

Legislative Fiscal Office

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Joint Committee on Ways and Means

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Paul Siebert, Deputy Legislative Fiscal Officer (Audit/IT)

To: General Government Subcommittee
From: Tim Walker, Legislative Fiscal Office
Date: , 2021
Subject: HB 5034 – Oregon Real Estate Agency
Work Session Recommendations

Oregon Real Estate Agency – Agency Totals

	2017-19 Actual	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 LFO Recommended
Other Funds	7,470,242	9,706,611	8,955,739	9,834,697
Total Funds	7,470,242	9,706,611	8,955,739	9,834,697
Positions	29	29	29	29
FTE	29.00	29.00	29.00	29.00

The 2021-23 LFO recommended budget for the Oregon Real Estate Agency is 29 positions (29.00 FTE), and \$9,834,697 Other Funds. This is a 1.3% increase from the 2019-21 legislatively approved budget. The budget includes a package to increase projected revenue resulting from an updated agency revenue estimate and does not affect expenditures. This will leave the agency with approximately an 8-month ending fund balance. The agency was projected to have a 3-month ending fund balance at the end of the 2021-23 biennium. This revenue increase will delay an anticipated fee increase to the 2025-27 biennium.

Adjustments to Current Service Level

See attached “Work Session Presentation Report.”

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Performance Measures

See attached “Legislatively Proposed 2021-23 Key Performance Measures.”

Recommended Changes

LFO recommends a budget of \$9,834,697 Other Funds and 29 positions (29.00 FTE), which is reflected in the -1 amendment.

Final Subcommittee Action

LFO recommends that HB 5034, as amended by the -1 amendment, be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	-	-	8,499,070	-	-	-	8,499,070	29	29.00
2019-21 Ebds, SS & Admin Act	-	-	1,207,541	-	-	-	1,207,541	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	9,706,611	-	-	-	9,706,611	29	29.00
2019-21 Leg Approved Budget (Base)	-	-	8,499,070	-	-	-	8,499,070	29	29.00
Summary of Base Adjustments	-	-	342,711	-	-	-	342,711	-	-
2021-23 Base Budget	-	-	8,841,781	-	-	-	8,841,781	29	29.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(29,530)	-	-	-	(29,530)	-	-
030: Inflation & Price List Adjustments	-	-	143,488	-	-	-	143,488	-	-
2021-23 Current Service Level	-	-	8,955,739	-	-	-	8,955,739	29	29.00
080: E-Boards	-	-	899,415	-	-	-	899,415	-	-
Adjusted 2021-23 Current Service Level	-	-	9,855,154	-	-	-	9,855,154	29	29.00
Total LFO Recommended Packages	-	-	(20,457)	-	-	-	(20,457)	-	-
2021-23 Legislative Actions	-	-	9,834,697	-	-	-	9,834,697	29	29.00
Net change from 2019-21 Leg Approved Budget	-	-	128,086	-	-	-	128,086	-	-
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	1.3%	0.0%	0.0%	0.0%	1.3%	0.0%	0.0%
Net change from 2021-23 Adj Current Service Level	-	-	(20,457)	-	-	-	(20,457)	-	-
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	(0.2%)	0.0%	0.0%	0.0%	(0.2%)	0.0%	0.0%

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2019-21 Ebds, SS & Admin Act	-	-	1,207,541	-	-	-	1,207,541	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	9,706,611	-	-	-	9,706,611	29	29.00
2019-21 Leg Approved Budget (Base)	-	-	8,499,070	-	-	-	8,499,070	29	29.00
Summary of Base Adjustments	-	-	342,711	-	-	-	342,711	-	-
2021-23 Base Budget	-	-	8,841,781	-	-	-	8,841,781	29	29.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(29,530)	-	-	-	(29,530)	-	-
030: Inflation & Price List Adjustments	-	-	143,488	-	-	-	143,488	-	-
2021-23 Current Service Level	-	-	8,955,739	-	-	-	8,955,739	29	29.00
080: E-Boards	-	-	899,415	-	-	-	899,415	-	-
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Total LFO Recommended Packages	-	-	(20,457)	-	-	-	(20,457)	-	-
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Net change from 2019-21 Leg Approved Budget	-	-	128,086	-	-	-	128,086	-	-
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	1.3%	0.0%	0.0%	0.0%	1.3%	0.0%	0.0%
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Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	(0.2%)	0.0%	0.0%	0.0%	(0.2%)	0.0%	0.0%

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Package 087 August 2020 Special Session

Package Description This package includes the 2021-23 budgetary impact of the August 2020 Special Session for increased Other Fund expenditure limitation for test proctoring costs.

LFO Recommendation LFO recommends approval of the package.

LFO Recommended

Revenues	-	-	-	-	-	-	-	-	-
Expenditures	-	-	899,415	-	-	-	899,415	-	-

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 099 Microsoft 365 Consolidation

Package Description Microsoft 365 Consolidation: Microsoft 365 is being consolidated within the Office of the State Information Officer at the E5 level of service. This cost is built into the State Government Service Charge for every agency as a cost increase for the 21-23 biennium. This package makes a corresponding reduction to the agency base budget in an amount equivalent to what agencies should be paying in the current 2019-21 biennium for Microsoft 365 at the E3 level of service

LFO Recommendation LFO recommends approval of the package.

LFO Recommended

Revenues	-	-	-	-	-	-	-	-	-
Expenditures	-	-	(20,457)	-	-	-	(20,457)	-	-

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description This is a revenue increase package due to an overly cautious revenue estimate due to the unknown impacts of the COVID pandemic. This will increase revenue by \$2,346,157 Other Funds and increase Beginning Balance by \$1,882,082 Other Funds. This will not effect expenditures.

LFO Recommendation LFO recommends approval of the package.

LFO Recommended

Revenues	-	-	2,346,157	-	-	-	2,346,157		
Expenditures	-	-	-	-	-	-	-	-	-

Legislatively Proposed 2021 - 2023 Key Performance Measures

Published: 4/29/2021 4:17:23 PM

Agency: Real Estate Agency

Mission Statement:

To provide quality protection for Oregon consumers of real estate, escrow and land development services, balanced with a professional environment conducive to a healthy real estate market.

Legislatively Proposed KPMS	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
1. Compliance Rate Achieved - Percent of property managers/principal brokers reviewed who meet compliance within 45 days of a mail-in compliance review.		Approved	100%	90%	90%
2. Percent of investigations completed within 150 days of receipt of complaint.		Approved	74%	80%	80%
3. Contested Case Actions resolved through settlement - Percent of contested case actions that are resolved through informal settlement resolution and prior to a formal hearing before the Office of Administrative Hearings.		Approved	96%	95%	95%
4. Percent of licensees who rate the board-administered exam as "good" or "excellent" as an effective screen for competent and ethical professionals.		Approved	74%	75%	75%
5. CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved	92%	85%	85%
	Overall		94%	85%	85%
	Timeliness		92%	85%	85%
	Accuracy		92%	85%	85%
	Expertise		92%	85%	85%
	Helpfulness		92%	85%	85%

LFO Recommendation:

The Legislative Fiscal Office recommends Key Performance Measures and targets as presented.

SubCommittee Action: