

BUDGET REPORT AND MEASURE SUMMARY

CARRIER: Rep. Nearman

Joint Committee On Ways and Means

Action: Do Pass.

Action Date: 04/10/15

Vote:

House

Yeas: 9 - Buckley, Gomberg, Komp, Nathanson, Rayfield, Smith, Whisnant, Whitsett, Williamson

Exc: 3 - Huffman, McLane, Read

Senate

Yeas: 10 - Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen, Whitsett

Exc: 2 - Bates, Winters

Prepared By: Clair Clark, Department of Administrative Services

Reviewed By: Michelle Deister, Legislative Fiscal Office

Agency: Real Estate Agency

Biennium: 2015-17

Budget Summary*

	2013-15 Legislatively Approved Budget ⁽¹⁾	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 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

⁽¹⁾ 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
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 050 - Real Estate Agency									
Package 801: LFO Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ (127,368)	\$ -	\$ -	\$ -	\$ -	-1	-0.75
Services and Supplies	\$ -	\$ -	\$ (445,000)	\$ -	\$ -	\$ -	\$ -	0	0.00
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ (572,368)	\$ -	\$ -	\$ -	\$ -	-1	-0.75
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 7,056,190	\$ -	\$ -	\$ -	\$ -	29	29.00
% 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

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
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.