

Legislative Fiscal Office

Oregon State Capitol
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Joint Committee on Ways and Means

Senator Elizabeth Steiner, Senate Co-Chair
Representative Tawna Sanchez, House Co-C

Amanda Beitel, Legislative Fiscal Officer
Tom MacDonald, Deputy Legislative Fiscal Officer (Budget)
Paul Siebert, Deputy Legislative Fiscal Officer (Audit/IT)

Senator Fred Girod, Senate Co-Vice Chair
Representative David Gomberg, House Co-Vice
Representative Greg Smith, House Co-Vice C

To: Transportation and Economic Subcommittee
From: Tim Walker, Legislative Fiscal Office
Date: April 18, 2023
Subject: SB 5536 – Oregon Real Estate Agency
Work Session Recommendations

Oregon Real Estate Agency – Agency Totals

	2019-21 Actual	2021-23 Legislatively Approved	2023-25 Current Service Level	2023-25 LFO Recommended
Other Funds	8,835,714	10,141,433	11,027,459	14,103,674
Total Funds	8,835,714	10,141,433	11,027,459	14,103,674
Positions	29	30	29	34
FTE	29.00	29.75	29.00	34.00

The 2023-25 Legislative Fiscal Office (LFO) recommended budget for the Oregon Real Estate Agency is 34 positions (34.00 FTE), and \$14,103,674 Other Funds. This is a 39.1% increase from the 2021-23 legislatively approved budget and will leave the agency with an estimated six-month ending fund balance. The following recommended packages are included:

- POP 101 - eLicense Replacement System: \$2.3 million Other Funds to acquire the software and professional services to replace the agency's current licensing system and add one project manager.
- POP 102 - Compliance and Audits Division Staffing: \$526,146 Other Funds to meet public demand and consumer protection for increased oversight of licensed property management activities. The package adds three positions (3.00 FTE), including one auditor, and two compliance specialists.
- POP 103 - HR/DEI Communications Staffing: \$239,266 Other Funds to establish one Human Resources Analyst 3 (1.00 FTE) to provide agency staff and management with daily human resources and recruitment support. The position will also act as the agency's Affirmative Action and Diversity, Equity, and Inclusion coordinator to improve the diversity of licensed real estate brokers.

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.

Accept LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5536. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5536, with modifications. (VOTE)

Performance Measures

See attached “Legislatively Proposed 2023-25 Key Performance Measures.”

Accept LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. (VOTE)

Recommended Changes

LFO recommends a budget of \$14,103,674 Other Funds and 34 positions (34.00 FTE), which is reflected in the -1 amendment.

MOTION: I move adoption of the -1 amendment to SB 5536. (VOTE)

Final Subcommittee Action

LFO recommends that SB 5536, as amended by the -1 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move SB 5536, as amended, to the Full Committee with a do pass recommendation. (VOTE)

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)
2021-23 Agy. Leg. Adopted	-	-	9,768,489	-	-	-	9,768,489	29	29.00
2021-23 Ebds, SS & Admin Act	-	-	372,944	-	-	-	372,944	1	0.75
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	-	-	10,141,433	-	-	-	10,141,433	30	29.75
2021-23 Leg Approved Budget (Base)	-	-	10,141,433	-	-	-	10,141,433	30	29.75
Summary of Base Adjustments	-	-	320,888	-	-	-	320,888	(1)	(0.75)
2023-25 Base Budget	-	-	10,462,321	-	-	-	10,462,321	29	29.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	6,089	-	-	-	6,089	-	-
030: Inflation & Price List Adjustments	-	-	559,049	-	-	-	559,049	-	-
2023-25 Current Service Level	-	-	11,027,459	-	-	-	11,027,459	29	29.00
Adjusted 2023-25 Current Service Level	-	-	11,027,459	-	-	-	11,027,459	29	29.00
Total LFO Recommended Packages	-	-	3,076,215	-	-	-	3,076,215	5	5.00
2023-25 Legislative Actions	-	-	14,103,674	-	-	-	14,103,674	34	34.00
Net change from 2021-23 Leg Approved Budget	-	-	3,962,241	-	-	-	3,962,241	4	4.25
Percent change from 2021-23 Leg Approved Budget	0.0%	0.0%	39.1%	0.0%	0.0%	0.0%	39.1%	13.3%	14.3%
Net change from 2023-25 Adj Current Service Level	-	-	3,076,215	-	-	-	3,076,215	5	5.00
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	27.9%	0.0%	0.0%	0.0%	27.9%	17.2%	17.2%

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2021-23 Ebds, SS & Admin Act	-	-	372,944	-	-	-	372,944	1	0.75
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	-	-	10,141,433	-	-	-	10,141,433	30	29.75
2021-23 Leg Approved Budget (Base)	-	-	10,141,433	-	-	-	10,141,433	30	29.75
Summary of Base Adjustments	-	-	320,888	-	-	-	320,888	(1)	(0.75)
2023-25 Base Budget	-	-	10,462,321	-	-	-	10,462,321	29	29.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	6,089	-	-	-	6,089	-	-
030: Inflation & Price List Adjustments	-	-	559,049	-	-	-	559,049	-	-
2023-25 Current Service Level	-	-	11,027,459	-	-	-	11,027,459	29	29.00
Adjusted 2023-25 Current Service Level	-	-	11,027,459	-	-	-	11,027,459	29	29.00
Total LFO Recommended Packages	-	-	3,076,215	-	-	-	3,076,215	5	5.00
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Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	27.9%	0.0%	0.0%	0.0%	27.9%	17.2%	17.2%

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Package 101 eLicense Replacement System

Package Description This policy package reflects the projected costs to acquire software and Professional Services necessary to replace the agency's aging core business suite software (eLicense). This project will utilize one current project manager and \$2 million reserves for software implementation and deployment.

LFO Recommendation LFO recommends approval of the package.

LFO Recommended	-	-	2,307,803	-	-	-	2,307,803	1	1.00
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Package 102 Compliance & Audits Division Staffing

Package Description This policy option package seeks permanent position authority for three FTE: (1) Auditor and (2) Compliance Specialists. The purpose of this package is to meet the public demand and consumer protection need for increased oversight of licensed property management activities. This package Increases FTE by three and will have a fiscal impact of \$529,146.

LFO Recommendation LFO recommends approval of the package.

LFO Recommended	-	-	529,146	-	-	-	529,146	3	3.00
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	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 103 HR/DEI/Communications Staffing

Package Description This package seeks to establish one permanent position Human Resources Analyst 3 position (1.00 FTE) to provide agency staff and management with daily human resources and recruitment support, as well as act as the OREA's Affirmative Action and Diversity, Equity, and Inclusion Coordinator.

LFO Recommendation LFO recommends approval of the package.

LFO Recommended	-	-	239,266	-	-	-	239,266	1	1.00
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Legislatively Proposed 2023 - 2025 Key Performance Measures

Published: 4/5/2023 10:34:49 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 Proposed KPMS	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
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	87%	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	98%	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	75%	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	93%	85%	85%
	Overall		93%	85%	85%
	Timeliness		94%	85%	85%
	Accuracy		94%	85%	85%
	Expertise		93%	85%	85%
	Helpfulness		93%	85%	85%

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the Key Performance Measures and targets as proposed.

SubCommittee Action: