

Real Estate Agency

	2019-21 Actual	2021-23 Legislatively Adopted	2021-23 Legislatively Approved *	2023-25 Current Service Level	2023-25 Governor's Request Budget
Other Funds	8,835,714	9,768,489	10,141,433	11,027,459	14,013,928
Total Funds	8,835,714	9,768,489	10,141,433	11,027,459	14,013,928
Positions	29	29	29	30	34
FTE	29.00	29.00	29.00	29.00	34.00

* Includes Emergency Board and administrative actions through December 2022.

Program Description

The Real Estate Agency is responsible for licensing, continuing education, and enforcing Oregon's real estate laws applicable to brokers, property managers, and real estate firms. Application fees and fees paid for professional licenses by brokers, principal brokers, and property managers make up 97 percent of all revenue collected. Additional revenue is derived from charges for services and fines and forfeitures, with all civil penalties transferred to the General Fund.

The 2023-25 Current Service Level is an 11.8% increase from the 2021-23 Legislatively Approved Budget and is consistent with the Current Service Level adjustments outlined in the 2023-25 Budget Instructions. Increases to the CSL are primarily due to Personal Services and Services and Supplies. The Agency currently has approximately 13.6-month ending fund balance.

CSL Summary

There are no CSL issues.

Policy Issues

There are no current policy issues.

Governor's Budget Summary

The Agency has the following policy option packages (POP):

- POP 101 will continue replacing the eLicense System that was started in 2022 with an Other Funds limitation increase to hire a Limited Duration project manager to start gathering business requirements. The Agency anticipates \$2.3 million for software acquisition and one permanent full-time Project Manager (1.00 FTE) to begin the implementation and deployment. The Agency is currently progressing through the Stage-Gate process as directed by the Oregon State Chief Information Officer's Enterprise Information Services office. The Agency increased fees in 2018 in anticipation of starting the replacement project in 2020. The pandemic delayed

the project, and they are now in a position to continue with the implementation. The Agency has sufficient resources to fund the project.

- POP 102 will add one permanent full-time Auditor 2 (1.00 FTE) and two permanent full-time Compliance Specialists 1 (2.00 FTE) for increased oversight of licensed property managers. The additional staff will review property management documentation, accounting records, and bank account reconciliation of approximately 10,000 client trust accounts. The total cost for this package is \$529,146 Other Funds and three FTE.
- POP 103 is for one permanent full-time Human Resource Analyst 3 (1.00 FTE) to provide agency staff and management with human resources and recruitment support. The Agency is currently contracting with the Department of Administrative Services for HR support. This position will also act as the Agency's Affirmative Action and Diversity, Equity, and Inclusion Coordinator. The total cost for this package is \$239,266, Other Funds and one FTE.

The Governor's budget is a 27.1% increase over CSL.

Other Significant Issues and Background

With the potential of a recession, with a downturn in the home-buying market, the Agency could see a decrease in licensing fees. However, the Agency is well-positioned to absorb a certain level of decrease in revenue.

Key Performance Measures

A copy of the [agency name] Annual Performance Progress Report can be found on the LFO website:

https://www.oregonlegislature.gov/lfo/APPR/APPR_REA_2022-10-03.pdf