



# Oregon Real Estate Agency Budget Presentation

Dean Owens, Acting Real Estate Commissioner

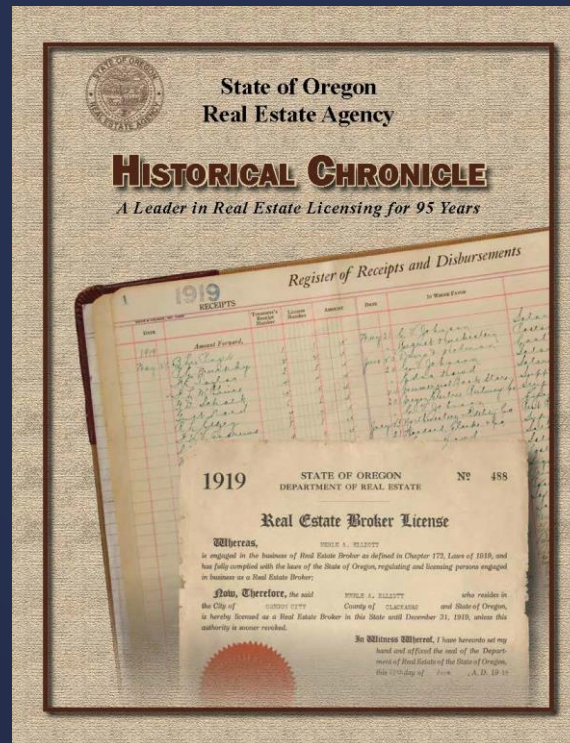
Joint Committee on Ways and Means  
Subcommittee on Transportation & Economic Development  
January 31, 2019

# Agency's 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*.



# First Real Estate License Laws in the Nation



# Goal #1: Increase Efficiency within Existing Resources

- Real estate professionals conduct business online.
- 95% of Agency's processes moved online to eLicense.
- Will move remaining 5% online by 2021.
- Customer benefits:
  - Easy access to information.
  - Faster application processing.
- Agency benefits:
  - Minimize physical storage.
  - Reduce paper and postage.
  - Decrease staff time.
  - Improve data accuracy.



## Goal #2: Customer Protection through Increased Clients' Trust Accounts Reconciliation Reviews

- Reviews the reconciliations of clients' trust accounts (CTAs) by principal brokers & property managers.
  - CTAs are bank accounts where licensees hold funds on behalf of property owners.
  - Licensees have a fiduciary duty to manage funds properly.
- CTA Reconciliation Reviews duties reorganized across Agency.
  - Administrative tasks were moved to Customer Service.
  - Noncompliance issues are left to specially trained staff.
- Number of monthly CTA Reviews tripled – 25 to 75.

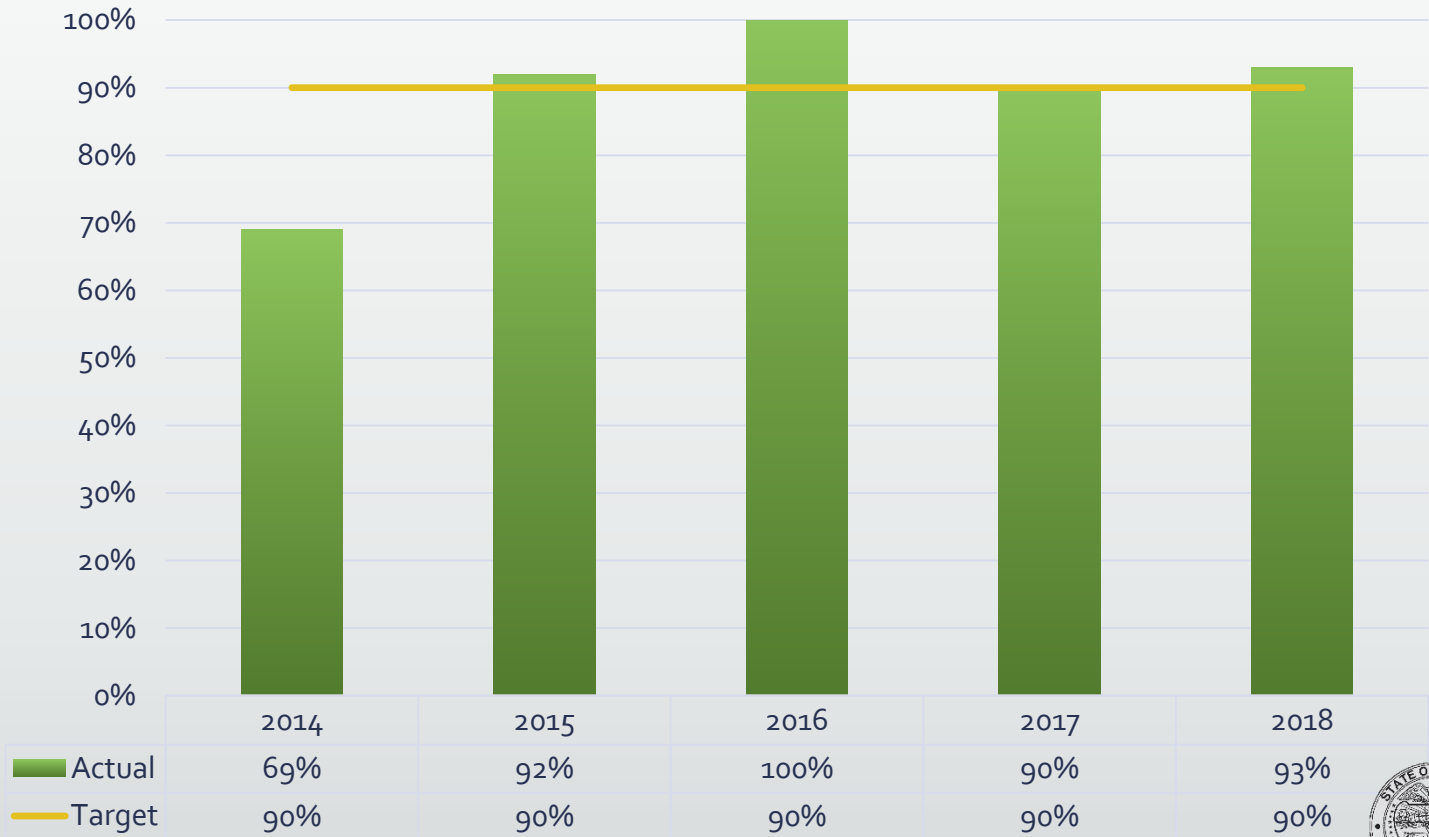


## Goal #3: eLicense System Replacement Planning

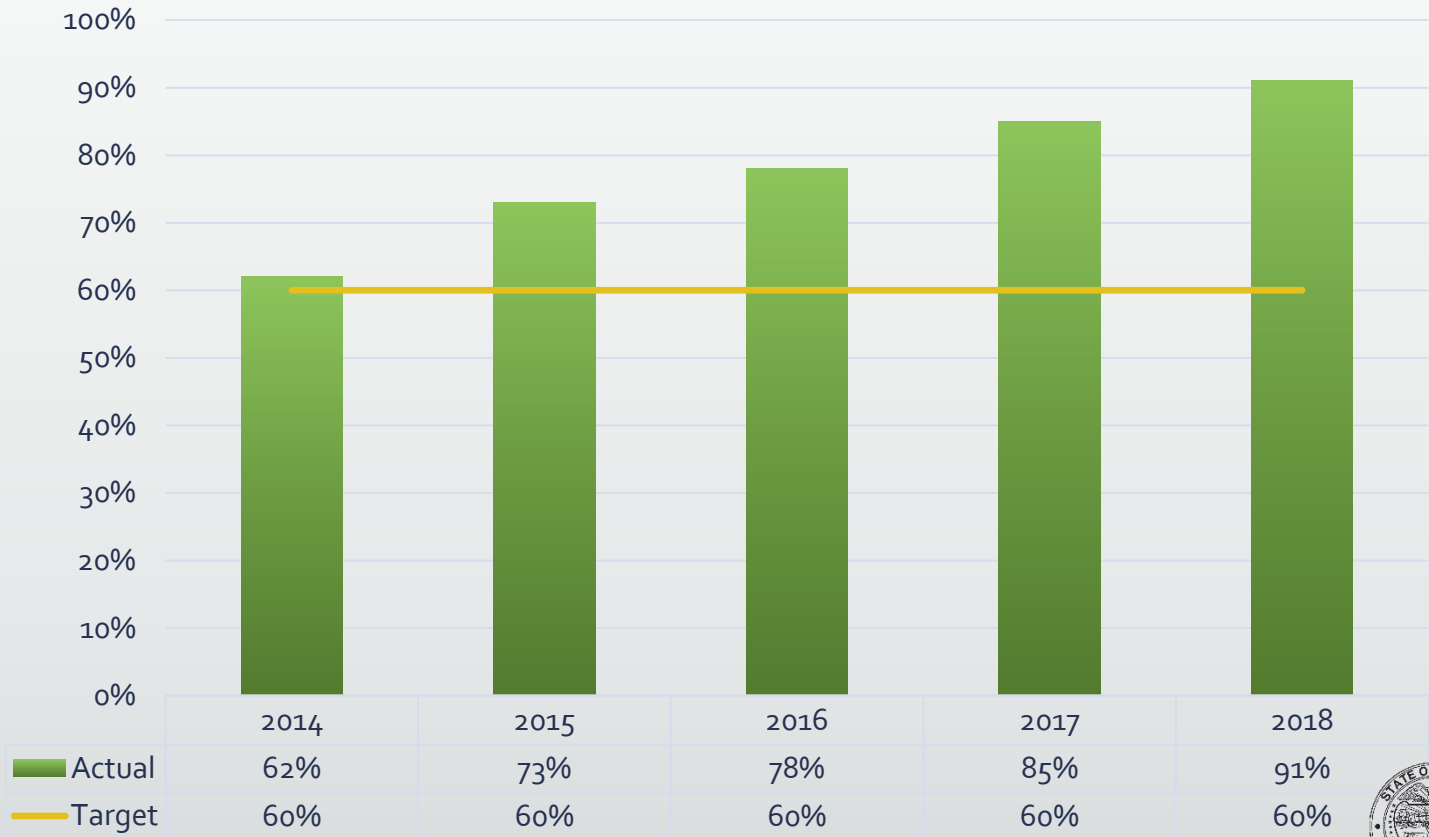
- Projected lifecycle end of eLicense is 2022.
- New or updated system gives opportunity to gain new efficiencies and meet growing customer expectations.
- Anticipate policy option package in 2021-23 budget.



# KPM #1: % of Property Managers & Principal Brokers Who Met Compliance within 45-days of a Mail-In Compliance Review

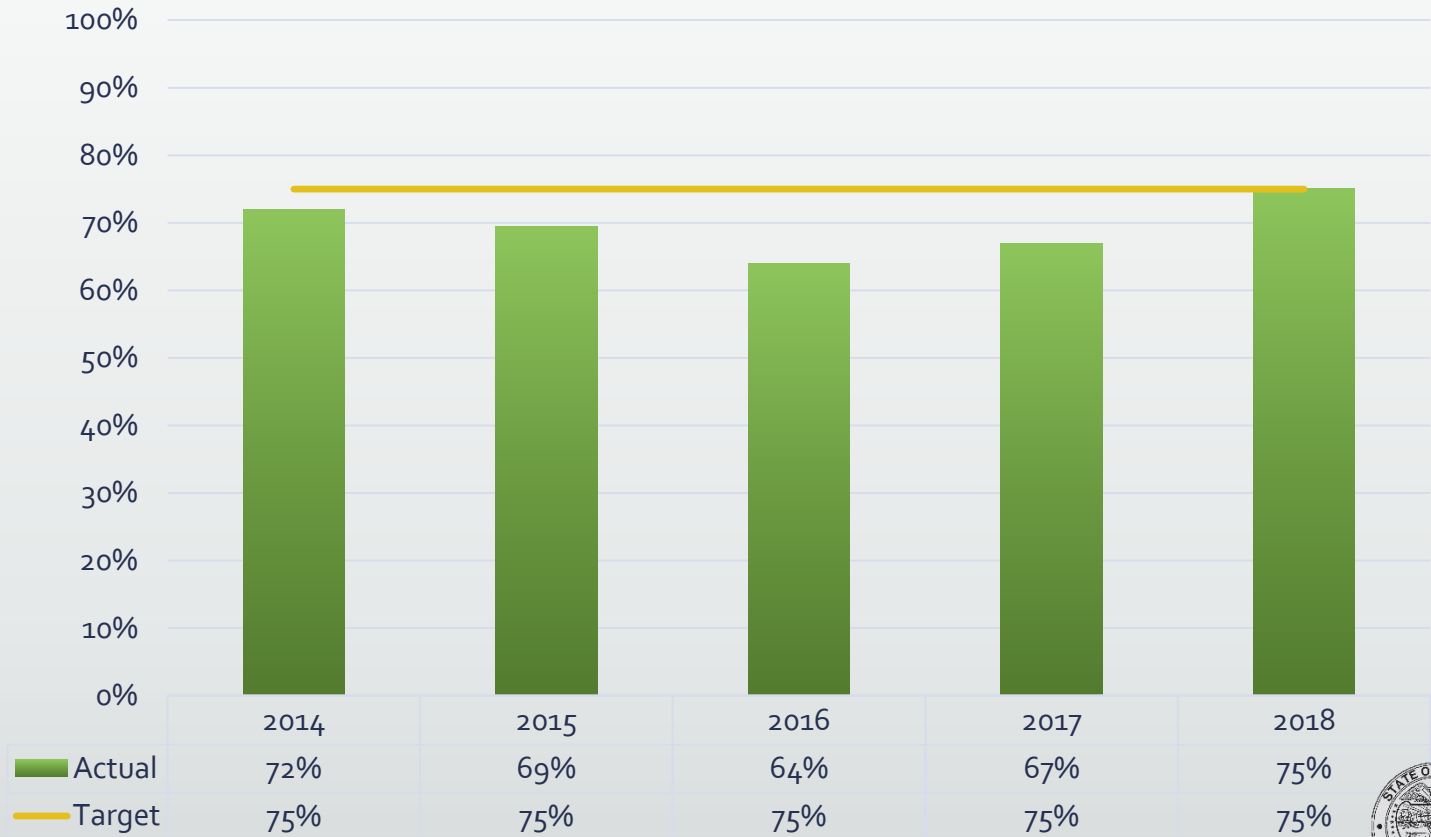


# KPM #2: Percent of Investigations Completed within 150 Days of Receipt of Complaint

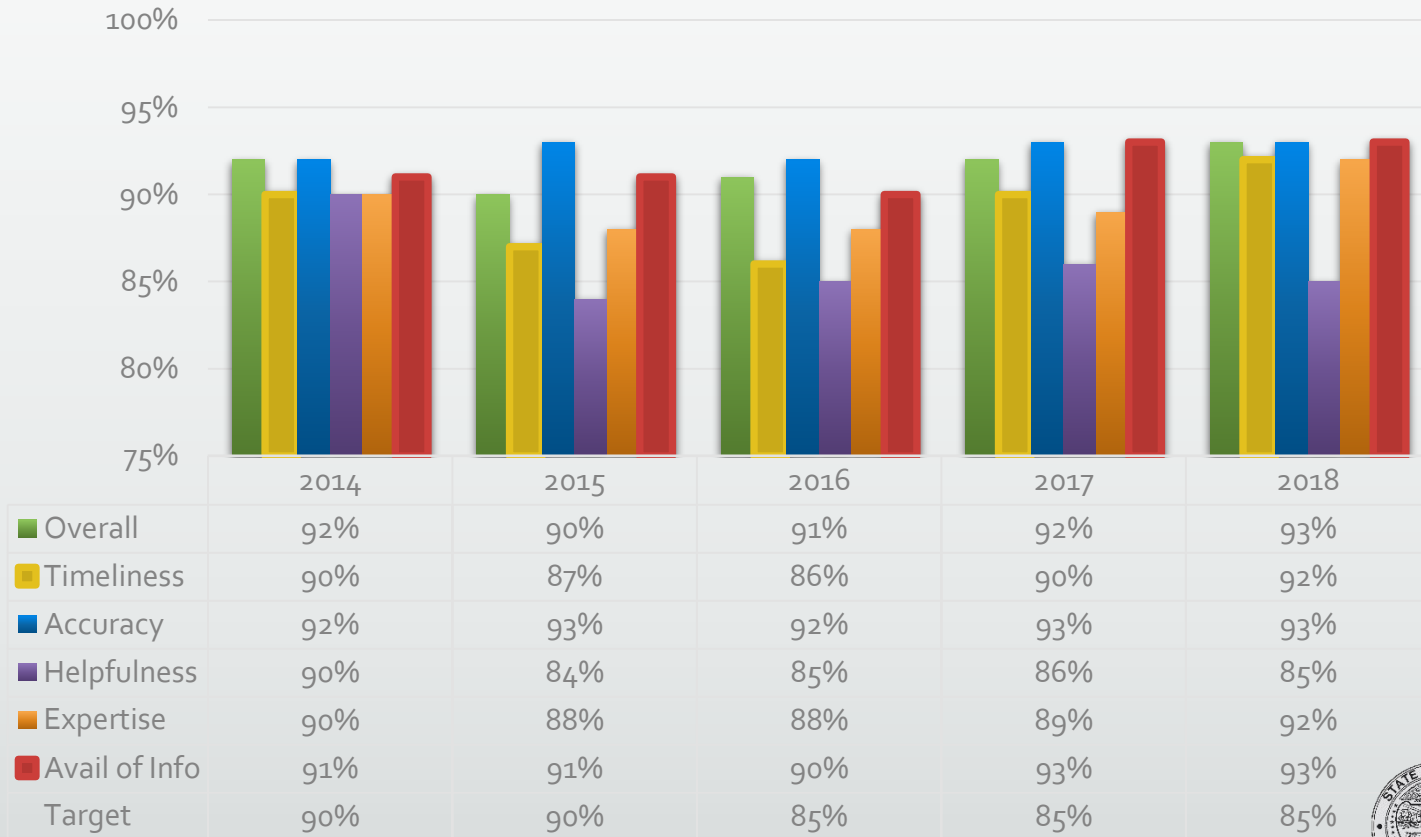




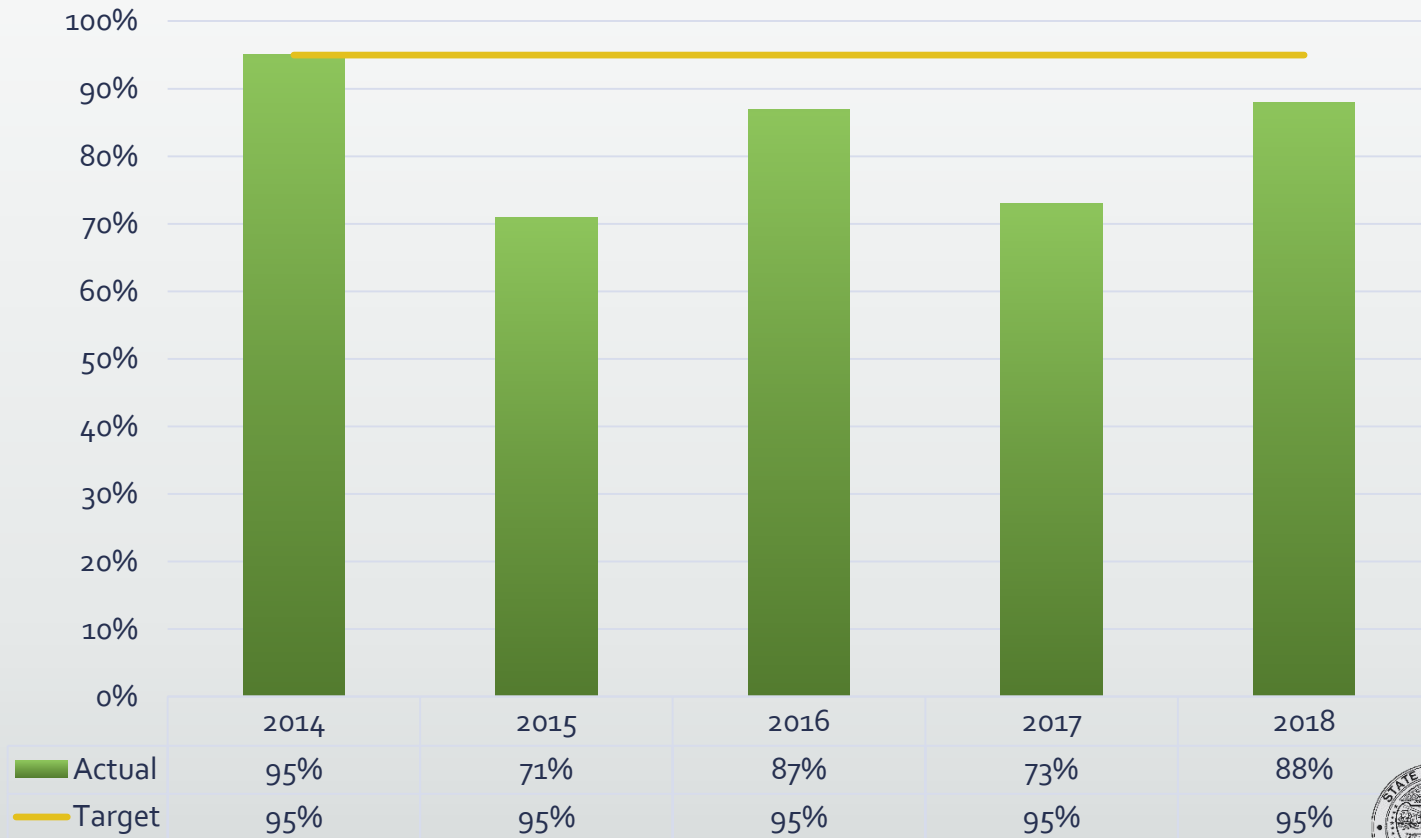
# KPM #4: Percent of Licensees Who Rate the Board-Administered Exam as “Good” or “Excellent” as an Effective Screen for Competent and Ethical Professionals



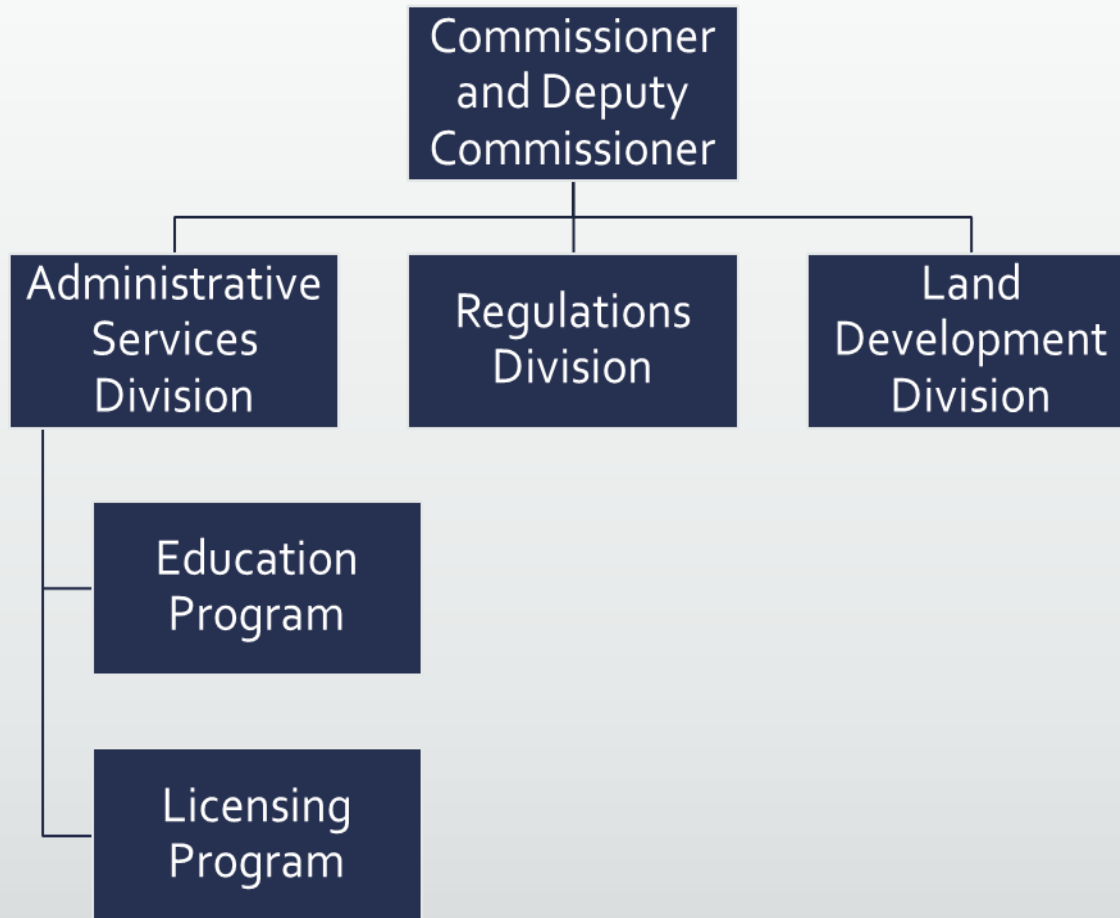
# KPM #5: Percent of Customers Rating Their Satisfaction with the Agency's Customer Service as "Good" or "Excellent"



# KPM #3: Percent of Contested Case Actions Resolved through Informal Settlement Resolution and prior to a Formal Hearing before the Office of Administrative Hearings



# Summary of Programs



# Education Program

- Pre-license education
  - Develops course outlines.
  - Approves course content and instructors.
  
- Continuing Education
  - Certifies providers.
  - Works with Board to develop outline for Law and Rule Required Course.
  
- Licensing exams
  - Works with Board and exam provider to develop and implement exams.



# Licensing Program

- Responds to phone and email inquiries.
- Assists licensees and applicants.
- Reviews criminal backgrounds.
- Conducts continuing education audits.
- Initiates and performs initial evaluation of CTA Reviews.
- Maintains escrow license and surety bond files.



# Regulations Program

- Investigates complaints.
- Engages in alternative dispute resolution processes.
- Takes cases to contested case hearings as needed.
- Investigates CTA Reviews as needed.
- Audits escrow trust accounts.



# Populations Served

- Real Estate Consumers
- Licensees and License Applicants
- Real Estate Schools and Continuing Education Providers
- Condominium Developers
- Attorneys
- Industry Organizations
- Other Government Entities





# Budget Drivers

- Agency is 100% other-funded.
- Licensing fees increased last year.  
(First increase in 20 years.)
- Revenue is related to the number of real estate licenses which is related to the real estate market.
- We anticipate that the number of new license applications will remain flat for next biennium.



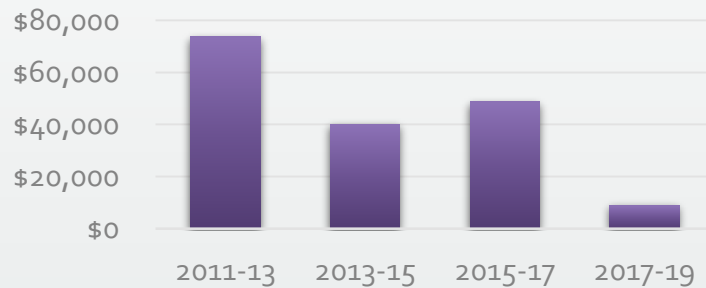
# Major Program Change: Seek Approval for Policy Option Package 101

- Package would re-class an Administrative Specialist II position to a Compliance Specialist I.
- Staff member moved from customer services duties to compliance duties related to the CTA reviews.
- No cost associated to re-class request.

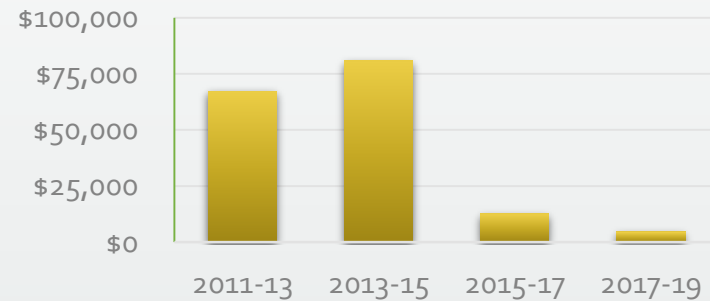


# Major Cost Containing Measures & Budgetary issues

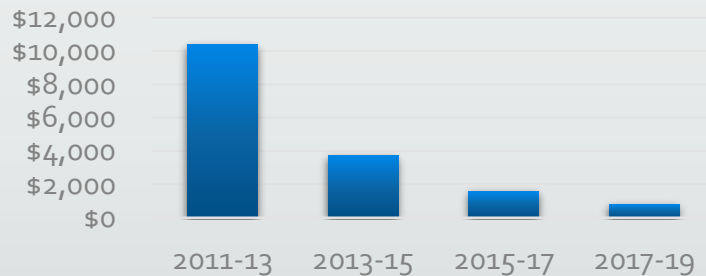
## Office Expenses



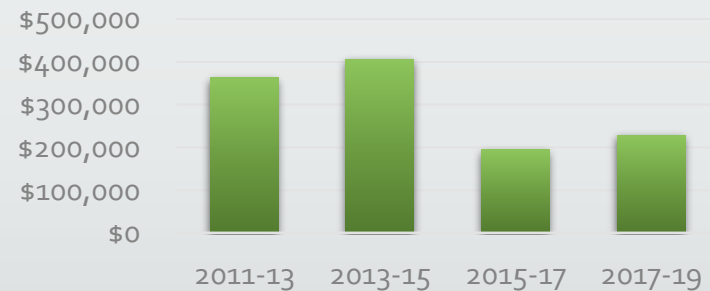
## Temporary Employment



## Publications



## Rent



# 2019-2021 Governor's Balance Budget Summary

## Revenue:

Beginning Balance – Other Funds	\$1,306,593
Revenue	\$8,654,745
Projected Transfer to General Fund	<b>\$(90,000)</b>
<u>Total Available Revenues</u>	<u>\$9,871,338</u>

## Expenditures:

Current Service Level	\$8,586,773
DOJ & State Gov. Service Charges	<b>\$(50,011)</b>
<u>Governor's Budget</u>	<u>\$8,536,762</u>

**Ending Fund Balance:** \$1,334,576



# Thank you

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