STRATEGIC AND OPERATIONAL PLAN FOR THE DENTON CENTRAL APPRAISAL DISTRICT

March 2026

PCS
PROFESSIONAL CONSULTING SERVICES of IAAO, LLC

A wholly owned subsidiary of IAAO

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PCSIAAO delivers independent, data-driven consulting services tailored specifically to those in the mass appraisal and assessment administration community. Our core areas of expertise include compensation studies, strategic planning, reappraisal monitoring, and the Gap Analysis, a processes and procedures audit. Each project is designed to provide objective insights, practical recommendations, and implementation-ready solutions that support informed decision-making by governing bodies, executive leadership, and staff.

The PCSIAAO consulting team is composed of internationally recognized subject matter experts with firsthand leadership experience in assessment administration, valuation, mass appraisal systems, data analytics, policy development, and public sector management. Through our affiliation with IAAO, we leverage direct access to the profession's most current research, education resources, and practitioner network. This allows PCSIAAO to remain at the forefront of emerging trends, regulatory changes, and evolving best practices across North America and international jurisdictions.

As a mission-driven organization operating under the nonprofit parentage of IAAO, PCSIAAO maintains an unwavering commitment to objectivity, transparency, and professional service. Our business model is not driven by product sales or proprietary systems, but by the pursuit of defensible outcomes that strengthen public trust, organizational performance, and workforce sustainability. Clients who engage PCSIAAO benefit from a consulting partner that is fully aligned with the values, standards, and long-term success of the assessment profession.

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PROJECT BACKGROUND

In December of 2025, Professional Consulting Services of IAAO, LLC (PCSIAAO) was contracted to develop a strategic and operational plan for the Denton Central Appraisal District (DCAD). The purpose of this process was to develop a plan for the future that uses interviews and data to understand the most pressing needs of the Central Appraisal District (CAD) to move the CAD forward in a responsible way that best serves the citizens of Denton County.

DCAD has an overall strategic vision to accomplish its goals. The purpose of this Strategic and Operational Plan is to identify specific resources and enumerate actionable steps that will improve the capacity and efficiency of DCADs day-to-day operations, as well as enabling DCAD to keep pace with anticipated changes to the assessment environment in the future.

As an independent third party with considerable experience teaching and working with a wide range of assessment offices around the world, Professional Consulting Services of IAAO can make specific recommendations that will be beneficial to DCAD and its constituents.

The Strategic and Operational Planning Process:

- Visiting the DCAD offices to examine layouts and workspaces
- Interviewing key DCAD personnel to hear their perceptions on the Appraisal District's operations
- Reviewing demographic data related to growth patterns in Denton County
- Reviewing data about other CADs to compare staffing, parcel counts, growth, and physical environment
- Evaluating DCADs office space
- Reviewing DCAD organization charts
- Reviewing DCAD business processes and workflows
- Evaluating staffing levels on a unit-by-unit basis to make recommendations for workforce planning
- Develop a report including recommendations for strategic and operational success moving forward
- Present results of strategic and operational planning process to DCAD Board

Organization of this Report

This report is organized by topics, which are roughly presented in order of the magnitude of significance of the problem. Factual material is presented with interpretation and conclusions. At the end of each section, specific recommendations are presented. At the conclusion of this report, all recommendations are summarized in one section.

Executive Summary

Denton County has seen unprecedented growth and is on track to continue to see unprecedented growth over the coming decades, making planning for growth mandatory. Denton Central Appraisal District is severely under-resourced in terms of office space and staff are seeing some of the highest workloads of any CAD in the State. While they have been able to meet their statutory obligations in the past few years, growth in the County is rapidly outpacing DCADs capacity to deliver services. This, coupled with the inability to address the large number of appeals and protests, has led to some difficult decisions. Within the next one to three years, there is a high probability that DCAD will not be able to certify the tax roll in accordance with Texas law, which could have detrimental effects on school districts and taxing authorities in the County.

DCADs most immediate need is for additional office space. They also have an immediate need for more staff, including new positions that are not currently in their workforce. However, the staff augmentations are subordinate to the need for office space, as there is no room for expansion of the workforce in their current facilities.

Beyond the immediate need for office space and staff augmentation, DCAD needs to:

- Expand public relations functions
- Continue to document all workflows and business processes
- Provide standardized training for employees
- Improve relations with taxpayers through community outreach and education
- Create and utilize interactive maps and dashboards to increase public confidence and trust and reduce the number of protests and appeals
- Add additional quality control to improve valuation equity
- Increase capacity to defend estimates of value through protests and appeals and decrease the number of cases that are settled without contest
- Further explore the use of artificial intelligence to automate processes, monitor data quality, provide quality control for estimates of value

1. OVERVIEW

Denton Central Appraisal District ("Appraisal District" or "DCAD") is a political subdivision of the State of Texas. The Texas State Constitution, Texas Property Tax Code and rules of the Texas Comptroller's Property Tax Assistance Division govern the operations of the Appraisal District. The Appraisal District is responsible for appraising all property in Denton County for each taxing unit that imposes an ad valorem tax.

The primary responsibility of DCAD is to appraise property for property taxation and maintain 100% of market value, allowing local funding for the county, cities, school districts, special districts, water districts, TIF zones, emergency services, MUD, public improvement districts, roads and other entities and ensuring that appraisals are performed in an equal and uniform manner in order that taxpayers pay only their fair share of the property tax burden.

The goals of the Appraisal District are to:

- Maintain the property tax roll
- Value property to ensure equitable assessment of property taxes in accordance with Texas law
- Administer property tax exemption applications and exemptions
- Certify values to the property tax collectors
- Support budget requirements of School Districts and Taxing authorities
- Administer a process that allows property owners the opportunity to dispute assessments through informal protests and formal appeals
- Educate the public to counter common misconceptions about property tax and increase transparency for constituents
- Generate revenue through changing assessments, adding new accounts and defending value through the appeals and protest process to ensure equity in values
- Execute all tasks and processes in a way that promotes public trust in the assessment process

DCAD reappraises property every year, which is in compliance with IAAO's standard on revaluations. In following an annual revaluation cycle, the staff of the Appraisal District are tasked with accomplishing a significant volume of work each year. In addition to completing all routine work tasks on an annual basis, the Appraisal District must comply with all applicable State and local laws and regulations for office operations.

The Comptroller's Office in the State of Texas is tasked with the oversight responsibilities for all appraisal districts. In addition to the appraisal districts participating in a biennial Methods and Practices (MAP) review, the appraisal districts are also expected to submit information to ensure compliance with the Property Value Study (PVS). A failure to meet performance expectations for either MAP or PVS results in stricter oversight of CAD operations by the Comptroller's office and a potential loss of critical funding for school districts within the jurisdiction.

The Appraisal District has made significant improvements in key aspects of its operation within the past few years:

- They have successfully converted to a new Computer Aided Mass Appraisal (CAMA) system that presents upgrades in data collection, data management and reporting capacity. This system improves efficiency and assessment equity.
- They have implemented strategic budgets that address both current fiscal needs and longer-term considerations.
- They have passed the state Comptroller's Methods and Assistance Program (MAP) audits in both 2022 and 2024.
- They were able to certify 95% of value in advance of the deadline for 2025, which facilitates setting the tax rates and budgets for the school boards and taxing authorities.

Despite their successes, the Appraisal District is facing critical challenges and must make appropriate plans in order to continue to deliver services in performance of its mission. The largest challenge facing government entities all over Denton County is the rate of growth. The growth that Denton CAD has seen results in not only more parcels to manage, but also the additional work of adding new parcels to the CADs records, more exemption filings, additional appeal volume, additional sales volumes, and additional customer service inquiries. The CAD is maximizing technology, but currently needs to add more staff. The CADs current facilities are at capacity. The most immediate need is the acquisition of additional office space and hiring more staff. DCAD has outgrown its current environment. There is not enough room in the office to support the number of appraisers and new positions that should be added to the workforce or to hold hearings for informal protests and formal appeals. Meeting the demands of the increased workload is not sustainable with the current workforce or in the current office space.

DCAD has been stretched to the limit. In the very near future, it is anticipated that DCAD will not be able to meet its statutory obligations. Failure will likely occur sometime within the next year to three years based on projected growth rates if more space and staff aren't added. This failure will not be due to lack of competence, experience or effort, but will be a direct result of inadequate staffing and space.

The consequences of not adding more space and staff will likely result in:

- An inability of staff to hear all taxpayer complaints as a part of the appeals process. The Appraisal District is required to afford property owners their right to appeal their value. This could also cause delays in certification of the tax roll.
- Delays in processing and implementing statutory exemptions. This will not only impact certification of the tax roll, and creates more work for the CAD, but also inconvenience taxpayers in the form of increased monthly mortgage payments and unnecessarily funding of escrow accounts until such time as the exemptions are processed. This will result in public relations issues and erode confidence in County government.
- Delays in adding new accounts to the tax roll, which will delay collection of revenue from these new accounts.

The risks are that all taxing authorities in the County and many services provided by the County will suffer if DCAD cannot meet its obligations. Any delay in the certification of the tax roll will impact budget timing and could affect the bond ratings of all taxing jurisdictions. Any negative impact on bond ratings could increase the cost of borrowing money in the future.

2. DENTON CENTRAL APPRAISAL DISTRICT ENVIRONMENT

Any evaluation of DCADs operation must begin with an assessment of the physical environment and working space. One of the top concerns from Denton CAD directors and staff is the lack of adequate workspace. Without addressing the inadequacies of the DCAD offices, most of the other recommendations made in this report cannot possibly be adopted.

FIGURE 2.01 Overhead Image of Denton CAD Offices with Ag Trust Farm Credit Property in Between

FIGURE 2.02 Front of Main Denton CAD Office Building

DCAD is currently situated in two older buildings that are separated by another building that is occupied by an Ag Trust Farm Credit building. The larger of the two existing buildings houses the administrators; appeals unit; the personal property division; the customer service unit; the mapping unit; information technology and space devoted to the appeal board hearings. The smaller building houses the residential and non-residential appraisal units, additional ARB space and the training facilities. The inherent inefficiency of having staff in two buildings compounds the workspace issues. The CAD being in two unattached buildings creates communication issues and adds time to some processes caused by staff having to walk back and forth between buildings separated by another building. Being located in two buildings is also confusing for visitors as they have to go to a different building depending on what they need.

Both buildings are Class C office space of average quality construction. Both buildings were built circa 1985, are at or near the end of their useful lifespans and have reached the point where maintenance and repair costs are rapidly accelerating. While having class A office space may seem excessive, even wasteful, to the public, neither of the current buildings inspire public trust or confidence.

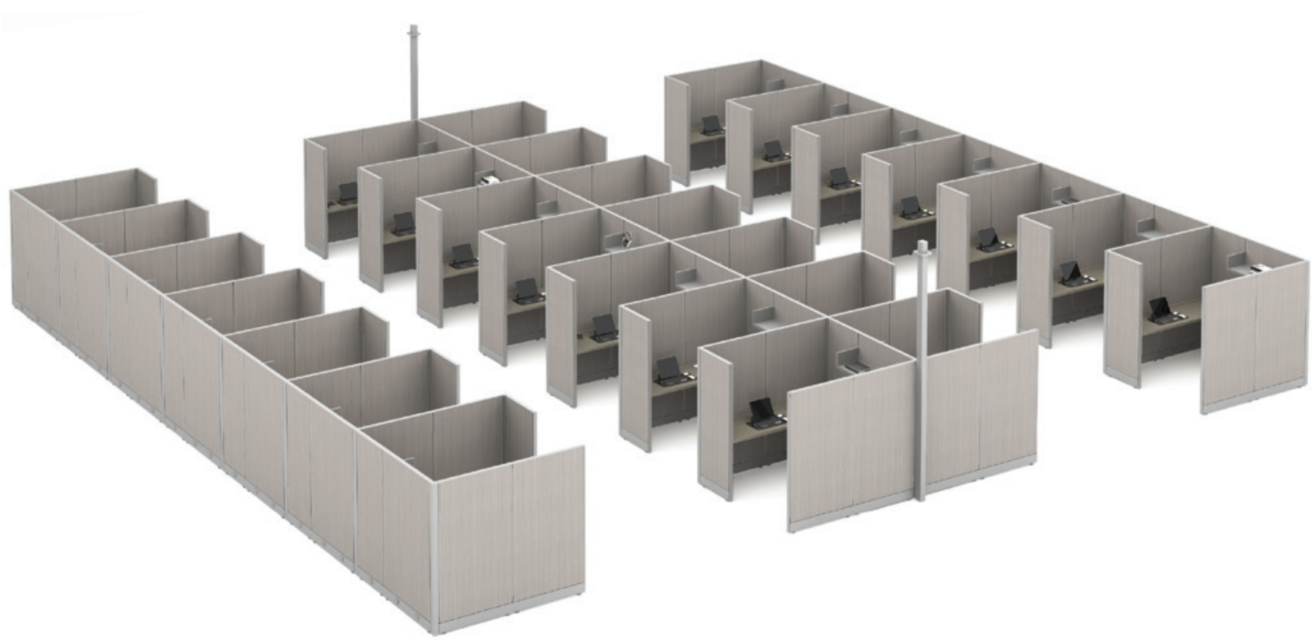
The overall space is not sufficient to support current business processes. There is not enough space that can be dedicated to support the number of informal appeals or Appraisal Review Board (ARB) panels that are needed to accommodate the large number of protests and appeals that DCAD must administer each year. Some departments have no meeting space, forcing them to have meetings in larger offices that are not conducive to meetings. Residential staff have been moved into extremely small cubicles of just 33 square feet. There is no space that is large enough to convene the entire department for a meeting, conference or gathering during appeals.

On the matter of physical space needs for an appraisal office, the *IAAO Standard on Mass Appraisal* states:

> *"The following minimum space standards are suggested for managerial, supervisory, and support staff:*
>
> - ***Chief assessing officer (e.g., Assessor, director)—****a private office, enclosed by walls or windows extending to the ceiling, of 200 square feet (18 to 19 square meters)*
> - ***Management position (e.g., chief deputy assessor, head of a division in a large jurisdiction, and so on)—****a private office, enclosed by walls or windows extending to the ceiling, of 170 square feet (15 to 16 square meters)*
> - ***Supervisory position (head of a section, unit, or team of appraisers, mappers, analysts, technicians, or clerks)—****a private office or partitioned space of 150 square feet (14 square meters)*
> - ***Appraisers and technical staff —****private offices or at least partitioned, quiet work areas of 50 to 100 square feet (5 to 10 square meters), not including aisle and file space, with a desk and chair*
> - ***Support staff —****adequate workspace, open or partitioned, to promote intended work functions and access.*
>
> *In addition, there should be adequate space for*
>
> - *File storage and access*
> - *Training and meetings*
> - *Mapping and drafting*
> - *Public service areas*
> - *Printing and photocopy equipment*
> - *Library facilities."*

The space allocated to many of the staff members is less than what is recommended in the *IAAO Standard on Mass Appraisal*. In addition, many of the workspaces are not adequately acoustically separated from one another, making it difficult for the staff to focus or concentrate on complicated tasks or to engage in private conversations with constituents.

FIGURE 2.03 Residential Appraiser Cubical Layout



Layout of 5.5′ x 6′ cubicles for residential appraisers. The 33 square foot cubicles are much smaller than recommended by the IAAO Standard. The lack of privacy between the cubicles is also evident. These workspaces are not adequate for the professional conduct of the appraisers' duties.

FIGURE 2.04 Residential Appraiser Cubical Space

The layout of the buildings is also inefficient, with a disproportionate amount of space allocated to hallways. This is due in part to the fact that the original building has been expanded on two separate occasions, requiring hallways to connect the additions to the original building. Some offices are too large for one person, but too small for two people. Because the buildings have been added to and reconfigured multiple times, space is not optimized. Extensive reconfiguration would be needed to optimize the efficient use of the available space and those types of renovation may not be cost effective as the buildings would likely need to be gutted to reconfigure walls, electrical, plumbing, communication, sprinklers and HVAC. This would cause staff to have to relocate and would be disruptive to current operations and based on a space analysis the current buildings would still fall short of the space needed.

FIGURE 2.05 Main Denton CAD Office Building

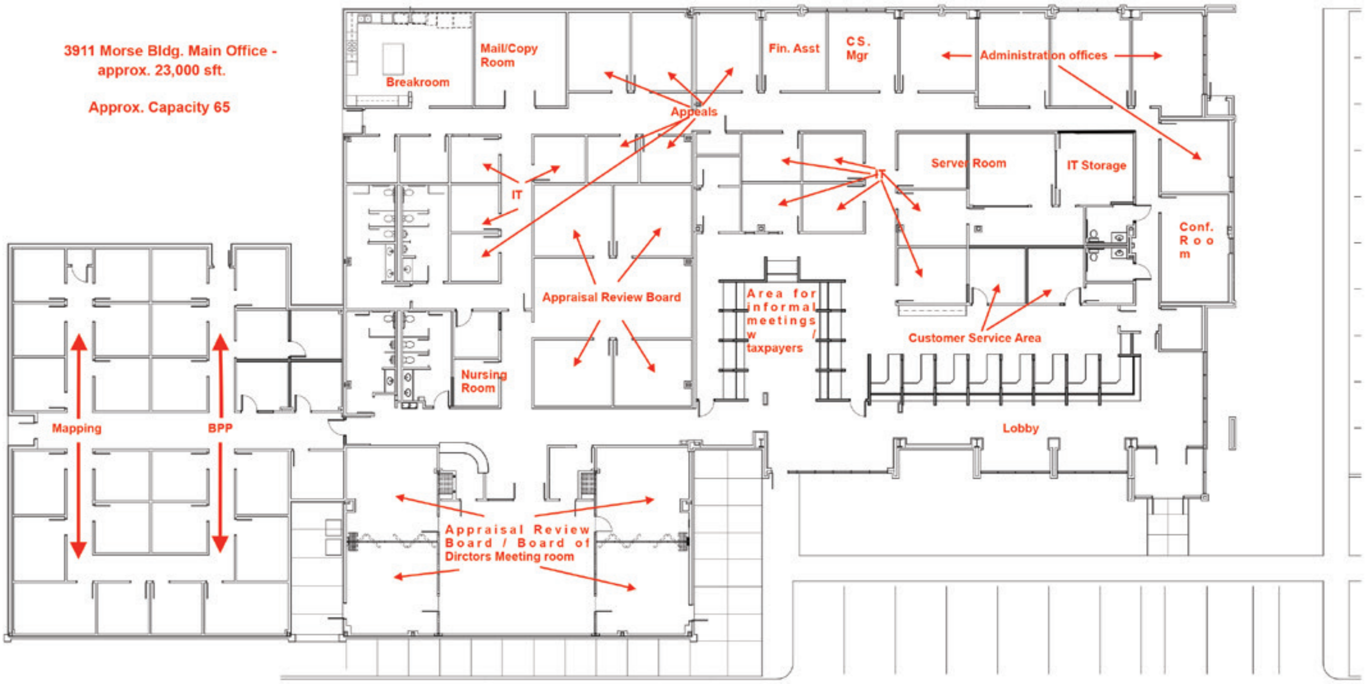
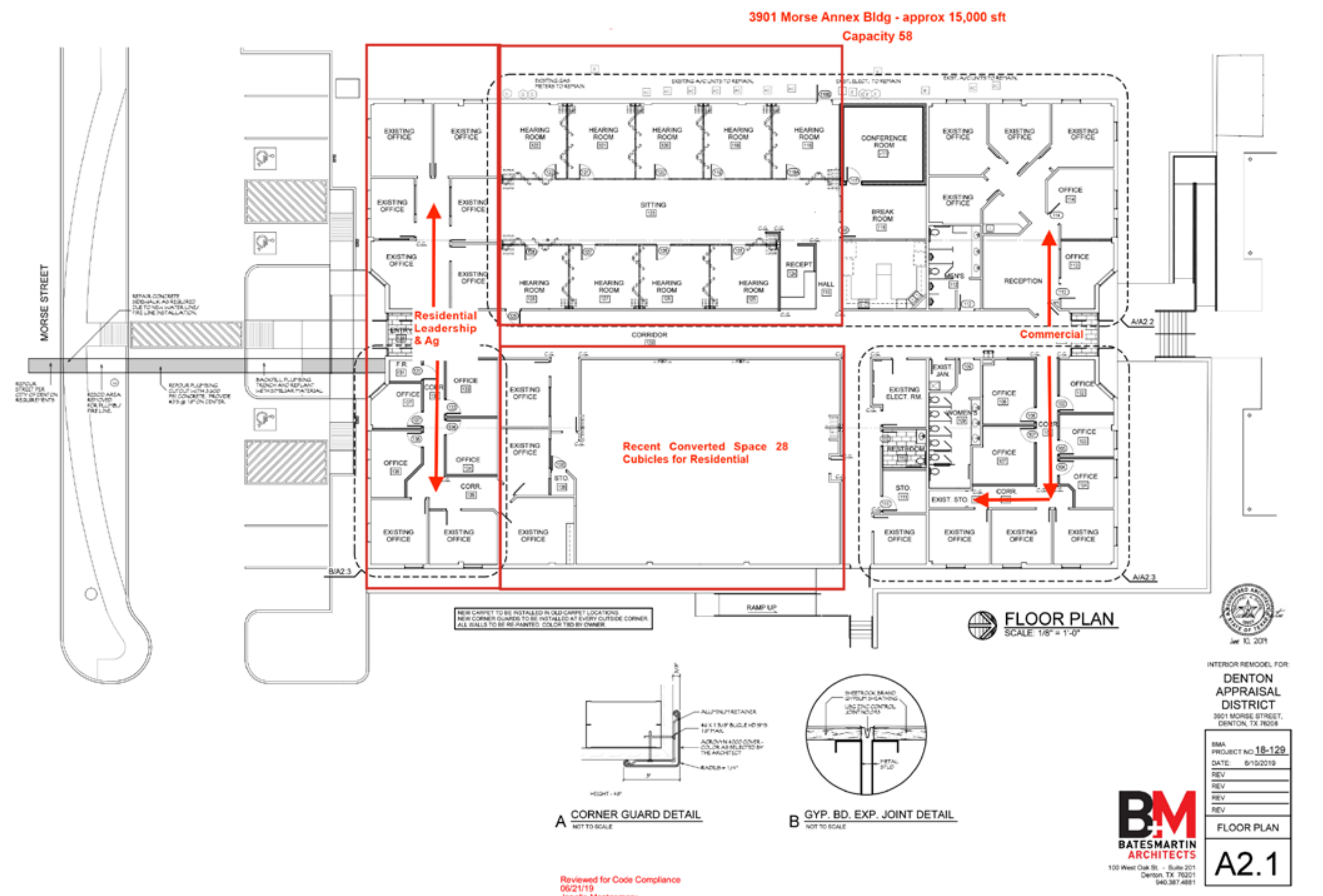


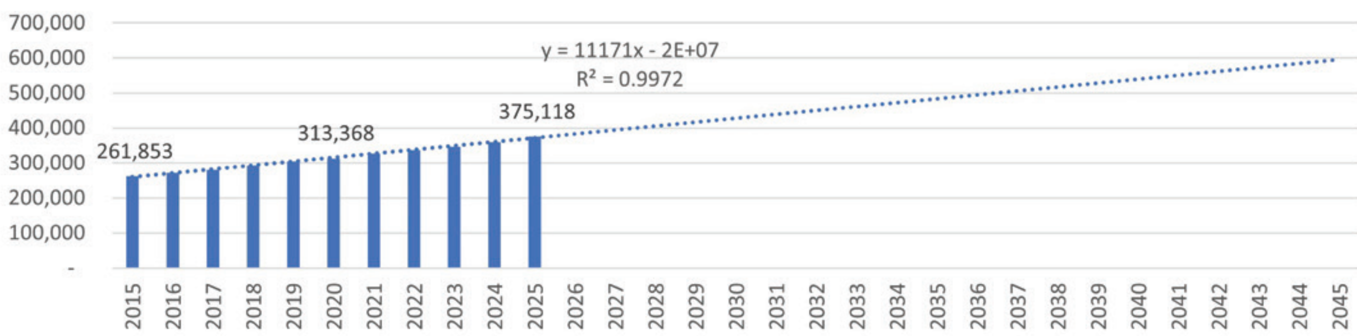
FIGURE 2.06 Secondary Denton CAD Office Building



Increased Workload from Real Parcel Count Change

From 2015 to 2025, Denton CAD has seen real property parcels increase from 261,853 to 375,118, as seen in *Figure 2.07* below. That's a 43% increase in workload for parcel maintenance from 2015 to 2025. Looking at a linear projection based on the increases seen over the past 10 years would put Denton CAD over 400,000 parcels of real property by 2030 and roughly 600,000 parcels by 2045.

FIGURE 2.07 Denton CAD Real Property Count from 2015 to 2025 with Projections to 2045



**Data from Denton CAD*

Denton County has seen a median parcel count increase of 3.94% annually from 2015 to 2025. Increased parcel count requires the CAD to split and combine current parcel records to create additional parcels, and conduct field inspections of additional parcels including parcels with permits and parcels that sell. New parcels also must be valued and quality control checked. New parcels also result in additional appeals and exemption filings. This additional work requires additional staff and office space and for additional staff and space for property owners that visit DCADs offices.

Appeal Space Needs

DCAD receives and administers a large number of informal protests and formal appeals every year. Each ARB panel requires a dedicated space, sufficient to support three Board members, the appellant, their representative and the DCAD representative. These spaces are used primarily for ARB panels, and are not useful as offices, conference rooms or other space when the ARB panels are in session, although some have been used to conduct training when appeals are not in session. DCAD has fifteen spaces reserved for ARB panel use, plus a lobby / waiting area. While the analysis of ARB space usage on the next page of this report concludes that more ARB rooms are needed, additional staff would also have to be added to the workforce to staff those rooms.

Informal protests are held in a dedicated portion of the main building, with nine kiosk windows devoted to that purpose. Each of those spaces supports seating for the appellant and one other person, separated by a glass panel from a DCAD representative. As illustrated by photographs of the informal hearing area in *Figure 2.08*, the spaces are small, from both the Appraisal District's and complainants' perspective, and there is no buffer space between kiosks. There is little privacy, and the space is very noisy when in use. As a temporary or interim solution, DCAD has added and is adding additional acoustic buffering to this area to reduce the noise levels.

FIGURE 2.08 Informal Appeal Spaces

Despite the allocation of a large portion of the main building to ARB hearings and informal hearings, both of these areas are insufficient to meet the current needs and should be expanded in order to accommodate the large number of protests and appeals.

The space pictured above includes only nine spaces to hold informal appeals. These nine spaces can only facilitate 250 informal appeals per day or just under 28 informal appeals per day per station. That averages out to around 15 minutes per appeal. This limits the time the CAD staff have to talk with property owners. This limitation is not in the best interest of the public. This space is woefully inadequate to handle the volume of appeals that Denton CAD sees each year. The public deserves a better opportunity to meet with CAD staff and have their concerns addressed. If 25 minutes is scheduled for each appeal with zero gaps, 5 days a week, 8 hours per day, the CAD could hear a maximum of 13,651 informal hearings per year. In 2025, Denton received 143,257 protests. Many appeals are settled each year because of a pure lack of space and staff to hold hearings.

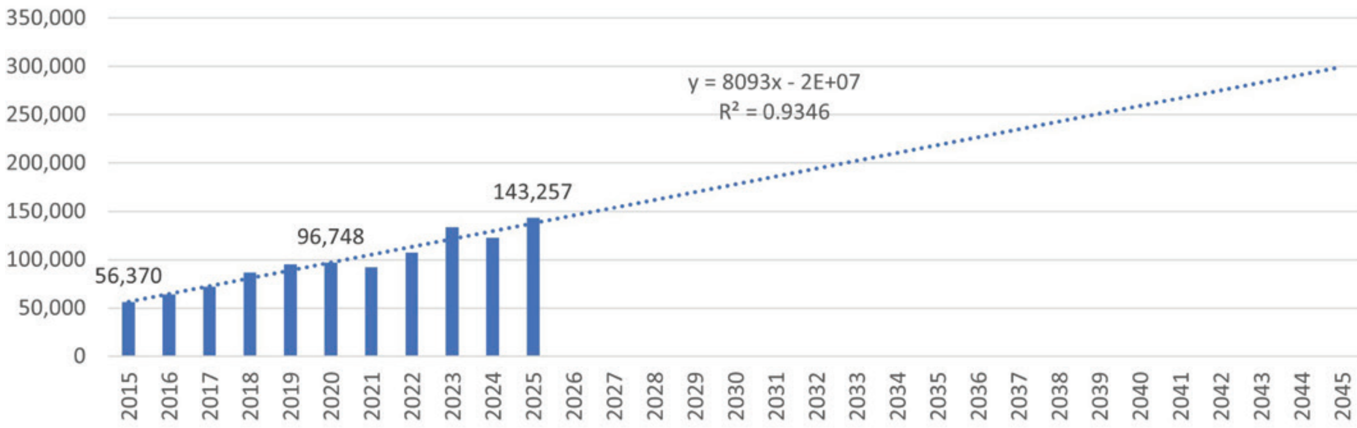
It's clear that more informal hearing space is needed now. It's estimated the CAD needs 20 informal spaces now, with 143,257 appeals in 2025. By 2035 it's estimated that the CAD will need 32 informal appeal spaces and 36 spaces by 2040.

In 2015, Denton CAD had a total of 69 staff handling 56,370 protests or 817 protests per staff position. In 2025 DCAD had a total of 112 staff positions and 143,257 protests or 1,279 protests per staff position. This works out to be a 56.6% increase in workload per member of staff, even with the increased number of staff. Staffing and space are not keeping up with workloads.

It can be seen in *Figure 2.09* that Annual Protests increased from 56,370 in 2015 to 143,257 in 2025. This is an increase of 254% over 10 years.

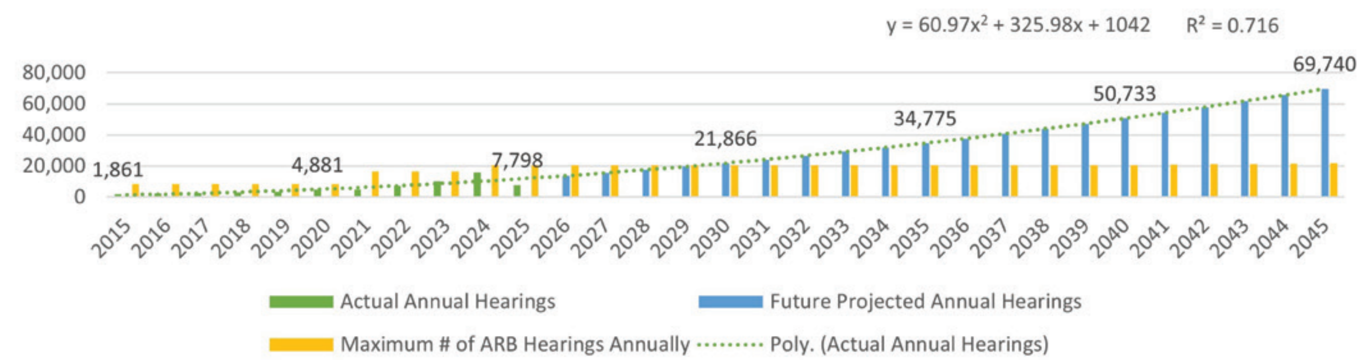
In 2024, Denton CAD had 123,032 protests filed and heard just 15,703 protests. This is mainly due to a lack of space and staffing. Denton CAD expanded from 12 protest spaces to 15 protest spaces to accommodate hearings in 2024. *Figure 2.10* shows historical ARB hearing volume and projected ARB hearing volume for the next twenty years.

FIGURE 2.09 Denton CAD Annual Protests 2015 to 2025 with Projections to 2045



**ARB hearing volume came directly from Denton CADs Annual Reports* ***The projections above were developed by PCSIAAO*

FIGURE 2.10 Denton CAD Annual ARB Hearings from 2015 to 2025 with Projections to 2045



**ARB hearing volume came directly from Denton CADs Annual Reports* ***The projections above were developed by PCSIAAO*

Figure 2.10 shows annual ARB appeals heard in green with ARB hearing space capacity in yellow. The blue indicates the future projected ARB hearings based on past growth in ARB hearings. Based on the above analysis, the CAD will run out of space to hold ARB hearings within the next five years, and based on conversations with staff, it's clear that the current buildings and space fall far short of the community's needs.

The maximum number of ARB hearings Denton CAD has heard to date is 15,703 in 2024, up from just 1,861 in 2015. That's an 844% increase in ARB hearings over a nine year period. Looking at *Figure 2.10* one can see that DCAD is projected go from 4,881 ARB hearings in 2020 to 21,866 ARB hearings in 2030 and 34,775 ARB hearings in 2035. Based on the legal appeal window to conduct ARB hearings and assuming adequate staffing, each ARB room can handle 1,376 appeals assuming back-to-back hearings 5 days per week 8 hours per day. 1,376 appeals per room is unrealistic as rooms can't be 100% occupied all of the time. Appeals are delayed, cancelled and continued making it impossible to fill them 100% of the time. Also, this assumes 100% staffing. An 80% occupancy rate is likely a best-case estimate and would put the reasonable appeal count per ARB room at 1,100 ARB hearings per room. Assuming 34,775 ARB hearings in 2035 divided by 1,100 ARB hearings per room comes to 32 ARB rooms needed by 2035. Looking at 2035 is likely not far enough out if planning to build a building or relocate because by the time new space is acquired 2035 might only be 5 years out. Planning longer term is prudent. Looking to 2040 ARB hearings are projected to increase to 50,733 ARB panels. 50,733 ARB hearings / 1,100 ARB hearings per room comes to 46 ARB rooms needed by 2040. Based on ARB hearings alone the CAD is projected to need more than 3 times the current number of ARB rooms by 2040.

Taxpayers have a legal right to be heard. Having inadequate space for their concerns to be heard or not hearing those concerns is unacceptable. If appeals cannot be heard in the legal time window based on available space the certification of values could be delayed. A delay in the certification of values could delay the budgeting cycle and if the delay is long enough local funding and bond ratings could be impacted.

RECOMMENDATION: Build or acquire a new building that could accommodate 20 informal hearing spaces now, 32 informal spaces by 2035, 36 informal spaces by 2040, 32 ARB rooms before 2035 and 46 ARB rooms before 2040 to better meet the needs of the community.

General Space Comparison

Figure 2.11 includes a comparison of the office space used by the largest CADs in the state.

FIGURE 2.11 Central Appraisal District Building Space Comparison

Central Appraisal District	2024 Parcel Count*	Rank	Building Area**	Rank	Parcels / Building Square Foot of Office Space	Rank
Harris	1,961,824	1	229,881	1	8.53	8
Dallas	855,506	2	95,030	2	9.00	7
Bexar	774,065	3	51,712	5	14.97	2
Travis	482,846	4	72,720	3	6.64	10
Denton	**454,673**	**5**	**37,392**	**8**	**12.16**	**3**
Collin	450,889	6	60,000	4	7.51	9
El Paso	443,464	7	40,117	7	11.05	4
Fort Bend	426,160	8	41,328	6	10.31	6
Montgomery	374,621	9	34,055	9	11.00	5
Hidalgo	367,609	10	18,011	10	20.41	1
Min	**367,609**		**18,011**		**6.64**	
Median	**452,781**		**46,520**		**10.66**	
Max	**1,961,824**		**229,881**		**20.41**	

* *Parcel Data from the 2024 Statewide Operations Survey done by the State Comptroller's Office*

** *Office area data came directly from CADs or their websites*

A comparison of building areas among the ten largest CADs in Texas ranks Denton as 8th as seen above. Dallas CAD which had 95,030 square feet, recently added more space in addition to the 95,030 to hold hearings. Collin CAD, who is close in comparison when looking at parcel count and geography, has 22,608 square feet more office space than Denton CAD does and Collin is adding additional building space in 2026. Fort Bend has purchased a new building with additional office space since 2024.

One can see in *Figure 2.11* that Denton is 5th out of the 10 CADs listed above in parcel count but ranked 8th in building size. Looking at the parcels handled per building square footage Denton is ranked 3rd. You can see Hidalgo CAD listed above handles 20.41 parcels per building square foot, but as can be seen later in this report as having a much slower growth rate of just 6.6% over the past 5 years whereas Denton has seen a 16.8% population growth rate over the same period. Bexar CAD handles 14.97 parcels per building square foot, but its population is only growing at 7.9% over 5 years. So, the only two CADs that have a higher parcel to office space ratio are also much slower growing. CAD growth rate is a major contributor to CAD workload.

Currently, the buildings utilized by Denton CAD do not have adequate heating and insulation. Staff at all levels reported issues with the office being very cold. The insulation in the current space is insufficient as evidenced by frozen and broken pipes over recent years. Additionally, several staff reported the office does not have adequate power to run space heaters in the particularly cold workspace areas.

The current workspace environment is limiting the Appraisal District's ability to hire staff. There is no further potential for growth, as there simply is no place to put more people. Recommendations for additional staff cannot be realized until the physical space issues are resolved. It is not enough to consider the current needs of the department. Denton County is experiencing rapid growth, so any change must consider future needs or risk moving into space that is already obsolete at the time of acquisition.

FIGURE 2.12 Target Area for Building Acquisition Based on Proximity to Other County Services

Space Options

- **Option #1 –** Buy or lease an existing building. The simplest solution would be to either lease space in or buy an existing building, assuming such a building exists within the desired target area. A review of current listings reveals no suitable candidates. The CAD is working with a broker to find space.
- **Option #2 –** Buy the existing building between the current CAD buildings and build a new structure. The property that is currently situated between the Appraisal District's buildings is on a large enough parcel so that a four-story addition could be erected. One or both of the CADs current buildings could be demolished and converted to parking. DCAD is exploring the option of acquiring that property.
- **Option #3 –** Acquire vacant land near other county buildings and build a new structure. There are several parcels of vacant land within the desirable target area. If one could be acquired, it would be possible to build a new structure that would meet DCADs needs.
- **Option #4 –** Acquire an existing building and retrofit it to suit. There are a number of older, vacant school buildings in the county. It is extremely expensive to retrofit and repurpose one of these buildings, which may be at the end of its life expectancy and was never designed to be an office space. There is likely a good reason these buildings have been abandoned. One of the other options is most likely far more cost-effective.

At this time, **Option #2** appears to be the most viable. Whichever option is chosen, it is recommended that action be taken as soon as possible. As discussed in section 3 of this report, the County is undergoing very rapid growth in the residential sector and in the early stages of explosive growth in the non-residential sector. Demand for vacant land will increase, and the number of suitable options will both decrease and become more expensive. Any option chosen will take three or more years to bring to fruition. DCADs immediate needs for additional space must be addressed.

Current CAD office space is inadequate for current operations and has been for years.

RECOMMENDATION: Acquire or build a class A or B office space with parking space for DCAD staff and the public. The new building will be far more efficiently designed and will meet the needs of both DCAD staff and constituents over the long term.

3. COUNTY DEMOGRAPHICS

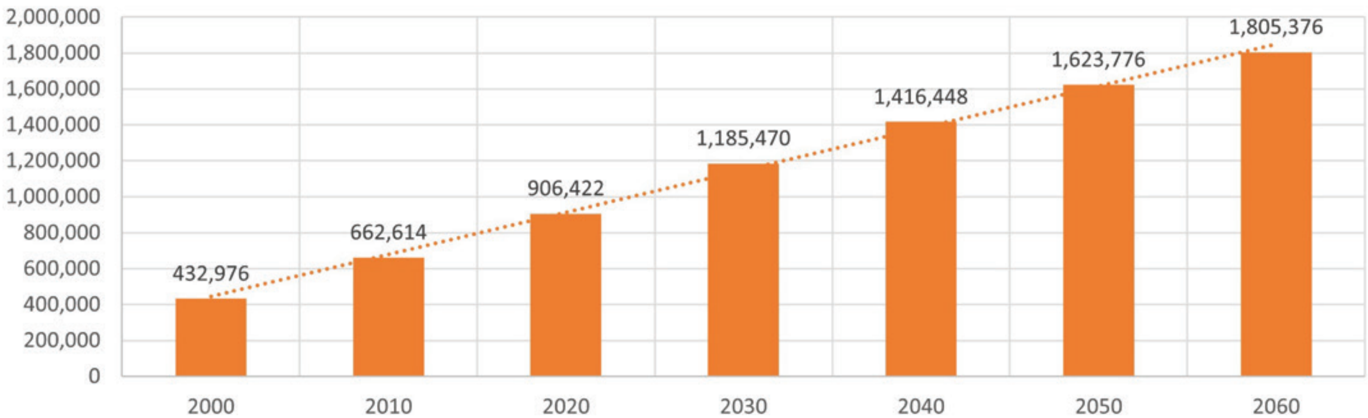
Growth

Denton County is experiencing explosive growth in the residential sector. In each of the past five years, they have added between 20,000 and 40,000 new residential accounts to the tax roll. Agricultural land is being converted to residential sub-divisions. There are several large subdivisions of new houses that have been approved and are in the early stages of development. Accommodating growth must be a primary consideration in planning for the continued operation of DCAD.

Population

Denton County's population has grown by over 130,000 (16.8%) in the last five years. According to the Texas Office of Demographics, the population is projected to continue to grow by almost 34% by 2040.

FIGURE 3.01 Population Projections for Denton County



Texas Demographic Center Population Projections Mid-Level. https://demographics.texas.gov/Projections/, 2000 Census: Population of Texas Counties Arranged in Alphabetical Order | Texas State Library, 2010 Census: Population of Texas Counties Arranged in Alphabetical Order | Texas State Library

The County will need to continue to invest, not only in expansion of the CAD, but also in schools, roads, utility infrastructure and public services as this growth continues. Not planning for the future is not an option for Denton County.

Compared to other CADs, the growth rate in Denton County ranks 4th, but is more than double the rate of 5th-ranking Travis County as seen in *Figure 3.02*.

FIGURE 3.02 Population Growth Rate

Central Appraisal District	2020-2025 Population Growth Rate*	Rank
Montgomery	25.0%	1
Collin	19.6%	2
Fort Bend	18.1%	3
Denton	**16.8%**	**4**
Travis	8.2%	5
Bexar	7.9%	6
Hidalgo	6.6%	7
Harris	5.8%	8
Dallas	3.0%	9
El Paso	1.6%	10

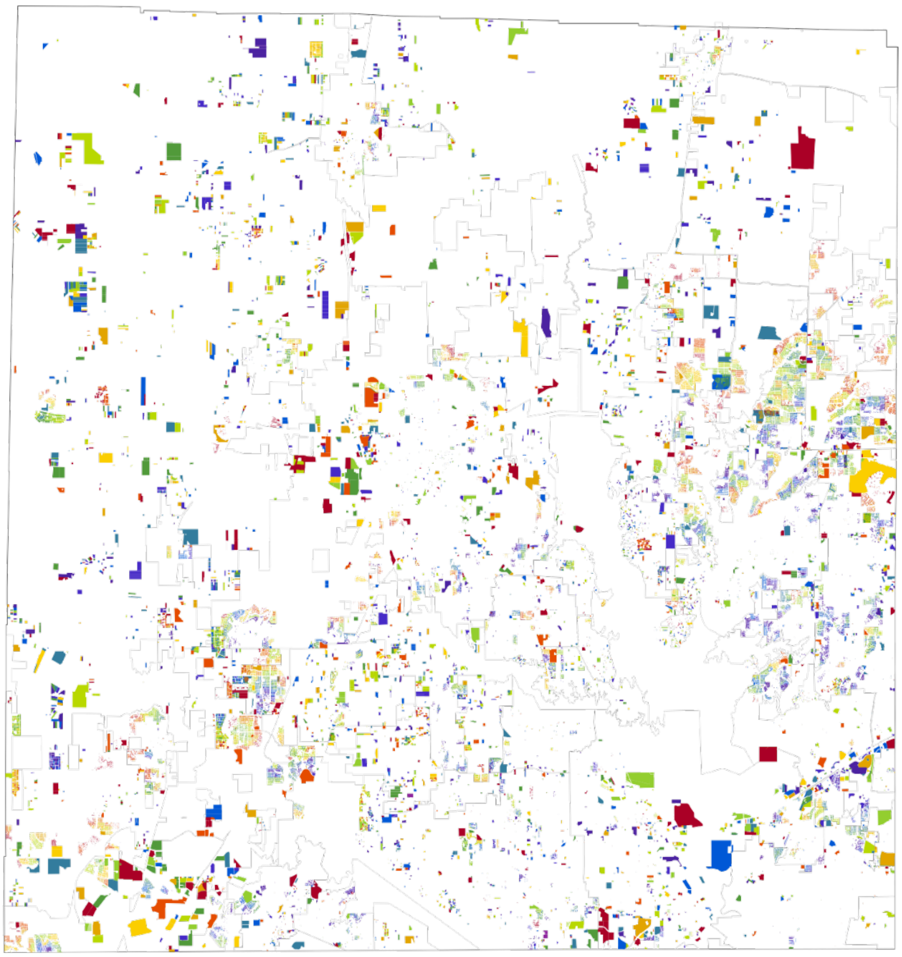
** https://demographics.texas.gov/Estimates/*

Denton Building Permits

Building permits are another indicator of growth in Denton County. *Figure 3.03* shows the mass amount of growth Denton County has seen from 2015 to 2025. Roughly 106,129 permits over that period of time.

One of the maxims of development is that residential growth is *always* followed by corresponding waves of non-residential growth. New residents need places to shop and neighborhood services, such as doctors, pharmacies, dry cleaners, recreational facilities, etc. The County is already in the early stages of explosive non-residential growth. Big-box stores, such as Home Depot, Lowes, Target and others are typically early indicators of non-residential growth and are already establishing a presence in the County. Population growth correlates with change in parcels that need to be assessed and administered by DCAD. The Appraisal District must expand to keep pace with growth in the County if it continues to deliver services to constituents according to Texas law.

FIGURE 3.03. Denton County Building Permits 2015 – 2025



DCAD BUILDING PERMITS BY YEAR

- **2025 -** 7,507
- **2024 -** 10,243
- **2023 -** 9,558
- **2022 -** 10,721
- **2021 -** 13,416
- **2020 -** 10,700
- **2019 -** 9,483
- **2018 -** 9,691
- **2017 -** 9,016
- **2016 -** 8,183
- **2015 -** 7,611

Source: Denton CAD

4. DENTON CENTRAL APPRAISAL DISTRICT STAFFING ANALYSIS AND RECOMMENDATIONS

Staffing Levels

Denton CAD has been in what many would call a rebuilding period. The CAD has seen challenges that have caused and will continue to cause the CADs Board of Directors and Chief Appraiser Spencer to make some difficult decisions to ensure the legal and fiscal mandates for the office are met.

Denton Central Appraisal District has seen increases in parcel count and population that has created higher workloads for CAD staff through requests for mapping changes, parcel record edits, exemptions, applications, permit management, sketching of improvements, field checks, valuation, quality control, appeals, and management of office priorities and resources. The rapid growth in the local market saw some instances of double-digit percentage value increases, in turn creating substantially more work for staff and management in the form of protests and appeals. Additional time is needed to analyze data, estimate value, increased quality control, and manage the corresponding increase in value protests by property owners throughout the jurisdiction. The number of staff positions has been increasing since 2015, but not proportionately to the increases in the workload. In addition, advances in the assessment industry have introduced new functions, workflows and processes that demand the addition of new types of positions to the workforce plan. DCAD needs to add more staff to existing units and add some new positions to the workforce plan.

Public entities and government offices cannot pivot as easily as their counterparts in the private sector. The timing of budget cycles and funding approvals hamper a CADs ability to make needed changes as fast as the environment changes. Therefore, it becomes more important to proactively predict and plan for growth and necessary change.

Other significant challenges for Denton CAD include the retirement of experienced staff, a general lack of staff, a lack of written policies and procedures manuals, a lack of training and professional education opportunities, and a difficult office space layout. Any one of these issues would present a significant challenge for staff and management to overcome but the combination of challenges faced by Denton CAD makes for an untenable environment in the long run.

Denton CAD had been operating with too few staff for the workload of the CAD for far too many years, causing many of the additional challenges listed above. Due to the chronic understaffing of all departments within the office, staff workloads have been such that it was “all hands-on deck” to complete the annual work as required under Texas Law. Things like written work procedures, training and education have been put to the side due to the lack of bandwidth at all levels of staff. The current situation is simply not sustainable. At some point in the near future, the CAD will not have the capacity to meet its responsibilities.

Nearly every staff member interviewed understood the need for formal, written work procedures, more training and education, and all noted they hoped to accomplish all points moving forward. Directors are worried that they are burning their staff out based on the continual pressure they are under. Before any of those goals can be accomplished, Denton CAD must first hire more staff to balance the workload and ensure efficiency throughout the office. Once staffing levels are brought up to the levels required by the workload, management and staff will then have the ability to schedule the time necessary to develop office policies and procedures, develop an official training program for staff, and to offer additional professional education opportunities for staff.

FIGURE 4.01 Parcels per Staff as a Measure of Workload

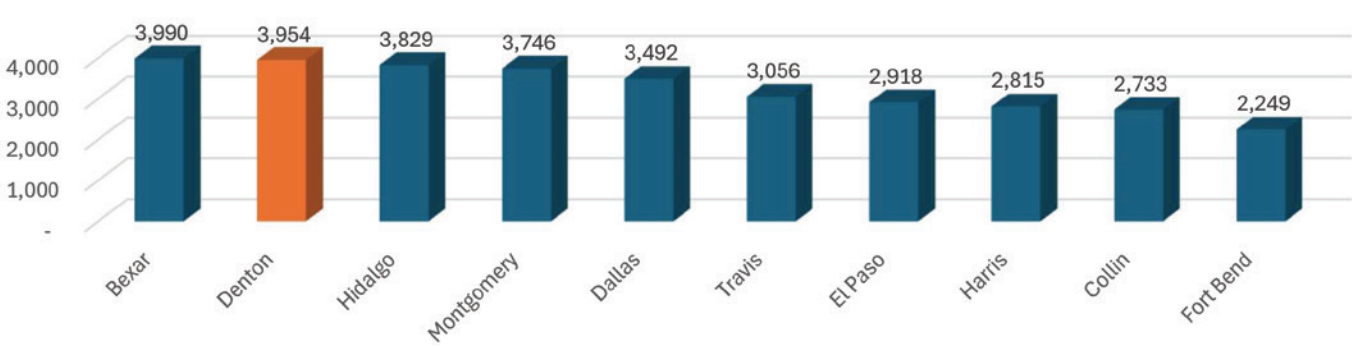
Central Appraisal District	2024 Parcel Count*	Rank
Harris	1,961,824	1
Dallas	855,506	2
Bexar	774,065	3
Travis	482,846	4
Denton	**454,673**	**5**
Collin	450,889	6
El Paso	443,464	7
Fort Bend	426,160	8
Montgomery	374,621	9
Hidalgo	367,609	10
Min	**367,609**	
Median	**452,781**	
Max	**1,961,824**	

Central Appraisal District	2024 Staffing*	Rank
Harris	697	1
Dallas	245	2
Bexar	194	3
Fort Bend	189.5	4
Collin	165	5
Travis	158	6
El Paso	152	7
Denton	**115**	**8**
Montgomery	100	9
Hidalgo	96	10
Min	**96**	
Median	**162**	
Max	**697**	

Central Appraisal District	2024 Parcels per Staff	Rank
Bexar	3,990	1
Denton	**3,954**	**2**
Hidalgo	3,829	3
Montgomery	3,746	4
Dallas	3,492	5
Travis	3,056	6
El Paso	2,918	7
Harris	2,815	8
Collin	2,733	9
Fort Bend	2,249	10
Min	**2,249**	
Median	**3,274**	
Max	**3,990**	

** Data from the 2024 Statewide Operations Survey done by the State Comptroller's Office*

FIGURE 4.02 Parcels Per Staff Position Based on 2024 Parcel Counts



Looking at the parcels per staff data in *Figures 4.01* and *4.02*, it can be seen that Denton CAD is close to the leanest large appraisal district in the State, with each staff person responsible for an average of 3,954 parcels each. Only Bexar, a slower-growing County, has a higher parcel count per staff position. At the same time, Denton is one of the fastest growing large Counties in the State.

The median parcels per staff for the CADs listed in *Figure 4.01* is 3,274. Taking Denton CADs 2024 parcel count of 454,673 divided by the median parcels per staff of 3,274 would indicate staffing needs of 139 staff for 2024.

Compared to other large CADs, Denton appears to be relatively understaffed. DCAD ranks 5th in the number of parcels, but 8th in staff size and next to last in terms of parcels per staff position. The IAAO standards recommend a parcel to staff ratio of between 2,000:1 and 5,000:1, depending on the type of inventory, the composition of the workforce, growth in the jurisdiction and the complexity of the workload. (Growth is an important factor as is appeal rate and valuation frequency!) Texas CADs face the most challenging workloads compared to other states based on the legal environment. Texas equity laws require annual revaluation. Appeal laws cause extreme appeal rates compared to other states. Many states see appeal rates of 2% where it's common for Texas CADs to see appeal rates of 30%. Based on Denton CADs workload PCSIAAO would recommend a ratio of parcels per staff position between 2,000:1 and 2,500:1.

At a rate of 2,000 parcels per staff person staffing would be at 227 staff and 2,500 parcels per staff person would put staffing at 181 staff based on 2024 parcel counts.

In assessment offices that are adequately staffed, the top Administrators manage the "big picture" while delegating day-to-day operations to deputies and subordinates. DCAD has no positions dedicated to some critical daily operations. The top administrators spend a disproportionate share of their time handling tasks that would more efficiently be accomplished by others yet they have no space to hire staff. It should also be noted that DCAD currently has 126 positions in the current budget, but has only 112 of those positions filled. This issue comes down to a lack of space to put staff.

Chief Appraiser Spencer has created an office culture focused on competence, character and communication. Recruiting and retaining employees that fit this culture will be beneficial to the Appraisal District. Scaling the workforce to an appropriate size will take several budgetary cycles.

Advancements in the assessment industry have changed the composition of the office. The workforce that was prescribed and utilized for many offices has become obsolete with the development of new technology and the evolution of best practices. Many offices have worked without the benefit of Geographic Information Systems (GIS), CAMA systems, remote imagery and advanced modeling, yet the difficulty of functioning without these is now recognized across the assessment industry. New positions need to be added to the workforce to improve operations and maximize the advantages of new technology and best practices.

Staffing Recommendations

For a complete summary of staffing recommendations, see *Figure 4.03*.

Human Resources Director

DCAD has no dedicated HR director, a situation that is almost unheard of for an organization of this size and complexity. An HR director should be managing:

- Workforce planning
- Succession planning
- Job descriptions
- Compensation
- Hiring, onboarding and termination of employees
- Reimbursement for allowable employee expenses
- Leave requests
- Special accommodation requests
- Other employee-related issues

This addition would also help protect DCAD from potential litigation based on conflict of interest in the event that a complaint involves the person that must review and resolve that complaint. A neutral HR entity that is not in DCADs chain of command should be handling complaints. This will insulate the department from both the appearance and actuality of conflict of interest.

RECOMMENDATION: Hire a Human Resources Director

Human Resources Finance Assistant

This position will assist in the accounting and financial operations for the Appraisal District. Duties will include:

- Processing accounts payable
- Preparing reports/Maintain accurate records
- Assisting in the preparation of the annual budget
- Assisting in compiling information and preparing responses to auditors during the annual audit
- Back up for assisting new employees in completing all necessary personnel forms
- Back up payroll processing
- Ordering of general office and maintenance supplies and professional renewals
- Assisting in the management of Paychex and Simple In and Out.
- Verifying hours billed by the temp agency match the time card report.
- Checking attendance call-ins.
- Completing the ARB attendance spreadsheet.

RECOMMENDATION: Hire a Human Resources Finance Specialist

Public Relations Director / Social Media Specialist

Gaining, enhancing and retaining public trust and confidence is critical to the success of an assessment office. A Public Relations Director should:

- Manage public facing events, such as community meetings and information sessions
- Manage social media
- Create and maintain materials such as written information or videos that explain the Assessment process, specific projects and the role of the Appraiser for dissemination on the website and at other events
- Conduct outreach programs to universities, high schools and trade organizations to inform the public, bolster the image of the department and aid in recruiting staff.

RECOMMENDATION: Hire a Public Relations Director and a Social Media Specialist

Legal Representative (Full-time on staff)

Everyone in the department must follow and comply with Texas Assessment law, but not everyone can be expected to have expertise in the intricacies of the law. Many sizable assessment offices have full-time legal representation on staff that advises and consults with the appraisal staff, represents the CAD at formal appeals and in litigation and helps develop policies that are compliant with the law. The principal advantage of having a dedicated resource over contracting legal services is that the CAD benefits from the consistency of opinion and practice that one person provides, especially as that person develops more expertise over time. This position could also act as a general counsel for the CAD.

RECOMMENDATION: Hire a full-time property tax attorney / general counsel

Training Officer

DCAD staff must undergo training and continuing education to:

- Achieve and maintain state-mandated designations and licenses
- Learn to use the CAMA software
- Learn to use aerial imagery
- Achieve IAAO designations
- Learn CAD workflows and business processes
- Understand the proper execution of special projects

Many large assessment offices have a full-time dedicated trainer who facilitates classes and maintains a library of training presentations, manuals and materials. This ensures that everyone is receiving the same instruction and promotes consistency in performance.

RECOMMENDATION: Create a position for a full-time training officer.

Data Analyst

Data quality is the basis of modern assessment practice. Data must be constantly audited for errors, inaccuracies and omissions. Flawed data will lead to flawed estimates of value, increase the number of protests and appeals and erode public trust and confidence. Most environments require custom engineered features to understand unique market behavior, and these features need to be created and maintained – either within the CAMA system or in other silos that can interact with the CAMA system. Assessment offices need to understand the relationship between the properties that sell – which are used to calibrate the valuation process – and the properties in the unsold inventory. Properties that are not represented by sales run increased risk of inaccurate estimates of value when the valuation process or model is applied. Modern assessment offices include Data Analysts in the workforce plan.

RECOMMENDATION: Hire or appoint a data analyst to the IT staff.

Appraisal Liaison

Modern mass appraisal is a complex technical process. This typically involves an Information Technology component and an Appraisal component. Many offices benefit by having a person who is skilled in both components; one who can understand what the appraisers need and what technology can provide. Someone who knows the capacities of both components and can facilitate dialogue between them. This leads to more efficient operations that maximize the technical capacity of the entire department. DCAD has identified a person to fill this role.

RECOMMENDATION: Create an Appraisal Liaison position and assign a person with suitable skills.

Appeals Specialists

Given the large number of both informal protests and formal appeals, DCAD would benefit from developing a role that specializes in responding to taxpayer complaints. Appeals specialists can be trained to retrieve supporting evidence from the CAMA system and prepare responses, with the assigned Appraiser functioning in a review capacity. This would relieve the Appraisers from spending a large part of the year resolving and preparing responses to complaints and allow them to focus on improving the quality of the valuations, which should lead to fewer protests and appeals. It would also provide consistency in both the manner and quality of the responses to complaints and also the parameters of negotiated settlements.

RECOMMENDATION: Hire 8 appeal specialists

Property Records Specialists

Appraisers currently update and manage all data collection and property records. Hiring a group of clerical level employees to assume this function will free the appraisers to focus on higher level work. This position will also serve as an opportunity to advance to higher level jobs within the department.

RECOMMENDATION: Hire 12 property record specialists

Data Collectors

A staff of 6 people could be hired to conduct field inspections. This would allow the Appraisers to focus on other appraisal work while also helping to standardize data collection and coding, which should improve overall data quality. This also provides an inroad for advancement to higher positions in the Appraisal District.

RECOMMENDATION: Hire 6 staff that are full-time data collectors

Process Documenter

All DCAD business processes and workflows should be clearly documented as written procedures that can be easily updated as policies change and can be easily referenced by any staff member should they need additional guidance. These written procedures should be used to train new staff and reviewed with existing staff on an annual basis. At this time, there are many processes that are not documented. A short-term project should be enacted for a consultant, or possibly an intern, to meet with the responsible parties and produce workflow diagrams and process documents. This process will uncover inefficiencies, self-perpetuating loops and inconsistencies in DCAD operations. It will help in training and providing transparency for constituents. This project should take between six months to a year. At the conclusion of the project, responsibility for maintaining and updating the process documents can be assumed by a permanent employee, probably either the Appraisal Liaison or Training Officer.

RECOMMENDATION: Bring in a consultant or intern to help develop process workflow documentation

Recommendations for additional staff for existing units

In addition to adding new positions to the workforce plan, many of the existing DCAD units are not sufficiently staffed to deliver the services required by Texas law or industry best practices for constituents. This has put the CAD into a position where it is struggling to react to the demands of the workload. To best serve the County and constituents, the CAD should be in a position to proactively respond to growth and change.

Staff augmentation will take several budgetary cycles to achieve. In the interim, DCAD should consider short term staff augmentation options, such as interns or consultants for specific projects. As mentioned in the section on new positions, short term projects should be planned to document business processes and workflows and produce standardized training material and procedures. The appeals unit currently uses temporary employees to augment staff during the protest and appeal season. This practice should continue.

FIGURE 4.03 Summary of Staffing Recommendations

Department	Position	2026 Budgeted	Current	Recommended	Needed
Administration	Chief Appraiser	1	1	1	0
	Deputy Chief of Administration	1	1	1	0
	Deputy Chief of Appraisal	1	1	1	0
	Legal Representitive	0	0	1	1
	Sub-Total	**3**	**3**	**4**	**1**
Human Resources	Human Resources Director	1	0	1	1
	Human Resources Finance Assistant	1	0	1	1
	Sub-Total	**2**	**0**	**2**	**2**
Public Relations	Public Relations Director	0	0	1	1
	Social Media Specialist	0	0	1	1
	Sub-Total	**0**	**0**	**2**	**2**
Business Operations	Director of Business Operations	1	1	1	0
	Finance Assistant	1	1	1	0
	Executive Assistant	1	1	1	0
	Maintenance	1	1	1	0
	Sub-Total	**4**	**4**	**4**	**0**
Compliance	Director of Compliance	0	0	1	1
	Sub-Total	**0**	**0**	**1**	**1**
Training & Development	Director of Training and Development	1	1	1	0
	Training Officer	0	0	1	1
	Process Documenter	0	0	1	1
	Sub-Total	**1**	**1**	**3**	**2**
Commercial Real Estate	Director of Commercial Real Estate	1	1	1	0
	Supervisor	1	1	1	0
	Senior Commercial Appraiser	1	1	1	0
	Senior Land Appraiser	1	1	1	0
	Commercial Appraiser	6	6	10	4
	Commercial Appraiser Support	2	2	2	0
	Sub-Total	**12**	**12**	**16**	**4**
Residential Real Estate	Director of Residential Real Estate	1	1	1	0
	Assistant Director of Res.	0	0	1	1
	Supervisor	4	2	3	1
	Senior Appraiser	8	3	8	5
	Appraiser	25	25	33	8
	Ag Appraiser	2	1	3	2
	Support	0	0	2	2
	Data Collectors	0	0	6	6
	Sub-Total	**40**	**32**	**57**	**25**

Department	Position	2026 Budgeted	Current	Recommended	Needed
Business Personal Property	Director of Business Personal Property	1	1	1	0
	Supervisor	1	1	1	0
	Senior Appraiser	2	2	2	0
	Appraiser	7	7	7	0
	Support	2	2	2	0
	Sub-Total	**13**	**13**	**13**	**0**
Exemptions and Assistance	Director of Exemptions and Assistance	1	1	1	0
	Supervisor	1	1	1	0
	Assistance Team Lead	1	1	2	1
	Exemptions Team Lead	1	1	3	2
	Taxpayer Assistance Specialist	11	10	13	3
	Exemption Specialist	7	3	13	10
	Mail Clerk	1	1	1	0
	Sub-Total	**23**	**18**	**34**	**16**
Appeals	Director of Appeals	1	1	1	0
	Taxpayer Liaison Officer	1	1	1	0
	Legal Specialist	1	1	1	0
	ARB Coordinator	1	1	1	0
	Appeals Specialists	0	0	8	8
	Appeals Support	3	3	3	0
	Sub-Total	**7**	**7**	**15**	**8**
Mapping	Director of Mapping	1	1	1	0
	Supervisor	1	1	1	0
	GIS Coordinator	1	1	1	0
	GIS Analyst	1	0	1	1
	GIS Tech	1	1	1	0
	Senior Mapping Technician	1	1	2	1
	Mapping Tech II	1	1	1	0
	Mapping Tech I	5	4	5	1
	Sub-Total	**12**	**10**	**13**	**3**
Information Technology	Director of I/T	1	1	1	0
	Appraisal Liaison	0	0	1	1
	Supervisor	2	2	2	0
	Systems Administrator	1	1	1	0
	Database Administrator	1	1	1	0
	Project Coordinator	0	0	1	1
	Data Analyst	0	0	1	1
	Database Support Analyst	1	1	1	0
	IT Tech II	1	1	2	1
	IT Tech I	1	1	1	0
	Property Records Specialists	0	0	12	12
	Sub-Total	**8**	**8**	**24**	**16**

Department	Position	2026 Budgeted	Current	Recommended	Needed
Sales Validation	Sales Validation Supervisor	0	0	1	1
	Sales Validation Specialist	0	0	2	2
	Sub-Total	**0**	**0**	**3**	**3**
All Departments Total		**125**	**108**	**191**	**83**

** Current 2026 budgeted FTE's is 125 positions. The above recommendations are based on current needs.*

RECOMMENDATION: Increase current workforce as office space is available.

Non-Monetary Rewards

Assessment offices have limited options to recognize or reward valuable employees. They cannot provide monetary rewards, other than promotions or career advancement opportunities. Non-monetary incentives to build trust, loyalty and employee satisfaction are increasingly common. These include:

- Awards and peer recognition
- Opportunities to attend conferences
- Limited ability to work remotely
- Increased autonomy over their work product
- Opportunities for paid overtime
- Leadership opportunities
- Opportunities to network with colleagues from other offices or organizations

A combination of these incentives can increase office morale and help recruit and retain talented employees.

RECOMMENDATION: Expand the use of non-monetary rewards and incentives.

Use of Seasonal Temporary Employees

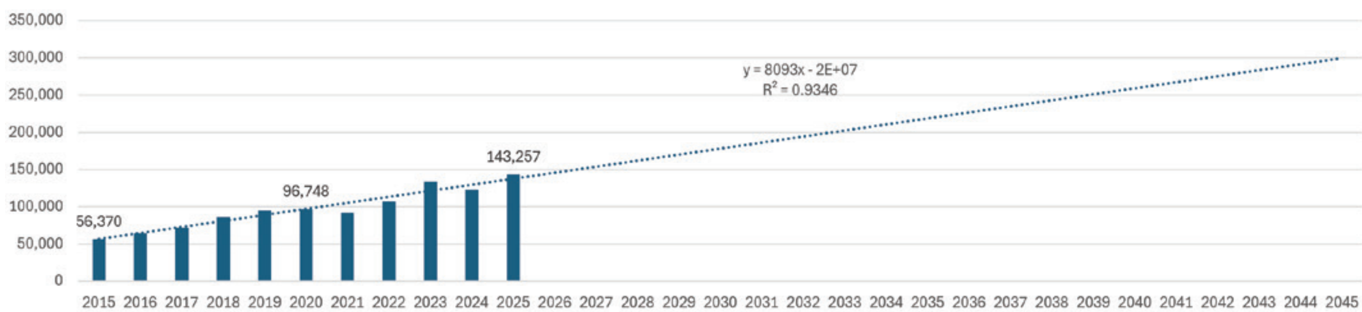
The Appeals and Taxpayer Assistance Units use temporary employees as a short-term staff augmentation strategy. This practice should continue. It is also recommended that interns from local universities be engaged to assist with functions for which adding permanent employees may take several budgetary cycles. In exchange for college credits, experience and resume building, interns can assist with data quality auditing, sales validation, creating animated educational resources and model building and testing. In some cases, these interns will make excellent permanent employees once they become familiar with the work. Offering opportunities for talented people to work their way into the Appraisal District is an excellent way to recruit and retain staff.

RECOMMENDATION: Expand the use of interns and seasonal employees.

5. APPEALS, PROTESTS AND EXEMPTIONS

The Appraisal District receives a very large number of informal protests and formal appeals in each reappraisal cycle. *Figure 5.01* shows how the number of protests has steadily increased since 2015. This is due to the relative ease of filing a protest and the history of settling complaints with reductions in market value. Most complainants receive at least some relief as the Appraisal District does not have the resources to contest every complaint. DCAD certified 99.8% of appeals on time. Resulting in an estimated 8.5% - 10% loss on appeals.

FIGURE 5.01 Denton CAD Annual Protests from 2015 to Present with Projections to 2045



**ARB hearing volume came directly from Denton CAD's Annual Reports **The projections above were developed by PCSIAAO*

This practice results in significant losses to aggregated market value and is a key reason why the Appraisal District needs to have sufficient staff and office space to contest complaints and retain a higher percentage of estimated values. In effect, the Appraisal District is conducting a second reappraisal in response to complaints in every cycle on those properties that appeal. Changing value for only properties that file complaints creates assessment inequity.

Comparing ARB filings to other CADs of similar size, Denton ranks 6th in the number of protests filed, but 3rd when that number is expressed as a percentage of total parcels (*Figure 5.02*). Most of those who file protests or appeals get some kind of reduction in value, so there is a lot of incentive to file. Still, an appeal rate of 27% is very difficult for any CAD office to service. If staffing was increased quality control could be increased leading to fewer appeals and more stable valuations.

Figure 5.03 shows an analysis for the ARB rooms. In 2025 one of the historically active Tax Representatives was not able to hire enough staff to take on as many cases as usual. This in itself was enough to significantly reduce the number of cases filed. There is a recurring risk that a small number of tax representatives can file enough cases to 'break the system' and delay tax roll certification! Therefore, it is incumbent on the Appraisal District to have greater capacity to hear cases than it needs. At the worst, this will result in earlier certification of the tax roll.

FIGURE 5.02 Protest Statistics Compared to other CADs

CAD	2024 Protests Filed	Rank
Harris	516,654	1
Dallas	206,170	2
Travis	186,871	3
Bexar	185,673	4
Fort Bend	126,406	5
Denton	**123,032**	**6**
Collin	118,633	7
Montgomery	97,674	8
Hidalgo	55,164	9
El Paso	46,748	10
Min	**46,748**	
Median	**124,719**	
Max	**516,654**	

CAD	2024 Protests as a % of Total Parcels	Rank
Travis	38.70%	1
Fort Bend	29.66%	2
Denton	**27.06%**	**3**
Harris	26.34%	4
Collin	26.31%	5
Montgomery	26.07%	6
Dallas	24.10%	7
Bexar	23.99%	8
Hidalgo	15.01%	9
El Paso	10.54%	10
Min	**10.50%**	
Median	**26.20%**	
Max	**38.70%**	

• *Data from the 2024 Statewide Operations Survey done by the State Comptroller's Office*

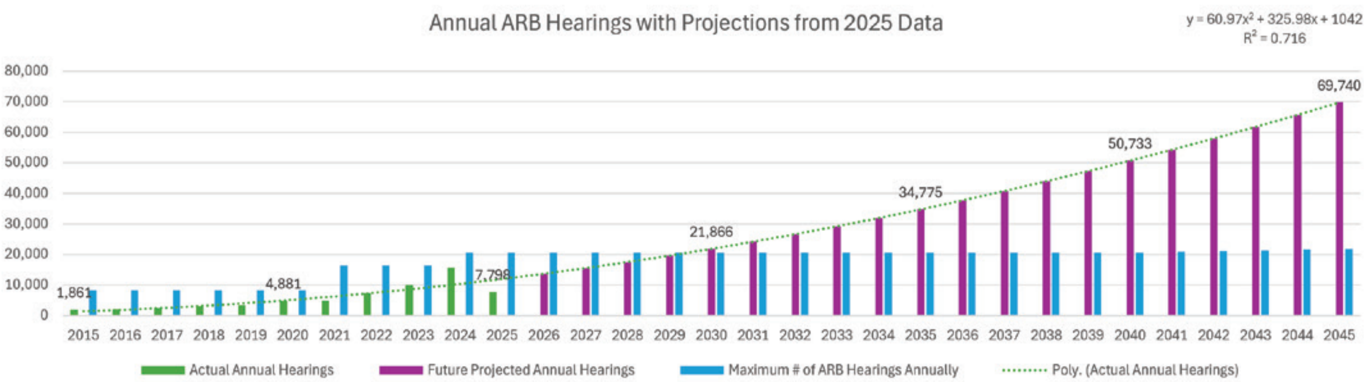
FIGURE 5.03 Annual ARB Hearing Statistics 2015 to 2025

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actual Annual Hearings	**1,861**	**2,143**	**2,514**	**3,178**	**3,445**	**4,881**	**4,916**	**7,324**	**10,064**	**15,703**	**7,798**
Future Projected Annual Hearings											
Time per Appeal in Min	30	30	30	30	30	30	30	30	30	30	30
Minutes to Schedule per Day	480	480	480	480	480	480	480	480	480	480	480
Maximum # of Timeslots per Day	16	16	16	16	16	16	16	16	16	16	16
ARB Rooms	6	6	6	6	6	6	12	12	12	15	15
Maximum # of ARB Hearings per Day	96	96	96	96	96	96	192	192	192	240	240
Days for Appeals	86	86	86	86	86	86	86	86	86	86	86
Maximum # of ARB Hearings Annual	8,256	8,256	8,256	8,256	8,256	8,256	16,512	16,512	16,512	20,640	20,640
% of Capacity Used	23%	26%	30%	38%	42%	59%	30%	44%	61%	76%	38%

• *ARB hearing volume came directly from Denton CAD's Annual Reports* ***The projections above were developed by PCSIAAO"*

Figure 5.04 compares the number of hearings with the capacity to hear cases. Historical hearings are shown to 2025, with projections based on growth in the County out to 2045. Note that the number of hearings is projected to surpass the hearing capacity in 2030. DCAD should increase the number of available hearing spaces within the next year or two to avoid a delay in certification of values.

FIGURE 5.04 Annual ARB Hearings from 2015 to 2025 with Projections to 2045



• *ARB hearing volume came directly from Denton CAD's Annual Reports* ***The projections above were developed by PCSIAAO"*

RECOMMENDATION: Build or acquire a new building that could accommodate 20 informal hearing spaces now, 32 informal spaces by 2035, 36 informal spaces by 2040, 32 ARB rooms before 2035 and 46 ARB rooms before 2040 to better meet the needs of the community.

6. EXEMPTIONS

Exemption applications present another challenge for the Appraisal District. DCAD receives approximately 30,000 exemption applications per year, which are processed by a team of six employees. When exemption applications are not processed in a timely manner, delays result in unnecessary hardship for taxpayers. Homeowners with mortgages must fund escrow accounts in advance, resulting in large one-time payments in addition to increased monthly payments. Backlogs in exemption processing damages relations with the public, and is a source of distrust and lack of confidence in government. In order to process exemption applications in a timely manner so that there is no backlog, it is recommended that DCAD needs to add fourteen staff members to the Exemptions Unit.

In the short term, Appeal specialists can work in exemptions when not working on appeals.

7. PUBLIC RELATIONS

Communicating with and educating constituents is key to building trust and confidence in the appraisal district. It's important that property owners get the correct information and are informed about the appraisal process. It is vital that DCAD take control of the story that is told to the public so misinformation doesn't take hold reducing the number of protests and formal appeals, which is a critical element in DCADs success. A concerted effort must be made to improve public relations, and to maintain good relations and better information over time.

A **Community Liaison** should coordinate outreach and meetings with County administrators, councils, boards, political groups, neighborhood groups and business organizations. Having one point of contact will impart the perception of caring and accountability and ensure consistent messaging that responds to the changing concerns of the public.

A **Social Media Specialist** should control messaging to the public and dissemination of information through social media channels.

Some assessment offices have successfully produced and used video as a medium for communicating with and educating the public. Animated videos are preferable to recordings of people. Taxpayers are less likely to argue with a cartoon character than with a person, so your message is more likely to be heard. Animations also have longer life spans than live actors. TV monitors mounted in public access areas and waiting spaces should play a series of videos on a constant loop, and all videos should be accessible through the DCAD website.

Videos could include:

- The role of the appraisal district in compliance with Texas law
- The appraisal process
- How appraisals are related to taxes
- How to tell if an assessment is reasonable
- Available exemptions and how to apply for them
- How to file a formal appeal and how the appeal process works

RECOMMENDATION: Take control of the Appraisal District's story through a concerted public relations and community outreach effort.

8. PREPARING FOR INTEGRATING AI INTO BUSINESS PROCESSES

Artificial Intelligence is changing the way many industries operate. In the assessment industry, AI is being used to automate workflows, manage communication with taxpayers, evaluate data quality, identify exceptional properties and cases, uncover emerging trends and patterns, and estimate values.

Denton uses a vendor called Just Appraised that is launching a product called Front Desk that will use AI to help answer general questions through email and continues to explore new products to help increase productivity of staff and improve the customer experience. Denton has also discussed AI products with their appraisal software vendor.

Integrating AI tools in assessment does not require dedicated or specific hardware, unless processing Large Language Models (LLMs) is planned. Preparing use cases and identifying hardware, software or hosted solutions should be a project for IT and the Appraisal Liaison. Expect a prolonged period of process development and testing before AI can be integrated into DCADs business processes.

9. PROCESS DOCUMENTATION

All CAD business processes and workflows should be documented. Subject matter experts within the department should work with the Training Officer to create standardized training for all DCAD staff. A short-term project should be commissioned to document all workflows and business processes and to help prepare training files and documents. This process will uncover gaps and redundancies that will generate improvement and promote efficiency.

Training documents must be updated as processes and workflows evolve to maximize staff performance and technological capacity.

RECOMMENDATION: Initiate a short-term project to document all workflows and business processes and to help prepare training files and documents.

10. TECHNICAL SUPPORT

Information technology should go beyond database and laptop support. Working with an Appraisal Liaison, it can be used as a force multiplier to make the entire department more effective.

As the Appraisal District becomes more familiar with the new CAMA system there will be a need for prototyping new reports, forms and dashboards, which the CAMA vendor can build into the main product or that can be supported in separate applications that DCAD maintains.

Location is one of the most important elements in predicting market values. Spatial attributes are the distances from desirable or undesirable features that affect value—parks, schools, shopping, golf courses, flowing water, transportation and others. Integrating spatial attributes into the valuation process can explain variance in value within recognized neighborhoods. This can greatly enhance the accuracy and equity of assessments. DCAD does not currently use spatial attributes in the valuation process, but has a rich GIS operation that could develop, test, implement and maintain those features.

Integration of external data is a way to identify properties that undergo change and flag them for inspections. DCAD currently integrates building permits, but establishing quarterly imports of reports for fires and code enforcement complaints and actions can enhance this business process. DCAD currently uses data from Multiple Listing Services (MLS) to update sales data. The Appraisal District also subscribes to a service that provides attribute, income and expense data for non-residential properties. It is recommended that the Appraisal District survey other available vendors to see if this data can be upgraded.

Aerial oblique imagery has become a vital source of information for assessors. The *IAAO Standard for Inspections* allows the use of remote imagery as a partial replacement for field inspections, and aerial imagery can allow the user to see things that may not be visible from the street. Getting updated images at least once per year supports automated change detection and the ability to "travel through time" using multiple images. Many jurisdictions contract for imagery at the enterprise level, with several departments collaborating to pay for more frequent imagery. DCAD is currently working on a collaboration with Denton 911 to provide imagery annually. This added imagery will help Denton improve quality control and cut down on needed field inspections.

RECOMMENDATION: Leverage IT resources to integrate interdepartmental reporting, capture and develop spatial attributes for use in valuation, build prototypes of forms and reports to support the appraisal division, and support the acquisition and integration of aerial and street level imagery.

11. EXPLORING THE USE OF REGRESSION MODELS

The Appraisal District currently uses a hybrid cost approach for mass appraisal, with a sales comparable approach for appeals and protests. As illustrated in the following table, IAAO recommends using a sales approach as the primary approach for residential properties with a cost approach as a secondary approach. Below is a chart from IAAO's standard on mass appraisal.

FIGURE 11.01 Ranking Usefulness of Three Approaches to Value from IAAO's Standard on Mass Appraisal

Type of Property	Cost Approach	Sales Comparison Approach	Income Approach
Single-family residential	2	1	3
Multifamily residential	3	1,2	1,2
Commercial	3	2	1
Industrial	1,2	3	1,2
Nonagricultural land	-	1	2
Agricultural*	-	2	1
Special-purpose**	1	2,3	2,3

** Includes farm, ranch, and forest properties.*

*** Includes institutional, governmental, and recreation properties.*

*** *From the* IAAO Standard on Mass Appraisal 2025, *Page 13*

DCAD should explore the viability of using regression models. Diagnostics can determine if regression models would improve on the current process. If modeling is a viable option, a plan can be made to train a group of modelers, determine a market segmentation strategy and begin building prototype regression models in a test environment. Once stable prototypes have been developed, work can begin on building a complete catalog of models for production. The entire process should take two to three years.

RECOMMENDATION: Build and test regression models for use in the valuation process.

12. TRAINING AND DESIGNATIONS

Denton CAD has historically lacked opportunities for professional development for field and office staff. Beyond "on-the-job" training and the state required education for appraisers, development and implementation of the appraisal district specific training on policies and procedures for current and future staff would be beneficial. Additionally, all staff should be able to pursue professional designations beyond what are offered by the state to better both themselves and the office. Allowing staff to pursue additional professional education and designations lays the foundation for building the future leaders of the office from within the organization, further increasing organizational stability.

Chief Appraiser Spencer reported he observed a lack of training and education for Denton CAD staff before he took the chief position. Chief Appraiser Spencer stated that lack of training and education within the organization led him to hire a Director of Training and Development to get staff the needed training and education. The Director of Training and Development has conducted training but more work is needed to continue to develop standard work procedures to be used in the training and development of all staff.

All staff employed by Denton CAD should have the ability to take the necessary state level education and earn state designations. By having a Director of Training and Development that is certified to conduct these courses the CAD has been able to save on education and travel expenses. This has the added benefit of saving staff time due to not needing to travel for professional educational offerings.

Designations

While many aspects of ongoing training can be run in-house by the Training Officer, there are still other kinds of training that will need to be outsourced.

Staff should have the opportunity to take courses from the International Association of Assessing Officers and earn designations. At the time of writing this report, there are currently 95 IAAO designees in the State of Texas, despite its size, Denton CAD currently has no IAAO designees. Further, a very limited number of Denton CAD staff have taken any IAAO courses. These university-level courses teach staff industry best practices and the theoretical knowledge that will serve the CAD well in building the future.

As staff take IAAO courses they should be encouraged to earn designations and to become IAAO instructors enabling staff to continue to educate the next generation of Denton CAD appraisers. Many appraisal offices have had great success in encouraging staff to pursue professional development and designations by creating a merit or financial incentive pay program. While those specifics should be determined by CAD budget and Texas law, it is something PCSIAAO highly recommends office executive leadership consider when developing a professional development program within their organization.

RECOMMENDATION: Have one or more members of DCAD staff become certified as State and/or IAAO instructors.

Training

When it comes to training and education it is not just appraisers that need training and education. Management should have annual management and human resources training. Customer service staff need training to better understand appraisal functions and market trends. Information technology staff need training to keep-up with improvements in IT and data security. Appeals staff need CAMA and tax law training. Mapping staff need GIS training, including building interactive dashboards. Human resources and finance staff need continuing education and development. All staff need routine training on Texas property tax law and updates as well as anti-harassment training.

RECOMMENDATION: Identify sources of ongoing education and training for GIS, IT, Texas Tax Law, and HR courses.

Power BI Software

Power BI is a software package that is used for data analysis, data visualization and building interactive dashboards. Anyone that analyzes data for DCAD should be trained to use it. There are many online classes and a few consultants who offer live training. The benefit to using a consultant is that training could be conducted using DCADs data files.

RECOMMENDATION: Acquire an enterprise license for Power BI and train everyone who analyzes data to use it.

Google Sheets

Many DCAD employees use Google Sheets to share documents and spreadsheet files. It should be the standard for the department and included in the training regimen for all staff. There are many online resources for training.

RECOMMENDATION: Ensure that everyone at DCAD is trained to use Google Sheets.

13. SALES VALIDATION

Good, reliable sales data is essential in the estimation of values and also in evaluating assessment equity and performance. In the modified cost method that is used by DCAD to estimate values, sales data is used to calibrate location adjustments. Because Texas is a non-disclosure state, meaning that reporting of sales is optional, sales data is acquired from a variety of sources. There is no systemic method of collecting transaction data for all sales. Besides price and date information, it is important to gather or verify property characteristics as of the date of sale. Many properties are improved or remodeled either before a sale or shortly thereafter. If the assessor's data files do not accurately reflect conditions at the time of sale, the reported price may not correlate with the property characteristics, which will distort ratio statistics and cause over-valuation or under-valuation of comparable properties. It is important that the CAMA data files can differentiate between the characteristics that were present at the time of sale and those that were present at the time of valuation. The CAMA system that DCAD recently transitioned to and is currently using reportedly has this capacity, and can flag transactions where the characteristics have changed.

Many assessment offices centralize sales validation by assigning that role to a specialized unit. The main benefits to this approach are improved consistency in decision making in validation coding and reducing the number of points of contact between the department and sources of sales data, which improves communication. Each DCAD appraiser validates sale transactions for accounts to which they are assigned. The main benefit to this approach is that the appraiser is more aware of nuances and emerging trends within their specific market areas. The risks are that different appraisers validate sales to different standards, leading to an overall lack of consistency in validations, that no one has a macro view of emerging trends and nuances in the larger market, and the inefficiencies of having more people interacting with sources of data. The approach that provides both sets of benefits while also minimizing inefficiencies and inconsistency is to have a centralized unit whose work is reviewed and refined by the appraisers to whom the accounts are assigned. This approach results in a dual layer of validation.

RECOMMENDATION: Create a Sales Validation unit that will provide an additional level of data collection, confirmation and validation coding.

Data Collection

Additional coding for classifying sales may be helpful. There should be a code that allows a sale to be used for modeling and developing neighborhood adjustments, but disqualifies that transaction for ratio studies, either because characteristics at time of sale do not match characteristics at time of valuation, or because the sale is an outlier and does not represent typical market activity.

Many transactions include seller concessions that should be reflected as adjustments to the sale price. These are especially common in new construction, where below market interest rates, free upgrades, or payment of fees and expenses typically paid by the buyer are offered. The CAMA system should have a way to adjust sale prices to reflect concessions.

DCAD relies primarily on reports from the Department of Records, voluntary self-reporting, appeals and protests and Multiple Listing Services as sources of sales and income data. There are a number of third parties that provide curated sources of sales and income data that should be considered or utilized by DCAD. Some of these sources also provide market trend data. DCAD currently subscribes to a vendor for data for non-residential properties. Subscriptions to other services should be considered.

RECOMMENDATION: Augment data collection methods to include third-party sources of sales and income data.

14. INSPECTIONS AND REINSPECTIONS

The *IAAO Standard on Property Inspections* calls for the routine observation of every property at least once every six years. DCAD has a rotating schedule through which every property is inspected once every three years. In addition, there are events that trigger inspections. Like many assessment offices, a permit, sale or listing of a property with the MLS or change detection in aerial imagery will trigger an inspection. The Appraisal District has good processes in place to monitor properties that are improved. Also, like many assessment offices, they have no triggers or indicators that trigger inspections when a property falls into the cycle of disrepair or decline. This is common when homeowners can no longer afford to maintain a structure and deferred maintenance begins to accrue or there is a catastrophic event that affects either the structure or the owner. These properties can be identified through code enforcement complaints, fire reports or protests and appeals or through observation during a routine reinspection. Once identified, these properties should be monitored, as they will either continue to decline, or hopefully be repaired or upgraded. Either way, they are likely to change in a way that should change the market value. The CAMA system should support coding these properties so that they can be monitored.

RECOMMENDATION: Create a business process to identify and monitor properties that have fallen into the cycle of decline.

15. PHASED APPROACH & TIMETABLE

Below is an aggressive but needed timeline to help solve DCADs space and staffing issues.

2026

- Work with an architect to formalize building needs for the future.
- Work to acquire land between the current buildings or near other County departments to build a new facility.
- Add six residential data collection staff for full-time data collection to increase productivity of current staff.
- Hire a public relations specialist to better engage with the public and improve communication.

2027

- Hire an HR Director to alleviate the current HR workload from administrative and management staff.
- Gain budget approval for the construction of a new building.

2028

- Start construction of needed facility to house all CAD staff in one building.

2029

- Hire additional staff including a Legal Representative or General Counsel

2030

- Move into new facility
- Staff up to recommended staffing numbers

CONCLUSION

Denton Central Appraisal District has been running extremely lean staffing levels for over a decade. Out of the ten CADs that PCSIAAO compared, Denton ranked the second highest in parcels / staff. While it is important for local government to be efficient, this level of efficiency borders on reckless and should not continue. That combined with the historic growth seen in recent years has put Denton CAD in an extreme position with space and staffing levels that fall far short of national standards, Texas standards and what is required to serve the public at the level they deserve. Growth is something Denton County must deal with regardless of public opinion. Even before the COVID-19 pandemic Denton County saw its population grow by 37% from 2010 to 2020. The population is projected to increase by 31% from 2020 to 2030. Denton CADs current appeals space is inadequate to handle the large volume of appeals it sees. Valuation protests increased by 254% from 2015 to 2025. Property owners' right to be heard and have their questions answered should not be limited. Property owners' right to a fair appeal should not be impeded. For these reasons and others detailed in this report, it's recommended that Denton CAD acquire or build a new office space that can accommodate not only a reasonable number of staff, but also the number of appeals Denton CAD will see in the future to protect the public's best interests.

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