



Oregon Real Estate Agency

Budget Presentation

Joint Committee on Ways & Means

Subcommittee on Transportation and Economic Development

February 9, 2017



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- *Mission*
- *Goals*
- *Historical Perspective*
- *Agency Programs*
- *Populations Served*



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Key Performance Measures

■ Areas of acceptable performance

- **KPM #1** - *Percent of property managers/principal brokers reviewed who meet compliance within 45 days of a mail-in compliance review.*

Target – 90%

Actual – 100%

- **KPM #2** - *Percent of investigations completed within 150 days of receipt of complaint.*

Target – 60%

Actual – 78%

- **KPM #5** - *Percent of customers rating their satisfaction with the Agency's customer service as "good" or "excellent" in the categories below.*

	Target	Actuals
Overall	85%	91%
Accuracy	85%	92%
Helpfulness	85%	85%
Timeliness	85%	86%
Availability of information	85%	90%
Expertise	85%	88%



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Key Performance Measures, cont.

▪ **Areas of concern**

- **KPM #3** - *Percent of contested case actions that are resolved through informal settlement resolution and prior to a formal hearing before the Office of Administrative Hearings.*

Target – 95% Actual – 87%

- **KPM #4** – *Percent of licensees who rate the board-administered exam as “good” or “excellent” as an effective screen for competent and ethical professionals.*

Target – 75% Actual – 64%



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- *Budget drivers*
 - *96% of revenue from professional licensing*
- *Industry environment*
 - *Oregon top in-bound migration*
 - *Trend downward for days on the market*
 - *Increased transaction volume*
 - *Supply constrained inventory*
 - *Multiple offers*
- *Internal environment*
 - *Reorganization*



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- *Proactive cost reduction plan - 37% reduction in services & supplies since 2009-11*

	2009-11	2011-13	2013-15	2015-17
Employees - FTE	31.6	30.0	29.0	29.0
Employees - Temp	6.0	3.5	2.5	0.5
Temp Employment Expense	130,176	67,383	50,843	12,558
Publication & Publicity (Printing)	109,468	10,371	3,735	1,585
Office Expenses	101,669	73,755	40,157	48,815
Rent Expense	388,953	361,996	406,296	194,644
Total Services & Supplies	2,157,644	1,766,873	1,517,176	1,417,562
Services & Supplies % Change Bi/Bi	-	-18.1%	-14.1%	-6.6%

- *Budgetary issues*
 - *Economic recession 2008, 30% reduction in licenses*
 - *Operating costs started exceeding revenue in 2009-11*
 - *January 2017 license counts have rebounded by half*



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Governor's Balanced Budget

Revenue:

Beginning Balance – Other Funds (1 month exp)		\$363,637
Revenue	\$6,314,305	
Projected Transfer to General Fund	\$(90,000)	
Total Available Revenues	\$6,587,942	
+ Package 101: OREA Fee Increase	<u>\$2,229,050</u>	
Total Revenue with Fee Increase	\$8,816,992	

Expenditures:

Current Service Level	\$7,898,615	
Packages 91 & 92: DAS & DOJ Adj.	<u>\$(53,962)</u>	
Governor's Budget:	<u>\$7,844,653</u>	
Ending Fund Balance (3 month exp)		\$972,339



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Proposed Legislation

- *SB 67 Housekeeping*
- *SB 68 OREA Fee Increase*
 - *Previous Fee Increase 1997*
 - *Most Fees Increase by 30%*
 - *Consumer Price Index, \$230 in 1997 equivalent to \$345 in 2017*
 - *Proposed fee 15% below CPI at \$300*
- *Stakeholder Engagement – 28 meetings over 16 months*

Industry Organizations	Statewide Board Meetings	Large Private Industry Organizations
Oregon Association of Realtors	Salem	Norris, Beggs & Simpson
Portland Metro Association of Realtors	Florence	Hasson Company
Corvallis Principal Brokers Group	Bend	Berkshire Hathaway RE Services
Commercial Association of Brokers	Pendleton	RE/MAX Equity Group



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Stakeholder Engagement – Work Session January 2016

Board Member	Organization
Jef Farley	Coldwell Banker Whitney & Assoc.
Pat Ihnat	Fidelity National Title
Dave Koch	RE/MAX Equity Group
Alex MacLean	Commercial Realty Advisors NW

State Government	
Rep. Sal Esquivel	State Representative - Medford
Michelle Deister	Oregon State Legislature – Senior Leg. Fiscal Analyst
Robert Otero	DAS Chief Financial Office - Analyst

Industry Leader	Organization
John Wallace	Oregon Association of Realtors
Shawn Cleave	Oregon Association of Realtors
Shaun Jillions	Oregon Association of Realtors
Donald Robertson	Heritage NW Real Estate
Eva Sanders	Meadows Group, Inc.
Vikki Breese-Iverson	Windermere Central OR
Steve Strobe	RE/MAX Equity Group
Debra Gisriel	Fisher Nicholson Realty
George Grabenhorst	Oregon Association of Realtors/ Sperry Van Ness Commercial Advisors, LLC
Dave Hamilton	Norris & Stevens
Steve Lucas	Oregon Realty Co.
Bob LeFeber	Commercial Realty Advisors NW
Lynae Forbes	Hasson Company
Deborah DuFresne	RE/MAX EQUITY GROUP WEST HILLS
Richard Caplan	Windermere Stellar