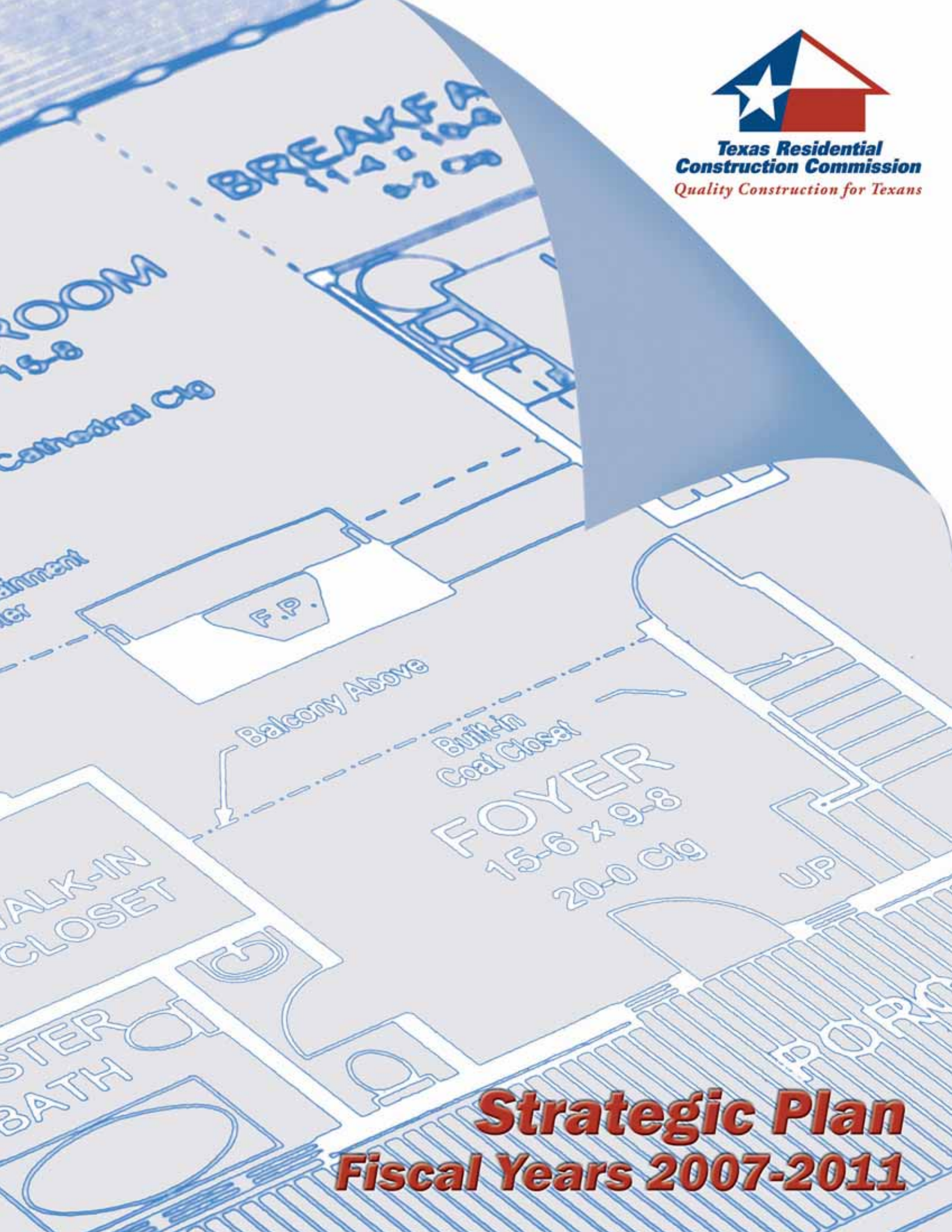




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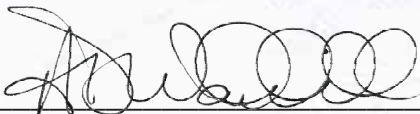
# **Strategic Plan Fiscal Years 2007-2011**





## Texas Residential Construction Commission Strategic Plan Fiscal Years 2007-2011

<u>Commission Members</u>	<u>Term</u>	<u>Hometown</u>
Patrick H. Cordero, Jr. (Chair)	February 1, 2009	Midland
Lewis Brown	February 1, 2011	The Woodlands
Art Cuevas	February 1, 2011	Lubbock
Kenneth L. Davis, P.E.	February 1, 2009	Weatherford
Paulo Flores	February 1, 2011	Dallas
John R. Krugh	February 1, 2009	Houston
Glenda Mariott	February 1, 2007	College Station
Scott M. Porter	February 1, 2007	Kerrville
Mickey Redwine	February 1, 2007	Ben Wheeler

Signed:   
A. Duane Waddill, Executive Director

Approved:   
Patrick H. Cordero, Jr., Chair



**TEXAS RESIDENTIAL CONSTRUCTION COMMISSION  
STRATEGIC PLAN  
FISCAL YEARS 2007-2011**

**TABLE OF CONTENTS**

**Guiding Principles**

State Vision..... 1  
The Mission of Texas State Government..... 1  
The Philosophy of Texas State Government..... 2  
State Goals and Benchmarks..... 2  
Commission Mission ..... 3  
Commission Philosophy ..... 3

**Commission Overview**

Key Responsibilities..... 7  
Adopting Minimum Warranties and Performance Standards ..... 7  
Overseeing the Post-Construction Inspection Process ..... 8  
Assisting Consumers with Complaints..... 8  
Educating Consumers and Industry..... 9  
Registering Residential Construction Projects ..... 9  
Registering Residential Builders and Remodelers..... 10  
Administering the Star Builder Program..... 10  
Enforcing Statutory and Regulatory Requirements ..... 10

**External Assessment**

Overview ..... 13  
Economy..... 13  
Public Perception ..... 13-14  
Local Municipalities and Building Codes ..... 14

## **Internal Assessment**

Oversight and Organization .....	17
Staffing.....	17
Legal.....	17-18
Fiscal Aspects.....	18
Technology.....	18-19

## **Goals and Measures**

Goals and Measures .....	23-26
--------------------------	-------

## **Appendices**

Appendix A: Strategic Planning Process.....	29
Appendix B: Organizational Chart .....	31
Appendix C: Five-Year Projections .....	33
Appendix D: Measure Definitions .....	35-59
Appendix E: Workforce Plan .....	61-65
Appendix F: Customer Service Survey .....	67
Appendix G: State Inspection Process Flow Chart.....	69



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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 productive citizens 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 by safeguarding our neighborhoods and communities from those who intend us harm; and*

*Providing disciplined, principled government that invests public funds wisely and efficiently.*

*-Governor Rick Perry*

## State Mission

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.

Aim high . . . We are not here to achieve inconsequential things!

## State Philosophy

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 principles:

- 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, in most instances, are best made by those individuals, their families, and the local government closest to their communities.

Competition is the greatest incentive for achievement and excellence. It inspires ingenuity and requires individuals to set their sights high. 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.
- State government has a responsibility to safeguard taxpayer dollars by eliminating waste and abuse, and providing efficient and honest government.

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

### **Priority goal: Regulatory**

To ensure Texans are effectively and efficiently served by high-quality professionals and businesses by:

- implementing clear standards;
- ensuring compliance;
- establishing market-based solutions; and
- reducing the regulatory burden on people and business.

### **Benchmarks:**

- Number of new homes registered with the Texas Residential Construction Commission
- Percent of new and renewed professional licenses issued via the Internet

## Commission Mission

The mission of the Texas Residential Construction Commission is to promote quality construction for Texans by registering industry members and residential construction projects; providing information and educating homeowners and the residential construction industry; acting as a resource for complainants; and offering a neutral, technical review of alleged post-construction defects.

## Commission Philosophy

To help promote quality construction for Texans, the Texas Residential Construction Commission will adhere to the following core principles:

- Operate ethically and with the highest standards of professional conduct;
- Maintain sensitivity to cultural diversity issues;
- Work efficiently while being highly effective and fair, addressing the needs of both consumers and the residential construction industry;
- Communicate clearly and with respect to every individual contacting the commission; and
- Promote collaboration between consumers and members of the residential construction industry when disputes arise.





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# ***Commission Overview***



# Commission Overview

## Key Responsibilities

The Texas Residential Construction Commission promotes quality construction for Texans by effectively and efficiently performing its statutory functions. Principally, the commission is responsible for:

- Adopting the state’s minimum warranties and performance standards for residential construction;
- Overseeing the state inspection process when a post-construction defect is alleged;
- Assisting consumers with complaints about residential builders and remodelers;
- Educating Texas consumers and the residential construction industry;
- Registering residential construction projects;
- Registering residential builders and remodelers;
- Administering the Star Builder program for certain builders and remodelers; and
- Enforcing statutory and regulatory requirements for registered builders and remodelers.

The commission’s other responsibilities include providing for the voluntary certification of arbitrators, providing for the filing of arbitration award summaries and overseeing the activities of an arbitration task force.

## Adopting the State’s Minimum Warranties and Performance Standards For Residential Construction

The commission adopted a set of limited warranties and building and performance standards. The adopted limited warranties include a:

- One-year workmanship and materials warranty;
- Two-year mechanical and delivery system warranty;
- Ten-year structural warranty; and
- Ten-year warranty of habitability.

The performance standards provide objective minimum standards that every home built or remodeled in Texas must meet. In every case, the minimum warranties and standards are more stringent than those required by federal Department of Housing and Urban Development standards. The standards were created with input from consumers, builders/remodelers, suppliers, municipalities, inspectors, warranty companies and the Construction Science Department at Texas A&M University through a publicly open process.

## Overseeing the State Inspection Process when a Post-Construction Defect is Alleged

The state’s inspection process, formally referred to as the State-sponsored Inspection and Dispute Resolution Process (SIRP), allows a homeowner or builder to obtain a neutral, professional review of alleged post-construction defects. Before a homeowner initiates legal action on an alleged post-construction defect, this process assists parties in reaching dispute resolution.

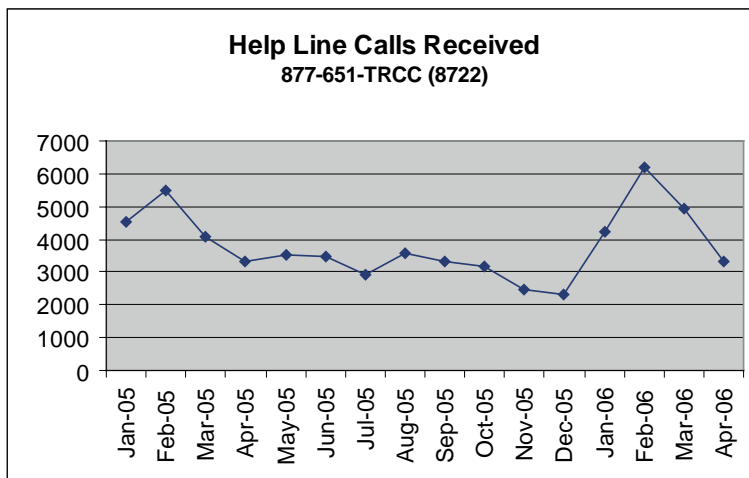
The inspection process provides the homeowner and the builder or remodeler a final commission report that holds a legal presumption of weight. Since the commission’s report is available to the judge, arbitrator or mediator reviewing the defect allegations, the costs traditionally required for expert witness fees are reduced. A complete process flow chart can be found in Appendix G.

### *How the Inspection Process Works...*

1. Alleged defect is identified after construction is complete.
2. Request for inspection and fee is submitted to the commission.
3. A neutral, professional inspector is assigned to give a technical opinion on whether a defect does exist.
4. Inspection report is issued with a recommendation for repair, if applicable.

## Assisting Consumers with Complaints about Residential Builders and Remodelers

Texans in need of assistance are encouraged to submit information in support of a complaint about a builder or remodeler to the commission for investigation.



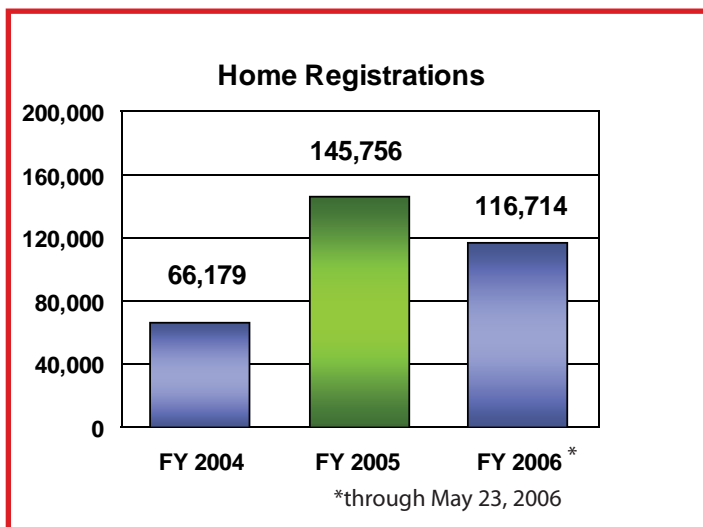
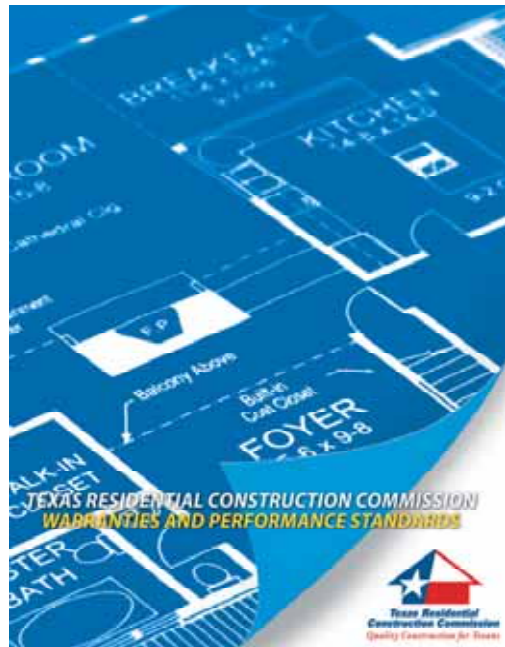
Copies of all written complaints (whether received via mail, fax or email) are sent to the involved builder or remodeler, who is required to respond to the commission’s request for more information about the complaint. This exchange of information is designed to ensure that the commission has accurate information to evaluate the complaint and to assist in resolution. Additionally, the exchange of information helps overcome any breakdown in communication between the parties that may have contributed to filing of the complaint.



## Educating Texas Consumers and the Residential Construction Industry

The commission recognizes the importance of assisting all Texans in being well-informed, educated consumers. Consumers are mailed information once their new home or remodeling project is registered with the commission. This mailing provides contact information for the commission, information about the state's set of minimum warranties, the commission's complaint process and the state's inspection process.

The commission also provides information to both consumers and the residential construction industry. The commission is dedicated to an aggressive public outreach and education plan that includes paid and earned media and public service announcements; participation in industry-related trade exhibitions and consumer-based home and garden shows; an active solicitation of speaking engagements to service, industry and other interested public groups; publication of information and links on the commission Web site and Web-enabled training for third-party inspectors.



Registration of home construction projects serves to identify the builder or remodeler responsible for warranting the construction work.

## Registering Residential Construction Projects

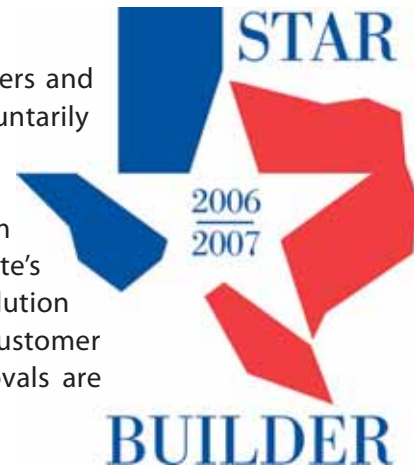
The commission registers each qualified new construction project. Registration of new homes on the builder's lot is required when the home is sold. Registration of new homes on the homeowner's lot is required when the contract is signed or when construction commences, whichever is earlier. Remodeling projects that alter the living area of the home or interior renovations that cost more than \$20,000 must be registered on the earlier of the date the contract is signed or work begins.

## Registering Residential Builders and Remodelers

A builder or remodeler may not construct new homes or engage in remodeling projects that change the living area of the home or that cost more than \$20,000 in Texas without first registering with the commission. In addition to obtaining information about the builder or remodeler, the commission determines the physical location of each builder or remodeler. The review of the registration application includes a background check for a designated individual who serves as the registered agent for the builder or remodeler.

## Administering the Star Builder Program for Certain Builders and Remodelers

The Texas Star Builder program requirements allow certain builders and remodelers who meet higher standards for their customers to voluntarily set themselves apart from their industry peers by demonstrating that their experience, education and professional commitment offers their customers a higher level of service. The program includes a requirement that demands active participation in the state's inspection process. Program membership encourages dispute resolution by penalizing those members who have a high percentage of customer complaints that cannot be resolved. The first application approvals are expected in summer 2006.



## Enforcing Statutory and Regulatory Requirements for Registered Builders and Remodelers

The commission aggressively pursues administrative actions against builders and remodelers who fail to follow statutory and regulatory requirements. The majority of commission actions are the result of complaints received from consumers. Most violators are provided a written notice offering a courtesy opportunity to cure any deficiency without penalty within a short time after notice of the problem. Those who fail to respond to a courtesy notice receive a formal notice of hearing on a disciplinary action set before the State Office of Administrative Hearings. Furthermore, builders and remodelers who fail to register after notice of the requirement and an opportunity to become compliant are referred to the Office of the Attorney General. The majority of registrants who receive a formal notice of violation request and enter into an agreed order, often requiring that the registrant pay a fine as a result of wrongdoing. The outcomes of disciplinary actions are made public on the agency Web site, offering valuable information to consumers about builders and remodelers operating in their area and serving as a deterrent to other industry members.



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# ***External Assessment***



# External Assessment

## Overview

The commission will remain adaptable and effective in addressing the changing environment of the Texas 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.

## Economy

The Fiscal Year 2005 Comprehensive Annual Financial Report for the State of Texas reports that the construction industry leads in job growth. The construction industry reported more than 559,000 jobs in November of 2005. During the 1990s, the construction industry was often the fastest growing and despite losses after September 11, 2001, the industry has rebounded well. The report also states that home sales were up 9.2 percent and that new home building permits were up 7.9 percent compared to the previous year.

The National Association of Home Builders (NAHB) reports that the remodeling industry will lead growth in the residential construction industry for the next decade. Additionally, NAHB predicts that the new home market will soften as interest rates climb. However, due to the stability of the housing market in the state, the industry correction is not expected to occur in Texas.

Although the residential construction industry is strong and healthy, it is important to remember that the regulatory burden on the industry impacts home ownership rates. The United States Department of Housing and Urban Development (HUD) reported that regulatory costs were an obstruction to improving home ownership rates. Barriers cited in the HUD 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 in order to balance the needs of consumers and the industry in the Texas housing market.

## Public Perception

Texans have received mixed messages about the commission and its functions. The commission faces a continuing challenge to address perceptions perpetuated by some public advocacy groups and reports in the news media. The desire for legislative change among the advocacy groups regularly becomes a question about the commission's effectiveness in fulfilling its mission, while commission efforts and accomplishments go largely unrecognized in the media and are not communicated to the public.

While outreach efforts to date have started to provide Texans with information about the availability of commission's services, only a long-term outreach and educational program will be able to support measurable improvements in awareness about the commission. For example, the commission recently held media events in the Rio Grande Valley and in West Texas designed to drive media coverage of selected commission responsibilities and programs. Media coverage associated with these efforts exposed more than 500,000 Texans to the commission's services. Making sure that Texas homeowners know where to turn for assistance with a complaint or a post-construction defect will require continued outreach and education.

## **Local Municipalities and Building Codes**

Texas is a large and varied state; this is especially true in terms of residential construction. Texas has adopted the International Residential Code (IRC) as the residential building code in the state, but allows local jurisdictions to adopt amendments to the IRC. The variety of building requirements adopted by local jurisdictions across the state impacts the commission's post-construction inspection process. When an inspector goes to a home to determine if an alleged defect exists, not only must the inspector use the commission's performance standards but also must apply the applicable local building code as amended when a home or renovation was constructed. In unincorporated areas, because construction generally is not subject to review during construction, defective workmanship or materials may not be visible under finish materials.

Also, the governor has named the commission's executive director as the state's building official for the National Conference of States on Building Codes & Standards (NCSBCS). NCSBCS, along with several other organizations, work in tandem with the International Code Council in developing the IRC. Since the IRC is the basis for local building codes in Texas, coordination with local jurisdictions and building officials is crucial in making sure that Texas has a voice in any changes made to the IRC.



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# ***Internal Assessment***





# Internal Assessment

## Oversight and Organization

The Texas Residential Construction Commission consists 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 each serve six-year staggered terms with three members expiring February of each odd-numbered year.

The commission hires an executive director to manage the agency's operations. The commission staff is divided into functional areas: Registration, Communication and Complaints, State Inspection Process, Legal and Investigations and Administration.

## Staffing

The commission has a staff fully committed to serving their fellow Texans and assisting both consumers and industry members with their needs. Despite being a relatively new state agency, the commission has an experienced staff that is knowledgeable and seeks innovative solutions to issues presented. The commission has several employees that work in a variety of areas. For example, the commission's executive assistant performs the human resources functions for the agency. Also, the commission still utilizes temporary staffing during peak workload periods such as during the annual builder and remodeler registration renewal cycle.

Staffing levels were increased during the last legislative session for application investigation and particular enforcement activities. Production in those areas has seen dramatic improvement. If industry growth continues at the current rate, alternative solutions to the workloads created by that growth will be needed. In particular, activity in the registration area may be adversely impacted by large volumes of Star Builder applications. While current staffing for the complaint area is adequate, during peak calling periods, the agency help line staff is stretched. Any increase in consumer calls will also create a need for increased resources to respond efficiently. The commission is piloting an ombudsman program, where consumers are provided special assistance in accessing the state's inspection process and in mediating other complaints. Should this program prove effective, more human resources will be necessary in that area as well.

## Legal

The commission's enabling statute has been the subject of little judicial precedent. As a result, the enforcement efforts of the commission regularly require novel legal arguments to be made before the State Office of Administrative Hearings. For at least the next biennium, the commission will continue to devote resources to its enforcement actions as violations of first impression receive a hearing.

Additionally, the commission was only provided enforcement authority over registered builders and remodelers, requiring the involvement of the Office of the Attorney General in actions against individuals who fail to comply with the builder/remodeler registration requirements. Despite the fact that these

cases are referred to the Office of the Attorney General, the work of gathering sufficient evidence for referral and the support of any legal action is still required of the commission's investigatory and legal staff.

Finally, it will remain important to devote sufficient resources to a reasoned review of the commission's actions under the adopted rules to ensure that consistency is maintained while allowing for innovation in the commission's processes. Although the commission has completed initial adoption of agency rules, as the rules are implemented and tested regular review and amendments will be required in the coming years.

## **Fiscal Aspects**

The commission is financed through fees paid by the regulated industry that fund a general revenue appropriation. The commission's builder/remodeler registration fees were set at the statutory maximum in last biennium's General Appropriation Act. A biennial builder/remodeler renewal program was begun to offset the cost to individual businesses, requiring only one-half of the builders and remodelers to renew each year. The combination of the builder/remodeler registration fees and the home registration fees are more than adequate to provide for the direct and indirect cost of operations.

As required by statute, the commission also collects fees from parties that access the state's inspection process. If an alleged defect is affirmed, the cost of paying the neutral, professional for the inspection services is borne by the builder or remodeler. The important result of this statutory provision ensures that the costs associated with individual disputes are not subsidized with state revenues.

## **Technology**

The online home registration system has become an extremely valuable tool for the industry. The ability to upload data directly from an industry member's computer 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 also allows for registration renewals through the Web site. During this year's renewal cycle, more than 40 percent of the renewals were completed online resulting in a large savings to the commission in terms of temporary labor to enter a builder's or remodeler's renewal information. The commission expects to allow required reporting to the commission to occur through an Internet portal. For example, the commission is planning to implement a system where a builder or remodeler can enter data required after a state inspection report has been issued. This system will save valuable data entry and mail time in gathering information about how a dispute has been resolved. These technological tools help to maximize agency resources.

One of the commission's most important resources, its Web site, enables the distribution of information quickly and without a large investment of resources. The commission's Web site ([www.trcc.state.tx.us](http://www.trcc.state.tx.us) or [www.texasrcc.com](http://www.texasrcc.com)) is continually updated with essential information such as rule proposals and adoptions, application forms, education materials and news releases. A list service feature is available to allow interested parties to receive automatic notification when information on the commission's Web site is updated.

The commission utilizes a scalable database system that ensures information is delivered, both to the public and to commission staff members, at a high rate of speed. 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, denial of service attacks and other security threats have become more prevalent. Preventing damage caused by these attacks consumes increasing amounts of time and other resources.

The screenshot shows the top of the TRCC website. On the left is the TRCC logo, which features a stylized house with a white star on a blue background and a red background below it. Below the logo is the text "Texas Residential Construction Commission" and "Quality Construction for Texans". To the right is the official seal of the State of Texas. Below the logos is a dark blue navigation bar with the text "TRCC Main Menu". The main content area has a light blue header for the "Log in" section. Below the header, it says "To access this portion of the site, please login:". There are two input fields: "\* User ID :" and "\* Password:". Below the fields is a "Login" button. At the bottom of the login box, it says "Fields marked with an \* are required". To the right of the login box are two images: a close-up of a hand holding a power drill and a photograph of a house under construction. Below the images is the text "Forgot your Registration Number and/or Password?" and "Click [here](#) to retrieve your user information or contact [TRCC](#) to receive the information."

Log-in area of the commission's Web site





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# **Goals and 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 promote quality housing for Texans and 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 through 2011.

### **Outcome Measures:**

- Percent of Registrants Renewing Online
- Percent of Home Registrations Completed Online
- Percent of Registrants with No Recent Violations

### **Strategy:**

Implement and monitor a registration program to ensure fair, efficient and effective oversight of all registrants.

### **Output Measures:**

- Number of Home Registrations Issued
- Number of New Builder/Remodeler Registrations Issued

### **Efficiency Measures:**

- Number of New Third-Party Inspector Registrations Issued
- Number of New Arbitrator Registrations Issued
- Average Cost per Registration

### **Explanatory Measures:**

- Total Number of Builder/Remodeler Registrations
- Total Number of Third-Party Inspector Registrations
- Total Number of Arbitrator Registrations
- Total Number of Registrations Renewed (all types)

## Goal 2: Complaint Resolution and 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 through 2011.

### **Outcome Measures:**

- Percent of Complainants Completing the State-Sponsored Inspection and Dispute Resolution Process (SIRP) in less than 100 Days

### **Strategy 1: Complaint Resolution**

Implement and monitor an effective and efficient state-sponsored inspection and dispute resolution process.

### **Output Measures:**

- Number of Complaints Resolved
- Total SIRP Actions Closed

### **Efficiency Measures:**

- Average Cost of SIRP Inspection
- Average Days to Complete the SIRP

### **Explanatory Measures:**

- Number of Complaints Received
- Total Calls to Toll-Free Help Line
- Number of Non-Jurisdictional Complaints Received
- Number of SIRP Requests Received

### **Strategy 2: Compliance**

Develop and adopt effective minimum performance standards and warranties to provide an independent basis for review of alleged construction defects.

### **Efficiency Measures:**

- Average Days to Complete an Enforcement Action



## Goal 3: Industry and 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 all interested parties through cost-effective outreach channels to educate Texas consumers and the residential building and remodeling industry through 2011.

### **Outcome Measures:**

- Percent of Texans Reached with Information about the TRCC or Any of Its Programs

### **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.

### **Output Measures:**

- Total Number of Texans Reached in Person

### **Efficiency Measures:**

- Average Cost per Texan Reached

## 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 percent of the total value of contracts and subcontracts awarded annually by the commission in purchasing and public works contracting by Fiscal Year 2007.

### **Outcome Measures:**

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

### **Strategy:**

Implement and monitor the plan for increasing the use of historically underutilized businesses through purchasing and public works contracts and subcontracts.

### **Output Measures:**

- Number of HUB Contractors and Subcontractors Contacted for Bid Proposals
- Number of HUB Contracts and Subcontracts Awarded
- Dollar Value of HUB Contracts and Subcontracts Awarded



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# ***Appendices***



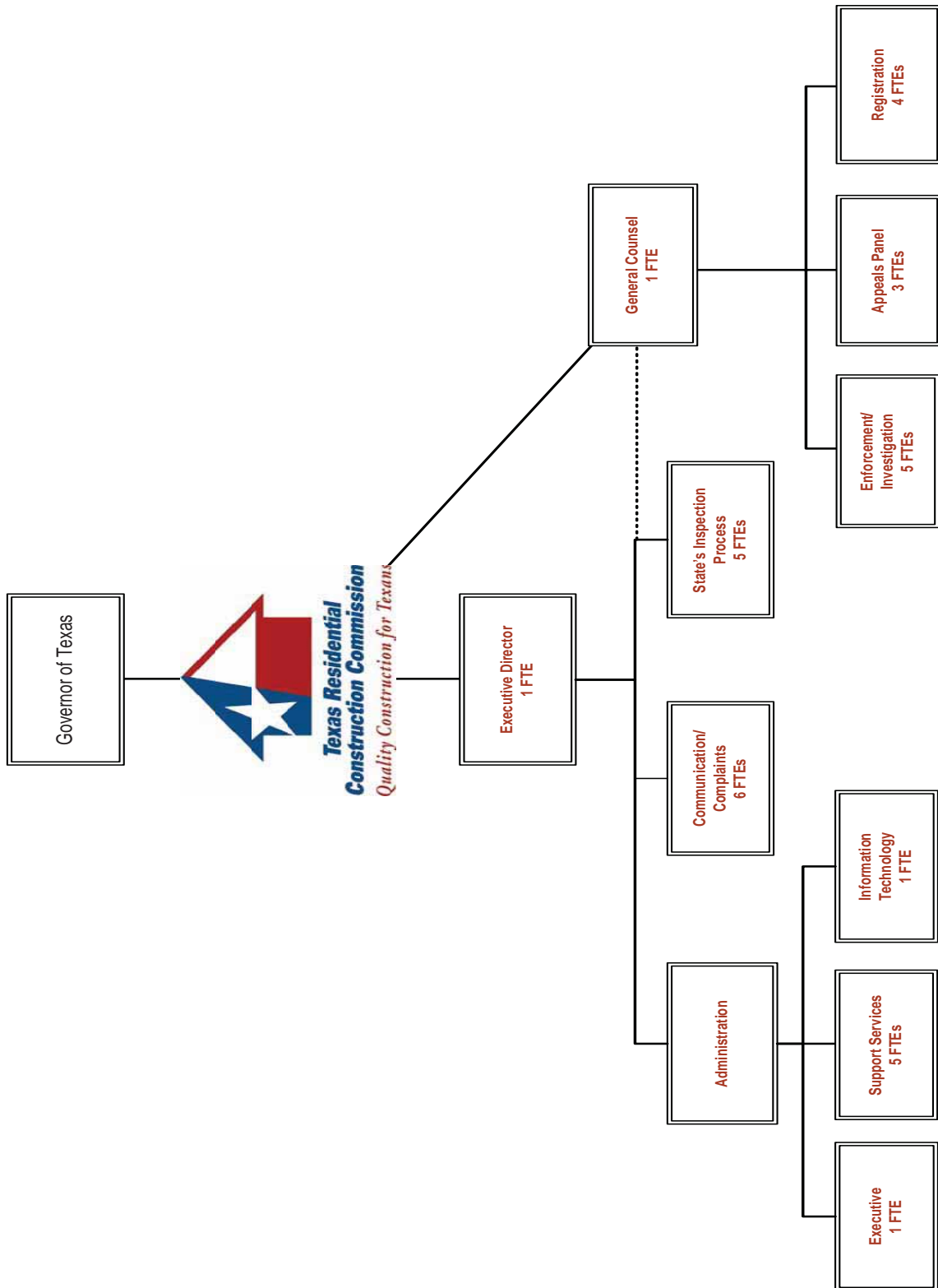
# Appendix A: Strategic Planning Process

- February 1, 2006:** Commission approves development process
- February, 2006:** Commission member and stakeholder input\* requested on the commission's mission statement, philosophy statement and organizational structure
- February, 2006:** Staff members develop an analysis of commission's strengths, weaknesses, opportunities and challenges (SWOC)
- March, 2006:** Commission members solicited for input on SWOC
- Mid-March, 2006:** Stakeholder input\* solicited on SWOC
- April, 2006:** Comments regarding the mission and philosophy statements, organizational structure and the updated SWOC document used to draft Strategic Plan for commission approval
- May, 2006:** Draft Strategic Plan sent to commission members
- May 17, 2006:** Strategic Plan discussed/edited/approved at commission open meeting
- May 22, 2006:** Strategic Plan posted on commission's Web site
- June, 2006:** Timely file Strategic Plan with the Governor's Office of Budget, Policy and Planning, the Legislative Budget Board and other required offices

*\*Stakeholder input was solicited through Web postings, direct mailings to trade and advocacy groups and list-serve emails. Identified stakeholder groups were: consumer advocacy groups, residential construction industry members and associations, warranty companies, inspectors, local building officials, trade associations and certain members of the legal community.*



# Appendix B: Organizational Chart







## Appendix C: Five-Year Projections

Outcome Measures		2007	2008	2009	2010	2011
A.1.1.	Percent of Registrants Renewing Online	40%	42.5%	45%	47.5%	50%
A.1.2.	Percent of Home Registrations Completed Online	60%	62.5%	65%	67.5%	70%
B.1.1.	Percent of Complainants Completing the State-sponsored Inspection and Dispute Resolution Process (SIRP) in less than 100 days	80%	81%	82%	83%	85%
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%	27.5%	30%	32.5%	35%
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: Measure Definitions

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

### Short Definition:

The total number of registrants (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 15<sup>th</sup> 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 30<sup>th</sup> 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 approved 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. Legal division is notified on each application violation excluding late registration. Legal division 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 15<sup>th</sup> 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 15<sup>th</sup> 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. Homeowners 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 commission 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 commission 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 individuals who register with the commission in order to participate as inspectors in the state-sponsored inspection and dispute resolution process (SIRP). These qualified inspectors are approved by the commission to inspect alleged defects 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 statutory qualifications for registration. 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. Also, few arbitrators limit their practices to residential construction disputes; therefore, it is difficult to show that they have the requisite years of experience to meet the statutory registration requirements.

**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 Uniform Statewide Accounting System (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 who are in active status as of the last day of the reporting period.

**Purpose/Importance:**

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

**Source/Collection of Data:**

A builder/remodeler must renew their registration 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 commission and the requirements to register. As time passes, more builders/remodelers who were once in active status fail to timely renew, or cancel their registrations.

**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 who are in active status 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. Some registrants fail to undertake required training and therefore are not available for assignment to an inspection even though they have met other qualifications for approved registration.

**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 who are in active status 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. Furthermore, many arbitrators find it difficult to satisfy the statutory experience standard because their practices are not limited to residential construction dispute arbitrations.

**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 registrants of all types who have renewed on the date required. 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, third-party warranty companies, and arbitrators must renew regularly 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, third-party warranty companies, and arbitrators that are not aware that they must renew because they ignore commission mail or move without providing an accurate address to the commission.

**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 closed 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 conclude 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 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 eligible for 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, appointed by the Executive Director of the commission, reviews the findings and recommendations and issues a ruling which is a final agency decision with no further administrative appeal. Each step of the SIRP is entered into the database with the dates, resolutions and length of time for each step. 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 eligible SIRP requests completed in fewer than 100 days by the total of all completed SIRPs in the measured period. These total numbers are retrieved from the 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. Parties and their agents may delay the process through scheduling conflicts and requested extensions.

**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 are complaints 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. A homeowner must initiate a SIRP prior 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 assist parties in resolving alleged construction disputes potentially avoiding lengthy and costly legal proceedings. This inspection is used to facilitate the resolution of 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 SIRPs closed is taken from a report generated by the database. The report will sum the total of all SIRPs 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 during the reporting period divided 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 SIRPs closed during the reporting period. Complaints and requests that are not eligible for the 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 Complaints Received**

**Short Definition:**

The total number of written complaints received between homeowners and builders by the commission.

**Purpose/Importance:**

This measure provides information to the extent that the commission receives complaints about the residential construction industry. These include all complaints received including those complaints where a request for an inspection (SIRP) is received. Complaints usually are comprised of disputes arising from construction complaints during construction rather than post-construction issues. This measure reflects the extent that the commission is involved in helping builders and homeowners reach solutions prior to the legal action.

**Source/Collection of Data:**

When a written complaint is received, it is entered into the database with the names and contact information of the parties involved and a summary of the complaint. The database generates daily, monthly, quarterly and annual reports of the totals of all complaints filed.

**Method of Calculation:**

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

**Data Limitations:**

Complaint volumes cannot be affected by any commission action beyond the education of Texans about the commission's services. Additionally, the ability of the residential building industry to receive and resolve complaints prior to commission involvement will affect the number of complaints received.

**Calculation Type:**

Cumulative.

**New Measure:**

Yes.

**Desired Performance:**

Higher than target.

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

**Short Definition:**

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

**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 help line 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 help line, 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 of all toll-free help line 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 help line 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) - Explanatory 3  
**Number of Non-jurisdictional Complaints Received**

**Short Definition:**

The total number of written complaints between homeowners and builders received by the commission that are not SIRP requests.

**Purpose/Importance:**

This measure provides information to the extent that the commission receives complaints about the residential construction industry that are not requests for an inspection (SIRP). Complaints usually are comprised of disputes arising from construction complaints during construction rather than post-construction issues. This measure reflects the extent that the commission is involved in helping builders and homeowners reach solutions informally.

**Source/Collection of Data:**

When a written complaint is received, it is entered into the database with the names and contact information of the parties involved and a summary of the complaint. The database generates daily, monthly, quarterly and annual reports of the totals of all complaints filed.

**Method of Calculation:**

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

**Data Limitations:**

Complaint volumes cannot be affected by any commission action beyond the education of Texans about the commission's services. Additionally, the ability of the residential building industry to receive and resolve complaints prior to commission involvement will affect the number of complaints received.

**Calculation Type:**

Cumulative.

**New Measure:**

Yes.

**Desired Performance:**

Higher than target.

Goal B (Complaint Resolution & Compliance) - Explanatory 4  
**Number of SIRP Requests Received**

**Short Definition:**

The total number of state-sponsored inspection and dispute resolution processes (SIRP) received by the commission. For a homeowner, 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 receives complaints regarding alleged post-construction defects. This process provides an objective basis for the parties to resolve post-construction claims resulting from alleged construction defects.

**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, any requests that are not eligible for the SIRP are excluded from this measure and included as non-jurisdictional complaints received. 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 received in the database.

**Method of Calculation:**

A summary of SIRP requests received is taken from a report generated by the database. The report will sum the total of all SIRPs where the received date in the database falls within the reporting period.

**Data Limitations:**

SIRP request volumes cannot be affected by any commission action beyond the education of Texans about the commission's services. Additionally, the ability of the residential building industry to receive and resolve issues prior to commission involvement will affect the number of SIRP requests received.

**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 to 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 help line, 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 help line or via inquiries to the [info@trcc.state.tx.us](mailto: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 information to Texans. This information helps to create well-informed, educated consumers and industry members.

**Source/Collection of Data:**

The commission receives inquiries on its toll-free help line 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 help line, 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

The Texas Residential Construction Commission promotes quality construction for Texans by effectively and efficiently performing its statutory functions. Principally the commission is responsible for:

- Adopting the state’s minimum warranties and performance standards for residential construction;
- Overseeing the state inspection process when a post-construction defect is alleged;
- Assisting consumers with complaints about residential builders and remodelers;
- Educating Texas consumers and the residential construction industry;
- Registering residential construction projects;
- Registering residential builders and remodelers;
- Administering the Star Builder program for certain builders and remodelers; and
- Enforcing statutory and regulatory requirements for registered builders and remodelers.

The commission is comprised of nine members appointed by the Governor; four registered builders, three members of the general public, one 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.

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

- Demand of Services  
The regulated industry population is more than six times the originally estimated levels. Additionally, the commission continues to provide information about the commission’s services to every new homeowner and every homeowner that engages in a major remodeling project. The ability to adequately administer our responsibilities requires a well-trained and committed workforce. Continued increases to the populations served will strain the commission’s human resources at the current authorized levels.
- Recruitment and Retention  
Each new commission employee faces a learning curve. This learning process results in an investment of resources in every new employee. When turnover does occur, the commission must find well-qualified individuals to meet the commission’s operating needs. Recruitment of minority populations must remain a focus for the commission when these situations occur.

## A. Commission’s Mission Statement

The mission of the Texas Residential Construction Commission is to promote quality construction for Texans by registering industry members and residential construction projects; providing information and educating homeowners and the residential construction industry; acting as a resource for complainants; and offering a neutral, technical review of alleged post-construction defects.

## B. Strategic Goals and Objectives

<b>Goal 1: Registration</b>	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 promote quality housing for Texans and public confidence in the industry.
Objective	To provide industry oversight through an effective and efficient system of registration of homes, builders, remodelers, third-party inspectors, arbitrators and third-party warranty companies through 2011.
Strategy	Implement and monitor a registration program to ensure fair, efficient and effective oversight of all registrants.

<b>Goal 2: Complaint Resolution &amp; Compliance</b>	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 state's inspection process through 2011.
Strategies	Operate an effective and efficient state inspection process.

<b>Goal 3: Industry &amp; Consumer Education</b>	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 all interested parties through cost-effective outreach channels to educate Texas consumers and the residential building and remodeling industry through 2011.
Strategies	Operate 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. An unanticipated increase in consumer complaints, in the Star Builder program or in the industry size beyond those originally forecasted will strain existing agency resources.

## II. Current Workforce Profile (Supply Analysis)

The commission's workforce is comprised of diverse, well-qualified individuals.

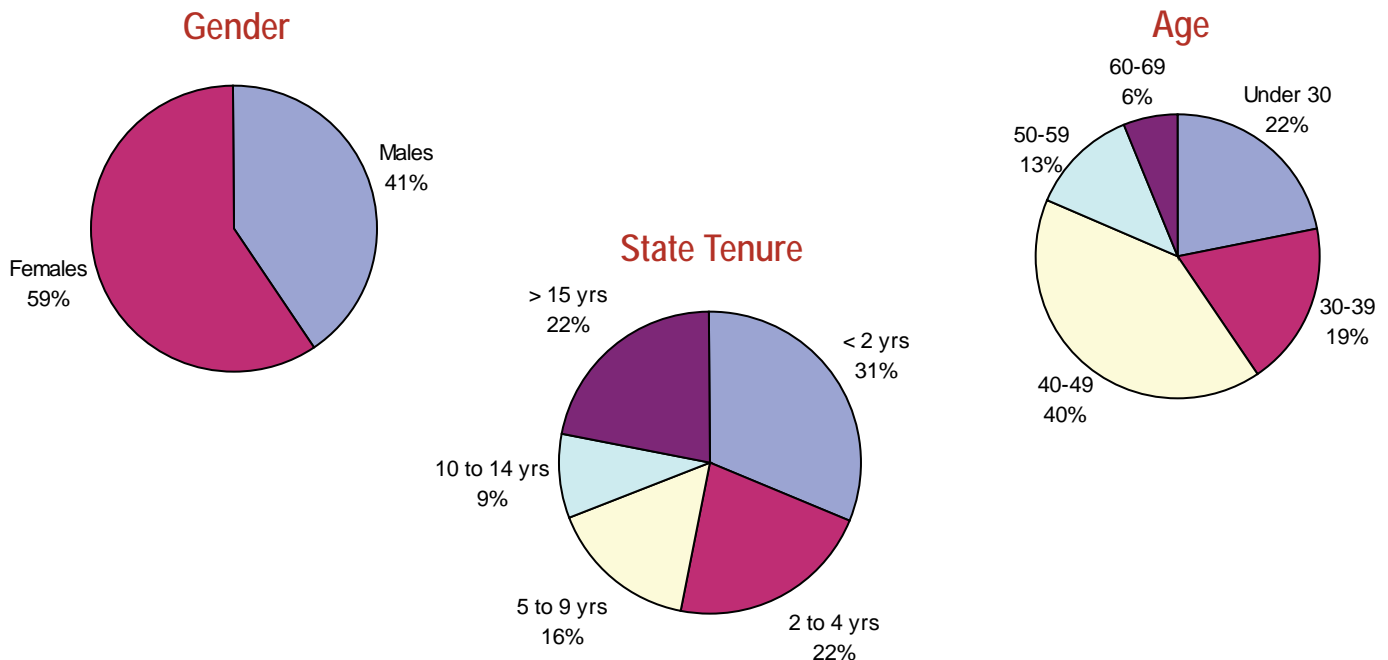
### A. Critical Workforce Skills

- Knowledge of the Commission's Enabling Statute, Rules and Regulations
- Computer Software Knowledge
- Customer Service
- Knowledge of International Residential Code and Local Building Codes
- Knowledge in the Residential Construction Industry
- Leadership and Management
- Research and Writing
- Financial Recording, Controls and Reporting Procedures
- Knowledge of the State's Reporting and Oversight Processes

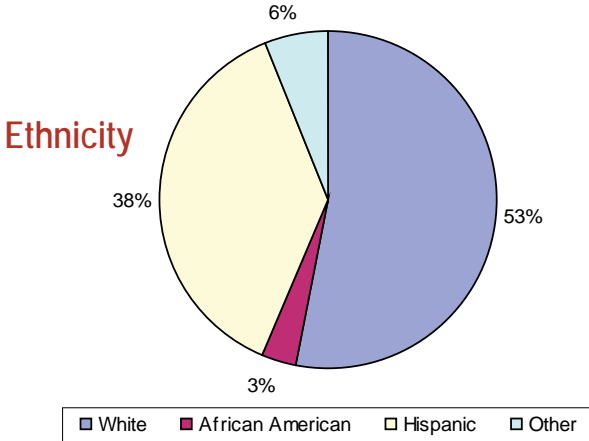
### B. Workforce Demographics

The following charts profile the agency's workforce as of April 30, 2006. The commission's staff currently employs only full-time employees. The commission's workforce is comprised of 41 percent males and 59 percent females. Approximately 60 percent of our workforce is over the age of 40 and slightly more than 50 percent has less than five years of state service.

## Workforce Breakdown April 30, 2006



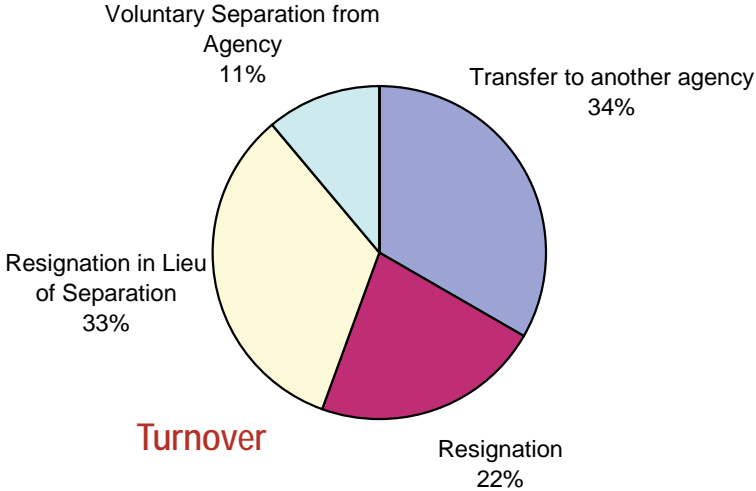
The following chart contains information about the commission staff's ethnicity as of April 30, 2006. The table below the graph compares the commission's staffing levels to the statewide civilian workforce as reported by the Texas Workforce Commission, Civil Rights Division.



TRCC Workforce by Job Category as of April 30, 2006						
JOB CATEGORY	African American		Hispanic American		Females	
	TRCC %	State %	TRCC %	State %	TRCC %	State %
Officials/Administration	0.00%	7.1%	0.00%	15.2%	33.3%	44.1%
Administrative Support	11.1%	9.9%	66.7%	23.2%	100.0%	61.5%
Professional	0.0%	7.9%	30.0%	14.4%	30.0%	54.4%
Para-Professional	0.0%	17.9	30.0%	31.8%	60.0%	55.6%

**C. Employee Turnover**

Turnover is an important issue in any organization, and the Texas Residential Construction Commission is no exception. The commission's turnover rate for Fiscal Year 2005 was 19 percent, 2.4 percent higher than the state's average of 16.6 percent.



**D. Retirement Eligibility**

The agency projects that 9 percent of the agency staff will be eligible for retirement in the next 5 years.



### III. Future Workforce Profile (Demand Analysis)

The commission's critical functions must be maintained when turnover occurs. Since the commission has a small staff to accomplish a wide variety of tasks, every position is critical to ongoing efficient commission operations. Aggressive and efficient filling of vacated positions must occur.

The commission workforce demands were driven by the need to implement all of the agency's statutorily required functions. Next, the commission will focus on developing career ladders and training programs for each staff member to have an effective, long-term succession plan.

### IV. Gap Analysis

After review and assessment of information compiled on the commission's workforce, the commission has determined that no gap exists between the commission's workforce supply and future demand. Additional skilled labor exists in the workforce for all commission positions, and although any loss of staff will impact commission operations, replacement with appropriate personnel at the currently budgeted salary levels will allow the commission to appropriately replace any vacancy.

### 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. The continued development and training of staff will allow for a long-term succession planning solution.



## Appendix F: Customer Service Survey

The commission reviewed two different consumer surveys to gather data about customer satisfaction levels. Both surveys indicate that while consumers have some angst about the commission's inspection process, they clearly believe that commission staff is helpful and attentive to their needs. It is imperative that commission staff remain vigilant in mediating concerns about the inspection process through communication with consumers.

The commission's use of an ombudsman to assist individuals with the process had not begun when either survey was completed. The results of this additional level of focus on consumers entering into the inspection process remains to be seen.

In an effort to gain continuing feedback, the commission conducts ongoing surveys of individuals who have participated in the state's inspection process. The participants are surveyed 30 days after the completion of the process. The survey requests responses on a Likert scale with 5 being the most positive. On average, responses were neutral about whether the process was helpful, whether it was completed timely and whether the homeowner would recommend the process to others. The professionalism of the inspector was rated an average of 4.5, reflecting that homeowners are very satisfied with the inspector's ability. The survey allows homeowners to supply comments and those are generally complimentary of the commission's staff. Also, the comments generally reflect that the surveys were completed too early to determine if the defects found by the inspection had been resolved.

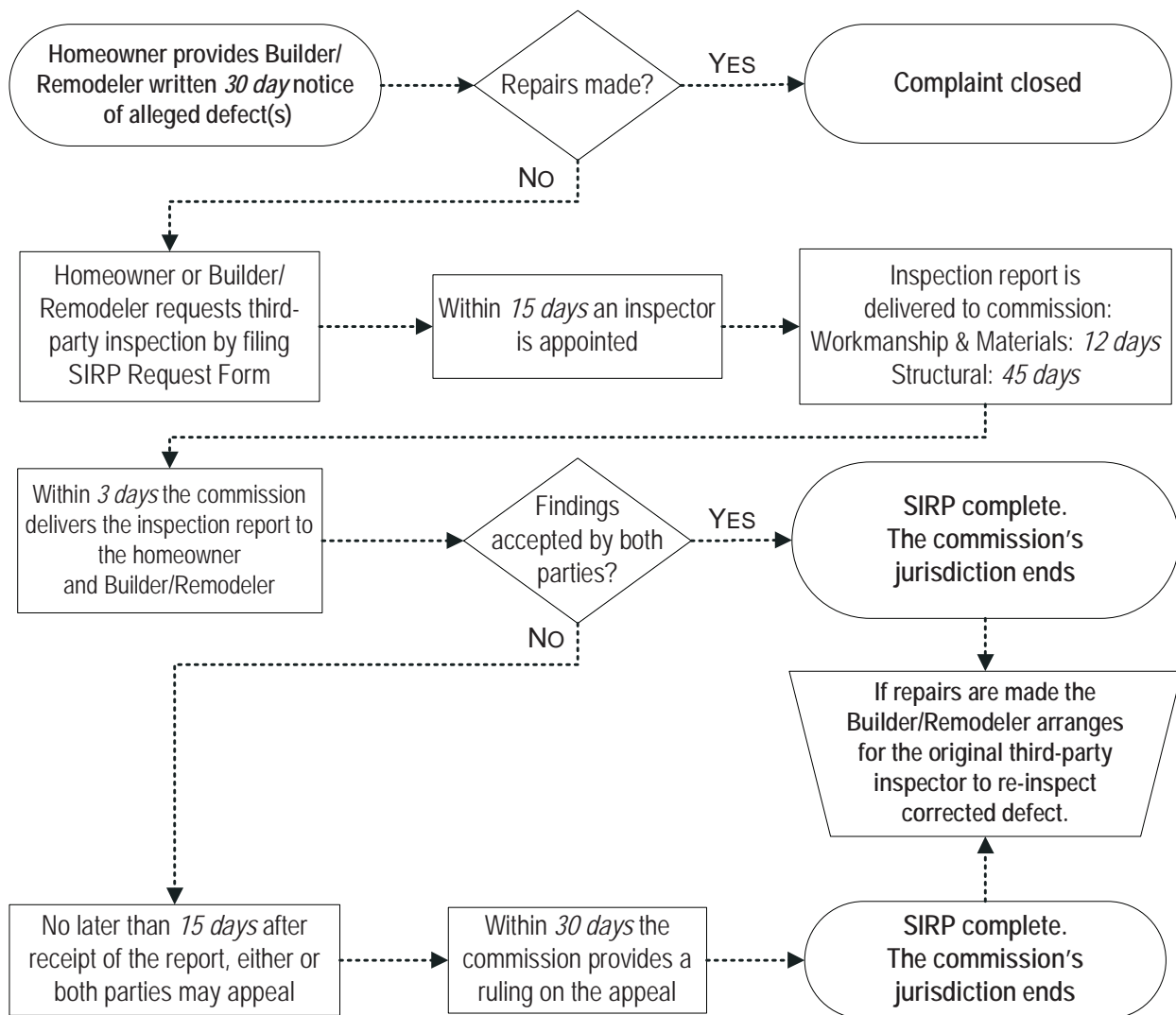
Additionally, the Comptroller of Public Accounts conducted a survey of participants in the state's inspection process. This survey included homeowners still in the process. Some of the survey questions were not related to commission operations, but to the statutory provisions of the commission's enabling statute. A question about the timeliness of the refunding process could not be used since the preset responses varied depending upon whether the mailed survey or online survey was completed.

Fifty-two percent of surveyed individuals who expressed an opinion were satisfied or very satisfied with the way the complaint/SIRP was handled by the TRCC. Seventy-six percent of surveyed individuals who expressed an opinion were satisfied or very satisfied with treatment they received from commission staff and seventy percent believed commission staff to be knowledgeable or very knowledgeable. Forty-nine percent of surveyed individuals who expressed an opinion believed their complaint was handled quickly or very quickly and forty-three percent believed the complaint/SIRP handling process was excellent or good. Seventy-six percent of surveyed individuals who expressed an opinion were satisfied or very satisfied with the information provided by the commission's Web site.

Finally, the commission attempted to gather information from residential construction industry members, but was not able to obtain sufficient data to draw any conclusions. Next biennium, the commission will change the feedback method to better gather information from industry members that have interaction with the commission.



# Appendix G: Inspection Process







SUNROOM  
18-8 x 13-7  
9-2 Clg

GREAT  
22-7  
20-0

MASTER  
BEDROOM  
16-0 x 13-4  
9-2 Clg

9-2 Clg

MA

