



Oregon

Tina Kotek, Governor

Oregon Real Estate Agency

775 Center St. NE, Suite 330

Salem, Oregon, 97301

Phone: (503) 378-4170

www.oregon.gov/rea

October 29, 2025

Senator Kate Lieber, Co-Chair
Representative Tawna Sanchez, Co-Chair
Oregon Joint Interim Committee on Ways and Means
900 Court St. NE, Room H-178
State Capitol
Salem, OR 97301

RE: 2025-27 Oregon Real Estate Agency Reduction Options

Dear Co-Chairpersons:

The Oregon Real Estate Agency serves to provide quality protection for Oregon consumers of real estate, escrow and land development services, balanced with a professional environment conducive to a healthy market atmosphere. We fulfill this mission through the licensure and regulation of real estate brokers, principal brokers, property managers and escrow organizations, as well as through the review and approval of condominium filings. The Agency is funded exclusively through other fund revenues, primarily from licensing fees.

In response to increased license attrition and a decline in new applications, the Agency proactively implemented cost-savings measures ahead of this reduction effort. On August 1, 2025, we relocated from a privately owned leased office to a state-owned building within a smaller footprint. Although relocation costs offset immediate savings in the 2025-27 biennium, this move will reduce long-term lease expenses by approximately 50%.

Additionally, in July 2025, the Agency transitioned from internally staffed IT services, previously staffed by two full-time FTE, to DAS IT Shared Services. This change yielded approximately \$500,000 in long-term savings. However, these savings are being used in the current biennium to meet the vacancy savings factor and absorb related transition costs. While these actions support long-term expenditure reductions, their full impact will not be realized until future biennia. Nonetheless, the Agency included a \$719,280 reduction package in the 2025-27 budget to contain costs and maintain a healthy ending balance.

To reduce beyond the current legislative budget, the Agency laid off one financial investigator in June 2025 and secured a job rotation for the affected employee at the Oregon Department of Justice, resulting in nearly \$300,000 savings in the 2025-27 biennium. While abolishing this position would end the job rotation and separate the employee from active employment, it remains a viable reduction option for this exercise. To fully meet the 5% target, the Agency proposes a reduction of approximately \$500,000 in program related services and supplies,



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specifically dedicated to examination fee expenditures. This line item is driven by the number of examination applicants. Should application volume increase beyond current projections, the Agency would seek Emergency Board approval to adjust the budget accordingly.

Thank you for the opportunity to outline our recent cost-savings efforts and present further options, should they be required.

Sincerely,

Anna Higley

Anna Higley
Deputy Commissioner
Oregon Real Estate Agency
971-719-0348

2025-27 Biennium

2025-27 LAB	-	-	15,926,038	-	-	-	15,926,038
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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Priority (ranked most to least preferred)		Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Gov. Reduction Target Yes / No	One-Time Yes / No	Describe the reduction and associated impact on services and outcomes. Please identify the source of Other Funds reductions.
Dept	Prgm/ Div															
REG	INV	OREA		Reduce 1FTE-Fin.Inv.6			299,948				\$ 299,948	1	1.00	No	No	Other Funds -This position has been officially laid off by the Agency but the former employee is working in a rotation, from this base position, as an investigator with the Oregon Department of Justice. The Agency is being reimbursed by Oregon Department of Justice for the personal services expense. Eliminating this position will result in a reduction of limitation but no new savings will be realized and the job rotation would be terminated, causing the investigator to be separated from active employment.
ADM	EXAM	OREA		Examination Services: reduce limitation in services and supplies			496,354				\$ 496,354			No	No	Other Funds -This budget category is reserved for examination services pass through costs for real estate licensing exam fees. Current application volume is down from previous periods. Should volume increase and appear on track to exceed limitation, the Agency would seek a limitation increase from the Emergency Board.
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				TOTAL	-	-	796,302	-	-	-	\$ 796,302	1	1.00			

Target (5%)	796,302	-	796,302
Difference	(796,302)	-	0

Real Estate Agency 2025-27 Biennium
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Detail of Programs in the 2025-27 Legislatively Approved Budget that have been established or expanded since 2021-23									
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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Agency	SCR	Program Establishment / Expansion			Program Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Implementation Status
		Biennium	Effective Date	Authorization											
91900		2023-2025	7/1/2023		2023-2025 LAB Package 102: Compliance Division expansion of three (3) FTE, to increase the number of clients trust account reconciliation reviews and re-establish escrow organization audits. One Financial Investigator 1 position and 2 Compliance Specialist positions.			675,166				\$ 675,166	3	3.00	All positions are filled and expansion is implemented.
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				TOTAL		-	-	675,166	-	-	-	\$ 675,166	3	3.00	

Instructions

Column (5) - Authorization should identify the source of the new program or program expansion, which could include enabling legislation, approved policy option package, or administrative establishment.

Column (6) - Program description should include a summary of the program and the expansion (if applicable), including any partner state agencies.

Column (16) - Current status of program implementation should be summarized, including any future budget requests anticipated upon full program implementation.