

**Legislative
Fiscal Office**

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**Joint Committee on
Ways and Means**

Sen. Betsy Johnson, Senate Co-Chair
Sen. Elizabeth Steiner Hayward, Senate Co-Chair
Rep. Dan Rayfield, House Co-Chair

Sen. Jackie Winters, Senate Co-Vice Chair
Rep. David Gomberg, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Transportation and Economic Development Subcommittee
From: Michelle Deister, Legislative Fiscal Office
Date: February 1, 2019
Subject: SB 5536 – Real Estate Agency
Work Session Recommendations

Real Estate Agency – Agency Totals

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 LFO Recommended
Other Funds	6,735,567	7,781,918	8,586,773	8,586,773
Total Funds	6,735,567	7,781,918	8,586,773	8,586,773
Positions	29	29	29	29
FTE	29.00	29.00	29.00	29.00

Attached are the recommendations from the Legislative Fiscal Office for the Real Estate agency. The budget recommendation contains the following:

- Package 101 - The reclassification of an Administrative Specialist II to a Compliance Specialist I. This package requires no additional expenditure limitation.

Adjustments to Current Service Level

There are no adjustments to current service level. See attached “Work Session Presentation Report.”

Note: Statewide adjustments are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Accept LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5536. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5536, with modifications. (VOTE)

Performance Measures

See attached “Legislatively Proposed 2019-21 Key Performance Measures.”

The Legislative Fiscal Office recommends increasing the proposed target for KPM #2 - Percent of investigations completed within 150 days - from 60% to 80% based on consistent improvements in performance and additional staffing resources applied toward coordination of investigations.

Accept LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. (VOTE)

Recommended Changes

The Legislative Fiscal Office recommends a 2019-21 budget of \$8,586,773 Other Funds and 29 positions (29.00 FTE) for the Real Estate Agency, which is reflected in the -1 amendment.

MOTION: I move adoption of the -1 amendment to SB 5536. (VOTE)

Final Subcommittee Action

LFO recommends that SB 5536, as amended by the -1 amendment, to be moved to the Ways and Means Full Committee.

MOTION: I move SB 5536, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	-	-	7,621,789	-	-	-	7,621,789	29	29.00
2017-19 Ebds, SS & Admin Act	-	-	160,129	-	-	-	160,129	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	-	-	7,781,918	-	-	-	7,781,918	29	29.00
2017-19 Leg Approved Budget (Base)	-	-	7,781,918	-	-	-	7,781,918	29	29.00
Summary of Base Adjustments	-	-	455,258	-	-	-	455,258	-	-
2019-21 Base Budget	-	-	8,237,176	-	-	-	8,237,176	29	29.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	206,761	-	-	-	206,761	-	-
030: Inflation & Price List Adjustments	-	-	142,836	-	-	-	142,836	-	-
2019-21 Current Service Level	-	-	8,586,773	-	-	-	8,586,773	29	29.00
Adjusted 2019-21 Current Service Level	-	-	8,586,773	-	-	-	8,586,773	29	29.00
Total LFO Recommended Packages	-	-	-	-	-	-	-	-	-
2019-21 Legislative Actions	-	-	8,586,773	-	-	-	8,586,773	29	29.00
Net change from 2017-19 Leg Approved Budget	-	-	804,855	-	-	-	804,855	-	-
Percent change from 2017-19 Leg Approved Budget	0.0%	0.0%	10.3%	0.0%	0.0%	0.0%	10.3%	0.0%	0.0%
Net change from 2019-21 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2019-21 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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2017-19 Ebds, SS & Admin Act	-	-	160,129	-	-	-	160,129	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	-	-	7,781,918	-	-	-	7,781,918	29	29.00
2017-19 Leg Approved Budget (Base)	-	-	7,781,918	-	-	-	7,781,918	29	29.00
Summary of Base Adjustments	-	-	455,258	-	-	-	455,258	-	-
2019-21 Base Budget	-	-	8,237,176	-	-	-	8,237,176	29	29.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	206,761	-	-	-	206,761	-	-
030: Inflation & Price List Adjustments	-	-	142,836	-	-	-	142,836	-	-
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Net change from 2019-21 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2019-21 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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Package 101 Compliance Specialist Reclassification

Package Description This package reclassifies one position from an Administrative Specialist II to a Compliance Specialist I and requires no additional funding. Due to reorganization of agency divisions this position now focuses on compliance instead of license processing and customer service. The position has been working out of class since December 2016.

LFO Recommendation Approve.

LFO Recommended	-	-	-	-	-	-	-	-	-
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Legislatively Proposed 2019 - 2021 Key Performance Measures

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Agency: Real Estate Agency

Mission Statement:

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	Metrics	Agency Request	Last Reported Result	Target 2020	Target 2021
1. Compliance Rate Achieved - Percent of property managers/principal brokers reviewed who meet compliance within 45 days of a mail-in compliance review.		Approved	93%	90%	90%
2. Percent of investigations completed within 150 days of receipt of complaint.		Approved	91%	80%	80%
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	88%	95%	95%
4. Percent of licensees who rate the board-administered exam as "good" or "excellent" as an effective screen for competent and ethical professionals.		Approved	75%	75%	75%
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	93%	85%	85%
	Overall		93%	85%	85%
	Timeliness		92%	85%	85%
	Accuracy		93%	85%	85%
	Expertise		92%	85%	85%
	Helpfulness		85%	85%	85%

LFO Recommendation:

The Legislative Fiscal Office recommends Key Performance Measures and targets as presented.

The Legislative Fiscal Office recommends adjusting the target for KPM #2 - percent of investigations completed within 150 days of receipt of complaint - from 60% to 80%. The agency has consistently improved performance in this area since shifting additional staffing resources in 2017 to assist in the coordination of investigations.

As discussed in the Ways and Means Subcommittee on Transportation and Economic Development in 2017, depending on the nature of disciplinary cases, the agency may continue to miss the target for KPM #3. This is because only a portion of agency investigations move to the contested case phase (some licensees prefer to present their position in a formal administrative hearing), and some of those that do may be more egregious cases of misconduct, which the Commissioner may not find to be suitable candidates for settlement.

SubCommittee Action: