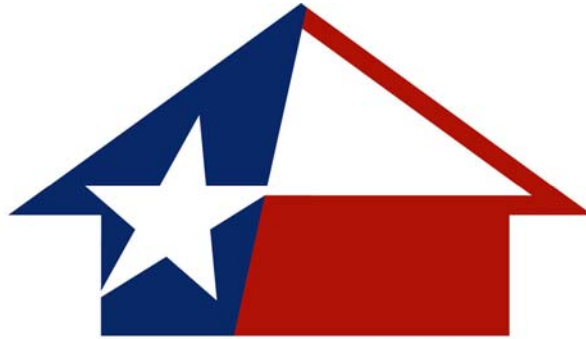
Database Name	Registered Third-Party Inspectors
Database Description	A database containing all registered third-party inspectors. This includes contact information, training, SIRP inspections and counties available to work.
Database System	Microsoft Access 2003
Estimated Physical Storage	1 Gig
GIS Data Classification	No GIS Data exists.
Sharing	None
Future	Limited maintenance of the database to coincide with legislative or operational changes as necessary.

III. Information Resources Management Organizations, Policies and Practices

<p>IR Priorities</p>	<p>The commission sets priorities based upon statutory requirements, staff efficiencies, and the implementation requirements of newly created information enhancements.</p>
<p>IR Planning Methodology</p>	<p>The commission conducts a thorough analysis of the business needs of the commission before making IR decisions. The commission staff and executive management are interviewed regarding future needs for automation. Executive management's evaluation process includes cost/benefit analyses of proposed implementation.</p>
<p>Quality Assurance Practices</p>	<p>The commission requires and adheres to the highest standards of excellence. Payment to contractors is not rendered until employees and management are satisfied. Risk review and analysis is conducted annually in conjunction with the physical inventory and safety inspection.</p>
<p>Personal Computer Replacement Schedule</p>	<p>The commission has leased the personal computer inventory, giving each computer a life cycle of three years. Desktop replacement will adhere to the guidelines set by DIR for PC life cycles.</p>
<p>Procurement</p>	<p>The commission considers leasing versus purchasing each time equipment modifications and upgrades are scheduled. The commission has adopted an ideal replacement schedule of three years for PC resources. The commission has grown in FTE's and in hardware service needs since the initial lease agreement. However, the commission was able to locate and secure several PCs from the Telecommunication Infrastructure Fund Board during its winding down period, eliminating hardware cost for some of the increase in commission size. The increase in FTEs and the need to implement separate servers for database services, file management, imaging needs, Web hosting and e-mail services has required the operating systems of the commission remain flexible and scalable.</p> <p>Prior to an LAR request for line item appropriation, the commission will undergo a cost/benefit analysis and then plan the replacement for each biennium based on that analysis. The analysis includes a review of industry</p>

	<p>reports, reports of Texas state agencies (such as DIR), and a calculation of actual commission experience, including:</p> <ul style="list-style-type: none"> ★ Actual hardware prices ★ Costs necessary to reach full software functionality ★ Disposal costs for the commission and the state ★ Storage and maintenance expenses ★ Evaluation of the leasing markets <p>Ensuring efficient and effective commission operations is paramount to any IR acquisition decision. Each acquisition must support key commission functions while managing transition to new platforms and software as seamlessly as possible. Adding technological resources without strong, forward-thinking implementation fails to produce the projected benefits, services, and efficiencies.</p>
Disaster Recovery / Business Continuity Planning	The commission stores tapes offsite and keeps instruction manuals and backups with a private entity IT support entity via contract.
Data Center Operations	The commission is aware of the legislative direction to use WTDRC in San Angelo; however, the main purpose of WTDRC is to support and protect mainframes or larger networks, of which the commission has none.
Standards	The commission is aware of statewide information resources standards, and remains in compliance with the standards that apply to the technology and infrastructure used by this commission.

APPENDIX G: CUSTOMER SERVICE SURVEY



***Texas Residential
Construction Commission***
Quality Construction for Texans

Public Opinion Statewide Survey

Conducted by Pavlik and Associates
March 2004

115 W. 2nd St, Ste 210
Fort Worth, TX 76102
817-332-2972
800-616-1900

816 Congress, Ste 1100
Austin, TX 78701
512-263-3990

EXECUTIVE SUMMARY AND FINDINGS

The Texas Residential Construction Commission (TRCC), created in 2003 to oversee the state's dispute resolution process between home builders and home buyers and to educate the public in regard to home building practices, contracted with Pavlik and Associates to conduct a statewide public opinion/awareness survey.

The purpose of the survey was threefold; (1) to establish a baseline understanding of the TRCC and its dispute resolution process; (2) to determine how persons seek information; and (3) to gather information in the state's various geographic areas that can be helpful in the development of its communication plan for statewide implementation.

The demographics for this project should be noted and not compared with general homeownership and other industry data. All respondents were in the age group between 25 and 54 and reported an annual household income of at least \$30,000, considered to be the lowest to qualify for a traditional mortgage or significant home improvement loan. (No person employed in construction/remodeling was surveyed.)

The survey instrument was prepared in collaboration with the TRCC staff. (See questionnaire in Appendix A.) Recognizing that the TRCC must address industry perceptions in its educational and outreach initiatives, the survey also asked the opinions of persons who reported having close friends or family members who had bought a new house or remodeled in the past five years and whether there had been warranty issues. 56.1% of the persons surveyed said they get or would get information about builders/remodelers by word of mouth.

Telephone numbers were generated by a random digit dial (or RDD) process, thereby allowing access to all listed and unlisted phones. The telephone sample was stratified by, and quotas were assigned for, geographic areas and their respective populations. Areas which were analyzed separately include geographic location, gender, current homeownership, recent or planned purchase of a newly constructed home, recent or planned use of a contractor or remodeler, history of warranty problems, awareness of TRCC, and opinion of the construction industry. Responses according to location are noted in this summary. Responses according to ethnicity and age were not analyzed.

The sample size was sufficient to allow the results to be extrapolated to the statewide population.

In interpreting survey results, all sample surveys are subject to possible sampling error; that is, the results of a survey may differ from those that would be obtained if the entire population were interviewed. The results for this survey have a confidence factor of 5+ or 5-, or 95%.

The survey was conducted by telephone during evening hours in March 2004. 1,001 interviews were completed. The split between male and female respondents was 50.1% and 49.9% respectively, which is consistent with the State's census data.

11% of the respondents were aware of the Commission's creation and 22.2% were aware of alternatives to filing a lawsuit. Men were much more aware of the TRCC than were women, (61.8% to 38.2%); and somewhat aware, 77.1% men to 22.9% women. In other areas of the questionnaire, there was no significant variation between the answers of men and women. The greatest awareness of the TRCC was in the El Paso area (21.7%). 15.9% of all respondents were aware of the state-sponsored dispute resolution process. The base group as a whole (71.7%) understood what arbitration is.

The majority of respondents (88.8%) currently own their home. The greatest percentage of respondents owning a home was in the El Paso area (95.7%) with the lowest percentage of respondents being in the Harlingen/Weslaco/Brownsville area (80%). According to the 2002 Census, 63.8% of all Texans own their homes. The 88% figure from this survey is likely due to the age and demographic requirements for participation; an annual household income of at least \$30,000 and being between 25 and 54 years of age.

19.6% of all respondents have purchased a newly constructed home in the past five years. The largest percentages of respondents were in the Austin area (27.4%); the El Paso area (21.7%); the DFW area (20.9%); the Tyler/Longview/Lufkin/Nacogdoches area (20.8%); and the Houston area (20.6%).

9.5% of the group surveyed plan to purchase a newly constructed home within the next five years. The largest percentages of respondents indicating the likelihood of purchasing a newly constructed house in the next five years were in the Harlingen/Weslaco/Brownsville area (20%); Corpus Christi area (19%) and Tyler/Longview/Lufkin/Nacogdoches area (16.7%). The lowest percentages were in the Midland/Odessa/Abilene area (0%); DFW area (8%) and the Waco/ Temple/Bryan area (8.8%).

19% of the respondents have contracted with a contractor/remodeler in the past five years. The most remodeling activity was reported to be in the Waco/ Temple/Bryan area (26.5%); Houston area (26%); and Corpus Christi area (20.8%). 20.5% of the entire group plans to use a contractor or remodeler in the next five years. According to the survey, the greatest percentage of major remodeling projects can be expected in the Harlingen/Weslaco/Brownsville area (28%), El Paso area (26.1%); and Houston area (24.4%).

In the base group of 1,001 the respondents, only 15.3% have either had, or know someone who has had, warranty problems. 30.2% of those who expressed "very negative" or "somewhat negative" opinions of the industry are among those who have experienced warranty problems. Water problems were reported most frequently (30.7%), followed by foundation problems at 28.1% and roof problems at 19.6%. 11.8% of those with warranty problems said they were mold related.

45.8% of the respondents said their warranty problems were fully resolved and another 16.3% of the respondents said their issues have been at least partially resolved. 55% of those with a "very positive" or "somewhat positive" opinion of the industry are among those whose problems have been resolved. 56.9% of the respondents with problems attempted to handle them directly with the contractor or builder. Regardless of the method for addressing issues, the overall rating for satisfactory results was 92.9%. The percentages did not vary according to location, future plans to purchase a newly constructed home, or plans to hire a remodeler.

Overall, the public's opinion of the industry is good, with 56% holding a "very" or "somewhat" positive opinion and only 15.9% holding a "very" or "somewhat" negative opinion of builders and remodelers.

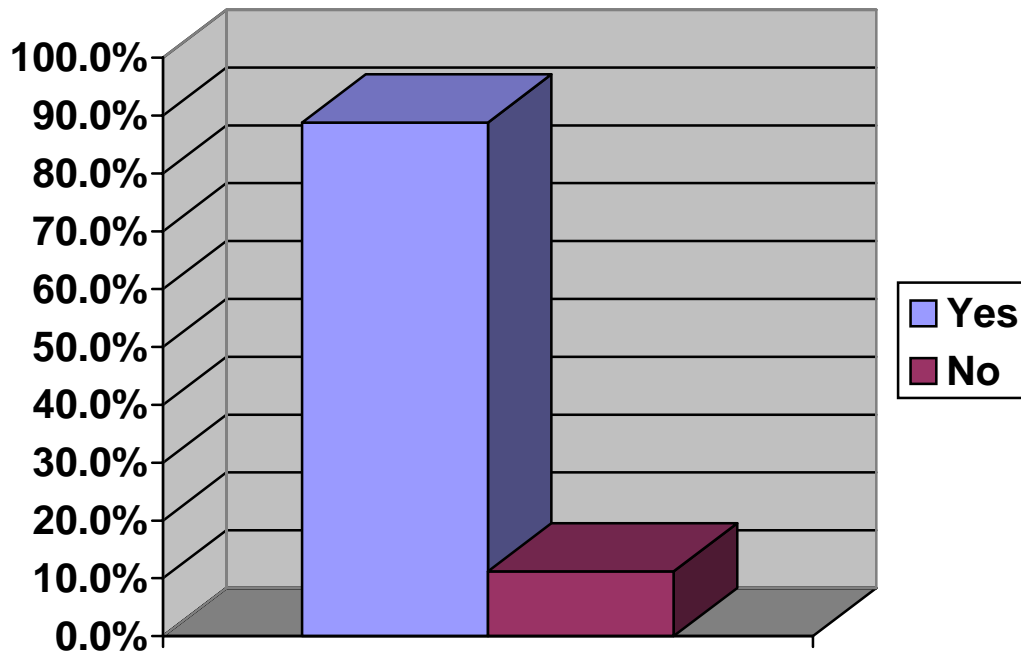
The majority of respondents (56.1%) stated that they would most likely get information about builders or remodelers through word of mouth, and their most common sources for news were television, newspapers, and radio respectively

52.5% of those surveyed were interested in receiving more information on the Commission.

1. Do you own a home?

Yes	88.8%
No	11.2%

Do you own a home?



2. Confirm the age of respondents

The minimum age to participate in the survey was 25. The maximum age to participate was 54.

3. Confirm household income level over \$30,000.

The income requirement for participation was \$30,000 per year or higher.

4. Confirm that respondent is not employed by construction or remodeling company.

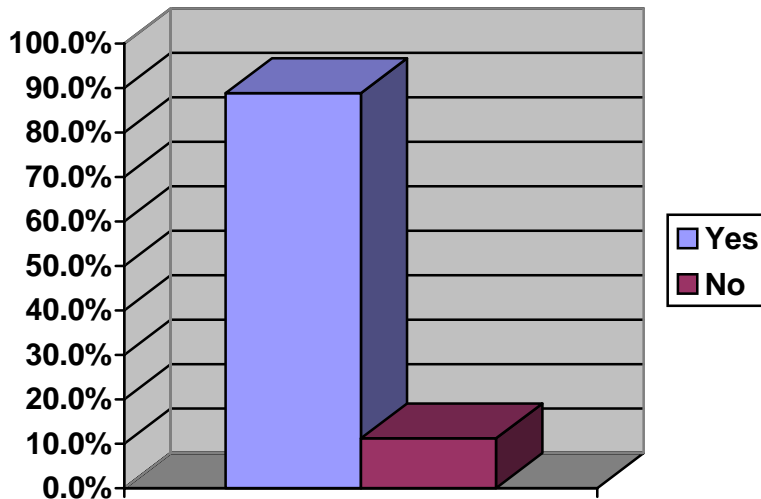
Individuals that were employed by construction or remodeling companies were not allowed to participate in the survey.

5. Have you purchased a newly constructed home in the past five years?

Yes	19.3%
No	80.3%
No answer	0.1%

A large majority (80.3%) has not purchased a newly constructed home in the last five years. Of the total number of respondents that currently own their home, 20.7% have purchased it as “new construction” in the last five years. Of the 11% of the respondents who stated they had an awareness of the Commission, 22.7% have purchased a new home in the past five years.

Do you own a home?

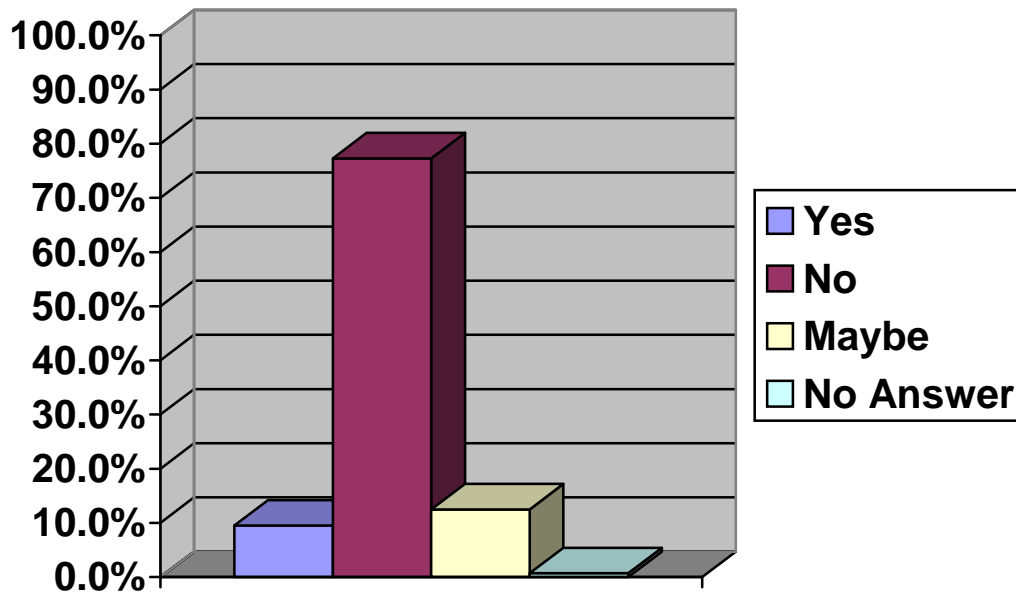


6. Do you plan to buy a newly constructed home in the next five years?

Yes	9.5%
No	77.3%
Maybe	12.5%
No answer	0.7%

9.5% of the respondents plan to purchase a newly constructed home in the next five years; 77.3% do not. Of the respondents who have had warranty problems, 72.5% do not plan to purchase a newly constructed home. 81.8% of those who had a very negative opinion of the construction industry also do not plan to purchase a newly constructed home. 27.4% of participants who plan to purchase a newly constructed home in the next five years said that they had already purchased one in the past five years.

Do you plan to purchase a newly constructed home in the next 5 years?

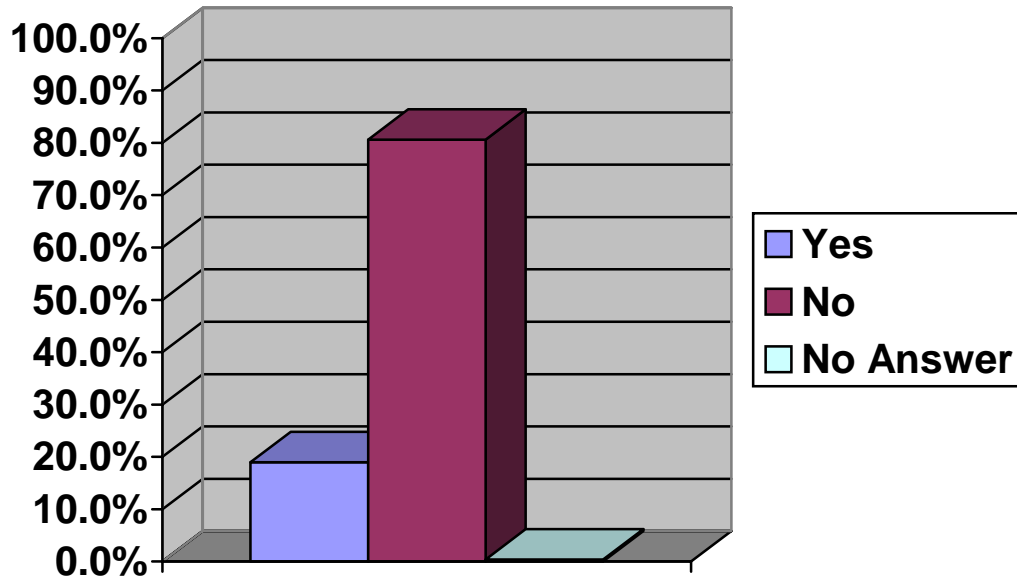


7. Have you hired a contractor or remodeling company to remodel your house in the past five years?

Yes	19.0%
No	80.6%
No answer	0.4%

19.0% of the respondents who currently own their home have hired a contractor or remodeling company in the past five years; 80.6% have not. 24.4% of the respondents who have a "very positive" opinion of the construction industry have hired a contractor or remodeler in this period.

Have you hired a contractor or remodeler in the past five years?

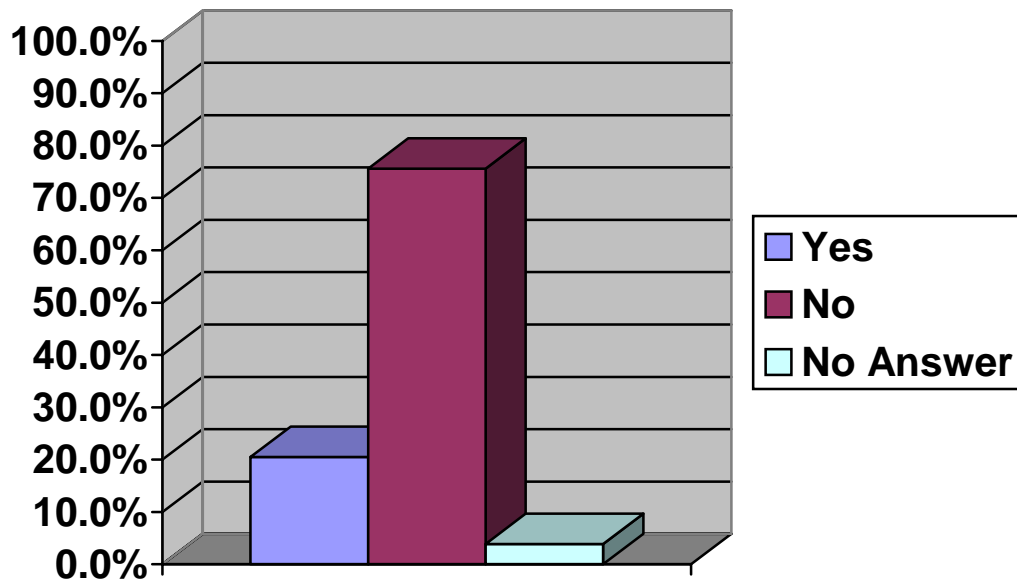


8. Do you plan to hire a contractor or remodeling company in the next five years?

Yes	20.5%
No	75.6%
No answer	3.9%

21.6% of the respondents who currently own their home intend to hire a contractor or remodeler and 20.4% of those who have purchased a home in the past five years intend to hire one as well. A third of the participants who have experienced warranty problems plan to hire a contractor of remodeler, while only 20.5% of those with a “positive” or “somewhat positive” opinion of the industry are planning to remodel.

Do you plan to hire a contractor or remodeler in the next five years?



9. Has a close friend or family member purchased a newly constructed home in the past five years?

Yes	38.2%
No	60.8%
No answer	1.0%

48.2% of those with an awareness of the Commission have had a friend or family member purchase a newly constructed home. Over one third (36.6%) of those with a “very positive” opinion of the industry knew someone who had purchased a new home in the past five years.

10. Has a close friend or family member remodeled a home in the past five years?

Yes	33.0%
No	64.5%
No answer	2.5%

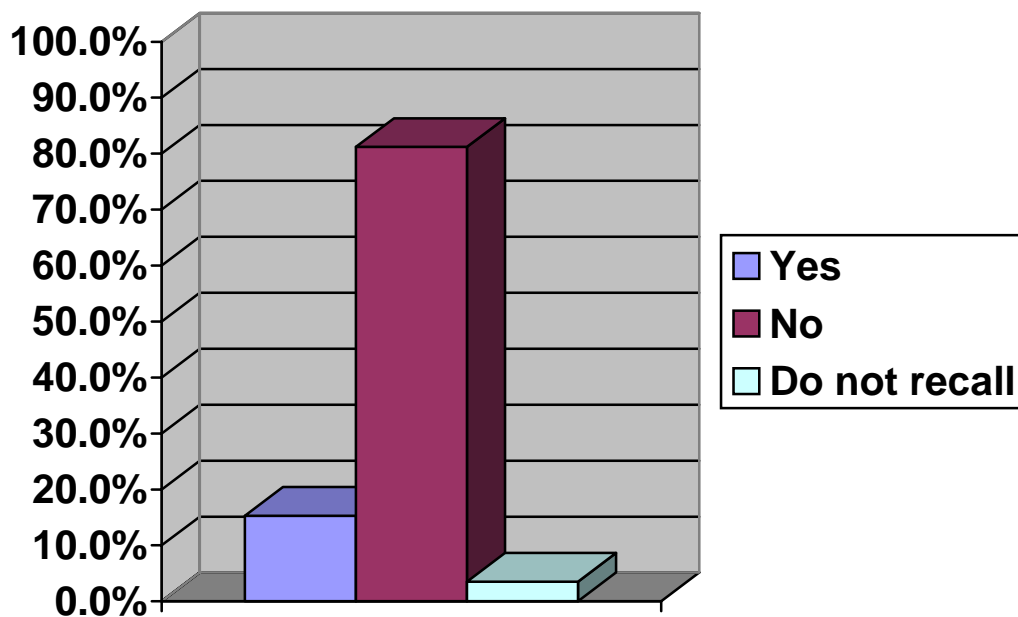
30.9% of those with an awareness of the TRCC, and a third of those with a “very positive” opinion of the industry, knew someone who had remodeled in the past five years. A majority (56.1%) of those who plan to remodel their homes in the next five years have had a friend or family member who remodeled their house.

11. Have you or your friend or family member had any warranty problems, or problems with the house or the remodeling, for which the homebuilder may have been responsible?

Yes	15.3%
No	81.2%
Do not recall	3.5%

30.2% of those who hold a “somewhat negative” or “very negative” opinion of the industry stated that they, or someone they knew, had warranty problems. 73.7% of those who have hired a contractor/remodeler in the past five years stated that they, or someone they knew, had not had warranty problems. 71.9% of respondents who have purchased a home in the past five years stated that they have not had warranty problems. 15.5% of those who have an awareness of the TRCC have experienced warranty problems.

Warranty Problems?



a. What were the problems? (Check multiple answers, if appropriate)

Water problems	30.7%
Foundation problems	28.1%
Roof problems	19.6%
Mold problems	11.8%
Heating/cooling problems	8.5%
Electrical problems	7.8%
Other	19.0%

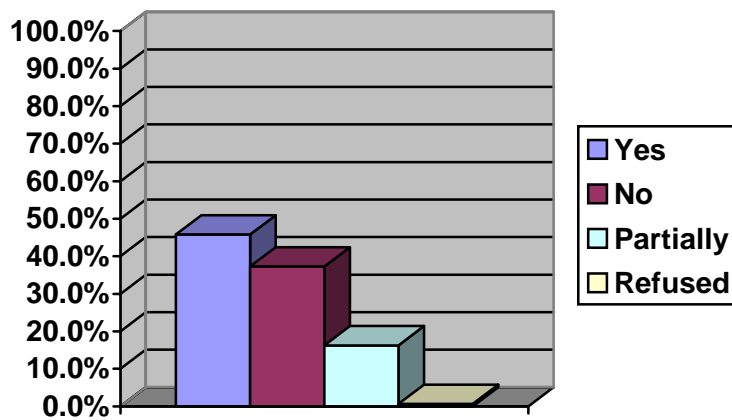
The responses to "Other" are listed in Appendix B.

b. Was/were the problem(s) resolved?

Yes	45.8%
No	37.3%
Partially	16.3%
Refused	0.7%

54.5% of those planning to purchase a newly constructed home and 49% of those planning to remodel have had warranty problems that have been resolved. 52.9% of participants who have an awareness of the TRCC and 55% of those with a "very positive" or "somewhat positive" opinion of the industry have had their warranty problems resolved. There is a change in these numbers relative to resolution of the problems. Only 31.8% of those planning to purchase stated that the problems were not resolved and only 13.6% claimed that the problems were only partially resolved.

Were the problems resolved?



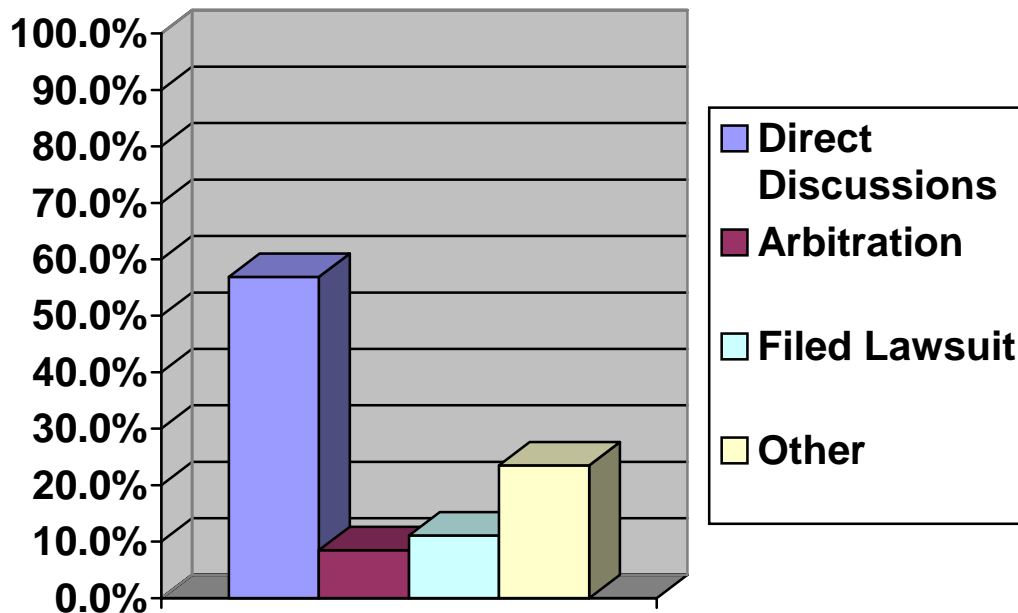
c. How [did you resolve/are you trying to resolve] the problems with your homebuilder?

Direct discussions/negotiation	56.9%
Arbitration	8.5%
Filed lawsuit	11.1%
Other	23.5%

The responses to "Other" are listed in Appendix B.

62.7% of those planning a remodel in the next five years have handled previous problems with direct discussions. 58.8% of those who are aware of the TRCC, and 60.8% of participants that hold a "very positive" or "somewhat positive" opinion of the industry have handled problems with direct discussions or negotiations.

How did you resolve the problem?

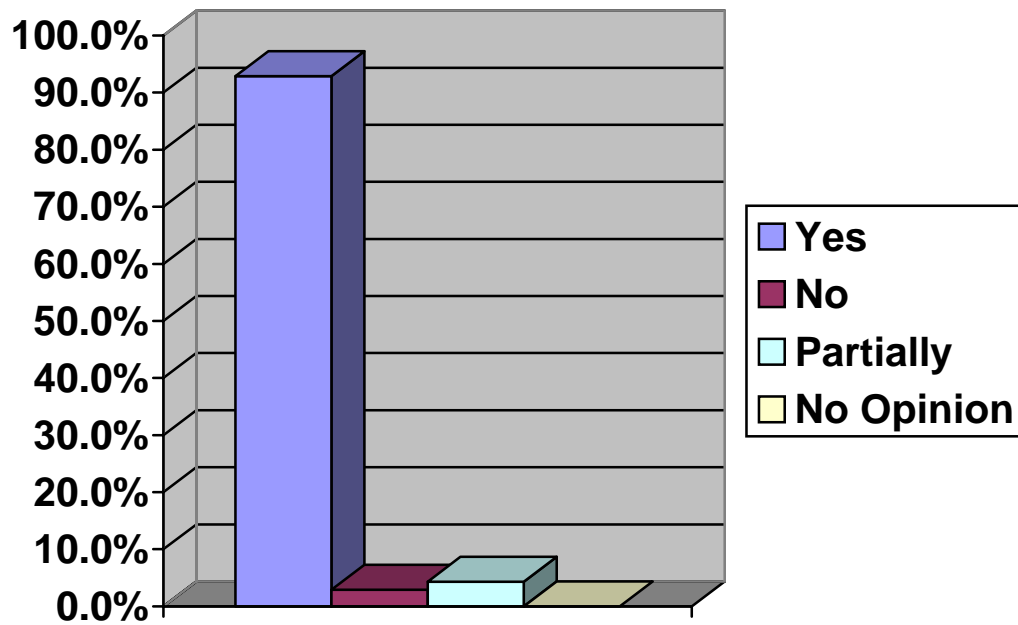


d. Was the outcome satisfactory?

Yes	92.9%
No	2.9%
Partially	4.3%
No opinion	0.0%

Awareness of the TRCC did not affect these numbers, with 100% of those with an awareness and 91.7% of those who were unaware both stating their outcome was satisfactory. The percentages did not vary according to location, future plans to purchase a newly constructed home, or plans to hire a remodeler.

Was the outcome satisfactory?

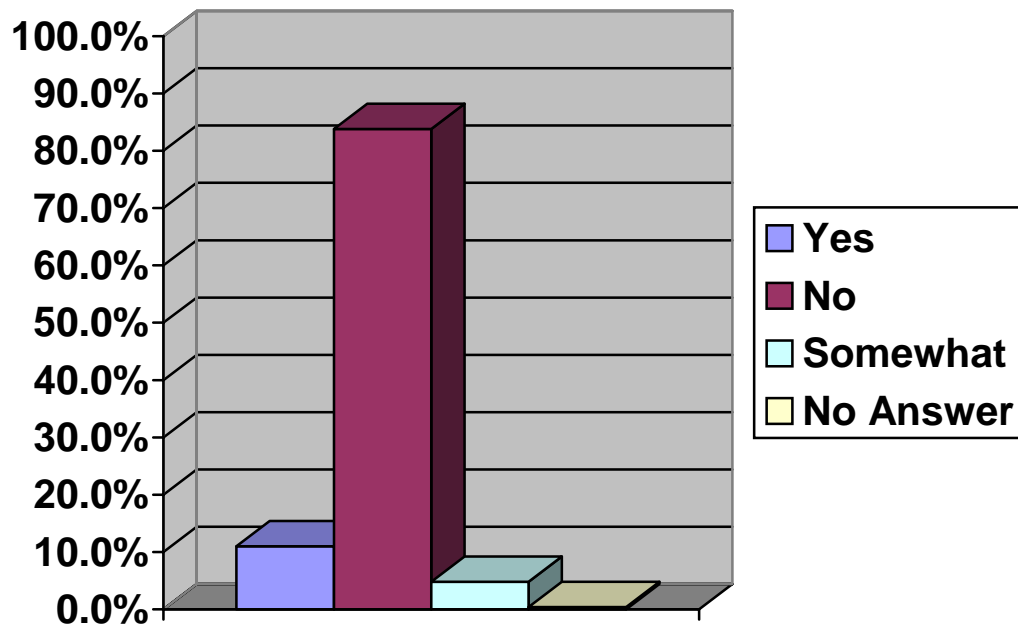


12. Are you aware that the Texas Legislature has created the Texas Residential Construction Commission to help the public and homebuilders resolve their problems?

Yes	11.0%
No	83.8%
Somewhat/heard about it	4.8%
No answer	0.4%

The greatest awareness was in El Paso (21.7%), Corpus Christi (14.3%), and Austin (14.3%). 83.8% of current homeowners and 87.4% of those who plan to purchase a newly constructed home in the next five years were not aware of the TRCC.

Aware of the creation of the TRCC?

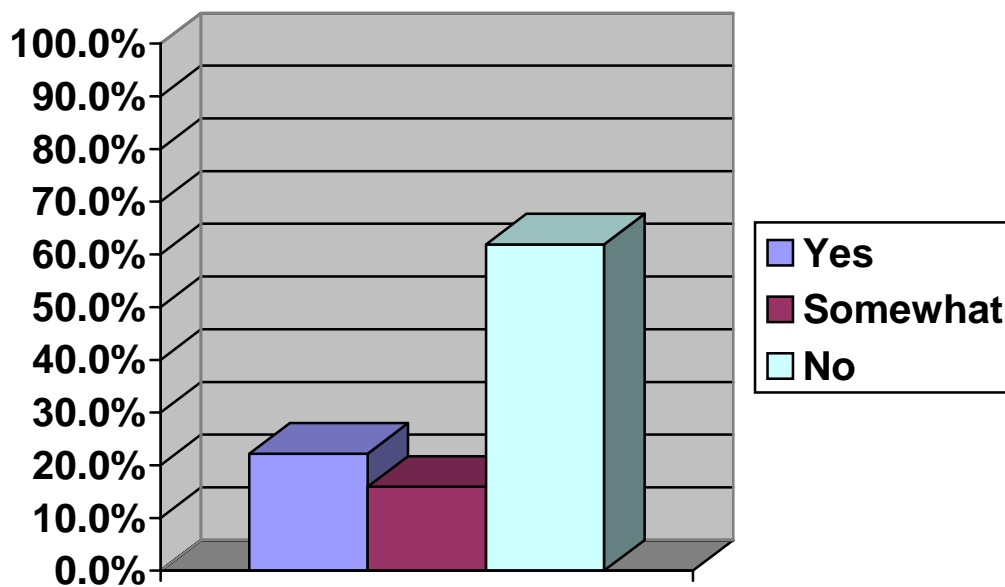


★ Are you aware there is an alternative to filing a lawsuit if you have problems with a homebuilder or remodeler?

Yes	22.2%
Somewhat	15.9%
No	61.9%

62.7% of those who currently own their home and 61.1% of those who are planning to purchase were unaware. 59.1% of those with a “very positive” or “somewhat positive” opinion of the industry were also unaware. 65.5% of those participants with an awareness of the TRCC were aware of the alternative to a lawsuit.

Aware of alternatives to filing a lawsuit?

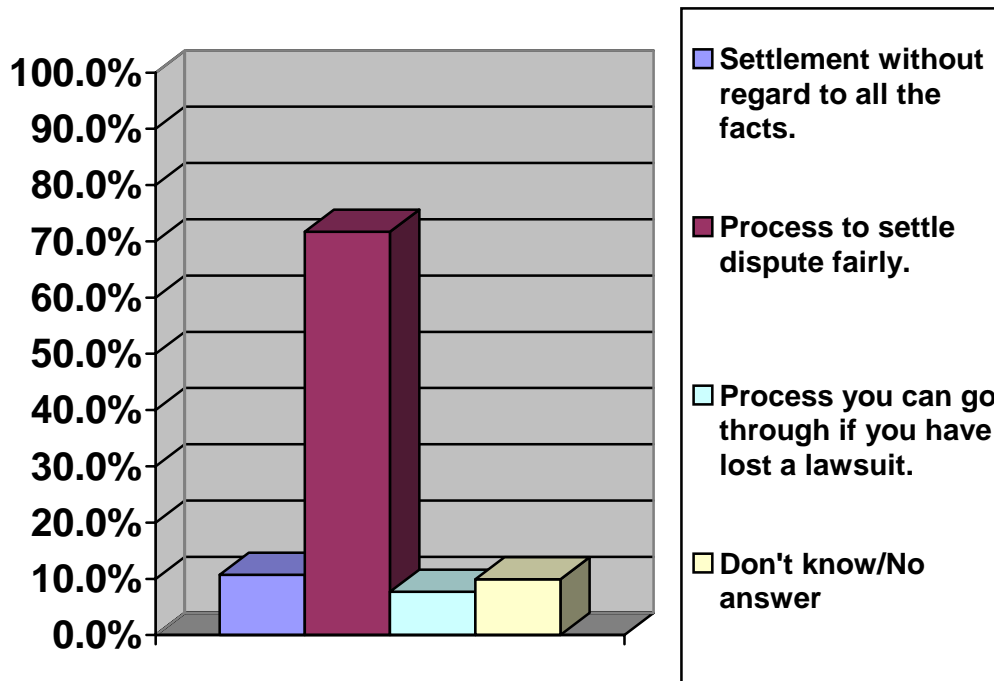


14. What does arbitration mean to you?

Settlement of a dispute without regards to all of the facts in the argument.	10.7%
A process to settle a dispute or contract disagreement fairly.	71.7%
A process that you can go through if you have lost a lawsuit.	7.7%
Don't know/No answer.	9.9%

The majority (71.7%) correctly stated that arbitration is a process to settle a dispute or contract disagreement fairly. Percentages did not vary according to location, plans to purchase a home, or plans to remodel a home. 67.3% of those who are aware of the TRCC knew the correct definition of arbitration.

What does arbitration mean?

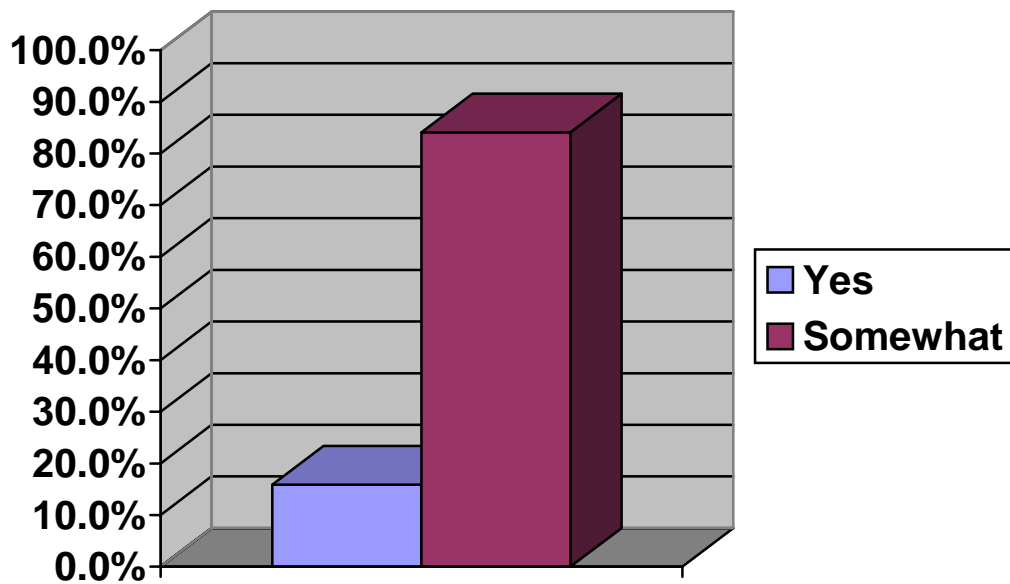


15. Do you know the State of Texas now sponsors a dispute resolution process for consumers and builders?

Yes	15.9%
No	84.1%

Percentages did not vary according to location, home ownership, plans to purchase, or an awareness of the TRCC.

Aware of State sponsored dispute resolution process?



16. How do you (or would you) get information about homebuilders or remodelers?

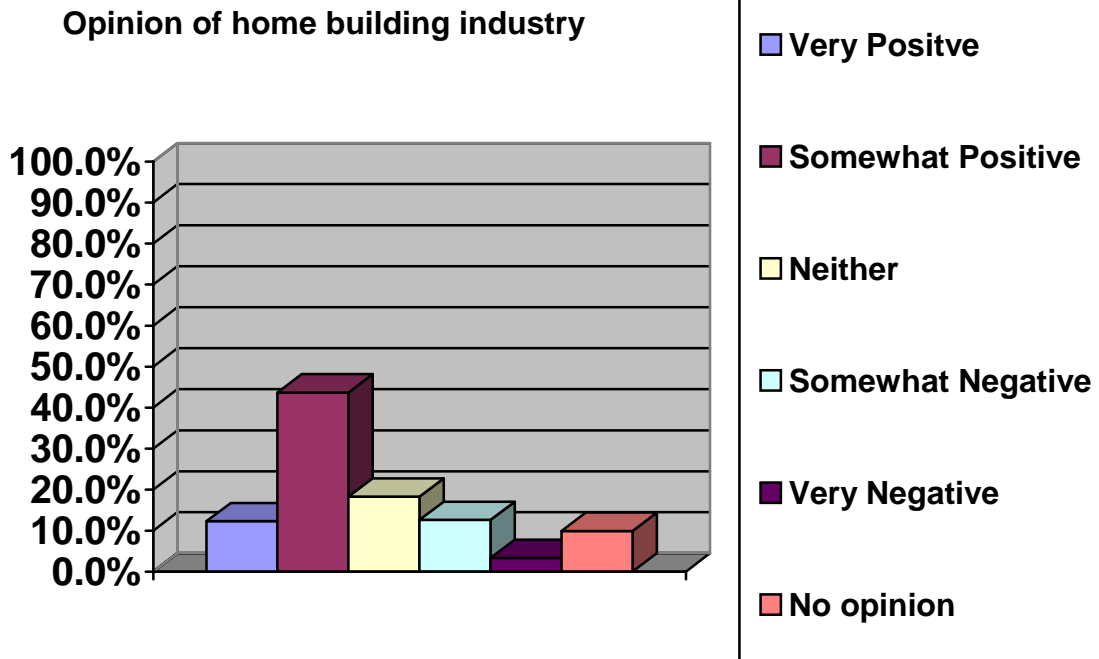
Word of mouth	56.1%
Internet	17.8%
Builders advertising like the Yellow Pages	17.5%
Groups like the Better Business Bureau	10.8%
Realtors	9.6%
Other	5.2%

The responses to "Other" are listed in Appendix B.

17. Overall, what is your general opinion of the homebuilding and remodeling industry?

Very positive	12.3%
Somewhat positive	43.7%
Neither positive nor negative	18.3%
Somewhat negative	12.6%
Very negative	3.3%
No opinion	9.9%

Overall, the public's opinion of the industry is good, with 56% holding a "very" or "somewhat" positive opinion and only 15.9% holding a "very" or "somewhat" negative opinion.



18. How do you most often get the news? (Choose 3)

Primary Source

Television	40.8%
Newspapers	33.2%
Radio	12.7%
Internet	7.7%
Word of Mouth	4.8%
Other	0.6%
None of the above	0.3%

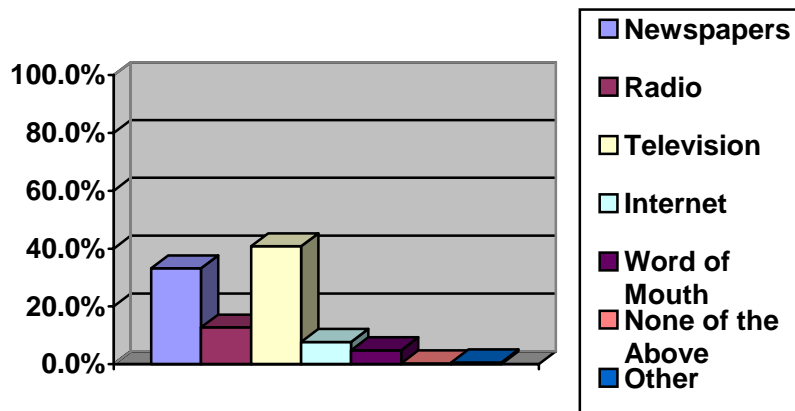
Secondary Source

Television	29.1%
Newspapers	28.4%
Radio	22.1%
Internet	14.1%
Word of Mouth	4.7%
Other	1.0%
None of the above	0.7%

Third most likely source

Internet	23.0%
Radio	22.7%
Television	17.0%
Word of Mouth	16.2%
Newspapers	14.4%
None of the above	3.9%
Other	2.9%

Primary Choice for News



19. I would like to send you information about the Texas Residential Construction Commission and its services. May we do so?

Yes	52.5%
No	47.5%

20. Gender

Male	50.1%
Female	49.9%

The split in gender of the survey participants was good, 50.1% being male and 49.9% being female. According to the 2000 Census the population breakdown for Texas is 50.4% male and 49.6% female.

APPENDIX H: COMPACT WITH TEXANS

The Texas Residential Construction Commission (the "commission") provides Texas homeowners and the residential construction industry an opportunity to resolve differences through a neutral dispute resolution process and ongoing education by:

- ★ Registering homes and home builders;
- ★ Overseeing the state-sponsored inspection and dispute resolution process;
- ★ Preparing and adopting limited warranties and building and performance standards;
- ★ Overseeing three task forces pertaining to mold, arbitration, and rain harvesting and water recycling;
- ★ Providing a voluntary certification of arbitrators; and
- ★ Providing for the filing of arbitration award summaries.

The commission's governing board consists of nine-members appointed by the Governor with the advice and consent of the Senate. Four members must be builders, three must be representatives of the general public, one must be a licensed professional engineer, and one must be a licensed architect or a building inspector. The commission members serve six-year staggered terms with three members expiring February 1 of each odd-numbered year.

Information on the Texas Residential Construction Commission or the governing board is available on the Web site at www.trcc.state.tx.us or from Dora Alicia Rivera at (512) 463-9524 or dora.rivera@trcc.state.tx.us.

The commission functions are divided into four functional areas: Registration, Communication and Complaints (SIRP), Education, and Administration and Legal.

REGISTRATION

The registration process determines whether builders and remodelers meet the minimum qualifications to operate in Texas. To establish an applicant's eligibility for registration, the staff reviews an applicant's criminal history on a company designated agent and ensures a valid physical Texas location.

Direct inquiries to Dawn Doyle at (512) 463-0450 or dawn.doyle@trcc.state.tx.us

COMMUNICATION AND COMPLAINTS (SIRP)

The Communications department revolves around the traffic on the commission toll-free helpline (877-651-TRCC). Through the use of this toll-free number, Texas consumers and the residential construction industry can reach regulatory assistance quickly and easily for questions pertaining to registration information and the state-sponsored inspection and dispute resolution process.

Direct inquiries to Alex Horton at (512) 463-0420 or alex.horton@trcc.state.tx.us

EDUCATION

Educational activities are critical to maintaining a positive and effective regulatory presence. Educational programs are designed to train first-time homebuyers, existing homeowners, and builders on the policies of the Texas Residential Construction Commission.

Direct inquiries to Barbara Wells @ (512) 463-1772 or barbara.wells@trcc.state.tx.us

ADMINISTRATION AND LEGAL

The primary responsibility of Administration is the operation of the commission. Executive management directs commission activities and assists the commission in meeting its objectives.

Direct inquiries to Dora Alicia Rivera at (512) 463-9524 or dora.rivera@trcc.state.tx.us

The Office of General Counsel renders legal advice to the commission and staff on all subjects relevant to the commission's statutory responsibilities and its operations.

Direct inquiries to Judith Kennison at (512) 463-9638 or judith.kennison@trcc.state.tx.us

CUSTOMER SERVICE PRINCIPLES

The Texas Residential Construction Commission recognizes the need for a strong residential construction industry in Texas. The commission encourages a level playing field by providing a baseline of consistent building standards and warranties that allows all Texans access to reliable, well-built homes. Therefore, the commission offers protections to consumers, coordinates educational efforts aimed at consumers and industry alike, and attempts to resolve differences between homeowners and builders through a neutral dispute resolution process without requiring court action.

If the agency fails to meet your expectations, please direct complaints about the commission's services or operations to Duane Waddill, Deputy Executive Director at (512) 463-1040 or via e-mail at duane.waddill@trcc.state.tx.us.

General Contact Information:

Texas Residential Construction Commission
311 E. 14th Street, Suite 200
Austin, Texas 78701
(512) 463-1040
Consumer Helpline: (877) 651-TRCC
Web site address: www.trcc.state.tx.us