

78<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2015 Session  
**PRELIMINARY BUDGET REPORT AND MEASURE SUMMARY**

**MEASURE:** SB 5537-A

**JOINT COMMITTEE ON WAYS AND MEANS**

**Carrier – House:** Rep.

**Carrier – Senate:** Sen.

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**Action:**

**Vote:**

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

**Prepared By:** Clair Clark, Department of Administrative Services

**Reviewed By:** Michelle Deister, Legislative Fiscal Office

**Meeting Date:**

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Agency

Real Estate Agency

Biennium

2015-17

## **Budget Summary\***

|                     | 2013-15 Legislatively<br>Approved Budget <sup>(1)</sup> | 2015-17 Current Service<br>Level | 2015-17 Committee<br>Recommendation | Committee Change from 2013-15<br>Leg. Approved |          |
|---------------------|---|----------------------------------|-------------------------------------|--|----------|
|                     |   |                                  |                                     | \$ Change                                      | % Change |
| Other Funds Limited | \$ 7,277,657  | \$ 7,628,558                     | \$ 7,056,190                        | \$ (221,467)                                   | 3.0%     |
| Total               | \$ 7,277,657  | \$ 7,628,558                     | \$ 7,056,190                        | \$ (221,467)                                   | 3.0%     |

## **Position Summary**

|                                      |       |       |       |       |
|--------------------------------------|-------|-------|-------|-------|
| Authorized Positions                 | 30    | 30    | 29    | -1    |
| Full-time Equivalent (FTE) positions | 29.75 | 29.75 | 29.00 | -0.75 |

<sup>(1)</sup> Includes adjustments through December 2014

\* Excludes Capital Construction expenditures

## **Revenue Summary**

The Oregon Real Estate Agency is funded entirely with fees paid for professional licenses, by brokers, principal brokers and property managers, and from publication fees. The Committee's recommended budget will leave a projected ending balance of approximately 1.9 months of operating expenses.

While no fee increases are contemplated for the 2015-17 biennium, the agency reports that it intends to convene a stakeholder group to review and analyze licensing fees and services in preparation for a potential fee increase as part of its 2017-19 Agency Request Budget.

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

Senate Bill 5537 is the budget bill for the Oregon Real Estate Agency. The agency is responsible for licensing, continuing education and the enforcement of Oregon's real estate laws applicable to brokers, property managers, and real estate firms. The Subcommittee approved a budget of \$7,056,190 Other Funds and 29.00 full-time equivalent positions for 2015-17, which is a 3.0 percent decrease from the 2013-15 legislatively approved spending level.

The Subcommittee approved the following recommendation:

- Package 801, LFO Analyst Adjustments, eliminates \$572,368 Other Funds expenditure limitation. The adjustments contained in this package are for the purpose of ensuring the agency retains a sufficient ending balance, and reflect the impact of electronic licensing on the agency's budget and operations. This package eliminates a vacant Information Systems Specialist 3 position (0.75 FTE) and reclassifies

one Office Specialist 2 position to Administrative Specialist 1 to better reflect the increased technical assistance being provided to licensees through this position. This package also eliminates \$445,000 in services and supplies expenditure limitation.

**Summary of Performance Measure Action**

See attached Legislatively Adopted 2015-17 Key Performance Measures form.

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

**SB 5537-A**

**Real Estate Agency**  
**Clair Clark -- 503-378-3117**

| DESCRIPTION   | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS         |             | FEDERAL FUNDS |             | TOTAL ALL FUNDS | POS       | FTE          |
|---|--------------|---------------|---------------------|-------------|---------------|-------------|-----------------|-----------|--------------|
|   |              |               | LIMITED             | NONLIMITED  | LIMITED       | NONLIMITED  |                 |           |              |
| 2013-15 Legislatively Approved Budget at Dec 2014 * | \$ -         | \$ -          | \$ 7,277,657        | \$ -        | \$ -          | \$ -        | -               | 30        | 29.75        |
| 2015-17 Current Service Level (CSL)*                | \$ -         | \$ -          | \$ 7,628,558        | \$ -        | \$ -          | \$ -        | -               | 30        | 29.75        |
| <b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>          |              |               |                     |             |               |             |                 |           |              |
| <b>SCR 050 - Real Estate Agency</b>                 |              |               |                     |             |               |             |                 |           |              |
| Package 801: LFO Analyst Adjustments                |              |               |                     |             |               |             |                 |           |              |
| Personal Services                                   | \$ -         | \$ -          | \$ (127,368)        | \$ -        | \$ -          | \$ -        | -               | -1        | -0.75        |
| Services and Supplies                               | \$ -         | \$ -          | \$ (445,000)        | \$ -        | \$ -          | \$ -        | -               | 0         | 0.00         |
| <b>TOTAL ADJUSTMENTS</b>                            | <b>\$ -</b>  | <b>\$ -</b>   | <b>\$ (572,368)</b> | <b>\$ -</b> | <b>\$ -</b>   | <b>\$ -</b> | <b>-</b>        | <b>-1</b> | <b>-0.75</b> |
| <b>SUBCOMMITTEE RECOMMENDATION *</b>                | <b>\$ -</b>  | <b>\$ -</b>   | <b>\$ 7,056,190</b> | <b>\$ -</b> | <b>\$ -</b>   | <b>\$ -</b> | <b>-</b>        | <b>29</b> | <b>29.00</b> |
| <br>  |              |               |                     |             |               |             |                 |           |              |
| % Change from 2013-15 Leg Approved Budget           | 0.0%         | 0.0%          | -3.0%               | 0.0%        | 0.0%          | 0.0%        | 0.0%            | -3.3%     | -2.5%        |
| % Change from 2015-17 Current Service Level         | 0.0%         | 0.0%          | -7.5%               | 0.0%        | 0.0%          | 0.0%        | 0.0%            | -3.3%     | -2.5%        |

\*Excludes Capital Construction Expenditures

## Legislatively Approved 2015-2017 Key Performance Measures

**Agency: REAL ESTATE AGENCY**

Mission: 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  | Customer Service Category   | Agency Request | Most Current Result | Target 2016 | Target 2017 |
|--|-----------------------------|----------------|---------------------|-------------|-------------|
| 1 - Compliance Rate Achieved - Percent of property managers/principal brokers reviewed who meet compliance within 45 days of a mail-in compliance review.  |                             | Approved KPM   | 69.00               | 90.00       | 90.00       |
| 2 - Percent of investigations completed within 150 days of receipt of complaint.   |                             | Approved KPM   | 62.00               | 60.00       | 60.00       |
| 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 KPM   | 95.00               | 95.00       | 95.00       |
| 4 - Percent of licensees who rate the board-administered exam as “good” or “excellent” as an effective screen for competent and ethical professionals.   |                             | Approved KPM   | 72.00               | 75.00       | 75.00       |
| 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. | Accuracy                    | Approved KPM   | 92.00               | 90.00       | 90.00       |
| 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 KPM   | 91.00               | 85.00       | 85.00       |
| 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. | Expertise                   | Approved KPM   | 90.00               | 85.00       | 85.00       |
| 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. | Helpfulness                 | Approved KPM   | 90.00               | 85.00       | 85.00       |

**Agency: REAL ESTATE AGENCY**

Mission: 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.

| <b>Legislatively Proposed KPMs</b>   | <b>Customer Service Category</b> | <b>Agency Request</b> | <b>Most Current Result</b> | <b>Target 2016</b> | <b>Target 2017</b> |
|--|----------------------------------|-----------------------|----------------------------|--------------------|--------------------|
| 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. | Overall                          | Approved KPM          | 92.00                      | 85.00              | 85.00              |
| 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. | Timeliness                       | Approved KPM          | 90.00                      | 85.00              | 85.00              |

**LFO Recommendation:**

Approve the 2015-17 Agency Key Performance Measures and targets as proposed.

**Sub-Committee Action:**

Approve the 2015-17 Key Performance Measures and targets as presented.