

Oregon Real Estate Agency

| | 2011-13 Actuals | 2013-15 Leg. Approved | 2015-17 CSL LFO | 2015-17 Governor's |
|--------------------|--------------------|--------------------------|--------------------|-----------------------|
| Other Funds | 6,198,690 | 7,277,657 | 7,628,558 | 7,123,799 |
| Total Funds | 6,198,690 | 7,277,657 | 7,628,558 | 7,123,799 |
| Positions | 31 | 30 | 30 | 29 |
| FTE | 30.25 | 29.75 | 29.75 | 29.00 |

*includes Emergency Board and administrative actions through December 2014

Program Description

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. It fulfills its mission in the following ways:

- Licensing of real estate agents, principal brokers, escrow agencies and property managers;
- Investigating complaints against licensees;
- Certifying continuing education providers, courses, instructors, and licensure exams;
- Developing informative web content for consumers and licensees; and
- Random auditing of trust accounts and licensee records.

CSL Summary and Issues

There are no material differences in Current Service Level estimates between the Executive Branch and the Legislative Fiscal Office.

The Oregon Real Estate Agency is funded entirely with fees paid for professional licenses, by brokers, principal brokers and property managers. No fee increases are proposed for the 2015-17 biennium.

Policy Issues

OREA has submitted no policy option packages in conjunction with its Agency Request Budget.

The Agency ending balance is inadequate to provide a proper operating contingency. The Legislative Fiscal Office recommendation will incorporate expenditure reductions to provide for an ending balance equivalent to approximately three months of operating expenditures. It is likely the agency will require a fee increase in the 2017-19 biennium; in preparation, the Real Estate Agency will evaluate the services provided to various customer groups, and encourage stakeholder input in determining changes to their fee structure.

Other Significant Issues and Background

A review of the Oregon Real Estate Agency's internal financial controls was completed by the by the Secretary of State's office in June. Most of the agency's controls were deemed sufficient, but the review included recommendations for strengthening certain procedures. This review and the agency's response are included as an appendix to the agency's budget presentation materials.

Co-Chairs' Budget Framework Discussion

No specific budget details or issues were identified in the Co-Chairs' budget framework for this agency.