

Director: Elaine Richardson

JLBC Analyst: Nick Klingerman

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Approved	FY 2007 Approved
<b>OPERATING BUDGET</b>				
<i>Full Time Equivalent Positions</i>	65.4	65.4	65.4	65.4
Personal Services	1,959,300	2,103,300	2,439,300	2,399,700
Employee Related Expenditures	583,500	640,700	741,500	665,400
Professional and Outside Services	17,300	8,600	9,500	8,600
Travel - In State	40,900	43,500	43,500	43,500
Travel - Out of State	3,000	0	0	0
Other Operating Expenditures	422,100	412,300	412,300	412,300
Equipment	86,100	0	12,200	0
<b>AGENCY TOTAL</b>	<b>3,112,200</b>	<b>3,208,400</b>	<b>3,658,300<sup>1/2/</sup></b>	<b>3,529,500<sup>1/2/</sup></b>

**FUND SOURCES**

General Fund	3,112,200	3,208,400	3,658,300	3,529,500
<b>SUBTOTAL - Appropriated Funds</b>	<b>3,112,200</b>	<b>3,208,400</b>	<b>3,658,300</b>	<b>3,529,500</b>
Other Non-Appropriated Funds	180,700	290,500	290,500	290,500
<b>TOTAL - ALL SOURCES</b>	<b>3,292,900</b>	<b>3,498,900</b>	<b>3,948,800</b>	<b>3,820,000</b>

**AGENCY DESCRIPTION** — The department issues licenses for real estate, cemetery, and membership campground sales. The department also regulates the real estate industry, including licensees, developers, subdividers, and real estate schools. The department collects various filing and licensing fees, which are deposited into the state General Fund. The revenues derived from these fees are required by law to be between 95% and 110% of the department’s state General Fund appropriation.

**PERFORMANCE MEASURES**

	FY 2003 Actual	FY 2004 Actual	FY 2006 Approved
• Average days to issue a public report	--	35.5	30.0
• Average days from receipt to issuance of license reports	3.1	4.8	4.5
• % of surveys from licensees indicating “good” to “excellent” service	99.0	99.6	99.7
• Average days from receipt of complaint to resolution	104.5	141.3	104.5

**Comments:** The agency attributes an increase in the average days to issue a license to a combination of increasing license applications and license division understaffing. The FY 2006 budget funds 4 vacant FTE Positions to address this problem. The customer satisfaction rating by licensees for the State Real Estate Department consistently remains at, or above, 99.0%. The agency also reports the average days from receipt of complaint to resolution increased significantly between FY 2003 and FY 2004 because of complex cases that required more time to process.

**Operating Budget**

The budget provides \$3,658,300 from the General Fund for the operating budget in FY 2006 and \$3,529,500 in FY 2007.

The approved amount includes an increase of \$116,600 from the General Fund in FY 2006 for statewide adjustments. *(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)*

<sup>1/</sup> The above amounts include \$333,300 in FY 2006 and \$321,100 in FY 2007 from the state General Fund to fill vacant FTE Positions. The department is required to allocate the additional funding for 4 FTE Positions in the Licensing Division, 3 FTE Positions in the Subdivision Division, 1 FTE Position in the Investigations Division, and 0.5 FTE Position for information technology. (General Appropriation Act footnote)  
<sup>2/</sup> General Appropriation Act funds are appropriated as a Lump Sum by Agency.

#### *Investigation Division*

The budget provides an increase of \$37,400 from the General Fund in FY 2006 and an increase of \$36,000 in FY 2007 to fill 1 vacant investigator FTE Position. The funding will decrease the average caseload per investigator from 74 to 67. The FY 2006 approved amount includes \$1,400 in one-time equipment monies.

#### *Subdivision Division*

The budget provides an increase of \$109,800 from the General Fund in FY 2006 and an increase of \$105,800 in FY 2007 to fill 3 vacant subdivision FTE Positions. The funding will decrease the processing time associated with issuing a public report from 50 days currently (FY 2005) to 30 days in FY 2006. The FY 2006 approved amount includes \$4,000 in one-time equipment monies.

#### *Licensing Division*

The budget provides an increase of \$152,100 from the General Fund in FY 2006 and an increase of \$146,700 in FY 2007 to fill 4 vacant license FTE Positions. The funding will decrease the workload per license processor from approximately 7,200 to 5,000, despite a projected increase of 2% in the total quantity of license applications received. The FY 2006 approved amount includes \$5,400 in one-time equipment monies.

#### *Information Technology*

The budget provides an increase \$34,000 from the General Fund in FY 2006 and an increase of \$32,600 in FY 2007 to fill a vacant 0.5 FTE Position with a new information technology specialist position. The FY 2006 approved amount includes \$1,400 in one-time equipment monies.

### ***Additional Legislation***

#### ***Fees for Service Budget Reconciliation Bill***

The Fees for Service Budget Reconciliation Bill (Laws 2005, Chapter 299) suspends in FY 2006 and FY 2007 the statutory requirement that fee revenue be between 95% and 110% of the department's appropriation. The department is likely to collect fee revenue in excess of 110% of its FY 2006 and FY 2007 appropriation. Fee revenue is deposited into the General Fund. Therefore, this provision will allow the department to collect revenue in excess of 110%.