

**SB 5536 BUDGET REPORT and MEASURE SUMMARY**

**Joint Committee On Ways and Means**

**Prepared By:** Alicia Michelson, Department of Administrative Services

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

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**Real Estate Agency  
2023-25**

PRELIMINARY

**Budget Summary\***

	2021-23 Legislatively Approved Budget <sup>(1)</sup>	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ 10,141,433	\$ 11,027,459	\$ 14,103,674	\$ 3,962,241	39.1%
Total	\$ 10,141,433	\$ 11,027,459	\$ 14,103,674	\$ 3,962,241	39.1%

**Position Summary**

Authorized Positions	30	29	34	4
Full-time Equivalent (FTE) positions	29.75	29.00	34.00	4.25

<sup>(1)</sup> Includes adjustments through January 2023

\* Excludes Capital Construction expenditures

**Summary of Revenue Changes**

The Oregon Real Estate Agency (OREA) is supported solely by Other Funds revenues. Application fees and fees paid for professional licenses by brokers, principal brokers, and property managers account for 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. With the adoption of the subcommittee recommendations, OREA’s estimated 2023-25 ending fund balance is approximately six months of operating expenses.

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

The mission of OREA 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 subcommittee recommended a budget of \$14,103,674 Other Funds expenditure limitation and 34 positions (34.00 FTE) for the 2023-25 biennium, which represents a 39.1 percent increase from the 2021-23 Legislatively Approved Budget. The subcommittee recommended the following packages:

- **Package 101: eLicense Replacement System**. This package increases Other Funds expenditure limitation by \$2,307,803 to replace the agency’s business suite software, eLicense, and continues one limited duration Project Manager position (1.00 FTE) to assist with software implementation and deployment.

- Package 102: Compliance & Audits Division Staffing. This package increases Other Funds expenditure limitation by \$529,146 to establish three permanent positions (3.00 FTE) to meet the public demand and consumer protection need for increased oversight of licensed property management activities. The positions include one auditor and two compliance specialists.
- Package 103: HR/DEI/Communications Staffing. This package increases Other Funds expenditure limitation by \$239,266 to establish one permanent Human Resource Analyst 3 (1.00 FTE). This position will assist the agency by providing human resources and recruitment support and act as the agency's Affirmative Action and Diversity, Equity, and Inclusion Coordinator to improve the diversity of licensed real estate brokers.

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

See attached Legislatively Adopted 2023-25 Key Performance Measures form.

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

Oregon Real Estate Agency  
 Alicia Michelson - (971)-209-9217

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2021-23 Legislatively Approved Budget at Jan 2023 *	\$ -	\$ -	\$ 10,141,433	\$ -	\$ -	\$ -	\$ 10,141,433	30	29.75
2023-25 Current Service Level (CSL)*	\$ -	\$ -	\$ 11,027,459	\$ -	\$ -	\$ -	\$ 11,027,459	29	29.00
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>SCR 91900-050 Real Estate Agency</b>									
Package 101: eLicense Replacement System									
Personal Services	\$ -	\$ -	\$ 307,803	\$ -	\$ -	\$ -	\$ 307,803	1	1.00
Capital Outlay	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 2,000,000		
<b>SCR 91900-050 Real Estate Agency</b>									
Package 102: Compliance & Audits Division Staffing									
Personal Services	\$ -	\$ -	\$ 529,146	\$ -	\$ -	\$ -	\$ 529,146	3	3.00
<b>SCR 91900-050 Real Estate Agency</b>									
Package 103: HR/DEI/Communication Staffing									
Personal Services	\$ -	\$ -	\$ 239,266	\$ -	\$ -	\$ -	\$ 239,266	1	1.00
<b>TOTAL ADJUSTMENTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,076,215</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,076,215</b>	<b>5</b>	<b>5.00</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,103,674</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,103,674</b>	<b>34</b>	<b>34.00</b>

% 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%
% Change from 2023-25 Current Service Level	0.0%	0.0%	27.9%	0.0%	0.0%	0.0%	27.9%	17.2%	17.2%

\*Excludes Capital Construction Expenditures

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# Legislatively Approved 2023 - 2025 Key Performance Measures

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**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 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%	93%	93%
	Overall		93%	93%	93%
	Timeliness		94%	93%	93%
	Accuracy		94%	93%	93%
	Expertise		93%	93%	93%
	Helpfulness		93%	93%	93%

**LFO Recommendation:**

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

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**SubCommittee Action:**

The Subcommittee approved the Key Performance Measures with the following modifications, directed LFO to change the Customer Service Targets to be a consistent 93%.