

MINUTES OF THE MEETING
Kansas Real Estate Commission
August 17, 2015

The Kansas Real Estate Commission held its regular meeting on Monday, August 17, 2015 at 9:00 a.m. at Three Townsite Plaza, Suite 200, 120 SE 6th Avenue, Topeka Kansas

Commissioners Present:

Sue Wenger, Chairperson
Joseph Vaught, Vice Chairperson
Errol Wuertz, Member
Bryon Schlosser, Member
Shirley Cook, Member

Staff Present:

Erik Wisner, Executive Director
Kelly White, Director of Licensing and Education
David Pierce, Director of Enforcement
Stacey Serra, Legal Assistant

Kansas Real Estate Commission Legal Counsel Present:

Sarah Fertig, Assistant Attorney General

Call to Order

Ms. Wenger called the KOMA meeting to order at 9:04 a.m.

Conference Hearing in the Matter of John Waters, Jr. Docket No. 15-5445

This hearing has been continued until November 16, 2015.

Approval of the Minutes of the July 20, 2015 Meeting

Motion was made by Mr. Schlosser to approve the minutes with changes, seconded by Mr. Vaught, to approve the minutes from the July 20, 2015 meeting. Motion carried unanimously.

Ms. Wenger recessed the KOMA meeting at 9:15 a.m. for KAPA Proceedings

Ms. Wenger recessed for a short break at 9:59 a.m.

Ms. Wenger reconvened the KOMA meeting at 10:06 a.m.

Continuing Education Approval Regulation

At the July 20, 2015 meeting, the Commission requested draft changes to continuing education regulations that were necessary after passage of 2015 Senate Bill 108. The Commission also requested staff to look at language to strengthen distance education requirements and review the recommendations made by the education task force in 2010 to see if they could be incorporated into the revised regulation.

The proposed revisions to K.A.R. 86-1-10 include removing the cosponsor requirement, adding certification requirements and specific criteria for quizzes in the distance education modules and requiring distance education providers are ARELLO certified or have a certification deemed equivalent by the Commission.

The proposed revisions to K.A.R. 86-1-11 include broadening the list of topics for the Salesperson/Broker Core course, eliminating the Broker core course so more courses are available as electives and allowing attendance at a Commission meeting to count towards CE fulfillment.

Ms. Wenger asked for clarification on how the approval changes would be phased in. Staff indicated that if the regulation took effect in December/January, the Commission could review and approve new topics for continuing education in the spring.

The draft regulations will be sent to Kansas Association of Realtors for comment prior to initiating formal adoption procedures.

Update on status of K.A.R. 86-1-5

The draft regulation has been approved by the Attorney General's office and by the Department of Administration. The public hearing is set for 8:30 am on October 16, 2015 during the Commission meeting. Prior to the hearing, the regulation must be presented to the Joint Committee of Rules and Regulations. They are scheduled to meet September 28, 2015. Mr. Wisner plans to attend and present the regulation to the committee.

FY 2016 and 2017 Realigned Budget Overview and Approval

The original FY 2016 and 2017 budget was submitted in September 2015. The Commission is required to submit a realigned budget by September 15, 2015 to ensure requests still reflect current priorities.

Mr. Wisner proposed changes to the original FY 2016 and 2017 budget. These changes include: 1) an increase in expenditures for salary and wages related to employee benefits, and for an additional position for education and outreach; 2) an increase in expenditures for travel and subsistence due to in-person staff audits and attendance at conferences and other professional development opportunities; 3) an increase in expenditures due to increased fees charged by OITS for being in their user network; 4) a decrease in expenditures for communications, rent and professional services due to operational changes within the Commission; and 5) a decrease in expenditures for capital outlay due to some budgeted expenditures that were originally scheduled

for FY 2016 and 2017 being made in FY 2015 because of availability of money from the Recovery Fund.

Mr. Wisner doesn't anticipate an enhancement request in FY 2016 but the Commission will need to review the fee fund balance later in the fiscal year to determine if a budget enhancement in FY2017 will be needed. Mr. Wisner also informed the Commission there will be several expenditures in FY2018 related to rents and capital outlay that will likely require a request for increased expenditure authority at that time.

Licensee, Education and Exam Report

Ms. White informed the Commission the total number of licensees is 14,079; this is 136 less than the previous report. Staff approved six elective continuing education courses and two mandatory broker core courses. The overall exam pass rate is 66%. This is down from the long-term average of 70%. Ms. Wenger asked for information on what steps we can take to address underperforming schools.

Ms. White presented a request for a course approval in Derby, Kansas. It is a six hour Spanish language course. The first half presents basic Spanish; the second half is "real estate" Spanish. The Commission approved the second half for credit related to real estate.

Ms. White informed the Commission that PearsonVue will be in Topeka in October to meet with staff to discuss exam development. They are only reviewing the sales performance portion of the exam since we will be doing a complete review next year. Ms. White asked if we should invite some licensee to participate to get greater input. Commission members offered several names of licensees who might be willing to serve on the review team. Ms. White will contact them to see if they are interested.

Directors Report

Mr. Wisner reported that the Commission was not subject to the recent \$3.5 million fee sweep by the Division of Budget. Mr. Wisner was not aware of any agency with fee balances of less than 50% of its operating funds being subject to the sweep.

Mr. Wisner presented a report on the status of indefinitely restricted and/or conditioned licensees.

Mr. Wisner and Ms. White have continued their work on the RFP for the pre-licensure exam. The current draft of the RFP makes several changes to current contract provisions including: 1) integration of electronic fingerprinting capability; 2) electronic submission of candidate data to the Commission; 3) enhanced web based access to test data statistics and 4) eliminating the requirement for a Denver testing site. Mr. Wisner has proposed the procurement committee be composed of himself, Ms. White and a staff member at the Office of Procurement which is required by statute. After finalizing the RFP, it will be sent to the Department of Administration, Office of Procurement for review and posting. The Commission will need to provide the opportunity for all bidding vendors to meet with the procurement committee to answer questions

before the vendors send their final proposal. Ideally, the proposals will be due in November or December and a decision on the vendor could be made by January.

Mr. Wisner indicated the new website should be fully functional this fall, including web access for commissioners to meeting documents.

Mr. Wisner informed the Commission on the status of the new document management system. The contract vendor, AOS, is currently wrapping up the development phase and working on migration testing.

Mr. Wisner informed the Commission that the RELS migration is nearly complete.

Adjournment

Ms. Wenger adjourned the meeting at 12:19 p.m.

Upcoming Commission Meeting Dates

September 21, 2015 (conference call)

October 16

November 16

December 21 tentative

ATTEST:

Date: _____

Sue Wenger, Chairperson

Joseph Vaught, Vice Chairperson

Errol Wuertz, Member

Shirley Cook, Member

Bryon Schlosser, Member