



STATE OF ARIZONA
DEPARTMENT OF REAL ESTATE

DOUGLAS A. DUCEY
GOVERNOR

JUDY LOWE
COMMISSIONER

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August 28, 2020

The Honorable Douglas A. Ducey
Governor
State of Arizona
1700 W. Washington Street
Phoenix, Arizona 85007

Dear Governor Ducey,

It is with great pride that I present to you the **Arizona Department of Real Estate (ADRE) Budget Request and Strategic Plan** for FY 2022.

The ADRE continues to implement the Arizona Management System (AMS) which has led to process improvement and reduced timeframes that benefit the Arizona real estate industry and public that we serve. Dedication, effort, and a TEAM attitude of all employees, the Department has not only been able to maintain an adequate level of oversight of the real estate industry, but has continued to make positive gains within each division.

I am appreciative of the support you and your staff have provided for ADRE. We will continue to identify opportunities to become more efficient by streamlining services for our industry and the public customers we serve. With your continued support in FY 2022, I remain optimistic that the Department can continue to move the needle forward in the real estate industry with balanced regulation to support growth in the Arizona economy.

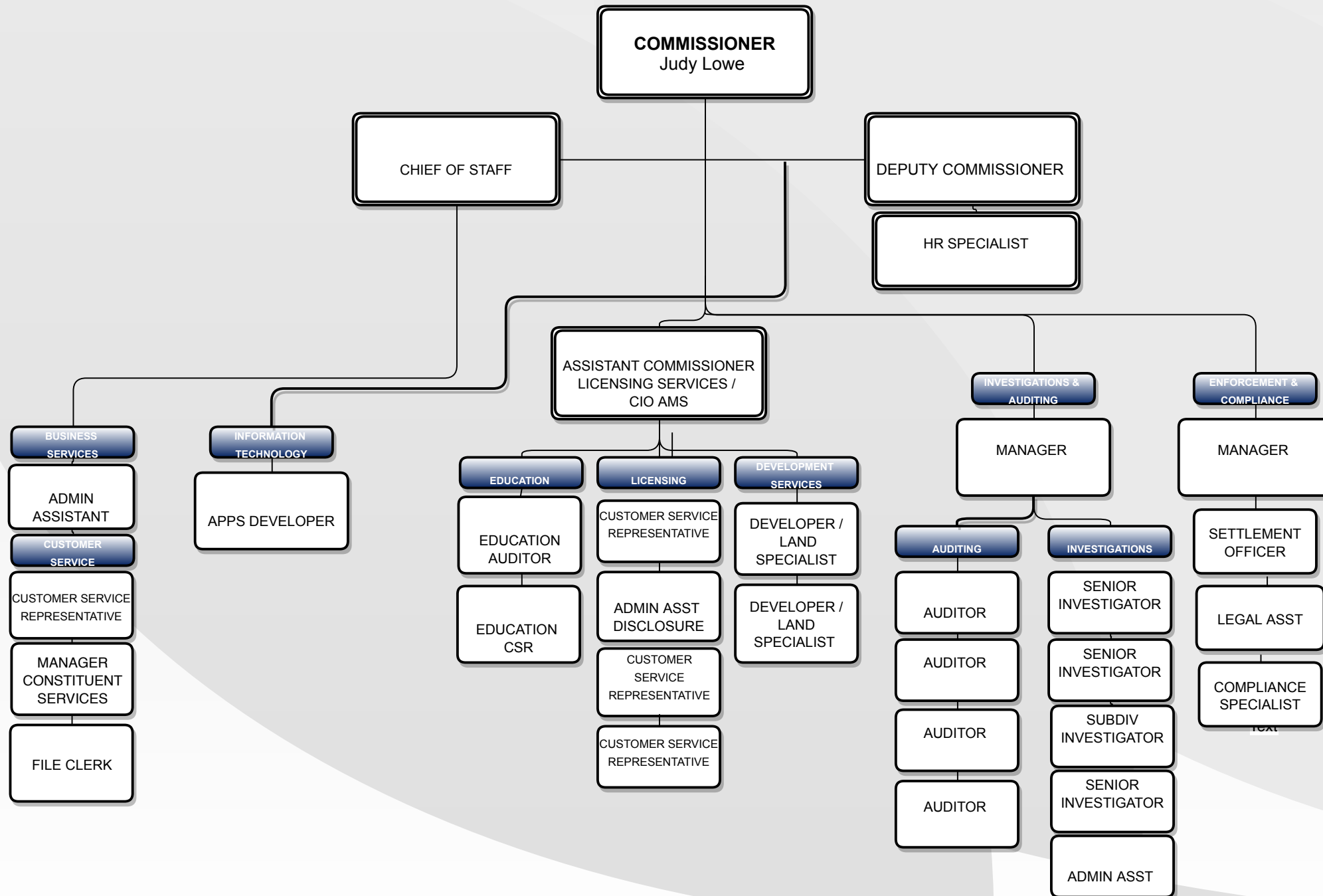
The Department continues to build on its successes this past year. I thank you for your continued commitment and service to the citizens of the great State of Arizona.

Respectfully,

A handwritten signature in blue ink that reads "Judy Lowe".

Judy Lowe
Commissioner

STATE OF ARIZONA – DEPARTMENT OF REAL ESTATE



Vision: The Arizona Department of Real Estate shall be the most customer service oriented, technologically innovative, and operationally efficient and effective state level real estate department in the United States.

Agency Description: The Department oversees the administration of licensing examinations and issuance of licenses, as well as the activities of licensees to ensure compliance with the Arizona Department of Real Estate Revised Statutes and the Commissioner's Rules. Also, within the purview of the Department is builder/development regulation of the sale of subdivided and certain unsubdivided lands, timeshares, condominiums, membership campgrounds, and cemeteries.

The Arizona Department of Real Estate regulates real estate schools and educators, monitoring prelicensing and continuing education courses to ensure the quality of the content of courses and the competence of the instructors, as well as the quality and timeliness of materials being taught.

Executive Summary: The Arizona Department of Real Estate will utilize the Arizona Management System to continue fulfilling its principles, values and mission.

The Department of Real Estate will be a leader among state real estate agencies through prioritizing strategic goals of providing excellent customer service, continuing to drive technological advancement, update and strengthen real estate education and focus on operational success.

Strategic Issues

- Identify customer values and investor expectations;
- Data driven decision making;
- Structured problem solving;
- Streamlining delivery of services;
- Maximizing technology platform;
- Delivering results that provide greater benefits for the people of Arizona.

Summary of Multi-Year Strategic Priorities

#	Five Year Strategy	Start Year	Progress / Successes
1	Provide excellent customer service	FY 2018	Maintained percentage of favorable reviews of 84 percent in FY2020.
2	Drive innovation through technological advancement	FY 2018	The majority of ADRE services are available online.
3	Strengthen real estate education	FY 2019	<ul style="list-style-type: none"> • Completed 482+ volunteer monitor assignments • Implemented temporary host remote live streaming course delivery program • Implemented course curriculum and examination updates
4	Lead all national state real estate agencies in operational efficiency and effectiveness	FY 2018	<ul style="list-style-type: none"> • Identified opportunities to update processes and procedures • Updated processes and procedures
5	Developing an engaged, professional workforce	FY 2019	<ul style="list-style-type: none"> • Implemented staff remote learning / training opportunities • Implemented telework program in FY2020

Arizona Department of Real Estate

Fiscal Year 2021 Strategic Plan

Current Annual Focus

Strategy #	FY20 Annual Objectives	Objective Metrics	Annual Initiatives
1	Increase percentage of favorable customer service surveys	Percent of favorable customer service surveys	<p>Customer First Approach</p> <ul style="list-style-type: none"> • “Value of Working with an Arizona Real Estate Licensee” Campaign • Improve customer service response time when in the remote work environment
1	Increase consumer communication	Launch public information campaign “Value of Working with an Arizona Real Estate Licensee”	
1	Decrease number of pending messages	Average number of pending messages at the end of each day	
2	Increase services available online	Percent of online services	<p>Promote Quality Online Services</p> <ul style="list-style-type: none"> • Develop and implement additional online services (Message Center, Educators Online Portal, WebPortal)
3	Increased pass rates	Average annual pass rate of first time Pre License test takers	<p>Raise the Bar of Real Estate Education in Arizona</p> <ul style="list-style-type: none"> • Implement delivery of host remote live streaming courses for Continuing Education and Pre Licensing • Develop examination content with Subject Matter Experts
	Enhance and fully implement the host remote live streaming course program	Live streaming remote education program	
4	Develop and improve automated online services	Number of automated reports converted from manual completion, and online systems updated.	<p>Business Technology Solutions for Data Driven Decision Making</p> <ul style="list-style-type: none"> • Convert remaining Arizona Management System data decision tools to real time reporting sheets shared with internal teams • Automate Broker Audit Declaration Submissions
4	Decrease processing time	Processing time	
5	Decrease employee turnover	Turnover	<p>Engage and Develop a World Class Team</p> <ul style="list-style-type: none"> • Encourage staff training and development opportunities through the course monitor program <ul style="list-style-type: none"> • Improve telework program
5	Increase employee positive experience	Employee Engagement	



State of Arizona Budget Request

State Agency

Department of Real Estate

A.R.S. Citation: **A.R.S. TITLE 32, CHAPTER 20**

Appropriated Funds

	FY 2021 Approp	FY 2022 Fund. Issue	FY 2022 Total Budget
Total Amount Requested:	2,997.6	0.0	2,997.6
General Fund	2,997.6	0.0	2,997.6

Governor DUCEY:

This and the accompanying budget schedules, statements and explanatory information constitute the operating budget request for this agency for Fiscal Year 2022.

To the best of my knowledge all statements and explanations contained in the estimates submitted are true and correct.

Agency Head: **Judy Lowe**

Title: **Commissioner**

Non-Appropriated Funds

	FY 2021 Expd. Plan	FY 2022 Fund. Issue	FY 2022 Total Budget
Total Amount Planned:	207.8	0.0	207.8
Condo and Planned Community Hearing Office	33.1	0.0	33.1
Real Estate Recovery	154.7	0.0	154.7
Real Estate Education Revolving	20.0	0.0	20.0

Judy Lowe 8/28/2020

(signature)

Phone: **(602) 771-7769**

Prepared By: **Louis Dettorre**

Email Address: **ldettorre@azre.gov**

Date Prepared: **Friday, August 28, 2020**

Total: 3,205.4 0.0 3,205.4

Revenue Schedule

Agency: Department of Real Estate

Fund: AA1000 General Fund

AFIS Code	Category of Receipt and Description	FY 2020	FY 2021	FY 2022
4312	EXAMINATION FEES	254.1	254.0	254.0
4314	FILING FEES	256.8	255.0	255.0
4316	INSPECTION FEES	17.9	0.0	0.0
4339	OTHER FEES AND CHARGES FOR SERVICES	0.0	0.0	0.0
4372	PUBLICATIONS AND REPRODUCTIONS	2.2	2.2	2.2
4415	OCCUPATIONAL AND PROFESSIONAL LICENSES	3,101.4	3,160.0	3,160.0
4519	OTHER FINES OR FORFEITURES OR PENALTIES	276.8	275.0	275.0
4645	CREDIT CARD DISCOUNT FEES PAID	(63.8)	(60.0)	(60.0)
4699	MISCELLANEOUS RECEIPTS	0.1	0.1	0.1
Fund Total:		3,845.5	3,886.3	3,886.3

Revenue Schedule

Agency: Department of Real Estate

Fund: RE2537 Condo and Planned Community Hearing Office

AFIS Code	Category of Receipt and Description	FY 2020	FY 2021	FY 2022
4339	OTHER FEES AND CHARGES FOR SERVICES	32.5	33.0	33.0
4519	OTHER FINES OR FORFEITURES OR PENALTIES	0.5	0.0	0.0
Fund Total:		33.0	33.0	33.0

Revenue Schedule

Agency:	Department of Real Estate
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Fund:	RE3119 Real Estate Recovery
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AFIS Code	Category of Receipt and Description	FY 2020	FY 2021	FY 2022
4339	OTHER FEES AND CHARGES FOR SERVICES	0.0	0.0	0.0
4512	RESTITUTION	10.6	11.0	11.0
4699	MISCELLANEOUS RECEIPTS	57.3	60.0	60.0
Fund Total:		67.9	71.0	71.0

Revenue Schedule

Agency: Department of Real Estate

Fund: RE4011 Real Estate Education Revolving

AFIS Code	Category of Receipt and Description	FY 2020	FY 2021	FY 2022
4372	PUBLICATIONS AND REPRODUCTIONS	8.4	9.0	12.0
4699	MISCELLANEOUS RECEIPTS	1.1	1.0	1.2
4901	OPERATING TRANSFERS IN	(3.5)	0.0	0.0
Fund Total:		6.0	10.0	13.2

Sources and Uses of Funds

Agency:	Department of Real Estate
Fund:	RE2537 Condo and Planned Community Hearing Office

Cash Flow Summary	Actual FY 2020	Estimate FY 2021	Estimate FY 2022
Balance Forward from Prior Year	8.5	8.4	8.3
Revenue (From Revenue Schedule)	33.0	33.0	33.0
Total Available	41.5	41.4	41.3
Total Appropriated Disbursements	0.0	0.0	0.0
Total Non-Appropriated Disbursements	33.1	33.1	33.1
Balance Forward to Next Year	8.4	8.3	8.2

Non-Appropriated Expenditure	Actual FY 2020	Estimate FY 2021	Estimate FY 2022
Expenditure Categories			
Personal Services	0.0	0.0	0.0
Employee Related Expenses	0.0	0.0	0.0
Prof. And Outside Services	0.0	0.0	0.0
Travel - In State	0.0	0.0	0.0
Travel - Out of State	0.0	0.0	0.0
Food	0.0	0.0	0.0
Aid to Organizations and Individuals	0.0	0.0	0.0
Other Operating Expenses	0.0	0.0	0.0
Equipment	0.0	0.0	0.0
Capital Outlay	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0
Cost Allocation	0.0	0.0	0.0
Transfers	33.1	33.1	33.1
Expenditure Categories Total:	33.1	33.1	33.1
Cap Transfer due to Fund Balance	0.0	0.0	0.0
Residual Equity Transfer	0.0	0.0	0.0
Prior Commitments or Obligated Expenditures	0.0	0.0	0.0
Non Appropriated 27th Pay Roll	0.0	0.0	0.0
Non-Appropriated Expenditure Total:	33.1	33.1	33.1
Non-Appropriated FTE:	0.0	0.0	0.0

Fund Description

OSPB: Sources of revenue include filing fees and civil penalties arising from disputes between owners and condominium or planned community associations over violations of regulatory statutes. The Fund is used to reimburse the Office of Administrative Hearings for costs related to conducting hearings.

Sources and Uses of Funds

Agency: Department of Real Estate

Fund: RE3119 Real Estate Recovery

Cash Flow Summary	Actual FY 2020	Estimate FY 2021	Estimate FY 2022
Balance Forward from Prior Year	922.3	957.8	874.1
Revenue (From Revenue Schedule)	67.9	71.0	71.0
Total Available	990.2	1,028.8	945.1
Total Appropriated Disbursements	0.0	0.0	0.0
Total Non-Appropriated Disbursements	32.4	154.7	154.7
Balance Forward to Next Year	957.8	874.1	790.4

Non-Appropriated Expenditure

Expenditure Categories	Actual FY 2020	Estimate FY 2021	Estimate FY 2022
Personal Services	0.0	0.0	0.0
Employee Related Expenses	0.0	0.0	0.0
Prof. And Outside Services	2.4	4.7	4.7
Travel - In State	0.0	0.0	0.0
Travel - Out of State	0.0	0.0	0.0
Food	0.0	0.0	0.0
Aid to Organizations and Individuals	0.0	0.0	0.0
Other Operating Expenses	30.0	150.0	150.0
Equipment	0.0	0.0	0.0
Capital Outlay	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0
Cost Allocation	0.0	0.0	0.0
Transfers	0.0	0.0	0.0
Expenditure Categories Total:	32.4	154.7	154.7
Cap Transfer due to Fund Balance	0.0	0.0	0.0
Residual Equity Transfer	0.0	0.0	0.0
Prior Commitments or Obligated Expenditures	0.0	0.0	0.0
Non Appropriated 27th Pay Roll	0.0	0.0	0.0
Non-Appropriated Expenditure Total:	32.4	154.7	154.7
Non-Appropriated FTE:	0.0	0.0	0.0

Fund Description

OSP: Revenues from application fees for real estate or cemetery broker's or salesman's license are used to pay claims against real estate brokers or salesmen.

Sources and Uses of Funds

Agency:	Department of Real Estate
Fund:	RE4011 Real Estate Education Revolving

Cash Flow Summary	Actual FY 2020	Estimate FY 2021	Estimate FY 2022
Balance Forward from Prior Year	28.5	34.5	15.0
Revenue (From Revenue Schedule)	6.0	10.0	13.2
Total Available	34.5	44.5	28.2
Total Appropriated Disbursements	0.0	0.0	0.0
Total Non-Appropriated Disbursements	0.0	29.5	20.0
Balance Forward to Next Year	34.5	15.0	8.2

Non-Appropriated Expenditure	Actual FY 2020	Estimate FY 2021	Estimate FY 2022
Expenditure Categories			
Personal Services	0.0	0.0	0.0
Employee Related Expenses	0.0	0.0	0.0
Prof. And Outside Services	0.0	0.0	0.0
Travel - In State	0.0	0.0	0.0
Travel - Out of State	0.0	0.0	0.0
Food	0.0	0.0	0.0
Aid to Organizations and Individuals	0.0	0.0	0.0
Other Operating Expenses	0.0	20.0	20.0
Equipment	0.0	0.0	0.0
Capital Outlay	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0
Cost Allocation	0.0	0.0	0.0
Transfers	0.0	0.0	0.0
Expenditure Categories Total:	0.0	20.0	20.0
Cap Transfer due to Fund Balance	0.0	9.5	0.0
Residual Equity Transfer	0.0	0.0	0.0
Prior Commitments or Obligated Expenditures	0.0	0.0	0.0
Non Appropriated 27th Pay Roll	0.0	0.0	0.0
Non-Appropriated Expenditure Total:	0.0	29.5	20.0
Non-Appropriated FTE:	0.0	0.0	0.0

Fund Description

OSPB: Revenues consist of monies received from the sale of educational matter and grants of monies to be used in the production of educational products. Funds are used for the printing of a compilation of real estate laws and rules and other educational publications and for such other educational efforts necessary for the guidance and assistance of licensees and the public. Any balance in excess of \$25,000 at the end of the fiscal year is transferred to the General Fund.

Summary of Expenditure and Budget Request for All Funds

Agency: Department of Real Estate

Appropriated		FY 2020 Actual	FY 2021 Expd. Plan	FY 2022 Fund. Issue	FY 2022 Total Request
Cost Center/Program:					
1	Licensing and Regulation	2,467.8	2,997.6	0.0	2,997.6
		2,467.8	2,997.6	0.0	2,997.6
Expenditure Categories					
	FTE	37.0	37.0	0.0	37.0
	Personal Services	1,406.7	1,700.7	0.0	1,700.7
	Employee Related Expenses	511.7	656.2	0.0	656.2
	Professional and Outside Services	88.0	95.0	0.0	95.0
	Travel In-State	12.1	13.0	0.0	13.0
	Travel Out of State	3.2	3.0	0.0	3.0
	Food	0.0	0.0	0.0	0.0
	Aid to Organizations and Individuals	0.0	0.0	0.0	0.0
	Other Operating Expenses	336.8	484.7	0.0	484.7
	Equipment	109.3	45.0	0.0	45.0
	Capital Outlay	0.0	0.0	0.0	0.0
	Debt Service	0.0	0.0	0.0	0.0
	Cost Allocation	0.0	0.0	0.0	0.0
	Transfers	0.0	0.0	0.0	0.0
Expenditure Categories Total:		2,467.8	2,997.6	0.0	2,997.6

Summary of Expenditure and Budget Request for All Funds

Agency: Department of Real Estate

Non-Appropriated

		FY 2020 Actual	FY 2021 Expd. Plan	FY 2022 Fund. Issue	FY 2022 Total Request
Cost Center/Program:					
1	Licensing and Regulation	65.5	207.8	0.0	207.8
		65.5	207.8	0.0	207.8
Expenditure Categories					
	Personal Services	0.0	0.0	0.0	0.0
	Employee Related Expenses	0.0	0.0	0.0	0.0
	Professional and Outside Services	2.4	4.7	0.0	4.7
	Travel In-State	0.0	0.0	0.0	0.0
	Travel Out of State	0.0	0.0	0.0	0.0
	Food	0.0	0.0	0.0	0.0
	Aid to Organizations and Individuals	0.0	0.0	0.0	0.0
	Other Operating Expenses	30.0	170.0	0.0	170.0
	Equipment	0.0	0.0	0.0	0.0
	Capital Outlay	0.0	0.0	0.0	0.0
	Debt Service	0.0	0.0	0.0	0.0
	Cost Allocation	0.0	0.0	0.0	0.0
	Transfers	33.1	33.1	0.0	33.1
Expenditure Categories Total:		65.5	207.8	0.0	207.8

Summary of Expenditure and Budget Request for All Funds

Agency:	Department of Real Estate
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Agency Total for All Funds:	2,533.3	3,205.4	0.0	3,205.4			
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Program Group Summary of Expenditures and Budget Request for Selected Funds

Agency:	Department of Real Estate
Program:	Licensing and Regulation

	FY 2020 Actual	FY 2021 Expd. Plan	FY 2022 Fund. Issue	FY 2022 Total Request
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Fund:	AA1000-A General Fund (Appropriated)
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Program Expenditures

COST CENTER/PROGRAM BUDGET UNIT

1-1	Licensing and Regulation	2,467.8	2,997.6	0.0	2,997.6
	Total	2,467.8	2,997.6	0.0	2,997.6

Appropriated Funding

Expenditure Categories

FTE Positions	37.0	37.0	0.0	37.0
Personal Services	1,406.7	1,700.7	0.0	1,700.7
Employee Related Expenses	511.7	656.2	0.0	656.2
Professional and Outside Services	88.0	95.0	0.0	95.0
Travel In-State	12.1	13.0	0.0	13.0
Travel Out of State	3.2	3.0	0.0	3.0
Food	0.0	0.0	0.0	0.0
Aid to Organizations and Individuals	0.0	0.0	0.0	0.0
Other Operating Expenses	336.8	484.7	0.0	484.7
Equipment	109.3	45.0	0.0	45.0
Capital Outlay	0.0	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0	0.0
Cost Allocation	0.0	0.0	0.0	0.0
Transfers	0.0	0.0	0.0	0.0

Expenditure Categories Total:	2,467.8	2,997.6	0.0	2,997.6
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Fund AA1000-A Total:	2,467.8	2,997.6	0.0	2,997.6
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Program 1 Total:	2,467.8	2,997.6	0.0	2,997.6
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Summary of Expenditure and Budget Request for Selected Funds

Agency:	Department of Real Estate
Fund:	RE2537 Condo and Planned Community Hearing Office (Non-Appropriated)

		FY 2020 Actual	FY 2021 Expd. Plan	FY 2022 Fund. Issue	FY 2022 Total Request
Cost Center/Program:					
1	Licensing and Regulation	33.1	33.1	0.0	33.1
		33.1	33.1	0.0	33.1
Expenditure Categories					
	Personal Services	0.0	0.0	0.0	0.0
	Employee Related Expenses	0.0	0.0	0.0	0.0
	Professional and Outside Services	0.0	0.0	0.0	0.0
	Travel In-State	0.0	0.0	0.0	0.0
	Travel Out of State	0.0	0.0	0.0	0.0
	Food	0.0	0.0	0.0	0.0
	Aid to Organizations and Individuals	0.0	0.0	0.0	0.0
	Other Operating Expenses	0.0	0.0	0.0	0.0
	Equipment	0.0	0.0	0.0	0.0
	Capital Outlay	0.0	0.0	0.0	0.0
	Debt Service	0.0	0.0	0.0	0.0
	Cost Allocation	0.0	0.0	0.0	0.0
	Transfers	33.1	33.1	0.0	33.1
Expenditure Categories Total:		33.1	33.1	0.0	33.1
Fund Total:		33.1	33.1	0.0	33.1

Summary of Expenditure and Budget Request for Selected Funds

Agency:	Department of Real Estate
Fund:	RE3119 Real Estate Recovery (Non-Appropriated)

		FY 2020 Actual	FY 2021 Expd. Plan	FY 2022 Fund. Issue	FY 2022 Total Request
Cost Center/Program:					
1	Licensing and Regulation	32.4	154.7	0.0	154.7
		32.4	154.7	0.0	154.7
Expenditure Categories					
	Personal Services	0.0	0.0	0.0	0.0
	Employee Related Expenses	0.0	0.0	0.0	0.0
	Professional and Outside Services	2.4	4.7	0.0	4.7
	Travel In-State	0.0	0.0	0.0	0.0
	Travel Out of State	0.0	0.0	0.0	0.0
	Food	0.0	0.0	0.0	0.0
	Aid to Organizations and Individuals	0.0	0.0	0.0	0.0
	Other Operating Expenses	30.0	150.0	0.0	150.0
	Equipment	0.0	0.0	0.0	0.0
	Capital Outlay	0.0	0.0	0.0	0.0
	Debt Service	0.0	0.0	0.0	0.0
	Cost Allocation	0.0	0.0	0.0	0.0
	Transfers	0.0	0.0	0.0	0.0
Expenditure Categories Total:		32.4	154.7	0.0	154.7
Fund Total:		32.4	154.7	0.0	154.7

Summary of Expenditure and Budget Request for Selected Funds

Agency:	Department of Real Estate
Fund:	RE4011 Real Estate Education Revolving (Non-Appropriated)

		FY 2020 Actual	FY 2021 Expd. Plan	FY 2022 Fund. Issue	FY 2022 Total Request
Cost Center/Program:					
1	Licensing and Regulation	0.0	20.0	0.0	20.0
		0.0	20.0	0.0	20.0
Expenditure Categories					
	Personal Services	0.0	0.0	0.0	0.0
	Employee Related Expenses	0.0	0.0	0.0	0.0
	Professional and Outside Services	0.0	0.0	0.0	0.0
	Travel In-State	0.0	0.0	0.0	0.0
	Travel Out of State	0.0	0.0	0.0	0.0
	Food	0.0	0.0	0.0	0.0
	Aid to Organizations and Individuals	0.0	0.0	0.0	0.0
	Other Operating Expenses	0.0	20.0	0.0	20.0
	Equipment	0.0	0.0	0.0	0.0
	Capital Outlay	0.0	0.0	0.0	0.0
	Debt Service	0.0	0.0	0.0	0.0
	Cost Allocation	0.0	0.0	0.0	0.0
	Transfers	0.0	0.0	0.0	0.0
Expenditure Categories Total:		0.0	20.0	0.0	20.0
Fund Total:		0.0	20.0	0.0	20.0

Summary of Expenditure and Budget Request for Selected Funds

Agency:	Department of Real Estate
Fund:	RE4011 Real Estate Education Revolving (Non-Appropriated)

	FY 2020 Actual	FY 2021 Expd. Plan	FY 2022 Fund. Issue	FY 2022 Total Request			
Agency Total for Selected Funds	2,533.3	3,205.4	0.0	3,205.4			

Program Summary of Expenditures and Budget Request

Agency:	Department of Real Estate
Program:	Licensing and Regulation

		FY 2020 Actual	FY 2021 Expd. Plan	FY 2022 Fund. Issue	FY 2022 Total Request
Program Summary					
1-1	Licensing and Regulation	2,533.3	3,205.4	0.0	3,205.4
Program Summary Total:		2,533.3	3,205.4	0.0	3,205.4
Expenditure Categories					
0000	FTE Positions	37.0	37.0	0.0	37.0
6000	Personal Services	1,406.7	1,700.7	0.0	1,700.7
6100	Employee Related Expenses	511.7	656.2	0.0	656.2
6200	Professional and Outside Services	90.4	99.7	0.0	99.7
6500	Travel In-State	12.1	13.0	0.0	13.0
6600	Travel Out of State	3.2	3.0	0.0	3.0
6700	Food	0.0	0.0	0.0	0.0
6800	Aid to Organizations and Individuals	0.0	0.0	0.0	0.0
7000	Other Operating Expenses	366.8	654.7	0.0	654.7
8000	Equipment	109.3	45.0	0.0	45.0
8100	Capital Outlay	0.0	0.0	0.0	0.0
8600	Debt Service	0.0	0.0	0.0	0.0
9000	Cost Allocation	0.0	0.0	0.0	0.0
9100	Transfers	33.1	33.1	0.0	33.1
Expenditure Categories Total:		2,533.3	3,205.4	0.0	3,205.4
Fund Source					
Appropriated Funds					
AA1000-A	General Fund (Appropriated)	2,467.8	2,997.6	0.0	2,997.6
		2,467.8	2,997.6	0.0	2,997.6
Non-Appropriated Funds					
RE2537-N	Condo and Planned Community Hearing Office (N	33.1	33.1	0.0	33.1
RE3119-N	Real Estate Recovery (Non-Appropriated)	32.4	154.7	0.0	154.7
RE4011-N	Real Estate Education Revolving (Non-Appropriat	0.0	20.0	0.0	20.0
		65.5	207.8	0.0	207.8
Fund Source Total:		2,533.3	3,205.4	0.0	3,205.4

Program Budget Unit Summary of Expenditures and Budget Request for Selected Funds

Agency: Department of Real Estate

FY 2020 Actual	FY 2021 Expd. Plan	FY 2022 Fund. Issue	FY 2022 Total Request
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Program: Licensing and Regulation

Fund: AA1000-A General Fund

Appropriated

0000 FTE	37.0	37.0	0.0	37.0
6000 Personal Services	1,406.7	1,700.7	0.0	1,700.7
6100 Employee Related Expenses	511.7	656.2	0.0	656.2
6200 Professional and Outside Services	88.0	95.0	0.0	95.0
6500 Travel In-State	12.1	13.0	0.0	13.0
6600 Travel Out of State	3.2	3.0	0.0	3.0
6700 Food	0.0	0.0	0.0	0.0
6800 Aid to Organizations and Individuals	0.0	0.0	0.0	0.0
7000 Other Operating Expenses	336.8	484.7	0.0	484.7
8000 Equipment	109.3	45.0	0.0	45.0
8100 Capital Outlay	0.0	0.0	0.0	0.0
8600 Debt Service	0.0	0.0	0.0	0.0
9000 Cost Allocation	0.0	0.0	0.0	0.0
9100 Transfers	0.0	0.0	0.0	0.0

Appropriated Total:	2,467.8	2,997.6	0.0	2,997.6
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Fund Total:	2,467.8	2,997.6	0.0	2,997.6
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Program Total For Selected Funds:	2,467.8	2,997.6	0.0	2,997.6
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Program Budget Unit Summary of Expenditures and Budget Request for All Funds

Agency:	Department of Real Estate
Program:	Licensing and Regulation

Expenditure Categories		FY 2020	FY 2021	FY 2022	FY 2022
		Actual	Expd. Plan	Fund. Issue	Total Request
0000	FTE	37.0	37.0	0.0	37.0
6000	Personal Services	1,406.7	1,700.7	0.0	1,700.7
6100	Employee Related Expenses	511.7	656.2	0.0	656.2
6200	Professional and Outside Services	90.4	99.7	0.0	99.7
6500	Travel In-State	12.1	13.0	0.0	13.0
6600	Travel Out of State	3.2	3.0	0.0	3.0
6700	Food	0.0	0.0	0.0	0.0
6800	Aid to Organizations and Individuals	0.0	0.0	0.0	0.0
7000	Other Operating Expenses	366.8	654.7	0.0	654.7
8000	Equipment	109.3	45.0	0.0	45.0
8100	Capital Outlay	0.0	0.0	0.0	0.0
8600	Debt Service	0.0	0.0	0.0	0.0
9000	Cost Allocation	0.0	0.0	0.0	0.0
9100	Transfers	33.1	33.1	0.0	33.1
Expenditure Categories Total:		2,533.3	3,205.4	0.0	3,205.4
Fund Source					
Appropriated Funds					
AA1000-A	General Fund (Appropriated)	2,467.8	2,997.6	0.0	2,997.6
		2,467.8	2,997.6	0.0	2,997.6
Non-Appropriated Funds					
RE2537-N	Condo and Planned Community Hearing Office (N	33.1	33.1	0.0	33.1
RE3119-N	Real Estate Recovery (Non-Appropriated)	32.4	154.7	0.0	154.7
RE4011-N	Real Estate Education Revolving (Non-Appropriate	0.0	20.0	0.0	20.0
		65.5	207.8	0.0	207.8
Fund Source Total:		2,533.3	3,205.4	0.0	3,205.4

Program Expenditure Schedule

Agency:	Department of Real Estate
Program:	Licensing and Regulation

	FY 2020 Actual	FY 2021 Expd. Plan
FTE	37.0	37.0
Expenditure Category Total	37.0	37.0
Appropriated		
AA1000-A General Fund (Appropriated)	37.0	37.0
Fund Source Total	37.0	37.0
Personal Services	1,406.7	1,700.7
Boards and Commissions	0.0	0.0
Expenditure Category Total	1,406.7	1,700.7
Appropriated		
AA1000-A General Fund (Appropriated)	1,406.7	1,700.7
Fund Source Total	1,406.7	1,700.7
Employee Related Expenses	511.7	656.2
Expenditure Category Total	511.7	656.2
Appropriated		
AA1000-A General Fund (Appropriated)	511.7	656.2
Fund Source Total	511.7	656.2
Professional and Outside Services		99.7
External Prof/Outside Serv Budg And Appn	0.0	
External Investment Services	0.0	
Other External Financial Services	0.0	
Attorney General Legal Services	88.5	
External Legal Services	0.0	
External Engineer/Architect Cost - Exp	0.0	
External Engineer/Architect Cost- Cap	0.0	
Other Design	0.0	
Temporary Agency Services	0.0	
Hospital Services	0.0	
Other Medical Services	0.0	
Institutional Care	0.0	
Education And Training	1.9	
Vendor Travel	0.0	
Professional & Outside Services Excluded from Cost Alloca	0.0	
Vendor Travel - Non Reportable	0.0	
External Telecom Consulting Services	0.0	
Costs related to those in custody of the State	0.0	
Non - Confidential Specialist Fees	0.0	
Confidential Specialist Fees	0.0	
Outside Actuarial Costs	0.0	
Other Professional And Outside Services	0.0	

Program Expenditure Schedule

Agency:	Department of Real Estate
Program:	Licensing and Regulation

	FY 2020 Actual	FY 2021 Expd. Plan
Expenditure Category Total	90.4	99.7
Appropriated		
AA1000-A General Fund (Appropriated)	88.0	95.0
	88.0	95.0
Non-Appropriated		
RE2537-N Condo and Planned Community Hearing Office (Non-Appr	0.0	0.0
RE3119-N Real Estate Recovery (Non-Appropriated)	2.4	4.7
RE4011-N Real Estate Education Revolving (Non-Appropriated)	0.0	0.0
	2.4	4.7
Fund Source Total	90.4	99.7
Travel In-State	12.1	13.0
Expenditure Category Total	12.1	13.0
Appropriated		
AA1000-A General Fund (Appropriated)	12.1	13.0
	12.1	13.0
Fund Source Total	12.1	13.0
Travel Out of State	3.2	3.0
Expenditure Category Total	3.2	3.0
Appropriated		
AA1000-A General Fund (Appropriated)	3.2	3.0
	3.2	3.0
Fund Source Total	3.2	3.0
Food	0.0	0.0
Expenditure Category Total	0.0	0.0
Appropriated		
AA1000-A General Fund (Appropriated)	0.0	0.0
	0.0	0.0
Fund Source Total	0.0	0.0
Aid to Organizations and Individuals	0.0	0.0
Expenditure Category Total	0.0	0.0
Appropriated		
AA1000-A General Fund (Appropriated)	0.0	0.0
	0.0	0.0
Fund Source Total	0.0	0.0
Other Operating Expenses		654.7
Other Operating Expenditures Budg Approp	0.0	
Other Operating Expenditures Excluded from Cost Allocati	0.0	
Risk Management Charges To State Agency	11.2	
Risk Management Deductible - Indemnity	0.0	
Risk Management Deductible - Legal	0.0	
Risk Management Deductible - Medical	0.0	
Risk Management Deductible - Other	0.0	
Gen Liab- Non Physical-Taxable- Self Ins	0.0	
Gross Proceeds Payments To Attorneys	0.0	
General Liability- Non-Taxable- Self Ins	0.0	

Program Expenditure Schedule

Agency:	Department of Real Estate
Program:	Licensing and Regulation

	<u>FY 2020 Actual</u>	<u>FY 2021 Expd. Plan</u>
Medical Malpractice - Self-Insured	0.0	
Automobile Liability - Self Insured	0.0	
General Property Damage - Self- Insured	0.0	
Automobile Physical Damage-Self Insured	0.0	
Liability Insurance Premiums	0.0	
Property Insurance Premiums	0.0	
Workers Compensation Benefit Payments	0.0	
Self Insurance - Administrative Fees	0.0	
Self Insurance - Premiums	0.0	
Self Insurance - Claim Payments	0.0	
Self Insurance - Pharmacy Claims	0.0	
Premium Tax On Altcs	0.0	
Other Insurance-Related Charges	0.0	
Internal Service Data Processing	0.0	
Internal Service Data Proc- Pc/Lan	0.0	
External Programming-Mainframe/Legacy	0.0	
External Programming- Pc/Lan/Serv/Web	0.0	
External Data Entry	0.0	
Othr External Data Proc-Mainframe/Legacy	0.0	
Othr External Data Proc-Pc/Lan/Serv/Web	65.3	
Pmt for AFIS Development & Usage	3.0	
Internal Service Telecommunications	0.0	
External Telecom Long Distance-In-State	21.4	
External Telecom Long Distance-Out-State	0.0	
Other External Telecommunication Service	0.0	
Electricity	0.0	
Sanitation Waste Disposal	0.0	
Water	0.0	
Gas And Fuel Oil For Buildings	0.0	
Other Utilities	0.0	
Building Rent Charges To State Agencies	0.0	
Priv Lease To Own Bld Rent Chrgs To Agy	0.0	
Cert Of Part Bld Rent Chrgs To Agy	184.5	
Rental Of Land And Buildings	0.0	
Rental Of Computer Equipment	0.0	
Rental Of Other Machinery And Equipment	0.0	
Miscellaneous Rent	5.6	
Interest On Overdue Payments	0.0	
All Other Interest Payments	0.0	
Internal Acct/Budg/Financial Svcs	0.0	
Other Internal Services	0.1	
Repair And Maintenance - Buildings	0.0	
Repair And Maintenance - Vehicles	0.0	
Repair And Maint - Mainframe And Legacy	0.0	
Repair And Maint-Pc/Lan/Serv/Web	0.0	
Repair And Maintenance - Other Equipment	3.8	
Other Repair And Maintenance	2.0	
Software Support And Maintenance	0.0	
Uniforms	0.0	
Inmate Clothing	0.0	
Security Supplies	0.0	

Program Expenditure Schedule

Agency:	Department of Real Estate
Program:	Licensing and Regulation

	FY 2020 Actual	FY 2021 Expd. Plan
Office Supplies	10.1	
Computer Supplies	0.1	
Housekeeping Supplies	0.0	
Bedding And Bath Supplies	0.0	
Drugs And Medicine Supplies	0.0	
Medical Supplies	0.0	
Dental Supplies	0.0	
Automotive And Transportation Fuels	0.0	
Automotive Lubricants And Supplies	0.0	
Rpr And Maint Supplies-Not Auto Or Build	0.0	
Repair And Maintenance Supplies-Building	0.0	
Other Operating Supplies	0.0	
Publications	0.0	
Aggregate Withheld Or Paid Commissions	0.0	
Lottery Prizes	0.0	
Lottery Distribution Costs	0.0	
Material for Further Processing	0.0	
Other Resale Supplies	0.0	
Loss On Sales Of Capital Assets	0.0	
Loss on Sales of Investments	0.0	
Employee Tuition Reimbursement-Graduate	0.0	
Employee Tuition Reimb Under-Grad/Other	0.0	
Conference Registration-Attendance Fees	1.1	
Other Education And Training Costs	0.0	
Advertising	1.5	
Sponsorships	0.0	
Internal Printing	1.4	
External Printing	0.0	
Photography	0.0	
Postage And Delivery	17.4	
Document shredding and Destruction Services	1.0	
Translation and Sign Language Services	0.0	
Distribution To State Universities	0.0	
Other Intrastate Distributions	0.0	
Awards	0.0	
Entertainment And Promotional Items	0.0	
Dues	3.3	
Books- Subscriptions And Publications	4.0	
Costs For Digital Image Or Microfilm	0.0	
Revolving Fund Advances	0.0	
Credit Card Fees Over Approved Limit	0.0	
Relief Bill Expenditures	0.0	
Surplus Property Distr To State Agencies	0.0	
Security Services	0.0	
Judgments - Damages	30.0	
ICA Payments to Claimants Confidential	0.0	
Jdgmnt-Confidential Restitution To Indiv	0.0	
Judgments - Non-Confidential Restitution	0.0	
Judgments - Punitive And Compensatory	0.0	
Pmts Made to Resolve/Disputes/Avoid Costs of Litigation	0.0	
Pmts For Contracted State Inmate Labor	0.0	

Program Expenditure Schedule

Agency:	Department of Real Estate
Program:	Licensing and Regulation

	FY 2020 Actual	FY 2021 Expd. Plan
Payments To State Inmates	0.0	
Bad Debt Expense	0.0	
Interview Expense	0.0	
Employee Relocations-Nontaxable	0.0	
Employee Relocations-Taxable	0.0	
Non-Confidential Invest/Legal/Law Enf	0.0	
Conf/Sensitive Invest/Legal/Undercover	0.0	
Fingerprinting, Background Checks, Etc.	0.0	
Other Miscellaneous Operating	0.0	
Expenditure Category Total	366.8	654.7
Appropriated		
AA1000-A General Fund (Appropriated)	336.8	484.7
	336.8	484.7
Non-Appropriated		
RE2537-N Condo and Planned Community Hearing Office (Non-Appr	0.0	0.0
RE3119-N Real Estate Recovery (Non-Appropriated)	30.0	150.0
RE4011-N Real Estate Education Revolving (Non-Appropriated)	0.0	20.0
	30.0	170.0
Fund Source Total	366.8	654.7
Current Year Expenditures		45.0
Capital Equipment Budget And Approp	0.0	
Vehicles Capital Purchase	0.0	
Vehicles Capital Leases	0.0	
Furniture Capital Purchase	0.0	
Depreciable Works Of Art & Hist Treas/Coll Capital Purcha	0.0	
Non Depr Works Of Art & Hist Treas/Coll Cap Purchase	0.0	
Furniture Capital Leases	0.0	
Computer Equipment Capital Purchase	0.0	
Computer Equipment Capital Lease	0.0	
Telecommunication Equip-Capital Purchase	0.0	
Telecommunication Equip-Capital Lease	0.0	
Other Equipment Capital Purchase	0.0	
Other Equipment Capital Leases	0.0	
Purchased Or Licensed Software-Website	0.0	
Internally Generated Software-Website	0.0	
Development in Progress	0.0	
Right-Of-Way/Easement/Extraction Rights	0.0	
Oth Int Assets purchased, licensed or internally generate	0.0	
Other intangible assets acquired by capital lease	0.0	
Other Capital Asset Purchases	0.0	
Leasehold Improvement-Capital Purchase	0.0	
Other Capital Asset Leases	0.0	
Non-Capital Equip Budget And Approp	0.0	
Vehicles Non-Capital Purchase	0.0	
Vehicles Non-Capital Leases	0.0	
Furniture Non-Capital Purchase	0.0	
Works Of Art And Hist Treas-Non Capital	0.0	
Furniture Non-Capital Leases	0.0	
Computer Equipment Non-Capital Purchase	15.9	
Computer Equipment Non-Capital Lease	0.0	

Program Expenditure Schedule

Agency:	Department of Real Estate
Program:	Licensing and Regulation

	FY 2020 Actual	FY 2021 Expd. Plan
Telecomm Equip Non-Capital Purchase	0.0	
Telecomm Equip Non-Capital Leases	0.0	
Other Equipment Non-Capital Purchase	9.1	
Weapons Non-Capital Purchase	0.0	
Other Equipment Non-Capital Lease	0.0	
Purchased Or Licensed Software/Website	84.3	
Internally Generated Software/Website	0.0	
LICENSES AND PERMITS	0.0	
Right-Of-Way/Easement/Extraction Exp	0.0	
Other Intangible Assets - Purchased, Licensed or Internall	0.0	
Noncapital Software/Web By Capital Lease	0.0	
Other Intangible Assets Acquired by Capital Lease	0.0	
Other Long Lived Tangible Assets to be Expenses	0.0	
Non-Capital Equipment Excluded from Cost Allocation	0.0	
Expenditure Category Total	109.3	45.0
Appropriated		
AA1000-A General Fund (Appropriated)	109.3	45.0
Fund Source Total	109.3	45.0
Capital Outlay	0.0	0.0
Expenditure Category Total	0.0	0.0
Appropriated		
AA1000-A General Fund (Appropriated)	0.0	0.0
Fund Source Total	0.0	0.0
Debt Service	0.0	0.0
Expenditure Category Total	0.0	0.0
Appropriated		
AA1000-A General Fund (Appropriated)	0.0	0.0
Fund Source Total	0.0	0.0
Cost Allocation	0.0	0.0
Expenditure Category Total	0.0	0.0
Appropriated		
AA1000-A General Fund (Appropriated)	0.0	0.0
Fund Source Total	0.0	0.0
Transfers	33.1	33.1
Expenditure Category Total	33.1	33.1
Non-Appropriated		
RE2537-N Condo and Planned Community Hearing Office (Non-Appr	33.1	33.1
Fund Source Total	33.1	33.1

Employee Retirement Coverage			
Retirement System	FTE	Personal Services	Fund#

Program Expenditure Schedule

Agency:	Department of Real Estate
Program:	Licensing and Regulation

		FY 2020 Actual	FY 2021 Expd. Plan	
Arizona State Retirement System	37.0	1,612.6	AA1000-A	

Combined Regular & Elected Positions At/Above
FICA Maximum of \$142,800

Total FTE	Personal Services	FTE's not eligible for Health, Dental & Life
0.0	0.0	0.0

Summary of Expenditure and Budget Request for Selected Funds

Agency:	Department of Real Estate
Fund:	AA1000 General Fund (Appropriated)

		FY 2020 Actual	FY 2021 Expd. Plan	FY 2022 Fund. Issue	FY 2022 Total Request
Cost Center/Program:					
1	Licensing and Regulation	2,467.8	2,997.6	0.0	2,997.6
		2,467.8	2,997.6	0.0	2,997.6
Expenditure Categories					
	FTE	37.0	37.0	0.0	37.0
	Personal Services	1,406.7	1,700.7	0.0	1,700.7
	Employee Related Expenses	511.7	656.2	0.0	656.2
	Professional and Outside Services	88.0	95.0	0.0	95.0
	Travel In-State	12.1	13.0	0.0	13.0
	Travel Out of State	3.2	3.0	0.0	3.0
	Food	0.0	0.0	0.0	0.0
	Aid to Organizations and Individuals	0.0	0.0	0.0	0.0
	Other Operating Expenses	336.8	484.7	0.0	484.7
	Equipment	109.3	45.0	0.0	45.0
	Capital Outlay	0.0	0.0	0.0	0.0
	Debt Service	0.0	0.0	0.0	0.0
	Cost Allocation	0.0	0.0	0.0	0.0
	Transfers	0.0	0.0	0.0	0.0
Expenditure Categories Total:		2,467.8	2,997.6	0.0	2,997.6
Fund Total:		2,467.8	2,997.6	0.0	2,997.6

Administrative Costs

Agency: Department of Real Estate

Administrative Costs Summary

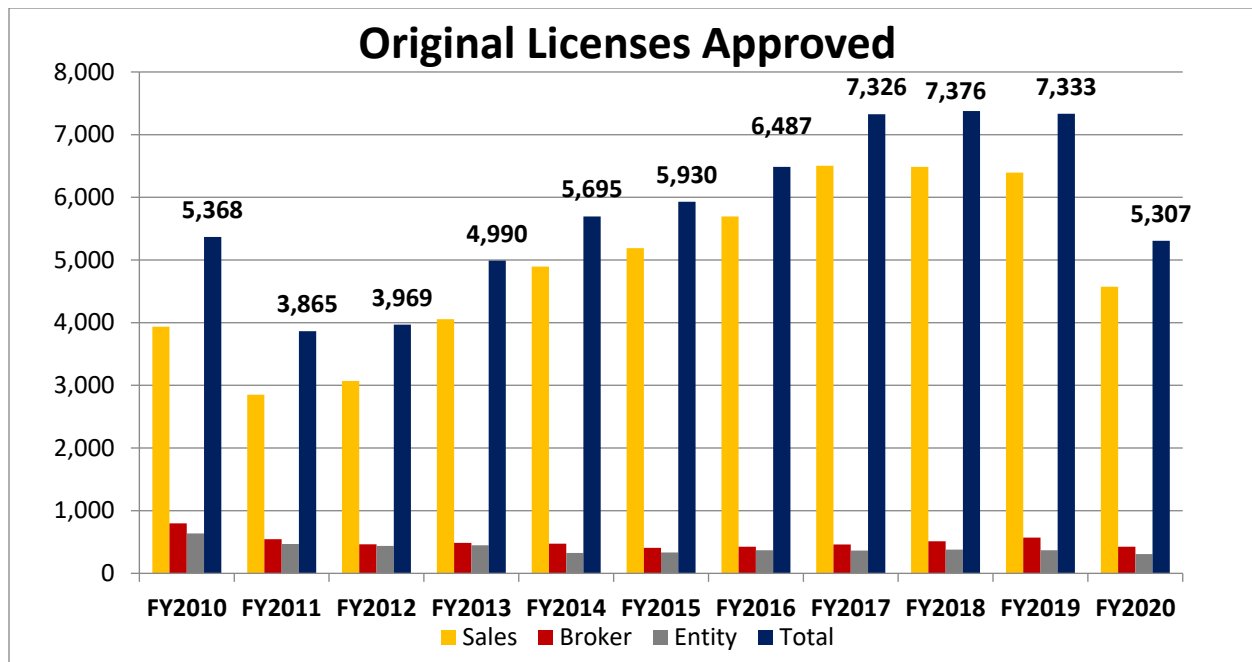
Common Administrative Area	FY 2021
Personal Services	247.0
ERE	70.0
All Other	0.0
Administrative Costs Total:	317.0

Administrative Cost / Total Expenditure Ratio

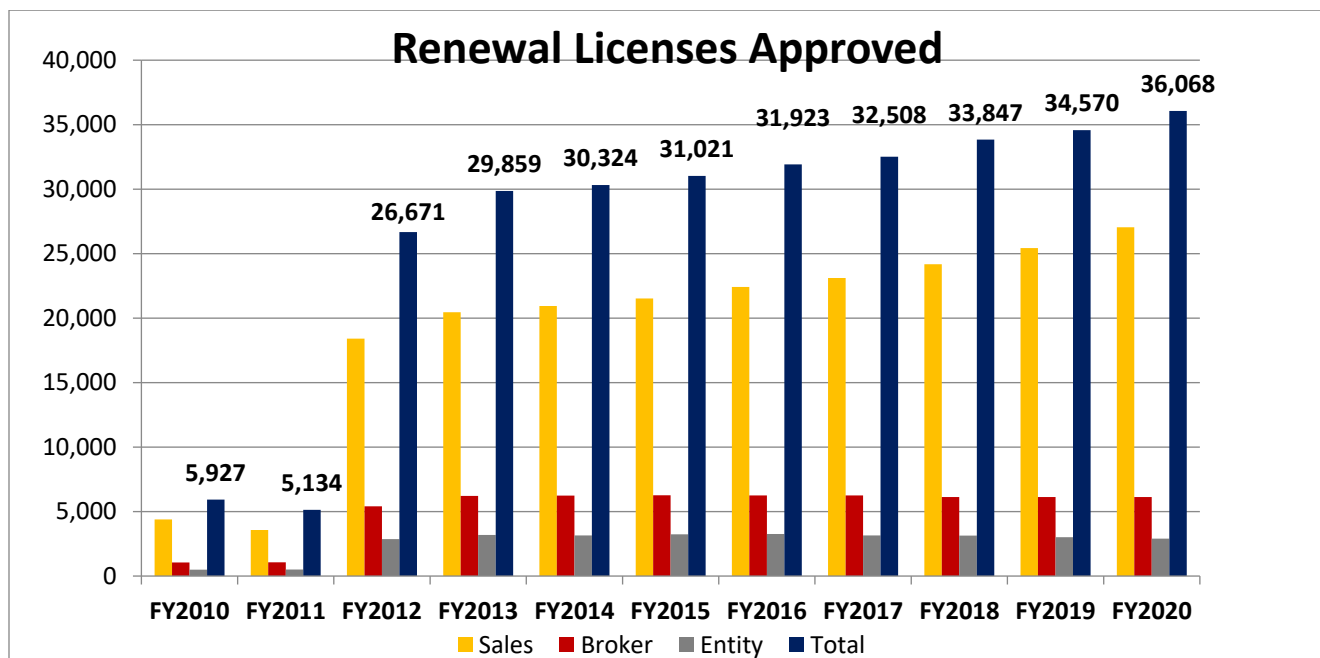
	Request	Admin %
FY 2021	3,205.4	9.9%

**Arizona Department of Real Estate
Licensed Individuals & Entities
July 1, 2020**

	Active	Inactive	Total Current	In Grace Period	Current + Grace Period
Individuals					
Broker	11,980	1,054	13,034	637	13,671
Salesperson	48,164	13,647	61,811	4,729	66,540
Total Individuals	60,144	14,701	74,845	5,366	80,211
Last month	59,968	14,782	74,750	5,377	80,127
% change from last month	0.29%	-0.55%	0.13%	-0.20%	0.10%
Same month last year	59,452	14,708	74,160	5,294	79,454
% change from last year	1.16%	-0.05%	0.92%	1.36%	0.95%
Entities					
Branch, corp	165	26	191	28	219
Branch, liability	395	87	482	58	540
Branch, Partnership	1	0	1	0	1
Branch, Self-Employed	17	3	20	2	22
Corporation	1,322	62	1,384	81	1,465
Limited Liability	3,536	170	3,706	263	3,969
Partnership	27	1	28	1	29
Self-Employed Broker	1,832	95	1,927	233	2,160
Total Entities	7,295	444	7,739	666	8,405
Last month	7,302	440	7,742	671	8,413
% change from last month	-0.10%	0.91%	-0.04%	-0.75%	-0.10%
Same month last year	7,408	473	7,881	648	8,529
% change from last year	-1.53%	-6.13%	-1.80%	2.78%	-1.45%
Individuals & Entities					
Total - this month	67,439	15,145	82,584	6,032	88,616
Total - previous month	67,270	15,222	82,492	6,048	88,540
% change from last month	0.3%	-0.5%	0.1%	-0.3%	0.1%
Total - this month	67,439	15,145	82,584	6,032	88,616
Total - same month last year	66,860	15,181	82,041	5,942	87,983
% change from last year	0.9%	-0.2%	0.7%	1.5%	0.7%



	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Sales	3,935	2,850	3,069	4,055	4,896	5,189	5,694	6,503	6,486	6,394	4,573
Broker	797	546	463	486	473	408	424	460	512	570	425
Entity	636	469	437	449	326	333	369	363	378	369	309
Total	5,368	3,865	3,969	4,990	5,695	5,930	6,487	7,326	7,376	7,333	5,307



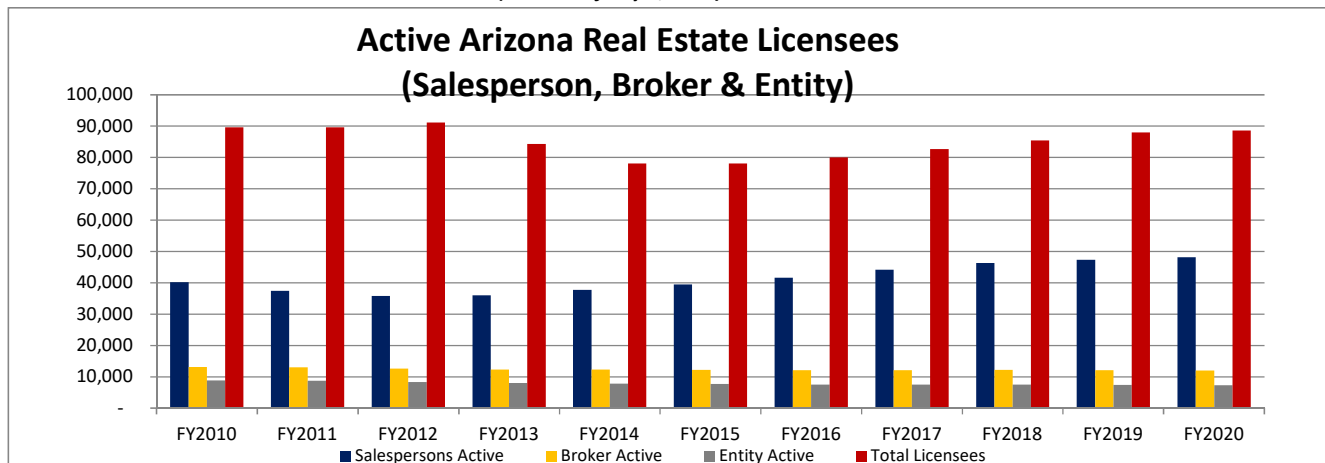
	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Sales	4,388	3,574	18,406	20,460	20,938	21,528	22,420	23,113	24,175	25,428	27,043
Broker	1,050	1,058	5,406	6,212	6,235	6,259	6,244	6,245	6,129	6,125	6,126
Entity	489	502	2,859	3,187	3,151	3,234	3,259	3,150	3,142	3,017	2,899
Total	5,927	5,134	26,671	29,859	30,324	31,021	31,923	32,508	33,847	34,570	36,068



Total License Count (Broker, Salesperson, Entity) as of June 30

	Brokers				Salespersons				Entities				Grand Total
	Active	Inactive	Grace	Total Brokers	Active	Inactive	Grace	Total Salespersons	Active	Inactive	Grace	Total Entities	
FY2001	10,653	801	747	12,201	26,215	8,572	4,459	39,246	6,798	836	545	8,179	59,626
FY2002	10,754	735	759	12,248	28,845	8,391	3,994	41,230	6,744	269	463	7,476	60,954
FY2003	14,744	845	1,047	16,636	32,736	9,275	3,496	45,507	7,050	337	838	8,225	70,368
FY2004	15,048	882	1,094	17,024	37,959	10,631	3,932	52,522	7,199	281	999	8,479	78,025
FY2005	15,245	831	927	17,003	46,181	9,823	3,829	59,833	7,362	261	659	8,282	85,118
FY2006	12,261	892	705	13,858	53,530	11,648	5,436	70,614	8,727	599	998	10,324	94,796
FY2007	12,416	889	746	14,051	52,686	12,652	6,528	71,866	8,656	624	1,159	10,439	96,356
FY2008	12,799	1,031	666	14,496	47,887	14,671	7,902	70,460	8,668	967	917	10,552	95,508
FY2009	12,908	775	1,173	14,856	42,469	8,516	16,279	67,264	8,616	1,294	999	10,909	93,029
FY2010	13,120	1,673	160	14,953	40,185	20,966	2,806	63,957	8,823	1,537	333	10,693	89,603
FY2011	13,008	1,995	171	15,174	37,458	24,041	1,917	63,416	8,684	1,994	322	11,000	89,590
FY2012	12,604	1,114	1,686	15,404	35,836	9,967	18,670	64,473	8,355	1,578	1,390	11,323	91,200
FY2013	12,324	1,251	1,291	14,866	35,984	13,307	9,751	59,042	8,007	671	1,722	10,400	84,308
FY2014	12,269	1,080	769	14,118	37,698	11,768	5,223	54,689	7,822	533	891	9,465	78,053
FY2015	12,176	1,018	676	13,870	39,441	11,608	4,205	55,254	7,662	489	763	8,914	78,038
FY2016	12,100	1,041	602	13,743	41,623	11,783	4,068	57,474	7,541	562	685	8,788	80,005
FY2017	12,136	999	559	13,135	44,218	11,900	4,146	60,264	7,508	504	504	8,012	82,640
FY2018	12,150	980	609	13,739	46,307	12,428	4,352	63,087	7,500	482	643	8,625	85,451
FY2019	12,128	1,053	597	13,778	47,324	13,655	4,697	65,676	7,408	473	648	8,529	87,983
FY2020	11,980	1,054	637	13,671	48,164	13,647	4,729	66,540	7,295	444	666	8,405	88,616

* Year to Date (YTD - as of July 1, 2020)





New & Renewed Licenses vs. Online Usage

	Brokers				Salespersons				Entities			
	Broker New	Broker Renewal	Broker Online Renewal	Broker Online Usage	Sales New	Sales Renewal	Sales Online Renewal	Sales Online Usage	Entity New	Entity Renewal	Entity Online Renewal	Entity Online Usage
FY2001	581	5,342	n/a	n/a	4,781	13,301	n/a	n/a	219	297	n/a	n/a
FY2002	587	5,249	n/a	n/a	6,250	14,499	n/a	n/a	185	282	n/a	n/a
FY2003	592	5,523	n/a	n/a	7,520	15,053	n/a	n/a	201	294	n/a	n/a
FY2004	639	5,279	n/a	n/a	8,819	16,727	n/a	n/a	221	278	n/a	n/a
FY2005	831	5,646	542	0	12,349	18,532	2,194	12%	317	350	n/a	n/a
FY2006	980	5,474	2,356	43%	12,255	21,354	12,407	58%	473	349	n/a	n/a
FY2007	959	5,997	4,083	68%	7,704	25,026	20,564	82%	304	336	n/a	n/a
FY2008	1036	6,092	5,354	88%	4,953	25,897	24,410	94%	276	379	269	71%
FY2009	866	5,937	5,652	95%	3,774	23,331	22,496	96%	319	427	392	92%
FY2010	797	1,050	979	93%	3,935	4,388	4,153	95%	636	489	423	87%
FY2011	546	1,058	1,015	96%	2,850	3,574	3,463	97%	469	502	463	92%
FY2012	463	5,406	5,257	97%	3,069	18,406	18,089	98%	437	264	256	97%
FY2013	486	6,212	6,057	98%	4,055	20,460	20,162	99%	449	325	312	96%
FY2014	473	6,235	6,110	98%	4,896	20,934	20,515	98%	326	345	327	95%
FY2015	408	6,259	6,192	99%	5,189	21,528	21,370	99%	333	397	375	95%
FY2016	424	6,244	6,354	95%	5,694	22,420	26,764	95%	369	340	327	94%
FY2017	460	6,245	6,146	98%	6,503	23,113	22,972	99%	363	372	360	95%
FY2018	512	6,129	6,063	99%	6,486	24,175	24,014	99%	378	401	395	95%
FY2019	570	6,125	6,065	99%	6,394	25,428	25,272	99%	369	371	361	97%
FY2020	425	6,126	6,081	99%	4,573	27,043	26,920	99%	309	437	432	99%
*FY2021	425	6,126	6,081	99%	4573	27043	26920	99%	309	437	432	99%

**Projected licensure at the level of FY2020 or increased back to the level of the previous year*



Background – 95/110 Budget Model

- The Arizona Department of Real Estate is the only state agency that currently operates as a 95/110 agency, meaning if the agency is appropriated \$2.9M the ADRE must project and set its fees to remain between approximately \$2.8M and \$3.2M, pursuant to A.R.S. § 32-2103(B);
- The term 95/110 is in essence a “revenue percentage bracket;” with revenue generated through fees to cover the appropriated budget as approved by the Legislature.
- The Department of Insurance is also bound by the 95/110 budget model in statute, but has received an exception by the Legislature each year;
- The ADRE has existing fee setting controls (minimums and maximums) in A.R.S. § 32-2132 which guide all fee setting decisions;
- ADRE fees are among the lowest real estate licensing fees in the Western United States;
- The ADRE is bound by the annual legislative appropriation process pursuant to A.R.S. § 35-143.01(A) which includes approval of new FTE; and
- Civil Money Penalties are contributed directly into the General Fund and are not included in the current 95/110 calculation of fee revenue.

Request for an Exception to the 95/110 Budget Model

The Arizona Department of Real Estate requests an exception to the 95/110 budget requirements set forth in A.R.S. § 32-2103 in FY2022 due to the unpredictability of fee revenue during the past several years, and in the near future. An exception to the 95-110 budget model will allow for fees to remain at their current rates, which are at or near the statutory fee minimums set by A.R.S. § 32-2132. ADRE’s fees have remained among the lowest real estate licensing services fees in the Western United States, if not the lowest. Despite lowering fees over the past several years, revenue has remained at the high end of the percentage bracket with increasing original licensees and license renewals. Even with the current challenges surrounding the pandemic, it does not appear at this point that the impact will result in a decrease in revenue at the current fee level collected by the Department of Real Estate.

Real Estate Licensing Fees by Western States

State	Salesperson Original License	Salesperson Renewal License	Broker Original License	Broker Renewal	Entity License Fee	Two Year License	Three Year License	Four Year License
*Arizona	\$ 50	\$ 125 In office \$ 60 Online	\$ 125	\$ 250 In office \$ 150 Online	\$ 60	X		
California	\$ 245	\$ 245	\$ 300	\$ 300	\$ 300			X
*New Mexico	\$ 270	\$ 270	\$ 270	\$ 270	-		X	
*Oregon	\$ 300	\$ 300 Active \$ 150 Inactive	\$ 300 Active \$ 150 Inactive	\$ 300 Active \$ 1150 Inactive	\$ 310	X		
Washington	\$ 146.25	\$ 146.25	\$ 210	\$ 210	\$ 200	X		
*Nevada	\$ 125	\$ 180	\$ 145	\$ 220	-	X		
*Texas	\$ 205	\$ 110	\$ 305	\$ 217	\$ 217	X		
*Colorado	N/A	N/A	\$ 485	\$ 165	\$ 695		X	
*Utah	\$ 152	\$ 60	\$ 158	\$ 66	\$ 200	X		

* Arizona fees adjusted down in FY2018 and FY2020 to lower fee revenue. ADRE is considering fee reduction in FY2021.

https://azre.gov/sites/default/files/PublicInfo/Documents/Fee_Schedule.pdf

* New Mexico: Fees charged in New Mexico that are not charged in Arizona include: real estate schools, instructors, courses, license transfer fees, and other miscellaneous fees. http://www.rld.state.nm.us/boards/Real_Estate_Commission_Fees.aspx

* Oregon: Fees charged in Oregon that are not charged in Arizona include: real estate schools, instructors, courses, and other miscellaneous fees. (Oregon also charges fees for land development.) https://www.oregon.gov/rea/licensing/Get_License/Pages/Broker.aspx

* Washington: Fees charged in Washington that are not charged in Arizona include: real estate schools, instructors, and courses. <https://www.dol.wa.gov/business/realestate/fees.html>

* Texas: Fees charged in Texas that are not charged in Arizona include: real estate schools, instructors, and courses. <https://www.trec.texas.gov/agency-informaiton/fee-schedule>

* Utah: Fees charged in Utah that are not charged in Arizona include: real estate schools, instructors, courses, and other license change fees. <https://realestate.utah.gov/realestate/RealEstateFees2020.pdf>

Fee Schedule Effective March 16, 2020

License Examinations

	Salesperson	Broker
Examination Application and Examination Fees combined	\$75	\$125

Original License

	Salesperson	Broker
License Fee	\$50	\$125
Real Estate Recovery Fund	\$10	\$20
Total:	\$60	\$145

License Renewal

Individual Renewals		Salesperson	Broker
In-Office or Mailed		\$125	\$250
Online - TIMELY		\$60	\$150
Online - LATE		\$125	\$250
Real Estate Recovery Fund		No charge	No charge
Entity Renewals			
Branch Office	- Per Office		\$60
Corporation, Partnerships, Limited Liability Companies			No charge

Branch Office Original License

License Fee	\$60
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License Changes

Address Changes (business address changes cannot be done online)		
Business	- Each Main/Branch Office	No charge
Personal	- In-Office	No charge
	- Online	No charge
Name Change; Business or Personal (cannot be done online)		
Business	- Each Main/Branch Office	No charge
Personal		No charge
License Reinstatement (within license period pursuant to ARS §32-2131)		\$5
Hire/Sever/Transfer		
Hire	- In-Office	No charge
	- Online	No charge
Sever	- In-Office	No charge
	- Online	No charge
Transfer	- In-Office	No charge
	- Online	No charge
Branch Manager Changes (each change) - In-Office Only		No charge
PC or PLC Status (add, drop, or change members - per change per member)		No Charge
Branch Office Realignment (duration of license based on entity license expiration date)		
1 month through 24 months		\$60

State of Arizona Department of Real Estate

Fee Schedule Effective March 16, 2020

Temporary License Certificates

Broker License Fee (90 days)	\$50
Cemetery Salesperson (90 days)	
<i>License Fee</i>	\$50
<i>Real Estate Recovery Fund</i>	\$10
Membership Camping Salesperson Certificate of Convenience	
<i>License Fee</i>	\$50

Development Fees

	Subdivision	Unsubdivided	Campground	Timeshares
				\$20 per Interest, \$1,000 max
Disclosure Report (public report) Application	\$450	\$500	\$500	
Application to Amend Disclosure Report	\$250	\$250	\$300	N/A
Petition for Exemption	\$100	\$100	N/A	\$300
Cemetery Certificate of Authority	\$500			
Amended Cemetery Certificate of Authority	\$250			

FOR PROPERTY LOCATED IN ARIZONA { 2 }

An inspection fee is not required at the time the initial filing fee is submitted. An inspection fee according to the schedule below will be requested of the developer if ADRE staff travels to complete the inspection. If multiple inspections are necessary, additional inspection fees may be charged.

Roundtrip Mileage From Phoenix ADRE

1-25 miles	\$10
26-50 miles	\$20
51-75 miles	\$30
76-100 miles	\$40
101-125 miles	\$50
126-150 miles	\$60
151-175 miles	\$70
176-200 miles	\$80
201-250 miles	\$100
251-300 miles	\$120
301-350 miles	\$140
351-400 miles	\$160

{1} These fees effective beginning January 1, 2006

{2} Applicable travel expenses/costs for out-of-state property that is subject to the same inspection shall apply.

State Department of Real Estate

Fee Schedule Effective March 16, 2020

Miscellaneous Fees

Public Records

Photocopy of Department Records

Copies per page: \$0.25

Dept. may charge an hourly rate
for voluminous requests

\$10/hr

CD of Department Records \$5 + Postage

Postage Varies - based on actual cost to the Dept.

Certification of Department Records \$3 / request

Annual Bulletin:

Available on the ADRE website free of charge

Lawbook

Real Estate \$25

Homeowners' Association (HOA) \$15

Shipping for 1 Book \$3.50

Returned Check Fee \$25

Education Fees

Continuing Education Course (New Application/Renewal)	No charge
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Prelicensure Course (New Application/Renewal)	No charge
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Distance Learning Course (New Application/Renewal)	No charge
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<i>Host/ Remote Location Method</i> (New Application/Renewal)	No charge
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Instructor (New Application/Renewal)	No charge
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<i>Instructor Expedited Form</i>	No charge
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Real Estate School (New Application/Renewal)	No charge
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<i>School Administrator</i> (New Application/Renewal with School)	No charge
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Change: School/Administrator/Course/Instructor	No charge
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Homeowners' Association Dispute Process Fees

HOA Dispute Petition Fee	\$500
(\$500 per complaint with a maximum of 4 complaints)	



Arizona Department of Real Estate Licensing Fee History

	NEW LICENSEES			RENEWAL ONLINE			RENEWAL IN-OFFICE		
	Sales	Broker	Branch	Sales	Broker	Branch	Sales	Broker	Branch
FY 2006	\$ 60	\$ 120	\$ 50	\$ 60	\$ 120	\$ 50	\$ 60	\$ 120	\$ 50
FY 2007	\$ 60	\$ 125	\$ 50	\$ 60	\$ 125	\$ 50	\$ 60	\$ 125	\$ 50
FY 2008	\$ 60	\$ 125	\$ 80	\$ 60	\$ 125	\$ 50	\$ 60	\$ 125	\$ 80
FY 2009	\$ 121	\$ 241	\$ 80	\$ 80	\$ 160	\$ 80	\$ 120	\$ 240	\$ 80
*FY 2010	\$ 125	\$ 250	\$ 200	\$ 150	\$ 300	\$ 200	\$ 200	\$ 400	\$ 200
*FY 2011	\$ 125	\$ 250	\$ 200	\$ 150	\$ 300	\$ 200	\$ 200	\$ 400	\$ 200
FY 2012	\$ 110	\$ 225	\$ 100	\$ 100	\$ 250	\$ 100	\$ 200	\$ 400	\$ 100
FY 2013	\$ 50	\$ 125	\$ 60	\$ 75	\$ 175	\$ 50	\$ 125	\$ 250	\$ 60
FY 2014	\$ 50	\$ 125	\$ 60	\$ 75	\$ 175	\$ 50	\$ 125	\$ 250	\$ 60
FY 2015	\$ 50	\$ 125	\$ 60	\$ 75	\$ 175	\$ 60	\$ 125	\$ 250	\$ 60
FY 2016	\$ 50	\$ 125	\$ 60	\$ 75	\$ 175	\$ 60	\$ 125	\$ 250	\$ 60
FY 2017	\$ 50	\$ 125	\$ 60	\$ 75	\$ 175	\$ 60	\$ 125	\$ 250	\$ 60
FY 2018 (7/1 - 11/15)	\$ 50	\$ 125	\$ 60	\$ 75	\$ 175	\$ 60	\$ 125	\$ 250	\$ 60
FY 2018 (11/16 - 6/30)	\$ 50	\$ 125	\$ 60	\$ 65	\$ 150	\$ 60	\$ 125	\$ 250	\$ 60
FY 2019	\$ 50	\$ 125	\$ 60	\$ 65	\$ 150	\$ 60	\$ 125	\$ 250	\$ 60
FY 2020 (7/1 - 9/2)	\$ 50	\$ 125	\$ 60	\$ 65	\$ 150	\$ 60	\$ 125	\$ 250	\$ 60
FY 2020 (9/3 - 6/30)	\$ 50	\$ 125	\$ 60	\$ 60	\$ 150	\$ 60	\$ 125	\$ 250	\$ 60
FY2021	\$ 50	\$ 125	\$ 60	\$ 60	\$ 150	\$ 60	\$ 125	\$ 250	\$ 60
**FY2022	\$ 50	\$ 125	\$ 60	\$ 60	\$ 150	\$ 60	\$ 125	\$ 250	\$ 60

*4yr License

**Projected

Fee Reduction in FY2018

Fee Reduction in FY2020



ADRE Licensing Fee - FY2020 as of June 30, 2020

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY2019	FY2020	FY2021	FY2022
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected
New Licensees										
Sales	4,055	4,896	5,189	5,694	6,503	6,486	6,394	4,573	4,573	4,573
Broker	486	473	408	424	460	512	570	425	425	425
Branch Ofc	449	326	333	369	363	378	369	309	309	309
Fee Structure (Sales; Broker; Branch Office):										
In-Office Processing	\$50; \$125; \$60	\$50;\$125;\$60	\$50;\$125;\$60	\$50;\$125;\$60	\$50;\$125;\$60	\$50;\$125;\$60	\$50;\$125;\$60	\$50;\$125;\$60	\$50;\$125;\$60	\$50;\$125;\$60
Renewals										
Sales	20,460	20,934	21,528	22,420	23,113	15,134	25,428	24,758	27,000	27,000
Broker	6,212	6,235	6,259	6,244	6,245	3,913	6,125	6,126	6,126	6,126
Branch Ofc	325	345	397	340	372	401	371	437	437	437
Fee Structure (Sales; Broker; Branch Office):										
In-Office Processing	\$125; \$250; \$60	\$125;\$250;\$60	\$125;\$250;\$60	\$125;\$250;\$60	\$125;\$250;\$60	\$125;\$250;\$60	\$125;\$250;\$60	\$125;\$250;\$60	\$125;\$250;\$60	\$125;\$250;\$60
					\$75;\$175;\$60 Rv. Eff. Nov18:		\$65;\$150;\$60 Rv. Eff. Sept4:			
Online	\$75; \$125; \$50	\$75;\$125;\$50	\$75;\$175;\$50	\$75;\$175;\$60	\$75;\$175;\$60	\$65;\$150; \$60	\$65;\$150;\$60	\$60;\$150;\$60	\$60; \$150; \$60	\$60; \$150; \$60
New Licensees										
Sales	\$ 202,750	\$ 244,800	\$ 259,450	\$ 284,727	\$ 325,150	\$ 324,300	\$ 319,700	\$ 241,740	\$ 228,650	\$ 228,650
Broker	\$ 60,750	\$ 59,125	\$ 51,000	\$ 53,408	\$ 57,500	\$ 64,000	\$ 71,250	\$ 50,625	\$ 53,125	\$ 53,125
Branch Ofc	\$ 26,940	\$ 16,300	\$ 19,980	\$ 22,140	\$ 21,780	\$ 22,680	\$ 22,140	\$ 18,540	\$ 18,540	\$ 18,540
Subtotal	\$ 290,440	\$ 320,225	\$ 330,430	\$ 360,275	\$ 404,430	\$ 410,980	\$ 413,090	\$ 310,905	\$ 300,315	\$ 300,315
Renewals										
Sales	\$ 1,544,730	\$ 1,580,517	\$ 1,625,364	\$ 1,692,710	\$ 1,744,649	\$ 1,675,365	\$ 1,668,077	\$ 1,780,380	\$ 1,771,200	\$ 1,771,200
Broker	\$ 1,091,759	\$ 1,095,801	\$ 1,100,019	\$ 1,118,122	\$ 1,100,425	\$ 982,707	\$ 928,623	\$ 944,125	\$ 940,000	\$ 940,000
Branch Ofc	\$ 16,250	\$ 20,700	\$ 19,850	\$ 20,400	\$ 22,320	\$ 24,060	\$ 22,260	\$ 27,240	\$ 26,220	\$ 26,220
Education Fees (Proj.)		\$ 39,500	\$ 35,250	\$ 37,676	\$ 15,205	\$ -	\$ -	\$ -	\$ -	\$ -
Vendor Examination Fees	\$ 163,700	\$ 203,000	\$ 216,474	\$ 239,160	\$ 255,972	\$ 260,560	\$ 337,500	\$ 254,050	\$ 254,000	\$ 254,000
Credit Card Discount Fees								\$ (63,842)	\$ (63,000)	\$ (63,000)
Subtotal	\$ 2,816,439	\$ 2,939,518	\$ 2,996,957	\$ 3,108,068	\$ 3,138,570	\$ 2,942,693	\$ 2,956,459	\$ 2,941,953	\$ 2,928,420	\$ 2,928,420
Total License Revenue	\$ 3,106,879	\$ 3,259,743	\$ 3,327,387	\$ 3,468,343	\$ 3,543,000	\$ 3,353,673	\$ 3,369,549	\$ 3,252,858	\$ 3,228,735	\$ 3,228,735
% of Appropriation	106%	109%	111%	116%	118%	111%	116%	112%	108%	108%
Other Revenue										
Development/Builder Filing Fees	\$ 205,500	\$ 216,074	\$ 215,760	\$ 221,578	\$ 229,750	\$ 242,550	\$ 253,600	\$ 255,610	\$ 255,610	\$ 255,610
Civil Money Penalties	\$ 225,805	\$ 199,453	\$ 153,256	\$ 284,367	\$ 212,037	\$ 233,400	\$ 402,800	\$ 276,825	\$ 275,000	\$ 275,000
Development Inspection Fees	\$ 16,700	\$ 19,501	\$ 16,741	\$ 16,647	\$ 20,810	\$ 24,630	\$ 22,400	\$ 17,920	\$ -	\$ -
Other Fees (Bank fees)			\$ 128,725	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Revenue	\$ 448,005	\$ 435,028	\$ 385,757	\$ 651,317	\$ 462,597	\$ 500,580	\$ 678,800	\$ 550,355	\$ 530,610	\$ 530,610
Total Revenue	\$ 3,554,884	\$ 3,694,771	\$ 3,713,144	\$ 4,119,660	\$ 4,005,597	\$ 3,854,253	\$ 4,048,349	\$ 3,803,213	\$ 3,759,345	\$ 3,759,345
Appropriation	2,917,300	2,988,700	2,988,700	2,985,200	3,004,000	3,028,000	2,911,700	2,909,500	2,997,600	2,997,600
95%	2,771,435	2,839,265	2,839,265	2,835,940	2,853,800	2,876,600	2,766,115	2,764,025	2,847,720	2,847,720
110%	3,209,030	3,287,570	3,287,570	3,283,720	3,304,400	3,330,800	3,202,870	3,200,450	3,297,360	3,297,360

This worksheet is used to project and track fee revenue collected during the Fiscal Year pursuant to the 95/110 budget model, A.R.S. § 32-2103.

* Percent of Appropriation may be +/- one to two percent

Fees were decreased in November 2017

Fees were decreased in September 2019

Revenue Schedule - General Funds Deposit

REVENUE GENERATED THROUGH FEES

The Department uses a simple forecast formula based on historical statistics and current market trends to validate the fees to be charged and the adherence to the 95/110 budget model. The assumptions used to project revenues in each category are as follows:

4312 – ORIGINAL EXAMINATION FEES

Examination fees are received from our contracted real estate testing vendor who administers the required Arizona real estate licensing exam to individuals wanting to obtain an Arizona real estate license.

ASSUMPTION:

Original license applications of salespersons and brokers will be stable. (See Exhibits A, B, C, and D below).

(EXHIBIT A) BROKER ORIGINAL LICENSE EXAMINATION FEE REVENUE

FISCAL YEAR	FEES	ADRE PORTION OF FEES	EXAMS
FY 2017	\$ 125.00	\$66.00	779
FY 2018	\$ 125.00	\$66.00	819
FY 2019 (July – October)	\$ 125.00	\$66.00	296
FY 2019 (November – June)	\$ 125.00	\$73.00	639
FY 2020	\$ 125.00	\$73.00	746
FY 2021 (Projected)	\$ 125.00	\$73.00	750
FY 2022 (Projected)	\$ 125.00	\$73.00	750

(EXHIBIT B) SALESPERSON ORIGINAL LICENSE EXAMINATION FEE REVENUE

FISCAL YEAR	FEES	ADRE PORTION OF FEES	EXAMS
FY 2017	\$ 75.00	\$16.00	12,374
FY 2018	\$ 75.00	\$16.00	12,248
FY 2019 (July – October)	\$ 75.00	\$16.00	4,912

FY 2019 (November – June)	\$ 75.00	\$23.00	7,925
FY 2020	\$ 75.00	\$23.00	9,165
FY 2021 (Projected)	\$ 75.00	\$23.00	12,248
FY 2022 (Projected)	\$ 75.00	\$23.00	12,248

(EXHIBIT C) OTHER EXAMINATION FEES (CEMETERY, CAMPGROUND, RETAKE)

FISCAL YEAR	FEES	ADRE PORTION OF FEES	EXAMS
FY 2017	\$75/\$125	\$16/\$66	70
FY 2018	\$75/\$125	\$16/\$66	75
FY 2019 (July - October)	\$75/\$125	\$16/\$66	29
FY 2019 (November – June)	\$75/\$125	\$40/\$40	60
FY 2020	\$75/\$125	\$40/\$40	56
FY 2021 (Projected)	\$75/\$125	\$40/\$40	60
FY 2022 (Projected)	\$75/\$125	\$40/\$40	60

(EXHIBIT D) TOTAL EXAMINATION FEES COLLECTED

FISCAL YEAR	TOTAL FEES
FY 2017	\$ 255,972
FY 2018	\$ 260,560
FY 2019	\$ 337,500
FY 2020	\$ 254,000
FY 2021 (Projected)	\$ 254,000
FY 2022 (Projected)	\$ 254,000

4314 – DEVELOPMENT/BUILDER SERVICES - FILING FEES

The Department also generates revenue through Developers/builders applying for Public Reports, Certificates of Authority, or Special Orders of Exemption. Inspection fees are also collected at the time of application.

ASSUMPTION: As the Arizona real estate market continues to stabilize, the Developers/builders have answered the need for new home inventory through the development of new subdivisions, as well as completing/infilling those developments where building had ceased during the last recession.

DEVELOPMENT/BUILDER FILING FEES REVENUE

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 (Projected)	FY 2022 (Projected)
Total Filing Fee Revenue	\$ 229,750	\$ 242,550	\$ 253,600	\$ 255,610	\$ 250,000	\$ 250,000

4316 – DEVELOPER - INSPECTION FEE

The Department also generates revenue through Development inspection fees as ADRE approves Developers for Public Reports. The Department streamlined its process in March 2020 (FY2020) to complete development inspections with technology. The Department will no longer charge an inspection fee where travel is not required. It is anticipated that the majority, if not all inspections can be completed virtually using technology.

DEVELOPMENT INSPECTION FEES REVENUE

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 (Projected)	FY 2022 (Projected)
Total Inspection Fee Revenue	\$ 20,810	\$ 24,630	\$ 22,400	\$ 17,900	\$ 0	\$ 0

4415 – OCCUPATIONAL & PROFESSIONAL LICENSES

Licensing revenue in this category generated through original license and renewal applications. Fees are not charged for administrative action transactions such as hires, severs, transfers, address changes etc.

NEW ORIGINAL LICENSING FEE REVENUE

	FY 2017 Revenue	FY 2018 Revenue	FY 2019 Revenue	FY 2020 Projected Revenue	FY 2021 Projected Revenue	FY 2022 Projected Revenue
Salespersons	\$ 325,150	\$ 324,300	\$ 319,700	\$ 241,740	\$ 242,000	\$ 242,000
Brokers	\$ 57,500	\$ 64,000	\$ 71,250	\$ 50,625	\$ 51,000	\$ 51,000
Entity	\$ 21,780	\$ 22,680	\$ 22,140	\$ 18,540	\$ 18,540	\$ 18,540
TOTAL	\$ 404,430	\$ 410,980	\$ 413,090	\$ 310,905	\$ 311,500	\$ 311,500

RENEWAL LICENSING FEE REVENUE

	FY 2017 Revenue	*FY 2018 Revenue	FY 2019 Revenue	*FY 2020 Revenue	FY 2021 Projected Revenue	FY 2022 Projected Revenue
Salespersons	\$1,744,649	\$1,675,365	\$1,668,077	\$1,650,698	\$1,650,698	\$1,650,698
Brokers	\$1,100,425	\$982,707	\$928,623	\$928,774	\$928,774	\$928,774
Entity	\$22,320	\$24,060	\$22,260	\$26,220	\$26,220	\$26,220
TOTAL	\$3,138,570	\$2,942,693	\$2,956,459	\$2,756,206	\$2,756,206	\$2,756,206

- **Renewals**

* ADRE reduced license fees for online renewals from \$75 to \$65 (salespersons) and \$175 to \$150 (brokers) respectively on November 17, 2017.

* ADRE reduced license fees for online renewals from \$65 to \$60 (salespersons) on September 3, 2019.

4519 – OTHER FINES, FOREFITURES & PENALTIES

All complaints generate investigations, and civil fines assessed when there is a proven violation of the real estate statutes and rules. These fees deposited to the General Fund, however are not included in the 95/110.

	CIVIL PENALTIES COLLECTED
FY 2017	\$212,037
FY 2018	\$233,400
FY 2019	\$402,800
FY 2020	\$276,825
FY 2021 (Projected)	\$280,000
FY 2022 (Projected)	\$280,000

4699 – Recovery Fund

This is a non-appropriated fund that licensees contribute to when applying for an original license and during renewal. Pursuant to A.R.S §32-2187 (B) renewing brokers and salespersons are required to pay a Recovery Fund fee until the fund reaches a minimum balance of \$600,000. The statutory cap balance is in place for FY 2021 and projected to remain in place for FY 2022.

RECOVERY FUND REVENUE

	FY 2018 Revenue	FY 2019 Revenue	FY 2020 Revenue	FY 2021 Projected Revenue	FY 2022 Projected Revenue
Salespersons/Brokers	\$ 75,100	\$ 75,500	\$ 56,590	\$ 60,000	\$ 60,000
Restitution	\$ 4,100	\$ 14,600	\$ 10,600	\$ 10,000	\$ 10,000
TOTAL	\$ 79,200	\$ 90,100	\$ 67,190	\$ 70,000	\$ 70,000

4699 – EDUCATION REVOLVING FUND

This is a non-appropriated fund that is established consisting of monies received from the sale of educational matter under A.R.S. 23-2107 (C). This fund is not subject to reversion, except that funds over \$25,000 at the end of the fiscal years shall revert to the state general fund.

EDUCATION REVOLVING FUND REVENUE

	FY 2018 Revenue	FY 2019 Revenue	FY 2020 Revenue	FY 2021 Projected Revenue	FY 2022 Projected Revenue
	\$ 6,200	\$ 15,300	\$ 9,500	\$ 10,000	\$ 12,000
TOTAL	\$ 6,200	\$ 15,300	\$ 9,500	\$ 10,000	\$12,000

4699 – CONDO AND PLANNED COMMUNITY HEARING OFFICE FUND

This is a non-appropriated fund that is established to be used to reimburse the actual costs of the office of administrative hearings in conducting hearings pursuant to A.R.S. § 32-2199.01. Monies remaining in the fund may be used by the department to offset the costs of administering cases filed pursuant to § 32-2199.01.

CONDO AND PLANNED COMMUNITY HEARING OFFICE FUND REVENUE

	FY 2018 Revenue	FY 2019 Revenue	FY 2020 Projected Revenue	FY 2021 Projected Revenue	FY 2022 Projected Revenue
Petition Fees	\$ 29,500	\$ 33,250	\$ 33,500	\$ 33,500	\$ 33,500
Fines or Forfeitures	\$ 5,300	\$ 300	\$ 500	\$ 500	\$ 500
TOTAL	\$ 34,800	\$ 33,550	\$ 34,000	\$ 34,000	\$ 34,000

AGENCY SUMMARY

Program: REA 0 . 0 DEPARTMENT OF REAL ESTATE
Director: Judy Lowe, Commissioner
Phone: (602) 771-7760
Statute: A.R.S. §§ 32-2101 et seq.
Plan Contact: Louis Dettorre, Deputy Commissioner
(602) 771-7769

Mission:

To serve and protect the public interest through efficient and timely licensure, balanced regulation, and proactive education of the real estate profession in the State of Arizona.

Description:

The Department of Real Estate oversees the administration of licensing examinations and issuance of licenses, as well as the activities of licensees to ensure compliance with the Arizona Department of Real Estate Revised Statutes and the Commissioner's Rules. Also within the purview of the Department is the regulation of the sale of subdivided and certain unsubdivided lands, builder and development services, timeshares, condominiums, membership campgrounds, and cemeteries. The Department regulates real estate schools and educators, monitoring pre-licensing and continuing education courses to ensure the quality of the content of courses and the competence of the instructors, as well as the quality and timeliness of materials being taught. Additionally, the Department oversees the Home Owners' Association Dispute Process by accepting petitions that allege violations of certain Arizona statutes and community bylaws. These complaints are forwarded to the Office of Administrative Hearings to be heard by an Administrative Law Judge.

◆ **Goal:** 1 To lead all national state real estate agencies in operational efficiency and effectiveness.

Objectives: 1 2020 Obj: Complete a report identifying unnecessary administrative requirements of original real estate license applicants.

2021 Obj: Business Technology Solutions for Data Driven Decision Making

2022 Obj: Business Technology Solutions for Data Driven Decision Making

Performance Measures:

ML	Budget	Type		FY 2019 Actual	FY 2020 Estimate	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OP Number of fully integrated web-based dashboards implemented at the division level.	8	0	0	0	0
2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	EF Automate Broker Audit Declaration Submissions	0	0	0	0	0

◆ **Goal:** 2 To drive innovation through technological advancement.

Objectives: 1

2021 Obj: Quality of real estate education and class course offerings.

2022 Obj: Quality of real estate education and class course offerings.

Performance Measures:

ML	Budget	Type		FY 2019 Actual	FY 2020 Estimate	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	IP Total real estate applications received	41,932	42,000	38,173	42,000	42,000
2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	IP Number of real estate licensees	87,983	89,742	88,616	89,000	89,000
3	<input checked="" type="checkbox"/>	<input type="checkbox"/>	QL Increase number of monthly volunteer monitor assignments.	20	25	40	30	30
4	<input checked="" type="checkbox"/>	<input type="checkbox"/>	QL Increase the average annual pass/fail ratio of first time real estate test takers.	72	0	68	70	72

The average pass rate score for first time test takers includes Salesperson and Brokers exams.

Objectives: 2 2020 Obj: Increase percentage of online services.

2021 Obj: Promote Quality Online Services.

2022 Obj: Promote Quality Online Services.

Performance Measures:

ML	Budget	Type		FY 2019 Actual	FY 2020 Estimate	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	EF Increase percentage of online services.	86	90	90	95	100

◆ **Goal:** 3 To maintain timeliness of the investigative process.

Objectives: 1 2020 Obj: Implement AMS to continue decreasing processing times for all real estate and subdivision investigations.

2021 Obj: Maintain AMS goal of decreasing complaint processing times for all real estate and subdivision investigations.

2022 Obj: Maintain AMS goal of decreasing complaint processing times for all real estate and subdivision investigations.

Performance Measures:

ML	Budget	Type		FY 2019 Actual	FY 2020 Estimate	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
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ML Budget Type				FY 2019 Actual	FY 2020 Estimate	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate	
1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	EF	Average calendar days from receipt of real estate or subdivision complaint to resolution This performance measure is on the agency scorecard, but not on the strategic plan short form. The agency scorecard metric goal is to complete investigations that are referred to the Enforcement & Compliance Division in an average of 30 days.	21	15	26	30	30
2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	OP	Total real estate or subdivision complaints investigated This performance measure is on the agency scorecard, but not on the strategic plan short form. Complaints received through the Complaint Review process are responded to in an average of one day. The Department received 123 complaints that were not in the Department's jurisdiction in FY2020.	565	700	354	350	350
3	<input checked="" type="checkbox"/>	<input type="checkbox"/>	EF	Days to Complete Investigation Complaints. This performance measure is on the agency scorecard, but not on the strategic plan short form. * The Dept. anticipates sustaining this goal as reported on the agency scorecard.	24	30	26	30	30

◆ **Goal:** 4 To maintain excellent customer service through the timely issuance of applications and public reports.

Objectives: 1 2020 Obj: Implement AMS to continue decreasing public report application processing times for all filings received.
 2021 Obj: Track the number of applications filed, and processing times to maintain or exceed scorecard goals.
 2022 Obj: Track the number of applications filed, and processing times to maintain or exceed scorecard goals.

Performance Measures:

Performance Measures:				FY 2019	FY 2020	FY 2020	FY 2021	FY 2022
	ML	Budget	Type	Actual	Estimate	Actual	Estimate	Estimate
1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	IP	Number of subdivision filings received	813	800	1,008	800
				This performance measure is on the agency scorecard, not on the short form strategic plan.				
				It is likely too early to tell whether development services applications will continue to increase in FY2021, but the market need for new developments remains. The number of development services applications was at its highest level in the past 10 years in FY2020.				
2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	EF	Days to issue Development Lot Reservations.	2	2	1.5	2
				This performance measure is on the agency scorecard, but not on the short form strategic plan.				
				* Estimates are based on sustaining scorecard measure goals of issuing reservations in under 3 days. This goal was exceeded in FY17, FY18, FY19, & FY20 and is anticipated to be similar in FY21.				

◆ **Goal:** 5 To provide excellent customer service

Objectives: 1 2020 Obj: Increase percent of favorable customer service surveys.
 2021 Obj: Customer First Approach.
 2022 Obj: Customer First Approach.

Performance Measures:

Performance Measures:					FY 2019	FY 2020	FY 2020	FY 2021	FY 2022
	ML	Budget	Type		Actual	Estimate	Actual	Estimate	Estimate
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	QL	Increase percent of favorable customer service surveys.	85	90	82	90	90
2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OP	Increase the number of publications and outreach opportunities.	0	0	0	0	0
3	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Average number of pending messages at the end of each day.	0	0	0	0	0

◆ **Goal:** 6 To strengthen real estate education.

Objectives: 1
 2021 Obj: Raise the Bar of Real Estate Education in Arizona.
 2022 Obj: Raise the Bar of Real Estate Education in Arizona.

Performance Measures:

Performance Measures:					FY 2019 Actual	FY 2020 Estimate	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
	ML	Budget	Type						
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Increased average annual pass rate of first time Pre License real estate test takers.	72	0	72	0	0
2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OP	Increase the percent of volunteer monitor course assignments made and completed.	244	300	482	400	400

Objectives: 2

2021 Obj: Increase the number of annual course monitor assignments.

2022 Obj: Increase the number of annual course monitor assignments.

Performance Measures:

Performance Measures:				FY 2019 Actual	FY 2020 Estimate	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate	
	ML	Budget	Type						
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Continue to complete volunteer monitor assignments and reports in FY2021. When in a majority telework environmmnet, continue to increase the number of annual course assignments completed.	244	300	482	400	400

Objectives: 3

2021 Obj: Reduce the number of days to process distance learning continuing education course applications submitted by real estate educators.

2022 Obj: Reduce the number of days to process distance learning continuing education course applications submitted by real estate educators.

Performance Measures:

Performance Measures:				FY 2019 Actual	FY 2020 Estimate	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate	
	ML	Budget	Type						
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	EF	Reduce the number of days to process distance learning continuing education course applications submitted by real estate educators from 20 average days to 15 or fewer average days. Statute provides a timeframe of 90 days to complete these approvals.	0	0	20	15	15

Objectives: 4

2021 Obj: Encourage staff training and development opportunities through the course monitor program.

2022 Obj: Encourage staff training and development opportunities through the course monitor program.

Performance Measures:

Performance Measures:				FY 2019 Actual	FY 2020 Estimate	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate	
	ML	Budget	Type						
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Offer at least one monthly training or learning opportunity for ADRE staff to further career development. Assign staff volunteer monitor assignments for real estate courses, and continue division specific training sessions during morning remote huddles.	0	0	5	12	12

Objectives: 5

2021 Obj: Launch a campaign focusing on "Value of Working with an Arizona Real Estate Licensee"

Performance Measures:

Performance Measures:				FY 2019 Actual	FY 2020 Estimate	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
ML	Budget	Type						
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OP	Launch a campaign focusing on "Value of Working with an Arizona Real Estate Licensee". This will include brochures, email alerts, and other messaging through the fiscal year.	0	0	0	0

◆ Goal: 7 To develop an engaged, professional workforce**Objectives: 1**

2021 Obj: Engage and Develop a World Class Team

2022 Obj: Engage and Develop a World Class Team

Performance Measures:

Performance Measures:				FY 2019	FY 2020	FY 2020	FY 2021	FY 2022
	ML	Budget	Type	Actual	Estimate	Actual	Estimate	Estimate
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Decrease employee turnover				
				0	0	0	0	0
2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Increase employee positive experience				
				0	0	0	0	0

Budget Related Performance Measures

Department of Real Estate

Agency:	0.0	DEPARTMENT OF REAL ESTATE
Contact:	Judy Lowe, Commissioner (602) 771-7760	
2nd Contact:	Louis Dettorre, Deputy Commissioner (602) 771-7769	
Statute:	A.R.S. §§ 32-2101 et seq.	

ML	Budget	Type	Performance Measure	FY 2019 Actual	FY 2020 Estimate	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	IP	Number of subdivision filings received Includes amendments	813	800	1,008	800	800
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	EF	Average calendar days from receipt of real estate or subdivision complaint to resolution	21	15	26	30	30
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	IP	Total real estate applications received New Applicants & Renewals	41,932	42,000	38,173	42,000	42,000
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	OP	Total real estate or subdivision complaints investigated	565	700	354	350	350
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	IP	Number of real estate licensees Number reflects actual count of licensees. This includes individuals, brokers, and entities.	87,983	89,742	88,616	89,000	89,000

Revised Performance Measure Descriptions

The following performance measures are budget related. Unlike non-budget related performance measures, agencies can't change the last published description themselves. Therefore, they've entered a revised description which should be reviewed. If appropriate, update the performance measure's description with the agency's revised description in OSPB's "centralized" AZIPS. Be sure your team leader, OSPB management and JLBC have approved of the change, since this will be published. This report checks for revisions across all agencies. Please communicate with the agency about the outcome of their request to add, change or delete performance measures and/or their descriptions.

Agency:

Program:

Subprogram:

Goal:

Objective:

Performance Measure Last Published Description & Agency's Revised Description

PM
Type

Original:

Revised:

Agency 5-Year Plan

Issue 1 Strategic Issue #1: Provide Excellent Customer Service

Description: The real estate industry, the Department, the State of Arizona, and, most importantly, the public are experiencing a period of growth in the Arizona real estate market. Despite the current challenges of COVID-19, the economic picture relating to real estate in Arizona has stabilized. It is important to retain consumer confidence in real estate professionals. The Department will always take a customer first approach when serving the public.

The Department treats real estate licensees as a profession and always encourages policies that "raise the bar" in the industry. Education, knowledge sharing, and raising the bar has addressed many of the historic areas that may reduce consumer confidence. Some of the areas which the Department receives consumer complaints are as follows:

- Property management mishandling and/or depletion of trust accounts by licensed individuals;
- Fraudulent real estate and subdivision schemes – i.e. lack of public report, distressed properties;
- Mortgage and real estate documents fraud involving licensed individuals;
- Property management schemes/violations conducted by unlicensed individuals;
- Unlicensed entities in Arizona, as well as, out-of-state companies, conducting real estate activities;
- Advertising violations, where misleading false and deceptive marketing is used; and
- Auctions, where unlicensed individuals facilitate the sale of properties; without real estate professional representation for the consumer.

Solutions:

The Arizona Department of Real Estate will continue to utilize the Arizona Management System (AMS) to continue fulfilling its principles, values and mission.

As a regulatory agency charged with protecting the public, and facilitating service for the real estate industry, the Arizona Department of Real Estate's continued emphasis will be on building partnerships within the industry and with other state agencies, in serving and protecting Arizona's constituents through an attitude of supporting a TEAM (Together Everyone Achieves More) concept.

This partnership will continue to focus on "raising the bar" of the real estate industry, thus minimizing the actions that cause harm to the public and educating the public on what to be aware of in their real estate transactions. This task will be achieved through the commitment of open communication, transparency and the sharing of information and knowledge. The Department will create a synergistic approach to problem solving by gathering feedback from all, then implementing changes and improvements as needed.

Through proactive education and information broadcasting, the Department will seek to ensure public and industry awareness of fundamental laws pertaining to real estate transactions in Arizona. The Department's focus will continue to consist of balanced regulation, ensuring that licensees and/or repeat offenders who are proven to have violated the law and harmed the public are dealt with quickly and stringently, while addressing the more minor infractions that do not effect and/or harm the public, and will work from a more educational perspective. Additionally, the Department will continue to streamline processes, implement the Arizona Management System and allow staff to work through cases thoroughly, yet efficiently.

Issue 2 Strategic Issue #4: Drive Innovation through Technological Advancement

Description: The Arizona Department of Real Estate's Information Technology infrastructure must continue to advance in order to facilitate more efficient internal processes, and to keep pace with the technologically-savvy real estate industry and public the Department serves. Keeping pace with technology and creating the ability to transact nearly all business Online is the way that the ADRE can continue to deliver a high level of service to the steadily increasing number of real estate licensees over the past many fiscal years.

Based on the Department's business technology assessment and the review of the State of Arizona IT Strategic Plan, the Department has developed an IT Strategic Plan to update communication systems, providing opportunities for re-engineering appropriate business processes throughout all areas of the agency. Implementation and integration of these systems will provide faster, more efficient customer service to the public, as well as enhance staff efficiencies by reducing duplication of effort and shortening time spent on various data-gathering and verification tasks.

Solutions:

The Department will focus on continuing to promote quality online services and increase services available for the customer online. This includes implementing further enhancements to the public database and online license system.

Issue 3 Strategic Issue #2: Strengthen Real Estate Education

Description: Real estate education is a fundamental element of enhancing the highest level of knowledge and professionalism within the real estate industry, benefiting Arizona's constituents. Included in the real estate industry's contribution to a thriving Arizona economy are the Real Estate Educators, which are a growing industry in Arizona.

Pursuant to ARS §32-2135, in addition to being responsible for issuing real estate school licenses, approving the credential of instructors and the subject matter content of courses to be taught, the Department is tasked with ensuring that, once the aforementioned has been done, all schools and instructors are complying with applicable statutes and rules thereafter. This is performed by conducting audits to ensure the information and materials being taught and distributed have been approved by the Commissioner and that certification of student attendance, and/or performance is properly documented.

Solutions:

The Volunteer Monitor Program utilizes volunteers from the real estate industry who review the delivery of courses, to confirm compliance with the stated application specifics and approval guidelines from the Department. Volunteer monitors allow the Department to save personnel costs, while also allowing industry professionals to remain active in participation and compliance. The volunteer monitor program has maintained a high level of class monitor assignments each year since it was implemented.

The Department will focus on pass rates, and review average annual pass rates of first time Pre License test takers.

Issue 4 Strategic Issue #3: Lead All National State Real Estate Agencies in Operational Efficiency and Effectiveness

Description: The Arizona Department of Real Estate strives to be a provider of responsive and reliable services to Arizona's real estate industry and the public served by this industry. The Department's efforts focus on ensuring that the delivery of quality, timely and cost-effective core services. The day-to-day activities of the Department rely on efficient internal business systems. The Department has implemented the Arizona Management System with all agency staff. Performance Metrics will be followed on the FY 2021 agency scorecard, which addresses each division of the Department, and is designed to drive improvement in all areas.

The Arizona Department of Real Estate adapted to the challenges presented with COVID-19 by embracing telework for the majority of staff positions during this time. Moving forward, the Department will continue to explore further efficiencies in telework, and embrace it to the greatest extent possible.

Solutions:

The Department recognizes that it has an obligation to the citizens of Arizona to ensure that Department resources are being used as efficiently and effectively as possible. To this end, the Department continues to explore and implement efficiency and cost-saving strategies wherever possible, and to look for better ways to deliver services. The Department also remains committed to cross training staff and sharing knowledge of positions across divisions. Agency leadership has seen that knowledge sharing has had an effect on streamlining services as processes are known by all individuals that may influence an outcome.

The Department will focus on leveraging business technology solutions for data driven decision making.

Issue 5 Strategic Issue #5: Developing an Engaged, Professional Workforce

Description: As of June 30, 2020, the Arizona Department of Real Estate employs 27 FTE, while appropriated 37 FTE for FY 2021. Leaner staffing levels, a stable lower budget, and greater efficiencies than the previous year, is what the public and industry has come to expect from the ADRE. To achieve greater efficiencies and success the agency must continue to promote knowledge sharing, position growth opportunities, internal training among experienced and newer staff, and focus on staff retention.

Solutions:

Demographic shifts will continue to be the largest single influence on the Department workforce over the next several years, as increasing numbers of experienced employees may retire, or choose to pursue other career opportunities. The Department's continued focus moving forward will be on the ability to implement strategies to mitigate anticipated departures of valuable employees, to preserve and transfer the historical institutional knowledge of retiring staff, and to implement recruitment measures to attract top talent and improve on staff job satisfaction.

Issue 6 Strategic Issue #6: Adhere to Fiscal Guidelines

Description: Over the past many budget cycles the ADRE's appropriation has remained approximately \$2.9 million, while maintaining the number of appropriated FTE's. As of June 30, 2020 the ADRE has 27 FTE. While this level of staffing is not likely to remain this lean, the Department has delivered a high level of professional service, while remaining fiscally responsible.

Solutions:

The Department will continue adherence to strict fiscal responsibility to utilize available resources, while focusing on continuing to improve on the excellent delivery of services to the real estate industry, as well as the regulation of that industry, while striving always to protect the public. The entire Department "TEAM" will always be apprised of the budget that the Department is committed to operating within, and will receive a consistent status update on how the Department is performing.

Resource Assumptions

	FY2023 Estimate	FY2024 Estimate	FY2025 Estimate
Full-Time Equivalent Positions	37.0	37.0	37.0
General Fund	3,000,000.0	3,000,000.0	3,000,000.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	900,000.0	900,000.0	900,000.0
Federal Funds	0.0	0.0	0.0