

**HB 5034 BUDGET REPORT and MEASURE SUMMARY**

**Joint Committee On Ways and Means**

**Prepared By:** Drew Cohen, Department of Administrative Services

**Reviewed By:** Tim Walker, Legislative Fiscal Office

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**Real Estate Agency  
2021-23**

PRELIMINARY

**Budget Summary\***

	2019-21	2021 - 23	2021-23	Committee Change from 2019-21	
	Legislatively Approved Budget <sup>(1)</sup>	Current Service Level	Committee Recommendation	Committee Change from 2019-21 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ 9,706,611	\$ 8,955,739	\$ 9,834,697	\$ 128,086	1.3%
Total	\$ 9,706,611	\$ 8,955,739	\$ 9,834,697	\$ 128,086	1.3%

**Position Summary**

Authorized Positions	29	29	29	0
Full-time Equivalent (FTE) positions	29.00	29.00	29.00	0.00

<sup>(1)</sup> Includes adjustments through January 2021

\* Excludes Capital Construction expenditures

**Summary of Revenue Changes**

The Oregon Real Estate Agency is supported solely from Other Funds revenues. Application fees and fees paid for professional licenses by brokers, principal brokers and property managers comprise approximately 97 percent of all revenue collected. The remaining revenue is derived from charges for services and fines and forfeitures, with all civil penalties transferred to the General Fund. This budget includes Package 801, which will increase projected revenue resulting from an updated agency revenue estimate and holds no effect on agency expenditures. With the adoption of the Subcommittee recommendations, the Agency’s estimated 2021-23 ending fund balance is approximately eight months of operating expenses.

**Summary of Transportation and Economic Development Subcommittee Action**

The mission of the Oregon Real Estate Agency is 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. The Agency is responsible for the licensing, continuing education, and enforcement of Oregon’s real estate laws applicable to brokers, property managers, and real estate firms.

The Transportation and Economic Development Subcommittee recommended a budget of \$9,834,697 Other Funds for the 2021-23 biennium. The recommended budget represents a 1.3 percent increase from the 2019-21 Legislatively Approved Budget (LAB). The budget includes 29 positions (29.00 FTE), which represents no change from the 2019-21 LAB. The Subcommittee recommended the following packages:

- **Package 087: August 2020 Special Session.** This package increases Other Funds expenditure limitation by \$899,415 to account for examination fees collected by the real estate licensing examination vendor, as approved through Senate Bill 5723 during the August

2020 Special Session. Examination fees are paid by applicants and the fee revenue and equal value expense are accounted for in the budget as a pass through.

- Package 099: 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 2021-23 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.
- Package 801: LFO Analyst Adjustments. This is a revenue increase package because of 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 the beginning balance by \$1,882,082 Other Funds. This package does not affect agency expenditures.

### **Summary of Performance Measure Action**

See attached Legislatively Adopted 2021-23 Key Performance Measures form.

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**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

Oregon Real Estate Agency  
 Drew Cohen (971) 707-8779

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2019-21 Legislatively Approved Budget at Jan. 2021*	\$ -	\$ -	\$ 9,706,611	\$ -	\$ -	\$ -	\$ 9,706,611	29	29.00
2021-23 Current Service Level (CSL)*	\$ -	\$ -	\$ 8,955,739	\$ -	\$ -	\$ -	\$ 8,955,739	29	29.00
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>SCR 91900-050 - Operations</b>									
Package 087: August 2020 Special Session									
Services and Supplies	\$ -	\$ -	\$ 899,415	\$ -	\$ -	\$ -	\$ 899,415		
<b>SCR 91900-050 - Operations</b>									
Package 099: Microsoft 365 Consolidation									
Services and Supplies	\$ -	\$ -	\$ (20,457)	\$ -	\$ -	\$ -	\$ (20,457)		
<b>TOTAL ADJUSTMENTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 878,958</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 878,958</b>	<b>0</b>	<b>0.00</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,834,697</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,834,697</b>	<b>29</b>	<b>29.00</b>
% 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%
% Change from 2021-23 Current Service Level	0.0%	0.0%	9.8%	0.0%	0.0%	0.0%	9.8%	0.0%	0.0%

\*Excludes Capital Construction Expenditures

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# Legislatively Approved 2021 - 2023 Key Performance Measures

Published: 5/11/2021 9:31:34 AM

**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 Approved 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.

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**SubCommittee Action:**

The Transportation and Economic Subcommittee approved the Key Performance Measures and targets as presented.