

AGENCY STRATEGIC PLAN

FISCAL YEARS 2023 TO 2027

BY THE

CREDIT UNION DEPARTMENT STATE OF TEXAS

CREDIT UNION COMMISSION OF TEXAS

<u>Commission Member</u>	<u>Dates of Term</u>	<u>Hometown</u>
James L. "Jim" Minge	May 21, 2017 to February 15, 2023	Arlington, Texas
Elizabeth L. "Liz" Bayless	August 8, 2019 to February 15, 2025	Austin, Texas
David Bleazard	April 5, 2022 to February 15, 2027	Katy, Texas
Karyn C. Brownlee	August 8, 2019 to February 15, 2023	Coppell, Texas
Beckie Stockstill Cobb	April 5, 2022 to February 15, 2027	Deer Park, Texas
Yusuf E. Farran	April 5, 2022 to February 15, 2027	El Paso, Texas
Sherri Brannon Market	April 13, 2011 to February 15, 2023	Midland, Texas
David F. Shurtz	August 8, 2019 to February 15, 2025	Hudson Oaks, Texas
Kay Swan	August 8, 2019 to February 15, 2025	Monahans, Texas

DATE OF SUBMISSION: JUNE 8, 2022

SIGNED:


John J. Kolhoff, Commissioner

APPROVED:


Jim Minge, Commission Chair

TABLE OF CONTENTS

PART 1 STRATEGIC PLAN

Title Page.....	Page 1
Table of Contents.....	Page 2
Agency Mission.....	Page 3
Agency Philosophy.....	Page 3
Agency Overview.....	Page 3
Agency Operational Goals and Action Plan.....	Page 4
Goal 1. To ensure a safe and sound credit union industry	Page 4
Goal 2. To provide a flexible regulatory framework that enables credit unions to provide a full competitive array of financial services. ...	Page 5
Goal 3. To safeguard the interest of credit union members.....	Page 7
Goal 4. To develop a professional and motivated staff that provides quality service to the citizens of Texas and supports achievement of the statutory mission.	Page 8
Redundancies and Impediments.....	Page 11

PART 2. SUPPLEMENTAL ELEMENTS

Schedule A: Budget Structure	Page 13
Schedule B: Performance Measure Definitions.....	Page 16
Schedule C: Historically Underutilized Business Plan	Page 27
Schedule D: Statewide Capital Planning.....	Page 29
Schedule E: Health and Human Services Strategic Planning.....	Page 29
Schedule F: Agency Workforce Plan and the Texas Workforce System Strategic Plan	Page 30

Schedule G: Report on Customer Service

PART 1. STRATEGIC PLAN

AGENCY MISSION

The mission of the Credit Union Department is to safeguard the public interest, protect the financial interests of credit union members, and promote public confidence in the credit union industry in accordance with TEX. FIN. CODE §15.102.

AGENCY PHILOSOPHY

The Credit Union Department will serve the public, credit unions and their members, exercising the highest standards of regulatory oversight, emphasizing professionalism and personal ethics. The Department will guide credit unions toward continuous improvement in financial strength and effectiveness in the provision of financial services to their members. Supervision and examination will be fairly and consistently administered as appropriate to ensure fiscal integrity of the industry. Preservation of public confidence in credit unions and the protection of members' interests will remain a principal focal point of the agency. This will be accomplished through effective regulation and open communication with credit unions and the general public.

AGENCY OVERVIEW

The Credit Union Department ("Department"), under the oversight of the Credit Union Commission ("Commission"), is charged with assuring the safety and soundness of state-chartered credit unions in Texas. The agency also oversees branches of out-of-state credit unions operating in the state.

PART 1. STRATEGIC PLAN

AGENCY GOALS AND ACTION PLAN

AGENCY OPERATIONAL GOAL AND ACTION PLAN
<i>Goal 1. To ensure a safe and sound credit union industry.</i>
<p style="text-align: center;">SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL</p> <ol style="list-style-type: none">1. Ensure the Department anticipates, understands, addresses, and communicates risk to credit unions.2. Ensure the Department cooperates with other regulatory authorities on common interests.3. Develop and deploy supervisory methods and analytical tools appropriately pacing industry and economic changes in the financial services industry.
<p>DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE</p> <ol style="list-style-type: none">1. Accountable to tax and fee payers of Texas.<ul style="list-style-type: none">• Ensuring no state funds are spent on Department operations; as a self-directed, semi-independent agency, the Department's revenue is derived from state-chartered credit unions operating fees and assessments.• Being a prudent steward of its financial resources.• Providing transparency through its reporting.• Establishing the appropriate regulatory framework.• Complying with the examination requirements of 7 TEXAS ADMIN. CODE (TAC) Section 97.105.2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.<ul style="list-style-type: none">• Ensuring risk-based supervision is properly implemented and focused on material risks to the industry and individual credit unions.• Identifying emerging risk areas related to industry and individual credit unions.• Working effectively with the NCUA, private share insurance providers, and other state regulators to identify and address risks and emerging issues.• Resolving problem credit unions in a timely fashion, effectively, and when possible, without loss to the share insurance provider.3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.<ul style="list-style-type: none">• Resolving problem credit unions in a timely fashion, effectively, and when possible, without loss to the share insurance provider.• Ensuring risk-based supervision is properly implemented and focused on material risks to the industry and individual credit unions.• Identifying emerging risk areas related to industry and individual credit unions.• Taking prompt and effective enforcement actions when warranted.4. Providing excellent customer service.<ul style="list-style-type: none">• Implementing and developing new coordination and collaboration agreements with the NCUA, private share insurance providers, and other applicable state regulators regarding supervisory activities performed in credit unions and information exchange.• Working effectively with the NCUA, private share insurance providers, and other state regulators to identify and address risks and emerging issues.5. Transparent such that agency actions can be understood by any Texan.<ul style="list-style-type: none">• Complying with the examination requirements of 7 TAC Section 97.105.

PART 1. STRATEGIC PLAN

- Implementing and developing new coordination and collaboration agreements with the NCUA, private share insurance providers, and other applicable state regulators regarding supervisory activities performed in credit unions and information exchange.
- Adhering to performance measures.

DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION ITEM

1. The Department fosters safe and sound credit union practices through regular risk-focused examinations, publication of guidance and policies, ongoing communications with credit union officials, and the review of applications submitted by credit unions to expand activities. When appropriate, the Department has a range of informal and formal enforcement options available to resolve safety and soundness problems identified at these institutions. The Department also devotes resources to administering off-site monitoring programs and to enhance its ability to timely identify emerging safety and soundness issues and trends.
2. Should a situation arise where a noncompliant business is discovered, the Department has statutory authority to take enforcement action against the entity. Disputes are investigated by staff and every attempt is made to bring about a fair resolution. State leadership and other interested parties are routinely provided information about credit unions, and the associated laws, rules, policies, and practices of the Department.
3. This strategic plan reaffirms the Department's mission to ensure that credit unions operate in a safe and sound manner, provide fair access to credit union services, treat members fairly, and comply with applicable laws and rules. The plan presents a vision in which the Department is a preeminent agency that adds value through proactive and risk-based supervision, is sought after as a source of knowledge and expertise and promotes a vibrant and diverse credit union system that benefits the Texas economy. To succeed in that mission and achieve that vision, the Department commits itself to the core values of integrity, expertise, collaboration, and independence—values that always have been the bedrock of the Department's culture.
4. The Department works closely with federal and other state regulators to provide credit unions seamless supervision, minimal disruption and costs, and effective use of resources. The Department continues its collaboration with the National Credit Union Administration (NCUA) started in 2003. The program results in more efficient and less burdensome examinations for credit unions.

AGENCY OPERATIONAL GOAL AND ACTION PLAN

Goal 2. To provide a flexible regulatory framework that enables credit unions to provide a full array of competitive financial services.

SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL

1. Ensure each Commission rule is current, clearly written, and necessary for an effective supervisory process.
2. Support credit union efforts to remain competitive and viable, consistent with safety and soundness implications.

DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE

1. Accountable to tax and fee payers of Texas.
 - Ensuring no state funds are spent on Department operations; as a self-directed, semi-independent agency, the Department's revenue is derived from state-chartered credit unions operating fees and assessments.

PART 1. STRATEGIC PLAN

- Being a prudent steward of its financial resources.
 - Providing transparency through its reporting.
 - Drafting, amending, and implementing rules to fulfill Legislative directives and to ensure relevance to current marketplace conditions.
 - Implementing rulemaking through successful collaboration and consultation with interested parties.
 - Communicating attributes of the state charter within and outside the Department.
 - Implementing and maintaining processes for prompt screening of applications.
2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.
- Drafting, amending, and implementing rules to fulfill Legislative directives and to ensure relevance to current conditions.
 - Developing and modernizing attributes of the credit union charter and the role and status of the industry.
 - Enhancing communication with the NCUA and other state regulators to facilitate better coordination on issues affecting credit unions.
 - Implementing and maintaining processes for prompt screening of applications.
 - Enhancing existing technology solutions that support effective application operations.
3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.
- Meet or exceed performance measures.
 - Conducting the mandatory rule review in accordance with Commission's approved plan.
 - Implementing and maintaining processes for prompt screening of applications.
 - Establishing policies and procedures that provide clear and comprehensive guidance.
 - Enhancing existing technology solutions that support effective application operations.
4. Providing excellent customer service.
- Accessible staff who are a resource for consumers and the regulated industry.
 - Supporting the continued recognition of the attributes of the state credit union charter through appropriate opinions and rules.
 - Investigate and resolve customer complaints in a timely manner.
 - Establishing policies and procedures that provide clear and comprehensive guidance.
 - Enhancing existing technology solutions that support effective application operations.
 - Providing useful information for consumers and the regulated industry on the Department's website.
5. Transparent such that agency actions can be understood by any Texan.
- Adhering to performance measures.
 - Implementing rulemaking through successful collaboration and consultation with interested parties.
 - Communicating attributes of the state charter within and outside the Department.
 - Establishing policies and procedures that provide clear and comprehensive guidance.

DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION ITEM

1. The Department places a high priority on its responsiveness to inquiries, requests, and complaints from citizens, members, credit unions, public officials, and other state and federal governmental entities. Pursuant to statute, the Department accepts complaints against credit unions and reviews them for potential violations of applicable laws or rules. When the Department receives complaints, credit unions are contacted and given an opportunity to respond to a member's concern or inquiry.

PART 1. STRATEGIC PLAN

Member complaints have increased over the last five years and the Department expects this trend to continue. In fiscal year 2015, the Department resolved 253 complaints, rising to 265 in 2016, 280 in 2017, 338 in 2018, 376 in 2019, and declining to 344 in 2020 and 323 in 2021. Through its response to these complaints and inquiries, the Department attempts to help members better understand their rights and responsibilities under applicable laws and regulations. The Department monitors the level of satisfaction with its responses to member complaints and inquiries.

2. The Department works closely with federal and other state regulators to provide credit unions seamless supervision, minimal disruption and costs, and effective use of resources. The Department continues its collaboration with the National Credit Union Administration started in 2003. The joint program results in more efficient and less burdensome examinations for credit unions.
3. The Department cooperates with the Financial Crimes Enforcement Network (“FinCEN”) and numerous other federal agencies to monitor compliance with the BSA/AML and USA Patriot Act and other laws governing credit unions. The rise in popularity of virtual or digital currencies has the attention of federal and state regulators for many reasons including money-laundering concerns. FinCEN has issued guidance which labels certain digital currency entities as money transmitters and requires them to implement AML programs.

AGENCY OPERATIONAL GOAL AND ACTION PLAN

Goal 3. To safeguard the interest of credit union members.

SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL

1. Ensure consumer complaints are processed in a timely fashion and investigated appropriately.
2. Encourage credit union involvement in providing financial services in underserved communities.

DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE

1. Accountable to tax and fee payers of Texas.
 - Ensuring no state funds are spent on Department operations; as a self-directed, semi-independent agency, the Department’s revenue is derived from state-chartered credit unions operating fees and assessments.
 - Being a prudent steward of its financial resources.
 - Providing transparency through its reporting.
 - Drafting, amending, and implementing rules to fulfill Legislative directives and to ensure relevance to current conditions.
 - Reinforcing the importance of fair and honest treatment of credit union members through appropriate supervisory and enforcement action.
 - Supporting the efforts of credit unions to expand their fields of membership to include underserved and low-income communities.
2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.
 - Supporting the efforts of credit unions to expand their fields of membership to include underserved and low-income communities.
3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.
 - Strengthening role in addressing member privacy, information security, and identity theft.

PART 1. STRATEGIC PLAN

- Supporting the efforts of credit unions to expand their fields of membership to include underserved and low-income communities.
- 4. Providing excellent customer service.
 - Strengthening role in addressing member privacy, information security, and identity theft.
 - Supporting the efforts of credit unions to expand their fields of membership to include underserved and low-income communities.
- 5. Transparent such that agency actions can be understood by any Texan.
 - Reinforcing the importance of fair and honest treatment of credit union members through appropriate supervisory and enforcement action.

DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION ITEM

1. Through its response to the complaints and inquiries, the Department attempts to help members better understand their rights and responsibilities under applicable laws and regulations. The Department monitors the level of satisfaction with its responses to member complaints and inquiries.
2. The National Association of State Credit Union Supervisors (“NASCUS”) has established accreditation standards for credit union supervision and regulation. Patterned after university accreditation, the accreditation process requires a comprehensive review of all factors needed to have a fully functional regulatory agency. The Department has been continuously accredited by NASCUS since 1996. Every year, the accreditation committee of NASCUS requires updated information to maintain accredited status; a full-scale re-accreditation occurs on-site every five years, which for the Department occurred in 2021. Accreditation provides the Department with national recognition among its peers and professional respect from the institutions it regulates.

AGENCY OPERATIONAL GOAL AND ACTION PLAN

Goal 4. To develop a professional and motivated staff that provides quality service to the citizens of Texas and supports achievement of the Department’s statutory mission.

SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL

1. Ensure the Department maintains a competent, highly motivated, and diverse workforce in a fair and inclusive work environment.
2. Ensure the Department is an efficient, effective, and ethical organization.
3. Ensure the Department’s resource decisions and operations reflect sound financial, security, and risk management principles.

DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE

1. Accountable to tax and fee payers of Texas.
 - Ensuring no state funds are spent on Department operations; as a self-directed, semi-independent agency, the Department’s revenue is derived from state-chartered credit unions operating fees and assessments.
 - Being a prudent steward of its financial resources.
 - Providing transparency through its reporting.
 - Drafting, amending, and implementing rules to fulfill Legislative directives and to ensure relevance to current marketplace conditions.
 - Maintaining a comprehensive Equal Employment and Workforce Diversity Plan.
 - Ensuring compliance with laws, rules, and stewardship of its resources through program evaluations and a quality management framework.
 - Ensuring compliance with the rules, policies and procedures for ethical conduct by its employees.

PART 1. STRATEGIC PLAN

- Achieving reliable, accurate and timely financial resources management information.
- 2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.
 - Executing an aggressive recruiting and comprehensive training strategy for new entry-level examiners.
 - Developing proactive initiatives focused on the retention of employees, including addressing pay differentials for examiners to bring base pay more in line with the examiner pay at other regulatory agencies, maintaining staffing to achieve the ideal level of 160 exam days annually for each examiner, mentoring, employee feedback, incentives, and recognition programs.
 - Creating a leadership development program to support and enhance management succession.
 - Ensuring compliance with laws, rules, and stewardship of its resources through program evaluations and a quality management framework.
 - Ensuring reliable, secure, modern information technology systems are in place in support of an environment that meets the Department's mission, goals, and objectives.
 - Ensure that ongoing training for examiners keeps pace with industry needs in areas such as information technology, member business loans, asset-liability management, compliance, etc.
 - Achieving reliable, accurate and timely financial resources management information.
 - Implementing security controls to mitigate risk and to protect confidential information.
 - Improving contingency planning for business continuity, including information technology recovery, compliance with Homeland Security requirements, and crisis management strategies.
- 3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.
 - Executing an aggressive recruiting and comprehensive training strategy for new entry-level examiners.
 - Developing proactive initiatives focused on the retention of employees, including addressing pay differentials for examiners to bring base pay more in line with the examiner pay at other regulatory agencies, maintaining staffing to achieve the ideal level of 160 exam days annually for each examiner, mentoring, employee feedback, incentives, and recognition programs.
 - Creating a leadership development program to support and enhance management succession.
 - Maintaining a comprehensive Equal Employment and Workforce Diversity Plan.
 - Ensuring compliance with laws, rules, and stewardship of its resources through program evaluations and a quality management framework.
 - Ensuring compliance with the rules, policies and procedures for ethical conduct by its employees.
 - Ensuring reliable, secure, modern information technology systems are in place in support of an environment that meets the Department's mission, goals, and objectives.
 - Ensure that ongoing training for examiners keeps pace with industry needs in areas such as information technology, member business loans, asset-liability management, compliance, etc.
 - Leveraging technology, with a focus on information management initiatives, such as records and knowledge management.
 - Implementing security controls to mitigate risk and to protect confidential information.
 - Improving contingency planning for business continuity, including information technology recovery, compliance with Homeland Security requirements, and crisis management strategies.
 - Achieving reliable, accurate and timely financial resources management information.
- 4. Providing excellent customer service.
 - Developing proactive initiatives focused on the retention of employees, including addressing pay differentials for examiners to bring base pay more in line with the examiner pay at other regulatory

PART 1. STRATEGIC PLAN

agencies, maintaining staffing to achieve the ideal level of 160 exam days annually for each examiner, mentoring, employee feedback, incentives, and recognition programs.

- Ensuring compliance with laws, rules, and stewardship of its resources through program evaluations and a quality management framework.
 - Ensuring compliance with the rules, policies and procedures for ethical conduct by its employees.
 - Ensuring reliable, secure, modern information technology systems are in place in support of an environment that meets the Department's mission, goals, and objectives.
 - Ensure that ongoing training for examiners keeps pace with industry needs in areas such as information technology, member business loans, asset-liability management, compliance, etc.
 - Achieving reliable, accurate and timely financial resources management information.
5. Transparent such that agency actions can be understood by any Texan.
- Developing proactive initiatives focused on the retention of employees, including addressing pay differentials for examiners to bring base pay more in line with the examiner pay at other regulatory agencies, maintaining staffing to achieve the ideal level of 160 exam days annually for each examiner, mentoring, employee feedback, incentives, and recognition programs.
 - Maintaining a comprehensive Equal Employment and Workforce Diversity Plan.
 - Ensuring compliance with laws, rules, and stewardship of its resources through program evaluations and a quality management framework.
 - Ensuring compliance with the rules, policies and procedures for ethical conduct by its employees.
 - Achieving reliable, accurate and timely financial resources management information.

DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION ITEM

- The Commission sets the spending limits of the Department. As a SDSI agency, the Department continues to be self-funding and no General Revenue Funds are used to support its operation.
- Financial crimes consist of several broad categories such as fraud, money laundering, and corruption with many subcategories such as terrorist financing, identity theft, kickbacks, and bribery. The United States government has powerful tools to pursue financial criminals and the framework to force credit unions into compliance with a wide range of laws, such as the Bank Secrecy Act/Anti-Money Laundering and USA Patriot Acts. Financial crimes are a threat for credit unions and the Department alike. Having a knowledgeable and trained staff that understands the risks and how they can be managed is essential.
- No single factor is more critical to the Department's ability to accomplish its mission and to its success than its staff. Acquiring, developing, and retaining a competent workforce continues to be one of the Department's top priorities and is one of its four strategic goals. At the same time, and similar to the rest of state government, significant internal and external factors affect the Department's current and future workforce, challenging the Department's ability to ensure that the its staff is well trained, skilled, and capable of meeting the needs of the rapidly changing and growing complex industry.
- The Department operates and maintains its only office in Austin. Agency examiners work from their residences, located primarily in the Dallas/Fort Worth and Houston metropolitan areas. Because credit unions are located throughout the state, examiners may be required to travel extensively in examining credit unions with overnight travel of approximately 25 to 50 percent. Given the amount of potential travel, stationing field staff in these two metropolitan areas helps to minimize travel-related costs. The Department is solely responsible for the upkeep and maintenance of the Credit Union Department Building. Each year during the budgeting process, the Commission reviews and approves any necessary maintenance, major repairs, and long-term improvements.

REDUNDANCIES AND IMPEDIMENTS

PART 1. STRATEGIC PLAN

The agency does not have any services, state statutes, and state rules or regulations applicable to the agency that may result in barriers to the economic prosperity of Texans or make the agency less effective and efficient in achieving its core mission and merit additional executive and legislative review nor does the agency have any state services, state laws, and state regulations administered by the agency that are redundant, distract from the core mission of the agency, and/or produce workload costs for agency staff or regulated entities that may exceed the initial time, cost, or effort assumptions that existed when the law or regulation was implemented.

The statutes pertaining to the operation of the Department and the regulation and supervision of Texas state-chartered credit unions are considered comprehensive and current, and correctly delineate the Department's responsibilities and authorities. One impediment to the Texas state charter has been identified and detailed below. The Commission has the means by which to propose necessary statutory changes to the Legislature. TEX. FIN. CODE §§15.103 and 15.405, require the Department to periodically study the credit union statutes of the state and report its legislative recommendations to the Legislature for consideration. Notwithstanding these requirements, the Department continually reviews State of Texas statutes pertaining to credit union operations. The Commissioner, with the approval of the Commission, reports the recommendations of the Department as necessary to the Legislature for its consideration (TEX. FIN. CODE §15.405).

REDUNDANCIES AND IMPEDIMENTS (REPEAT SECTION AS NECESSARY FOR EACH IDENTIFIED REDUNDANCY AND IMPEDIMENT)	
SERVICE, STATUTE, RULE, OR REGULATION (PROVIDE SPECIFIC CITATION IF	TFC Section 123.003
DESCRIBE WHY THE SERVICE, STATUTE, RULE, OR REGULATION IS RESULTING IN INEFFICIENT OR INEFFECTIVE AGENCY OPERATIONS	The Act provides parity for Texas state-chartered credit unions with foreign and non-domesticated federal credit unions who operate a branch in Texas. However, parity is not provided to Texas state-chartered credit unions when a foreign state-chartered credit union is operating in Texas without a physical presence (i.e. through electronic delivery channels only). This puts Texas chartered credit unions at a competitive disadvantage to foreign state charters.
PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION	The Department recommends the removal of the language in TFC Section 123.003, which requires that a competing foreign credit union must have a branch in Texas, to be considered a competitor. Some institutions choose to provide services through electronic delivery channels without "brick and mortar" assets held in the state.

PART 1. STRATEGIC PLAN

DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH RECOMMENDED CHANGE	The benefit is that Texas chartered credit unions would meet the public policy requirements of ensuring Texas credit unions are able to maintain competitiveness with foreign state-chartered credit unions and ensure low-cost, safe financial services are available to Texas residents.
NATURAL DISASTER-RELATED REDUNDANCIES AND IMPEDIMENTS (IF APPLICABLE)	
SERVICE, STATUTE, RULE, OR REGULATION (PROVIDE SPECIFIC CITATION IF	NONE
DESCRIBE WHY THE SERVICE, STATUTE, RULE, OR REGULATION IS RESULTING IN INEFFICIENT OR INEFFECTIVE AGENCY	N/A
PROVIDE AGENCY RECOMMENDATION FOR MODIFICATION OR ELIMINATION	N/A
DESCRIBE THE ESTIMATED COST SAVINGS OR OTHER BENEFIT ASSOCIATED WITH	N/A

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULE A: BUDGET STRUCTURE

AGENCY BUDGET STRUCTURE ELEMENTS (GOALS, STRATEGIES, MEASURES AND MEASURE DEFINITIONS) FOR THE 2023–24 BIENNIUM

AGENCY NAME: Credit Union Department

ELEMENT Identify the current Goal, Strategy, Measure or Measure Definition.	REQUESTED CHANGE	JUSTIFI- CATION FOR REQUESTED CHANGE	LBB OR OOG APPR'D	LBB / OOG COM- MENT	STATUS
Goal 1: A Safe and Sound Credit Union Industry <i>Strategy: Examine Credit Union Operations</i> Outcome Measure: Percentage of Credit Unions Receiving Regular Examination Annually	None	None	NA		NA
Goal 1: A Safe and Sound Credit Union Industry <i>Strategy: Examine Credit Union Operations</i> Outcome Measure: Percentage of Complete Applications Approved or Denied Within 60 Days	None	None	N/A		N/A
Goal 1: A Safe and Sound Credit Union Industry <i>Strategy: Examine Credit Union Operations</i> Outcome Measure: Percentage of Credit Unions with Composite CAMELS Ratings of 1 or 2	None	None	NA		NA
Goal 1: A Safe and Sound Credit Union Industry <i>Strategy: Examine Credit Union Operations</i> Outcome Measure: Percentage of Assets Held in Credit Unions with Composite CAMELS Ratings of 1 or 2	None	None	NA		NA
Goal 1: A Safe and Sound Credit Union Industry <i>Strategy: Examine Credit Union Operations</i> Outcome Measure: Percentage of Credit Unions that are Well-Capitalized as defined by federal statute	None	None	NA		NA
Goal 1: A Safe and Sound Credit Union Industry <i>Strategy: Examine Credit Union Operations</i> Output Measure: Percentage of Reports Mailed to the Office Within 25 Days	None	None	NA		NA

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULE A: BUDGET STRUCTURE

AGENCY BUDGET STRUCTURE ELEMENTS (GOALS, STRATEGIES, MEASURES AND MEASURE DEFINITIONS) FOR THE 2023-24 BIENNIUM

Goal 1: A Safe and Sound Credit Union Industry <i>Strategy: Examine Credit Union Operations</i> Efficiency Measure: Department E-Time Ratio	None	None	NA		NA
Goal 1: A Safe and Sound Credit Union Industry <i>Strategy: Examine Credit Union Operations</i> Outcome Measure: Assets Examined per Examiner Day	None	None	NA		NA
Goal 1: A Safe and Sound Credit Union Industry <i>Strategy: Ensure Efficiency of Examination Method</i> Efficiency Measure: Average time to complete analysis of quarterly financial data	None	None	NA		NA
Goal 2: A Flexible Regulatory Framework <i>Strategy: Provide Oversight of Department Operations</i> Outcome Measure: Percentage of Rule Changes Provided to Credit Unions Within 60 Days After Adoption	None	None	NA		NA
Goal 2: A Flexible Regulatory Framework <i>Strategy: Communicate with the Industry</i> Explanatory Measure: Percentage of interpretations/opinions issued within 30 days	None	None	NA		NA
Goal 3: Protect Credit Union Member Interests <i>Strategy: Investigate and Process Consumer Complaints</i> Efficiency Measure: Percentage of Complaints Investigated and Responded to Within 30 Days of Receipt	None	None	NA		NA
Goal 4: Develop and Maintain Professional Staff <i>Strategy: Maintaining High Quality Staff</i> Explanatory Measure: Percentage of Exam Related Travel Costs Reduced by Remote Work	None	None	NA		NA
Goal 4: Develop and Maintain Professional Staff <i>Strategy: Maintaining High Quality Staff</i> Explanatory Measure: Annual Examiner Turnover Ratio	None	None	NA		NA

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULE A: BUDGET STRUCTURE

AGENCY BUDGET STRUCTURE ELEMENTS (GOALS, STRATEGIES, MEASURES AND MEASURE DEFINITIONS) FOR THE 2023-24 BIENNIUM

Goal 4: Develop and Maintain Professional Staff <i>Strategy: Maintaining High Quality Staff</i> Efficiency Measure: Average Regulated Assets per Examiner (billion)	None	None	NA		NA
Goal 4: Develop and Maintain Professional Staff <i>Strategy: Maintaining High Quality Staff</i> Explanatory Measure: Percentage of Purchases Made from HUBS Vendors	None	None	NA		NA
Goal 4: Develop and Maintain Professional Staff <i>Strategy: Maintaining High Quality Staff</i> Explanatory Measure: Percentage of Credit Unions Indicating Quality Service Annually	None	None	NA		NA
Goal 4: Develop and Maintain Professional Staff <i>Strategy: Maintaining High Quality Staff</i> Explanatory Measure: Staffing Levels	None	None	NA		NA
Goal 4: Develop and Maintain Professional Staff <i>Strategy: Maintaining High Quality Staff</i> Explanatory Measure: Number of Job Fairs Attended	None	None	NA		NA
Goal 4: Develop and Maintain Professional Staff <i>Strategy: Maintaining High Quality Staff</i> Explanatory Measure: Turnover Ratio (excluding retirements)	None	None	NA		NA
Goal 4: Develop and Maintain Professional Staff <i>Strategy: Maintaining High Quality Staff</i> Explanatory Measure: Accreditation by NASCUS Maintained in Good Standing	None	None	NA		NA
Goal 4: Develop and Maintain Professional Staff <i>Strategy: Maintaining High Quality Staff</i> Explanatory Measure: Total Department Costs Relative to Every \$100,000 in Assets Regulated	None	None	NA		NA

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULE B. PERFORMANCE MEASURES

Outcome Measure: Percentage of Credit Unions Receiving Regular Examination Annually
--

Definition

The number of credit unions examined within an examination cycle of no more than 18 months during the fiscal year, expressed as a ratio of the total number of state-chartered credit unions for same period.

Purpose/Importance

This measure monitors the Department's performance in meeting the Commission's mandate and 7 TEX. ADMIN. CODE §97.105.

Source/Collection of Data

Supporting information regarding each examination is tracked in the Department's internal database.

Method of Calculation

Divide the number of credit unions examined during the reporting period by the total number of credit unions for the same period.

Data Limitations

None

Calculation Type

Noncumulative

New Measure

No

Target Attainment:

75.0% annual

Outcome Measure: Percentage of Complete Applications Approved/Denied within 60 days
--

Definition

The number of complete applications approved or denied not later than the 60th day after the date notice of the applications are published, or after the date the applications are received if notice is not required to be published, expressed as a percentage of all applications approved or denied for the same period. Applications include applications for mergers, for charter conversions (federal to state, state to federal, state credit union to mutual savings associations, and mutual savings associations to state credit unions), for insurance conversions, and for amendments to bylaws and articles of incorporation. If an application is protested, it is not considered complete until responses from all parties have been received.

Purpose/Importance

Finance Code §122.005 requires the Commissioner to approve or disapprove applications not later than the 60th day after the date notice of the application is published, or after the date the application is received if the notice is not required to be published.

Source/Collection of Data

Supporting information regarding each application is tracked in the Department's internal database.

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULE B. PERFORMANCE MEASURES

Method of Calculation

Divide the number of complete applications approved or denied not later than the 60th day after the date notice of the application is published, or after the date the application is received if the notice is not required to be published, whichever is later, by the total number of applications approved or denied during the same reporting period.

Data Limitations

Protests

Calculation Type

Noncumulative

New Measure

No

Target Attainment:

100%

Outcome Measure: Percentage of Credit Unions with Composite CAMELS Ratings of 1 or 2

Definition

The number of credit unions with composite CAMELS rating of 1 or 2 during the applicable period based upon a rating system, expressed as a percentage of the total number of credit unions regulated for the same period.

Purpose/Importance

Measures the financial health of the Texas state-chartered credit unions. Ties directly to a statewide regulatory benchmark.

Source/Collection of Data

Supporting information regarding each examination is tracked in the Department's internal database.

Method of Calculation

Divide the number of credit unions assigned a composite CAMELS rating of 1 or 2 by the total number of credit unions for the same reporting period.

Data Limitations

Limited control over events that could lead a credit union to receiving a lower CAMELS rating.

Calculation Type

Noncumulative

New Measure

No

Target Attainment:

85%*

**Changed from informational to a target goal.*

Outcome Measure: Percentage of Assets Held in Credit Unions with Composite CAMELS Ratings of 1 or 2
--

Definition

The consolidated total assets of credit unions with composite CAMELS rating of 1 or 2 as reported in

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULE B. PERFORMANCE MEASURES

the designated quarterly call report based upon a rating system, expressed as a percentage of the consolidated total assets of all credit unions regulated for the same period.

Purpose/Importance

This informational measure indicates the financial health of the Texas chartered credit union industry. Ties directly to a statewide regulatory benchmark.

Source/Collection of Data

Quarterly financial and statistical Call Report data filed with the Department by each credit union.

Method of Calculation

Divide the consolidated total assets of credit unions assigned a composite CAMELS rating of 1 or 2 by the consolidated total assets of all credit unions for the same reporting period.

Data Limitations

Limited control over events that could lead a credit union to receiving a lower CAMELS rating.

Calculation Type

Noncumulative

New Measure

No

Target Attainment:

95%*

**Changed from informational to a target goal.*

Outcome Measure: Percentage of Credit Unions That are Well-Capitalized as Defined by Federal Statute

Definition

A credit union is well capitalized if it has a net worth ratio of seven percent (7%) or greater and meets any applicable risk-based net worth requirements.

Purpose/Importance

Measures the financial health of the Texas state-chartered credit union industry based upon their level of net worth. Ties directly to a statewide regulatory benchmark.

Source/Collection of Data

Quarterly 5300 Call Report data filed with the Department by each credit union.

Method of Calculation

Divide the number of credit unions with a net worth ratio of seven (7%) percent or more by the total number of credit unions for the reporting period.

Data Limitations

Limited control over events that could lead to a credit union's net worth to decline.

Calculation Type

Noncumulative

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULE B. PERFORMANCE MEASURES

New Measure

Yes

Target Attainment:

95%

Output Measure: Percentage of Reports to Credit Unions Within 25 Days
--

Definition

The number of regular examination reports mailed to credit union management within 25 days of the last day on-site at the credit union, expressed as a percentage of the total number of examination reports mailed during the reporting period.

Purpose/Importance

The measure is an indication of the agency's efficiency in reporting examination findings back to the credit union's board of directors and key management.

Source/Collection of Data

Supporting information regarding each examination is tracked in the Department's internal database.

Method of Calculation

Divide the number of reports of examination processed and mailed to credit unions within 25 days after the last day the examiners are on-site by the total number of reports of examination processed for the same period.

Data Limitations

None

Calculation Type

Noncumulative

New Measure

Yes

Target Attainment:

98%

Efficiency Measure: Department E-Time Ratio
--

Definition

The E-Time Ratio is the percentage of all Field Examiners (excluding the Field Supervisors) paid time that is actively spent performing examinations.

Purpose/Importance

This measure assesses efficient usage of Field Examiners' time for the entire Department. The measure also allows the Department to assess efficiency of Field Examiners on an individual basis and by assigned zone (i.e. A, B, etc.).

Source/Collection of Data

Tracked from a monthly report generated in the CAPPs time management system. That report identifies the aggregate exam hours for each examiner for the month. This data is input into a monthly e-time

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULE B. PERFORMANCE MEASURES

spreadsheet, which automatically computes the E-Time Ratio for each Field Examiner, each zone and for all Department Field Examiners. The E-Time Ratio for all field examiners is the performance measurement in the above definition.

Method of Calculation

The E-Time Ratio is computed by taking the Aggregate Exam Hours for a specific period (i.e. monthly, annually, etc.), divided by the Total Hours Available for Examinations for all Field Examiners (excluding Field Supervisors) for the same period.

The Aggregate Exam Hours include all time charged for all regular examination work both on-site and off-site, remedial examination work both on-site and off-site, and all remote examination work. It also includes on-the-job training hours for new Examiners (Assistant Examiners) who have not yet completed six full months (excludes partial months) of examination training. The Total Hours Available for Examinations is the Days Available for Examinations multiplied by the total number of Field Examiners, multiplied by the work hours (8) in a day. The Days Available for Examinations equals the total number of weekdays (M-F) for the period (i.e. monthly, annually, etc.) being measured, less the number of state and federal holidays which occur on a weekday during the same period.

Data Limitations

None

Calculation Type

Cumulative

New Measure

No

Target Attainment:

65%

Outcome Measure: Assets Examined per Examiner Day
--

Definition

Total assets examined by the Department over the reporting period, divided by the total regular examination days related to those specific examinations.

Purpose/Importance

To assist in review of the efficiency of the Department's examinations, and to benchmark against other regulators.

Source/Collection of Data

Financial information is obtained during each regular examination and is uploaded into the Department's database.

Method of Calculation

To calculate the assets examined per examiner day, run the Regular Exams Received Report for the appropriate fiscal quarter. Divide the sum of the total assets examined by the total examination days, under the header "curr" (Total exam days for the most recent examination).

Data Limitations

Calculation Type

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULE B. PERFORMANCE MEASURES

Increase in asset size of credit unions due to mergers, consolidations, etc.;

Noncumulative

New Measure

No

Target Attainment:

\$14.0 Million

Efficiency Measure: Average Time to Complete Analysis of Quarterly Financial Data
--

Definition

The number of calendar days required for Field Staff to analyze and report to the office their initial risk ratings for credit unions under the Department's jurisdiction based upon the quarterly financial results from the 5300 Call Reports that credit unions submit.

Purpose/Importance

To measure off-site monitoring efficiency. The call reports are a significant tool for the Department in identifying and addressing financial operating changes in a credit union between quarterly reports so that prompt, effective supervisory action can be taken when needed.

Source/Collection of Data

Call report data serves as the basis for the report. Call reports are required to be sent to the Department. Department staff validates each call report received.

Method of Calculation

Credit unions are required by the NCUA to submit their quarterly 5300 Call Reports on or before a certain date, each calendar quarter. That date will be the starting point for purposes of this measure. The date that the Field Supervisors forward their completed reviews of the Financial Performance Report (FPR) dashboard worksheets for their respective zones to the office marks the end date. The elapsed days between the two dates is the measure of performance.

Data Limitations

Turnover of key staff could slow down the review process of Quarterly FPRs.

Calculation Type

Noncumulative

New Measure

Yes

Target Attainment:

Within 30 days

Outcome Measure: Percentage of Rule Changes Provided to Credit Unions Within 60 Days After Adoption
--

Definition

The number of new, amended, and readopted rules that are mailed out within 60 days of their final adoption by the Commission.

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULE B. PERFORMANCE MEASURES

Purpose/Importance

The measure indicates how quickly credit unions are informed of changes affecting their operations or Department operations.

Source/Collection of Data

The date a new, amended, or readopted rule is adopted, as well as the date the letter of transmittal for the Texas Laws and Regulations for Credit Unions are sent out to credit unions, is entered into a database and tracked accordingly.

Method of Calculation

Divide the number of rule changes provided to credit unions within 60 days of the effective date of their adoption by the number of rule changes adopted during the same reporting period.

Data Limitations

None

Calculation Type

Noncumulative

New Measure

No

Target Attainment:

100%

Explanatory Measure: Percentage of Interpretations and Opinions Issued Within 30 Days of Receipt

Definition

The number of written requests for interpretations and opinions responded to within 30 days of receipts, expressed as a ratio of all requests for interpretations and opinions responded to within the applicable time period. A request for an interpretation or opinion must be in writing, must concern an existing statute or Commission rule, and must be responded to by the Commissioner or his designee.

Purpose/Importance

This measure provides an indication of the responsiveness of the Department in handling requests for interpretations and opinions responded to for the applicable period.

Source/Collection of Data

Department staff maintains a correspondence database that flags requests for interpretations or opinions. The database tracks the date correspondence is received, the name of the party from whom it is received, subject of the correspondence, whether it is a request for an interpretation or opinion, the date the Department's response was sent, and the number of days elapsed between the receipt and response dates. The database is updated daily.

Method of Calculation

Divide the number of interpretations and opinions issued within 30 days of receipt by the number of requests for interpretations and opinions responded to for the applicable period.

Data Limitations

Calculation Type

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULE B. PERFORMANCE MEASURES

If the nature of the request is such that the matter must be referred to the Attorney General's Office, the Department would be unable to respond within 30 days.

Cumulative

New Measure
Yes

Target Attainment:
100%

Efficiency Measure: Percentage of Complaints Investigated and Responded to Within 30 Days of Receipt

Definition

The number of written complaints from credit union members or members of the public, relating to actions or inactions of a state-chartered credit union, which are investigated and responded to in writing within 30 days of receipt of the complaint, expressed as a percentage of all complaints responded to for the applicable time period.

Purpose/Importance

This measure provides an indication of the responsiveness of the Department in handling consumer complaints.

Source/Collection of Data

When the Department receives a written complaint, the following information is entered into a database: the date the complaint is received, name of the complainant, the name of the credit union, and the nature of the complaint. When resolved, the date closed and the cost of handling the complaint is entered into the database. The elapse time is then generated by the program.

Method of Calculation

Divide the number of written consumer complaints received and responded to within 30 days of their receipt by the number of consumer complaints responded to during the applicable period. A complaint is considered received once the complainant has provided sufficient information regarding the nature of the complaint for the Department to begin an investigation. The investigation includes obtaining a response from the subject credit union. A complaint is considered closed when the Department has sent a response to the complainant.

Data Limitations

No control over a credit union's response time

Calculation Type

Noncumulative

New Measure
No

Target Attainment:
95%

Explanatory Measure: Percentage of Exam Related Travel Costs Reduced by Remote Work
--

Definition

Travel cost savings for performing examinations remotely divided by total examiners' travel costs.

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULE B. PERFORMANCE MEASURES

Purpose/Importance

Because turnover results in a less experienced staff, this measure is one indicator of the Department's ability to meet its goals.

Source/Collection of Data

The Department's monthly financial statements will break down examiners' total travel costs, while the monthly time management reports will break down total examination hours. Total examination hours include all time charged to exam hours onsite and offsite, remedial exam hours onsite and offsite, exam remote e-time, and remedial remote e-time.

Method of Calculation

Total examiners' travel costs divided by total examination hours (regular and remedial) to arrive at examiner's average travel cost per examination hour. The average cost is then multiplied by the total hours of examination time performed remotely to compute travel costs savings. Divide the total costs savings amount by the examiners' total travel costs to arrive at the percentage reduction of examination related travel costs.

Data Limitations

None

Calculation Type

Noncumulative

New Measure

Yes

Target Attainment:

20%

Explanatory Measure: Annual Examiner Turnover Ratio
--

Definition

The number of examiner resignations (excluding retirements) as a percentage of the number of filled examiner positions.

Purpose/Importance

Because turnover results in a less experienced examination staff, this measure is one indicator of the Department's ability to meet the examination completion-related goals.

Source/Collection of Data

New hires, resignations, and the reasons given for resignations are tracked in a spreadsheet by the Staff Services Officer.

Method of Calculation

Divide the number of examiner resignations (excluding retirements) received during a reporting period by the average number of examiner FTEs for the same period.

Data Limitations

Very limited control over examination staff turnover. Most Resign because of less than competitive salaries and/or excessive Travel. Salaries limited by levels in state classification plans and

Calculation Type

Noncumulative

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULE B. PERFORMANCE MEASURES

budgetary constraints.

New Measure

Yes

Target Attainment:

<16%

Efficiency Measure: Average Regulated Assets (in billions) per Examiner
--

Definition

The total amount of credit union assets regulated per examiner.

Purpose/Importance

This measure is an indicator of the workload placed on the agency's examination staff.

Source/Collection of Data

Each credit union files a quarterly financial performance report (FPR), which contains various financial reporting schedules and includes the credit union's total assets. The Department pulls an aggregate FPR for the reporting period which includes the total assets for all state-chartered credit unions.

The number of examiners on staff is maintained on the Uniform Statewide Payroll System (USPS) system. Report 21 can be used to verify staff paid each month for the reporting period and to determine the number of examiners.

Method of Calculation

Divide the total assets of state-chartered credit unions by the average number of examiners on staff during the reporting period. Average number of examiners is the cumulative number of examiners on staff (excluding Field Supervisors) at the end of each month, divided by the number of months in the reporting period.

Data Limitations

No control industry asset growth

Calculation Type

Noncumulative

New Measure

No

Target Attainment:

\$3.0 billion

Explanatory Measure: Percentage of Purchases Made from HUBS Vendors
--

Definition

The number of purchases made from vendors who are designated as a historically underutilized business divided by the number of purchases made for the reporting period. This does not include travel or transactions between agencies. It does include TIBH.

Purpose/Importance

This measure tracks the Department's compliance with Chapter 2161 of the Government Code.

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULE B. PERFORMANCE MEASURES

Source/Collection of Data

The Department's Staff Services Officer maintains the list of contracts awarded and which are designated as a HUB.

Method of Calculation

Divide the total number of purchases made form HUBs for the reporting period by the total aggregate number of purchases made by the Department for the reporting period, including TIBH, and excluding travel and transactions between agencies.

Data Limitations

No control over vendors who may be interested in
Providing services at the lowest cost to the agency.

Calculation Type

Non-cumulative

New Measure

Yes

Target Attainment:

Goals established by
Comptroller's Office

Explanatory Measure: Percentage of Credit Unions Indicating Quality Service Annually
--

Definition

The number of credit unions indicating the Department provides quality service, expressed as a percentage of the number of credit unions responding to that question on the annual survey.

Purpose/Importance

This measure provides an indication of the state-chartered credit union industry's perception of the quality of regulation and supervision received from the Department.

Source/Collection of Data

The Department sends out a survey each March to all state-chartered credit unions. One of the questions asked on the survey is "Do you believe the Department provides your credit union with quality service?"

Method of Calculation

Divide the number of credit unions reporting receipt of quality service from the Department by the number of credit unions responding to that question on the survey.

Data Limitations

Responding to the survey is voluntary. The Department
cannot control the number of responses received.

Calculation Type

Noncumulative

New Measure

Yes

Target Attainment:

90%

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULE B. PERFORMANCE MEASURES

Explanatory Measure: Staffing Levels

Definition

Number of actual Full Time Equivalents (FTEs) divided by the number of authorized FTEs.

Purpose/Importance

To ensure the Department is adequately staffed to provide the necessary regulatory oversight of Texas state-chartered credit unions.

Source/Collection of Data

A roster of all actual FTEs is maintained by the Staff Services Officer. Authorized FTEs are detailed in the Department's Annual Operating Plan and Budget approved by the commission each year.

Method of Calculation

The number of actual FTEs at month-end is divided by number of authorized FTE's for the applicable fiscal year.

Data Limitations

No control over staff turnover

Calculation Type

Noncumulative

New Measure

No

Target Attainment:

95%

Explanatory Measure: Number of Job Fairs Attended
--

Definition

The actual number of job fairs attended during the fiscal year. Job fairs are events where the Department provides job related information to potential employment candidates.

Purpose/Importance

To assist the Department in identifying potential applicants for examination staff positions. It is imperative for our agency to maintain adequate examiner staffing levels in order that we may provide the necessary regulatory oversight of Texas state-chartered credit unions.

Source/Collection of Data

A monthly training report, which includes job fairs attended, is maintained by both Field Supervisors. The report is submitted monthly to the Executive Assistant to the Commissioner.

Method of Calculation

The Executive Assistant reviews the monthly training report provided by the Field Supervisors and counts the number of job fairs attended.

Data Limitations

None

Calculation Type

Noncumulative

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULE B. PERFORMANCE MEASURES

New Measure
Yes

Target Attainment:
Two per fiscal year

Explanatory Measure: Turnover Ratio
--

Definition

The number of staff resignations (excluding retirements) as a percentage of the number of staff positions.

Purpose/Importance

Because turnover results in a less experienced staff, this measure is one indicator of the Department's ability to meet its goals.

Source/Collection of Data

New hires, resignations, and the reasons given for resignations are tracked in a spreadsheet by the Staff Services Officer.

Method of Calculation

Divide the number of staff resignations (excluding retirements) received during a reporting period by the total number of staff FTEs for the same period.

Data Limitations

No control over staff turnover

Calculation Type

Non-cumulative

New Measure
No

Target Attainment:
<15%

Explanatory Measure: Accreditation by NASCUS Maintained in Good Standing

Definition

The Department is accredited by the National Association of State Credit Union Supervisors (NASCUS) as of the end of the reporting period.

Purpose/Importance

NASCUS accreditation is a national standard of excellence among credit union regulators. The Department must maintain its accreditation in order to maintain credibility among federal regulators and the national Congress.

Source/Collection of Data

A certificate of accreditation is awarded to the Department. This is displayed in the reception area of the Department's building.

Method of Calculation

Determine if annual NASCUS accreditation is in good standing. If so, answer "YES".

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULE B. PERFORMANCE MEASURES

Data Limitations

None

Calculation Type

Noncumulative

New Measure

Yes

Target Attainment:

Yes

Explanatory Measure: Total Department Costs Relative to Every \$100,000 in Regulated Assets**Definition**

The fiscal year costs to operate the Department divided by Regulated Assets (Total regulated assets divided by \$100,000).

Purpose/Importance

This measure compares total operating costs to every \$100,000 of assets being regulated and supervised by the Department to evaluate the reasonableness of the costs of service delivery to the size of the Industry under the jurisdiction of the Department.

Source/Collection of Data

The Department's Annual Financial Report (AFR) will serve as the basis for determining the fiscal year costs. The aggregate total of credit union assets used to calculate the operating fees at the beginning of the fiscal year (June 30 Consolidated Financial Performance Report numbers for all Texas chartered credit unions) will serve as the basis for the total assets regulated by the Department for the fiscal year.

Method of Calculation

The numerator for this calculation is the fiscal year costs, and the denominator is the aggregate total of credit union assets divided by \$100,000.

Data Limitations

Could change dramatically if conversion or mergers result in significant changes to regulated assets. Staff turnover or an increase in the risk profile of credit unions requiring increased oversight could also impact the calculation.

Calculation Type

Cumulative

New Measure

Yes

Target Attainment:

\$9.44

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULE C. HISTORICALLY UNDERUTILIZED BUSINESS PLAN

HUB 7.07 REPORT CREDIT UNION DEPARTMENT 469 INTERNAL ASSESSMENT ON UTILIZATION OF HUBS POLICY COMPLIANCE REPORT

Demonstrating Compliance with HUB Purchasing Requirements

The Department consistently contacts Historically Underutilized Businesses (“HUBs”) for bids on spot purchases and small dollar amount procurements. Due to budget constraints, products and services are obtained from the lowest bidder. In addition to its HUB policy, the Department has a HUB Diversity Plan to ensure that our HUB purchases represent as many different minority and women-owned businesses as possible.

Although the Department has limited opportunities to award contracts, it makes every effort to foster meaningful and substantive inclusion of HUBS in the Department’s procurement processes. In addition, the Department makes every effort to ensure that it makes its purchases from a diverse group within the HUBs.

The Department has adopted a policy to achieve the proportional HUB expenditure targets established by the Texas Comptroller of Public Accounts and monitors its progress toward achieving these goals. The Department reviews this policy annually and the Department has a designated HUB coordinator, its Staff Services Officer.

The Department’s Agency Strategic Plan for 2021-2025 states the Department’s policy is to achieve the proportional HUB expenditure targets established by the Texas Comptroller of Public Accounts. **During fiscal year 2020 and fiscal year 2021, the Department has exceeded its HUB targets in the various categories.**

The total amount of expenditures with HUBs for fiscal year 2021 was \$126,814 and the total amount of non-HUB expenditures was \$45,211. In fiscal year 2020, the total amount of expenditures for HUBs was \$71,129 and the total amount of non-HUB expenditures was \$52,320.

Attached is a copy of the Department’s HUB Consolidated Agency Report for fiscal year 2020 and fiscal year 2021. **Both reports show that the Department exceeded its HUB goals.**

The Department only purchases from two procurement categories: other services and commodity purchasing. During fiscal year 2020, the Department’s HUB purchases for other services were 45.60 percent, which was over the stated goal of 26.0 percent and the Department’s HUB commodity purchases were 75.52 percent, which was over the stated goal of 21.1 percent. During fiscal year 2021, the Department’s HUB purchases for other services were 68.90 percent, over the stated goal of 26.0 percent and the Department’s HUB commodity purchases were 84.68 percent, over the stated goal of 21.1 percent.

PART 2. SUPPLEMENTAL ELEMENTS**SCHEDULE C. HISTORICALLY UNDERUTILIZED BUSINESS PLAN****HUB PARTICIPATION**

	FY20	FY21
Total Agency Expenditure	\$123,449	\$172,026
Total Dollar Amount Spent with HUBs	\$71,129	\$126,814
Percent of Total Expenditure Spent with HUBs	57.62%	73.72%
Women	\$63,040	\$109,909
Black	\$1,971	\$1,443
Hispanic	\$0	\$5,550
Asian-Pacific	\$4,223	\$7,987
Native-American	\$1,895	\$1,923

Plans to Maintain Compliance

The Department is strongly committed to using HUBs for purchases in future years to maintain its excellent compliance record. The Department will continue to include HUB policies, goals, and programs in its strategic plan. The Department will continue to contact HUBS for bids on spot purchases and small dollar amount procurements. The Department will continue to make a good faith effort to utilize HUBs in contracts for construction, services (including professional and consulting services) and commodities purchases in accordance with 34 TAC §20.13. The Department will continue to meet state reporting requirements and optional reporting requirements for self-directed and semi-independent agencies, such as this reporting requirement. The Department annually updates its HUB policy and will continue to maintain its HUB Diversity Plan to ensure that our HUB purchases represent as many different minority and women-owned businesses as possible.

Although the Department has limited opportunities to award contracts, the Department will continue to make every effort to foster meaningful and substantive inclusion of HUBS in the Department's procurement processes.

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULES D. STATEWIDE CAPITAL PLANNING AND E. HHS STRATEGIC PLANNING

SCHEDULE D: STATEWIDE CAPITAL PLANNING

NOT APPLICABLE

SCHEDULE E: HEALTH AND HUMAN SERVICES STRATEGIC PLANNING

NOT APPLICABLE

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULES F. AGENCY WORKFORCE PLAN AND THE TEXAS WORKFORCE SYSTEM STRATEGIC PLAN



Credit Union Department Fiscal Year 2023-2024 Workforce Plan

I. Agency Overview

The Department was established as a separate agency in 1969 to supervise and regulate state-chartered unions. This is accomplished through annual examinations of each credit union to ensure enforcement of laws, rules, bylaws, and sound business practices, imposing appropriate administrative sanctions, diligent monitoring between examinations, and aggressive remedial efforts when needed.

The administrative office of the agency is domiciled in Austin, but field examiners are based in Dallas/Fort Worth, Austin and Houston. The largest percentage of employees are directly associated with the examination process including field examiners, a Director of Examination Support Activities, an executive assistant and the Deputy Commissioner. The remaining positions include the Commissioner, Director of Information Systems and Technology, Network Specialist and supporting staff in Austin (See Appendix B: CUD Organizational Chart).

The Department currently is authorized for 31.0 full time equivalents (FTEs) and is considering expanding the workforce due to increases in the complexity and assets of regulated credit unions. Operating fees paid by the credit unions cover all agency expenses, including payments to other state agencies, such as the Office of Attorney General, for services performed.

A. Agency Mission

The mission of the Credit Union Department is to safeguard the public interest, protect the interests of credit union members and promote public confidence in credit unions industry in accordance with TEX. FIN. CODE §15.102.

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULES F. AGENCY WORKFORCE PLAN AND THE TEXAS WORKFORCE SYSTEM STRATEGIC PLAN

B. Strategic Goals and Objectives

The Texas Credit Union Department has three main goals

Goal A	EFFECTIVE SUPERVISION AND REGULATION
Objective	To effectively supervise and regulate state-chartered credit unions through enforcement of safety and soundness standards and compliance with the Texas Finance Code, and in a manner that balances the interest of the membership and the need for public confidence in the credit union system.
Strategies	<ul style="list-style-type: none">• Examine all credit unions within 18 months of the previous examination• Take appropriate enforcement action in problem credit unions• Perform remedial examinations when necessary• Respond promptly to member complaints• Respond promptly to requests for interpretations or opinions• Process applications in a timely manner

Goal B	ENSURE SAFETY AND SOUNDNESS
Objective	Through interaction with the Credit Union Commission and the Legislature, recommend statutory and rule changes to ensure that credit unions operate in a safe and sound manner in a competitive and ever-changing financial services industry.
Strategies	<ul style="list-style-type: none">• Promulgate new and amended rules• Recommend statutory changes to the Legislature• Provide oversight of departmental operations

Goal C	PROCUREMENT USING HISTORICALLY UNDERUTILIZED BUSINESSES
Objective	To establish and carry out policies governing purchasing and public works contracting which foster meaningful and substantive inclusion of historically underutilized businesses.
Strategies	<ul style="list-style-type: none">• Contact HUB contractors for bid proposals• Purchase from state contracted HUB providers

C. Anticipated Changes in Strategies

The agency does not anticipate major changes to its business or workforce strategies. Offsetting the decline in the number of state-chartered credit unions is the increase in total assets of credit unions. The current growth in assets of state-chartered credit unions has come primarily from pandemic stimulus deposits, and expansion of field of membership and services offered by existing credit unions.

Using a risk-focused examination process, examiners give additional attention to the areas of operation that have been identified in a risk assessment. Because of the disparity in the size and complexity of credit unions,

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULES F. AGENCY WORKFORCE PLAN AND THE TEXAS WORKFORCE SYSTEM STRATEGIC PLAN

examiners remain generalists in terms of their expertise. However, each examiner is assigned a discipline (lending, investments, internal controls, compliance, information technology, etc.) of the examination process during their first year of employment. Subsequently, they are provided with more specific training in their discipline. The area of discipline for each examiner is assigned based on each examiner's preference and the availability of a discipline.

Due to the increased use of information technology in credit union operations and the critical need for adequate back up and security for these systems, the scope of the reviews for the information technology portion of examinations continues to expand. Most credit unions perform third-party information technology audits which the examiners review, and/or are hiring qualified third parties to perform specific information technology functions.

Between 2018 and 2020, the NCUA utilized the Automated Cybersecurity Examination Tool (ACET) to conduct cybersecurity maturity assessments of all federally insured credit unions to determine their cybersecurity preparedness. Over the three-year period, the tool was used on all state-chartered credit unions with over \$100 million in assets. Beginning in 2020, the NCUA began transitioning its priority from performing the ACET assessments to evaluating critical security controls. They also initiated a pilot called Information Technology Risk Examination solution for Credit Unions (InTREx-CU). InTREx harmonizes the IT and Cybersecurity examination procedures shared by the Federal Deposit Insurance Corporation, the Federal Reserve System and many state regulators. The In-TREx-CU pilot will end no later than August 2022, at which time the results from InTREx-CU exams will be utilized to improve the overall effectiveness of the existing examination program. Moving forward, it is anticipated that the Department's role in performing these reviews will increase.

II. Current Workforce Profile

A. Critical Workforce Skills

The agency has a core group of qualified employees at the present time. The examiners, which represent most of the Department's employees, must have major course work in accounting, finance, economics, business administration or a job-related field with a minimum of six hours, nine preferred, in accounting (including basic and intermediate accounting). Other skills that are important to the agency's ability to perform our business function include:

- Financial statement analysis
- Investment analysis
- Proficient oral and written communication
- Investigative
- Loan analysis
- Internal control analysis
- Information technology analysis

The support staff must also possess skills that are critical to the operation of the agency. These skills include:

- Database development and maintenance
- Customer service
- Document processing
- Accounting/Payroll

B. Workforce Demographics

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULES F. AGENCY WORKFORCE PLAN AND THE TEXAS WORKFORCE SYSTEM STRATEGIC PLAN

The following profiles the agency's workforce as of August 31, 2021. The agency was authorized 30.0 FTEs for fiscal year 2021. The CUD workforce is comprised of 53.8 percent males and 46.2 percent females. Just over two-thirds, or 69 percent, of the employees are over the age of 40. The average tenure of an agency employee declined during the last two years, from 11.6 to 8.5 years; and the average tenure of the sixteen field examiners at FYE 2021 is 7.4 years, down from the 9.6-year average from two years ago. Four examiners have been with the Department less than two years; while two examiners have been with the agency between two and less than five years. The remaining ten examiners have been on staff or greater than five years.

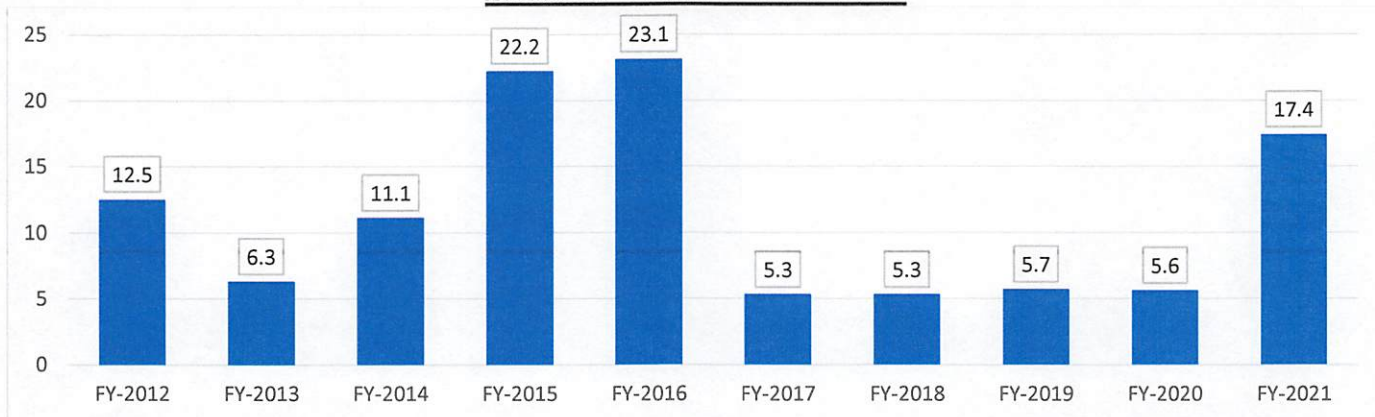
The ethnic breakdown of the workforce is 35 percent Anglo, 27 percent African American, 23 percent Hispanic and 15 percent Other. The 2010 Census showed a Texas population that was 39.8 percent Anglo, 11.8 percent African American, 39.3 percent Hispanic, and 9.1 percent Other. The Hispanic population in the state of Texas is on pace to surpass the white population during 2022.

C. Employee Turnover

Employee turnover is experienced by every business entity or governmental agency. It is costly to continually train new employees, diminishes efficiency of the staff, and adversely affects employee morale. Historically, the Credit Union Department has experienced high examiner turnover rates, attributable to non-competitive salaries, extensive travel requirements, and the nature of the work as a regulatory agency. Management and support staff positions remained constant during the same period. Examiners with experience in excess of 2-3 years become attractive to credit unions due to their wide diversity of experiences, and familiarity with credit union laws and regulations. Experienced examiners were also attracted to the National Credit Union Administration (NCUA), the federal regulator, by higher salaries, less travel, and, in some cases, a recruitment bonus.

During the ten-year period from FY 2012 to FY 2021, seven examiners (average tenure of 55 months) were hired by credit unions and three examiners (average tenure of 29 months) were hired by NCUA. Another twelve examiners left employment with an average tenure of 80 months. Two of the twelve examiners were Field Supervisors who retired after approximately 26 years each with the Department. Excluding those individuals, the average tenure of the other ten examiners who left employment was 34 months.

Examiner Turnover for 10 Years



PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULES F. AGENCY WORKFORCE PLAN AND THE TEXAS WORKFORCE SYSTEM STRATEGIC PLAN

D. Retirement Eligibility

The agency was created in 1969, but through the years, very few employees have remained with the agency until retirement. Three employees retired in the early 1970s soon after the agency became independent from the Banking Department. Based on available information since 1996, eighteen additional employees have retired from the agency. Four employees retired between 1996-2002, one medically; two employees retired at the end of FY 2003, prompted by the retirement incentive package authorized by the 78th Legislature; and two employees retired in fiscal year 2013. Additionally, since the beginning of FY2015 the pace of retirements within the Department has increased rapidly with ten employees having retired. Two retired in FY2016, one in FY2017, one in FY2018, one more in FY2019, three in FY2020 and two in FY2021. Furthermore, as of the beginning of FY2022, two employees are currently eligible for retirement, two more employees are eligible within the next 2 years, four more within 5 years and an additional three employees are eligible within 8 years. With approximately 15 percent of existing staff being eligible to retire within 2 years, approximately 31 percent within 5 years, and 42 percent eligible within 8 years, proper succession planning is critical to ensure the identification and development of potential successors for key positions. The ability to staff the office positions over the next 5 years could be a critical challenge, with six of the eleven (55%) office staff members eligible for retirement during that time. Of those six; one is currently eligible to retire; two are eligible within 2 years; and the remaining three are eligible within 4 years.

E. Other Considerations

While there is now an improved beginning salary for examiners, retention of experienced examiners will still be a problem as financial institutions and federal agencies continue to pay higher salaries and require less travel. Agency wide, the turnover rate is expected to stay between 5 to 15 percent annually. The Department continues to assess pay levels, other benefits and work condition enhancements to improve examiner retention.

III. Future Workforce Profile

A. Critical Functions

- Risk based examination program
- Electronic delivery of examinations
- Offsite monitoring
- E-commerce security

B. Expected Workforce Changes

- Increased use of technology to revise and streamline work processes

C. Anticipated Increase/Decrease in Number of Employees Needed to Do the Work

- The FTE count is anticipated to increase by up to three over the next two years to ensure continuity of service and address the increasing complexity of credit union examinations.

D. Future Skills Needed

To effectively perform and process examinations, the agency relies upon a competent and knowledgeable staff. The skills mentioned previously under *Critical Workforce Skills* should be constant for the future; no immediate new skill requirements are anticipated at this time. As employees gain more tenure and experience,

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULES F. AGENCY WORKFORCE PLAN AND THE TEXAS WORKFORCE SYSTEM STRATEGIC PLAN

their skills should become more refined; employees whose skills do not significantly improve or expand may not be retained.

IV. Gap Analysis

A. Anticipated Surplus or Shortage of Workers or Skills

After analyzing the workforce information, the Credit Union Department believes that there is only one main gap between the agency's workforce supply and demand that needs to be addressed.

1. Attracting and retaining the right employees for the job

- Competing for business majors with at least 6 hours of accounting
- Younger employees are not staying with the agency
- Assuring experienced, well-performing employees of regular salary increases and competitive salaries

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULES F. AGENCY WORKFORCE PLAN AND THE TEXAS WORKFORCE SYSTEM STRATEGIC PLAN

V. Strategy Development

Gap	Attracting and Retaining the Right Employees
Goal	Become an employer of choice and offer career opportunities
Rationale	There is a competitive job market for qualified individuals with the skills required to perform the duties of an examiner. The agency will continue to reward exceptional performance within statutory limitations, provide staff development through training opportunities, and provide career opportunities, and support innovation and excellence.
Action Steps	<ul style="list-style-type: none">• Continue regular pay increases for high performance• Consistently survey the market for similar positions to ensure the salaries being offered to our staff are competitive.• Allow employees who are seeking new challenges to work on special projects, or assign development projects

Gap	Train and Mentor Employees
Goal	Develop staff where they can progress to key positions, as those key opportunities become available.
Rationale	There is a high concentration of existing Department employees in key positions who are either eligible for retirement, or will become so, during the next 5 years. The agency must identify high potential staff and provide them with the tools and training necessary to fill key positions which are vacated due to retirement. Those identified as high potential employees must be placed on a fast track approach for development and know that they have strong career prospects with the Department. The agency will continue to reward exceptional performance within statutory limitations, provide staff development through training opportunities, and provide career opportunities, and support innovation and excellence.
Action Steps	<ul style="list-style-type: none">• Continue regular pay increases for high performance.• Allow employees who are seeking new challenges to work on special projects or assign development projects.• Identify above average performers and put them on a fast track approach for their career path.• Implement a training approach for high potential staff which focuses on accelerating their development and advancement with the agency.

Given the increasing size and complexity of the credit unions we regulate, the Credit Union Department is anticipating some significant changes regarding examiner staffing and the examination processes during the next 2-3 years. Currently, the agency has only 31.0 authorized FTEs (as of FY 2022), of which 19.0 FTEs are currently allocated for field examiner positions. Furthermore, possible retirements soon could adversely affect the organization, both in the field and in the office. Within the next 4 years a total of eight (8) employees, or approximately 26 percent of all Department staff (when fully staffed), will be eligible for retirement. Proper

PART 2. SUPPLEMENTAL ELEMENTS

SCHEDULES F. AGENCY WORKFORCE PLAN AND THE TEXAS WORKFORCE SYSTEM STRATEGIC PLAN

succession planning will be critical to ensure the identification of staff for key positions if significant turnover occurs due to retirements, whenever that may be. The Department will need to devote adequate resources to mentoring and supporting less tenured examiners to ensure they gain the skills and experience to carry out the responsibilities which are needed to progress rapidly with the Department.



CREDIT UNION DEPARTMENT

CUSTOMER SERVICE REPORT

May 2022



2022 REPORT ON CUSTOMER SERVICE

The Credit Department is dedicated to fulfilling its commitment to customer service as outlined in the agency's *Compact with Texans*. In doing so, credit unions supervised and regulated by the Department, as well as consumers that have registered complaints about those credit unions, are given the opportunity to provide opinions regarding the level of customer service provided by the agency.

In accordance with TEX. GOV'T CODE CH. 2114, the Department provides a variety of methods for customers to supply feedback about the agency's operations and services. Methods used for the solicitation of feedback include internet-based surveys, outreach meetings, and a contact link on our public website for customers where they can provide information related to their interaction with the agency.

Inventory of Customers by Strategy	
Strategy	Customer
Safe and Sound Credit Union Industry	Texas-chartered credit union and foreign credit unions with offices in Texas
Safeguard the Interest of Credit Union Members	Customers (Members) of Texas-chartered credit unions (represented by written complaints received)

External Customer Descriptions

Credit Union Industry

A safe and sound credit union industry helps ensure economic growth and stability, while assuring a safe place for depositors, available credit opportunities, and competitive financial services. As a result, the primary beneficiary or customer of the Department's safety and soundness supervision of credit unions are the citizens of Texas – credit union members, borrowers, and creditors. Other direct beneficiaries of the Department's examination and supervision are the National Credit Union Administration (NCUA) and the institutions under regulation. The Department must meet the highest expectations and supervisory standards in order to maintain the state's role in enhancing the dual credit union system.

Quality examination and supervision provides credit union boards and management with an independent look at their performance in complying with applicable laws and operating a safe and sound credit union. Burdensome or arbitrary requests for information, improper use of authority, or inconsistently applied statutes, rules, and procedures can inconvenience, disrupt, and even damage credit unions. To monitor the agency's performance as a regulator, the Department surveys credit unions under its jurisdiction. Ultimately, a credit union's members and creditors benefit from examinations and supervision.

Credit Union Members

The primary customers served in this regard are consumers doing business with credit unions such as depositors and borrowers. The Department focuses its surveys on credit union members who have recently gone through the complaint process.

Description of Information Gathering Techniques/Methods

The Department assesses its customer service through communications with its constituents. The Department utilized an electronic survey to reach out to each of its customers.

Annual Questionnaire

Credit unions are sent an invitation by email to participate in an online survey. Responses are anonymous unless the respondent provides contact information. Completed surveys are tabulated automatically by the Department's survey service provider and results are posted on the agency's public website. The methodology of data collection does not follow random sampling guidelines, rather it allows 100% of the credit unions the opportunity to provide feedback. In the most recent annual survey, credit unions were asked to complete the annual survey between March 18, 2021 and May 7, 2021. The agency also emailed reminder notices at various times during the data collection period asking credit unions to participate if they had not already done so.

Examination Survey

The Department solicits input regarding the supervision provided by the agency through a separate post examination survey. The goal of this survey is to help target areas for improvement, as well as to identify what parts of the existing examination process are working well. No deadline for a response is given and the responses are anonymous. On January 12, 2021 an invitation by email to participate in an online survey was sent to each credit union who had their most recent examination reports mailed to them between September 1 and November 24, 2020. The responses are anonymous. The survey covers areas such as the examination process, examination reports, and the examination correspondence.

Application Survey

The Department solicits input regarding its application process through a separate post application survey. The goal of this survey is to help target areas for improvement, as well as to identify what parts of the existing process are working well. On January 12, 2021 an invitation by email to participate in an online survey was sent to each credit unions who had applications acted on between September 3 and November 25, 2020. The responses are anonymous. The survey allows credit unions to provide feedback and rate the performance of the agency in processing the application.

Survey of Member Complainants

Since 2014, complainants of credit unions have been surveyed. The methodology of data collection does not follow random sampling guidelines; it allows 100% of the complainants over a certain period of time the opportunity to respond. On January 12, 2021 an invitation by email to participate in an online survey was sent to complainants who had filed complaints against a Texas state-chartered credit union that were closed during September to November 2020. The responses are anonymous. The survey process allows complainants to provide feedback and rate the performance of the agency in reviewing their complaint.

Results and Summary Analysis of Surveys

It is important to know that when reviewing the following data, low response rates may generally yield results that reflect the feelings of those with the most positive or negative impressions of, or experiences with, the agency and consequently may skew the analysis of the findings. The results show a general satisfaction by most respondents with the Department's services as a whole across the various surveys.

Annual Questionnaire

The Department received 80 responses from 176 credit unions for a response rate of 45 percent. An overwhelming majority of the respondents were "very satisfied" or "satisfied" that the Department is conducting its affairs in a satisfactory manner. The questionnaire affirms the agency's dedication to offer exceptional service to credit unions as accessibility, responsiveness, and quality of services were all highly rated.

Strategic Goal: To ensure a safe and sound credit union industry
Strategic Objective: The department anticipates, understands, addresses, and communicates risk to credit unions.
Measure: Outcome

Q 1. How satisfied are you with the agency's facilities, including your ability to access the agency, the office location, signs, and cleanliness?

Very Unsatisfied	2	3%
Unsatisfied	1	1%
Neutral	4	5%
Satisfied	9	11%
Very Satisfied	21	26%
Not Applicable	43	54%
Total	80	100%

Q 2. How satisfied are you with agency staff, including employee courtesy, friendliness, and knowledgeability, and whether staff members adequately identify themselves to customers by name, including the use of the name plates or tags for accountability?

Very Unsatisfied	3	4%
Unsatisfied	0	0%
Neutral	1	1%
Satisfied	13	16%
Very Satisfied	49	61%
Not Applicable	14	18%
Total	80	100%

Q 3. How satisfied are you with agency communications, including toll-free telephone access, the average time you spend on hold, call transfers, access to a live person, letters, electronic mail, and any applicable text messaging or mobile applications?

Very Unsatisfied	4	5%
Unsatisfied	0	0%
Neutral	1	1%
Satisfied	11	14%
Very Satisfied	60	75%
Not Applicable	4	5%
Total	80	100%

Q 4. How satisfied are you with the agency's internet site, including the ease of use of the site, mobile access to the site, information on the location of the site and the agency, and information accessible through the site such as a listing of services and programs and whom to contact for further information or to complain?

Very Unsatisfied	3	4%
Unsatisfied	0	0%
Neutral	6	7%
Satisfied	23	29%
Very Satisfied	47	59%
Not Applicable	1	1%
Total	80	100%

Strategic Goal: To ensure a safe and sound credit union industry

Strategic Objective: The department anticipates, understands, addresses, and communicates risk to credit unions.

Measure: Explanatory

Q 5. How satisfied are you with the agency's complaint handling process, including whether it is easy to file a complaint and whether responses are timely?

Very Unsatisfied	3	4%
Unsatisfied	0	0%
Neutral	4	5%
Satisfied	21	26%
Very Satisfied	35	44%
Not Applicable	17	21%
Total	80	100%

Q 6. How satisfied are you with the agency's ability to timely serve you, including the amount of time you wait for service in person?

Very Unsatisfied	2	2%
Unsatisfied	0	0%
Neutral	2	3%
Satisfied	16	20%
Very Satisfied	45	56%
Not Applicable	15	19%
Total	80	100%

Q 7. How satisfied are you with any agency brochures or other printed information, including the accuracy of that information?		
Very Unsatisfied	1	1%
Unsatisfied	1	1%
Neutral	6	8%
Satisfied	18	23%
Very Satisfied	41	51%
Not Applicable	13	16%
Total	80	100%

Q 8. Please rate your overall satisfaction with the agency		
Very Unsatisfied	3	4%
Unsatisfied	0	0%
Neutral	3	4%
Satisfied	18	22%
Very Satisfied	56	70%
Total	80	100%

Examination Survey

Periodically, at least 45 days after the completion of an examination and the mailing of the report to the credit union, a separate invitation to participate in the examination survey is transmitted to the credit union. On January 12, 2021, an invitation by email to participate in an online survey was sent to each credit union who had their most recent examination reports mailed to them during September through November 2020. A total of 42 invitations were sent, and 16 responses were received for a 38 percent response ratio. The responses complimented the examining staff's professionalism and noted that the report of examination was easy to understand with strongly agreed or somewhat agreed responses of 94 percent.

Strategic Goal: To ensure a safe and sound credit union industry
Strategic Objective: The department anticipates, understands, addresses, and communicates risk to credit unions.
Measure: Outcome and Efficiency

Examinations		
Q1. The lead-time was sufficient to gather the information requested prior to the on-site examination		
Strongly Agree	11	69%
Somewhat Agree	4	25%
Neither Agree or Disagree	1	6%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	0	0%
Total	16	100%

Q 2. The pre-examination requests were reasonable in scope		
Strongly Agree	12	75%
Somewhat Agree	3	19%
Neither Agree or Disagree	1	6%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	0	0%
Total	16	100%

Q 3. Materials requested in the pre-examination were used during the examination		
Strongly Agree	11	69%
Somewhat Agree	2	12%
Neither Agree or Disagree	3	19%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	0	0%
Total	16	100%

Q 4. The pre-examination request made the examination run more efficiently		
Strongly Agree	15	94%
Somewhat Agree	1	6%
Neither Agree or Disagree	0	0%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	0	0%
Total	16	100%

Q 5. The examiners were knowledgeable about your credit union		
Strongly Agree	11	69%
Somewhat Agree	5	31%
Neither Agree or Disagree	0	0%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	0	0%
Total	16	100%

Q 6. The examiners demonstrated a thorough understanding of safety and soundness issues		
Strongly Agree	12	75%
Somewhat Agree	4	25%
Neither Agree or Disagree	0	0%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	0	0%
Total	16	100%

Q 7. The examiners were responsive to your questions and concerns		
Strongly Agree	12	75%
Somewhat Agree	4	25%
Neither Agree or Disagree	0	0%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	0	0%
Total	16	100%

Q 8. The examiners communicated effectively with the credit union throughout the examination		
Strongly Agree	14	88%
Somewhat Agree	2	12%
Neither Agree or Disagree	0	0%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	0	0%
Total	16	100%

Q 9. The examiners treated you professionally		
Strongly Agree	16	100%
Somewhat Agree	0	0%
Neither Agree or Disagree	0	0%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	0	0%
Total	16	100%

Q 10. The examiners explained the CAMEL ratings in sufficient detail		
Strongly Agree	14	88%
Somewhat Agree	2	12%
Neither Agree or Disagree	0	0%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	0	0%
Total	16	100%

Q 11. All major findings of the examination were discussed with you prior to the examiners leaving your credit union		
Strongly Agree	15	94%
Somewhat Agree	0	0%
Neither Agree or Disagree	0	0%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	1	6%
Total	16	100%

Q 12. Management was given the opportunity to react to the examination findings		
Strongly Agree	14	88%
Somewhat Agree	1	6%
Neither Agree or Disagree	0	0%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	1	6%
Total	16	100%

Q 13. The examination was completed within a reasonable timeframe		
Strongly Agree	13	81%
Somewhat Agree	2	13%
Neither Agree or Disagree	0	0%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	1	6%
Total	16	100%

Q 14. The report accurately reflected the examination findings as conveyed to you during the examination		
Strongly Agree	15	94%
Somewhat Agree	0	0%
Neither Agree or Disagree	0	0%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	1	6%
Total	16	100%

Q 15. The report was easy to understand		
Strongly Agree	14	88%
Somewhat Agree	1	6%
Neither Agree or Disagree	0	0%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	1	6%
Total	16	100%

Q 16. The report accurately portrayed your credit union's practices and condition		
Strongly Agree	14	88%
Somewhat Agree	1	6%
Neither Agree or Disagree	0	0%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	1	6%
Total	16	100%

Q 17. The transmittal letter and other written communications concerning the examination report was clear and concise		
Strongly Agree	15	94%
Somewhat Agree	0	0%
Neither Agree or Disagree	0	0%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	1	6%
Total	16	100%

Q 18. The report contained useful recommendations for improving safety and soundness practices		
Strongly Agree	12	75%
Somewhat Agree	1	6%
Neither Agree or Disagree	2	13%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	1	6%
Total	16	100%

Q 19. The examination findings will assist you in enhancing your safety and soundness practices		
Strongly Agree	14	88%
Somewhat Agree	1	6%
Neither Agree or Disagree	0	0%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	1	6%
Total	16	100%

Q 20. The examination was conducted in a fair and objective manner		
Strongly Agree	13	81%
Somewhat Agree	2	13%
Neither Agree or Disagree	0	0%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	1	6%
Total	16	100%

Application Survey

Periodically, at least thirty days after a final decision is rendered on a credit union's application, a separate invitation to participate in the application survey is transmitted to the credit union. On January 12, 2021 invitations by email to participate in an online survey was sent to each credit unions who had applications acted on between September 3 and November 25, 2020. A total of 28 invitations were sent, and 8 responses were received for a 29 percent response ratio. The responses complimented the Department's application process, with efficiency satisfaction responses of 100 percent.

Strategic Goal: To provide a flexible regulatory framework that enables credit unions to provide a full competitive array of financial services.
Strategic Objective: Credit union application procedures are efficient and consistent with safety and soundness.
Measure: Outcome

Applications		
Q 1. Department staff provided timely and accurate feedback/answers		
Strongly Agree	7	88%
Somewhat Agree	1	12%
Neither Agree or Disagree	0	0%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	0	0%
Total	8	100%

Q 2. Department staff communicated with me in a courteous and professional manner		
Strongly Agree	8	100%
Somewhat Agree	0	0%
Neither Agree or Disagree	0	0%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	0	0%
Total	8	100%

Q 3. The application process was efficient		
Strongly Agree	7	88%
Somewhat Agree	1	12%
Neither Agree or Disagree	0	0%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	0	0%
Total	8	100%

Q 4. The Department's requests for information were reasonable		
Strongly Agree	7	88%
Somewhat Agree	1	12%
Neither Agree or Disagree	0	0%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	0	0%
Total	8	100%

Q 5. The Department's website was helpful in completing my application		
Strongly Agree	6	75%
Somewhat Agree	1	13%
Neither Agree or Disagree	1	12%
Somewhat Disagree	0	0%
Strongly Disagree	0	0%
Skipped Question	0	0%
Total	8	100%

Member Complainants

A total of 69 invitations to participate in the survey were transmitted to complainants who filed a complaint against a credit union which was closed during September through November 2020. A total of 16 responses were received for a 23 percent response rate.

Approximately 75 percent of complainants found it relatively easy to file a complaint with the agency. Overall, 56 percent of respondents were satisfied the Department understood the basis of their complaint, while 19 percent were dissatisfied. However, only 31 percent felt our response addressed the important aspects of their complaint.

Strategic Goal: To safeguard the interest of credit union members

Strategic Objective: All credit union members have reasonable access to credit union services and are treated fairly and lawfully.

Measure: Explanatory, Efficiency and Outcome

Complaints		
Q 1. It was relatively easy to file a complaint with the Department		
Strongly Agree	7	44%
Somewhat Agree	5	31%
Neither Agree or Disagree	2	13%
Somewhat Disagree	1	6%
Strongly Disagree	1	6%
Skipped Question	0	0%
Total	16	100%

Q 2. Department staff communicated with me in a courteous and professional manner		
Strongly Agree	8	50%
Somewhat Agree	3	19%
Neither Agree or Disagree	2	13%
Somewhat Disagree	1	6%
Strongly Disagree	2	12%
Skipped Question	0	0%
Total	16	100%

Q 3. I believe department staff understood the basis of my complaint		
Strongly Agree	5	31%
Somewhat Agree	4	25%
Neither Agree or Disagree	3	19%
Somewhat Disagree	1	6%
Strongly Disagree	3	19%
Skipped Question	0	0%
Total	16	100%

Q 4. The response provided by the department addressed the important aspects of my complaint		
Strongly Agree	3	19%
Somewhat Agree	2	12%
Neither Agree or Disagree	1	6%
Somewhat Disagree	3	19%
Strongly Disagree	6	38%
Skipped Question	1	6%
Total	16	100%

Q 5. The explanation given was fair considering applicable laws		
Strongly Agree	3	19%
Somewhat Agree	3	19%
Neither Agree or Disagree	2	12%
Somewhat Disagree	8	50%
Strongly Disagree	0	0%
Skipped Question	0	0%
Total	16	100%

Q 6. The Department website was helpful in the complaint process		
Strongly Agree	6	37%
Somewhat Agree	5	31%
Neither Agree or Disagree	2	13%
Somewhat Disagree	1	6%
Strongly Disagree	2	13%
Skipped Question	0	0%
Total	16	100%

Customer Service Representative

The Department's Compact with Texans is posted on the agency's public website (www.cud.texas.gov). The appointed customer service representative is Commissioner John J. Kolhoff.

Credit Union Department
914 East Anderson Lane
Austin, Texas 78752-1699
(512) 837-9236

CUDMail@cud.texas.gov