

EDUCATION REVIEW COMMITTEE
REAL ESTATE COMMISSION
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii
www.state.hi.us/hirec

MINUTES OF MEETING

The agenda for this meeting was filed with the Lieutenant Governor's Office as required by Section 92-7(b), Hawaii Revised Statutes.

Date: Thursday, May 8, 2003

Time: 11:00 a.m.

Place: Kona Board of REALTORS Conference Room
75-240 Nani Kailua Drive, Suite 157
Kailua-Kona, Hawaii

Present: Vern Yamanaka, Vice Chair
Louis Abrams, Member (Late Arrival)
Mitchell Imanaka, Member
Kathleen Kagawa, Member
John Ohama, Member
Iris Okawa, Member
Peter Rice, Member

Calvin Kimura, Supervising Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Shari Wong, Deputy Attorney General
Irene Kotaka, Recording Secretary

Excused: Marshall Chinen, Member
Patricia Choi, Member

Others: Jackie Parkinson, Kona Board of REALTORS
Kris Johnson, CMI
Rick Wilson
Representative Mark Jernigan
Sharly Ward
Beau Springer
Brian Thomas
Rick Rocker

Call to Order: Vice Chair Yamanaka called the meeting to order at 11:45 a.m., at which time quorum was established.

Chair's Report: None.

Sr. Real Estate Specialist's Report: Announcements, Introduction, Correspondence, and Additional Distribution

Upon a motion by Commissioner Ohama, seconded by Commissioner Rice, it was voted on and unanimously carried to add the following to the agenda:

4. Continuing Education Administration, Curriculum, Courses, Providers, and Instructors
 - b. Applications
 - 2) Course – “Legal Issues,” Author/Owner: Hawaii Association of REALTORS[®], Provider: Hawaii Association of REALTORS[®], Course Category: Real Estate Law, Clock Hours: 6 (3 hours CE credit
 - 3) Core Course – “Agency, Practical Ethics and Fair Housing,” Author/Owner: Hawaii Association of REALTORS[®], Provider: Hawaii Association of REALTORS[®], Course Category: Ethics, Fair Housing, Agency and Disclosure, Clock Hours: 4

The following was distributed as additional distribution:

8. Program of Work, FY03
 - h. Instructor’s Development Workshop – Report on IDW sponsored by Honolulu Board of REALTORS[®], May 2, 2003

Minutes of Meetings

Upon a motion by Commissioner Ohama, seconded by Commissioner Imanaka, it was voted on and unanimously carried to accept the minutes of the April 7, 2003, Education Review Committee meeting as distributed.

Continuing Education: Administrative Issues

CE Statistics 3rd Quarter 2003

Continuing education statistics for the third quarter of fiscal year 2003 were distributed to the Commissioners for their information.

Applications

Commissioner Abrams arrived.

Course – “Property Management & Landlord/Tenant,” Author/Owner: Hawaii Association of REALTORS[®], Provider: Hawaii Association of REALTORS[®], Course Category: Property Management, Clock Hours: 3

Upon a motion by Commissioner Abrams, seconded by Commissioner Imanaka, it was voted on and unanimously carried to recommend approval of “Property Management & Landlord/Tenant” as a three clock hour continuing education elective course, under the course category Property Management.

Course – “Legal Issues,” Author/Owner: Hawaii Association of REALTORS®, Provider: Hawaii Association of REALTORS®, Course Category: Real Estate Law, Clock Hours: 6 (3 hours CE credit)

Upon a motion by Commissioner Abrams, seconded by Commissioner Imanaka, it was voted on and unanimously carried to recommend approval of “Legal Issues” as a continuing education elective course for three hours of continuing education credit, under the course category Real Estate Law.

Core Course – “Agency, Practical Ethics and Fair Housing,” Author/Owner: Hawaii Association of REALTORS®, Provider: Hawaii Association of REALTORS®, Course Category: Ethics, Fair Housing, Agency and Disclosure, Clock Hours: 4

Upon a motion by Commissioner Abrams, seconded by Commissioner Imanaka, it was voted on and unanimously carried to recommend approval of “Agency, Practical Ethics, and Fair Housing” as a four clock hour continuing education core course for the 2003 – 2004 biennium, under the course categories Ethics, Fair Housing and Agency and Disclosure.

Continuing Education Core Course

Letter of solicitation and RFP sent out

Senior Specialist Fujimura reported that the letter of solicitation and RFP for the Commission’s 2003-2004 core course was distributed.

Other Jurisdictions

District of Columbia Board of Real Estate, “DC Board Cracks Down on Delinquent Schools”

A copy of an article titled “DC Board Cracks Down on Delinquent Schools” from the April – May 2003 issue of the District of Columbia Board of Real Estate *The Commentator* was distributed to the Commissioners for their information.

Subcommittee to Evaluate Continuing Education

Comments regarding CE (8)

Copies of eight email comments/suggestions were distributed to the Commissioners for their information.

Senior Specialist Fujimura reported that the responses received from the licensees were a result of the May, 2003, Hawaii REALTORS® article by Commissioner Yamanaka. The comments ranged from doing away with continuing education to increasing the number of hours required.

Prelicense Education: Administrative Issues

Prelicense Statistics 3rd Quarter 2003

Prelicense statistics for the third quarter of fiscal year 2003 were distributed to the Commissioners for their information.

Applications

Instructor – C. Mark Ambard, Salesperson and Broker Curriculums

Upon a motion by Commissioner Imanaka, seconded by Commissioner Rice, it was voted on and unanimously carried to recommend approval of C. Mark Ambard as a prelicense instructor and substitute instructor for the salesperson and broker curriculums.

Prelicense School – Abe Lee Seminars, principal – Abe Lee, Salesperson and Broker Curriculums

Upon a motion by Commissioner Kagawa, seconded by Commissioner Imanaka, it was voted on and unanimously carried to recommend approval of Abe Lee Seminars as a prelicense school offering the salesperson and broker curriculums and also joint salesperson/broker classes.

Prelicense School – Fahrni School of Real Estate, Principal – Helen Fahrni, Broker Curriculum

Upon a motion by Commissioner Abrams, seconded by Commissioner Imanaka, it was voted on and unanimously carried to recommend approval of Fahrni School of Real Estate as a prelicense school offering the broker curriculum and also joint salesperson/broker classes.

Administration of
Examinations:

Promissor

Letter from Tyler K. Azeka

Mr. Azeka contacted the Commission regarding his real estate license examination. Mr. Azeka took the real estate salesperson's license examination at the Honolulu test center. His testing card failed and he could not complete the examination. He rescheduled his test and retook the examination on Maui and passed. Mr. Azeka requested a refund for his plane fare and Promissor denied his request. Promissor refunded his taxi fare and he did not have to pay the testing fee twice.

Promissor will begin computerized testing on June 24. They will be notifying the prelicensing schools of this change. Staff will request a demonstration and will be monitoring it when it is up and running.

Educator's Forum: **Hawaii Association of REALTORS®** – No discussion presented.

Hawaii Association of Real Estate Schools (HARES) – No discussion presented.

Public and Private Institutions of Higher Education – No discussion presented.

Program of Work: Annual Report, Quarterly Bulletin, and School Files – May 2003 issue of Bulletin distributed mid-May

Senior Specialist Fujimura reported that the May 2003 issue of the Bulletin will be completed and distributed by mid-May.

Interactive Participation with Organizations – Hawaii REALTOR® Journal articles

A revised schedule of the issues, deadlines for article submission and the Commissioner responsible for the article, for the next ten issues, was distributed to the Commissioners.

The Commissioners were asked to inform Senior Specialist Fujimura if they had any problems with the schedule.

Instructor's Development Workshop – Report on IDW sponsored by Honolulu Board of REALTORS®, May 2, 2003

A report on the IDW held on May 2, 2003, attended by Senior Specialist Fujimura, was distributed to the Commissioners for their information.

Senior Specialist Fujimura stated that the IDW was well attended. She also reported that the Commission had approved Ralph Foulger as an instructor, but it was dependent upon his completion of the IDW course. He has since completed the course.

ARELLO, REEA &
Other Organizations

Texas REC – TRECAdvisor

A copy of a letter from the Texas Real Estate Commission informing subscribers that the *TRECAdvisor* will be available online effective with the April 2003 issue was distributed to the Commissioners for their information. The web address is www.trec.state.tx.us.

The Commission needs to consider whether or not it will distribute its bulletin online in the future.

Commissioner Rice stated that condominium associations are moving towards having their own websites. More and more associations are beginning to be hooked up electronically as it provides a timelier means of communicating. The Commission could send out the issue of School Files electronically.

It was suggested that the associations could provide a link to the Commission's webpage. However, concerns were expressed about the possible misuse of the information.

Vice Chair Yamanaka thanked the Laws and Rules Review Committee for taking action on the Real Estate Education Fund issues.

Open Forum:

Ms. Parkinson asked if the Commission was successful in obtaining a request for proposal for the core course, would the Commission be offering an IDW. If so, could it be videotaped? Senior Specialist Fujimura reported that the IDW sponsored by the Honolulu Board of REALTORS[®] was videotaped, but they may not be videotaping all IDWs that are offered.

The SEO stated that if the Commission has a contract with the Hawaii Association of REALTORS[®] and if the local board has a need, it was possible that something may be worked out with the parties involved. The SEO informed Ms. Parkinson that there may be a possibility that the Kona Board could be a partner with the Commission in offering courses, seminars, etc.

Ms. Parkinson stated that the Kona Board is very limited in its funding and staffing and they are looking for a more effective means of providing education to their members. She stated that they have a volunteer member who has offered to help them with educational courses.

Ms. Ward said that she reads the Bulletins as soon as they come in.

Ms. Parkinson stated that she has begun making up scenarios to assist their members in learning.

The SEO stated if seminars were held, the Commission could ask RICO and the Hawaii Association of REALTORS[®]' Professional Standards Committee to participate.

Ms. Ward stated that approximately 40% of the licensees are brand new and they do not receive any further training. She would like to see a course developed/offered on how to act professionally. The principal broker would usually train the new licensee, but that is not happening.

Commissioner Ohama informed Ms. Ward that recent changes in the rules have placed the responsibility of educating/training the licensees under the direction of the principal brokers. A responsible principal broker will have a training program for new and existing licensees within the firm. The office must have principles and procedures. As for courses on professional and ethical conduct, the Commission is looking to the continuing education providers to consider offering those types of courses. The local boards were asked to get together and to submit a proposal to the Commission.

Mr. Wilson stated that he would like to see the Commission put some teeth back into education. The majority of courses are good. Most of the people attending classes are there because they have an obligation to take ten hours of continuing education courses every two years. Other professions, such as teachers, need

to recertify themselves every summer. Real estate licensees need only attend the courses and they will receive a certificate. He would like to put the onus upon the Commission and say that it has to be changed. He wants the Commission to say that they will not allow it to continue. New licensees feel that getting a real estate license is a license to go out and sell. Mr. Wilson stated that he challenges the Commission to put some meat into the courses. He does not feel that everyone who gets a license should be licensed.

Vice Chair Yamanaka thanked those present for their comments. The comments expressed at the meeting also reflect previous feedback that the Commission received from others. There is an increasing call for better and more meaningful educational offerings.

The SEO reported that the Hawaii Real Estate Research and Education Center, in the 1980's, recommended testing. The legislators and the real estate licensees were not in favor of testing. The Hawaii Association of REALTORS® recommended doing away with the test. If the licensee population were in favor of testing, there would have to be a unified effort from the Hawaii Association of REALTORS® and the real estate industry to request testing and to increase the number of continuing education hours. It means more to the legislature when the industry is in favor of the increased number of hours or any changes.

Commissioner Ohama stated that he feels more strongly than Mr. Wilson. However, it is very difficult, given all of the components that you need to get things passed. The continuing education courses are much better than they were before. The Commission has opened up the elective continuing education courses to outside providers to get the exposure. He stated that he was involved in developing the last two mandatory courses and it was very difficult.

The Committee will be looking at these issues. If changes are made, the Commission will have to face the instructors, schools, and testing companies.

Mr. Springer offered his assistance during the next legislative session. He also stated that he spoke with Tracy Stice earlier about this. Mr. Springer thanked the Commission for the motion to submit a letter to the Governor regarding a possible line veto of taking \$150,000 from the Real Estate Education Fund.

Mr. Wilson asked if the Commission had to listen to the Hawaii Association of REALTORS® if they stated that 80% of the licensees did not want testing. Commissioner Ohama informed him that the Commission did not have to listen to them.

Mr. Wilson then asked if the Commission had the authority to dictate that this was how things were going to be and then dictate how the industry should be run.

Commissioner Abrams stated that the dilemma is with the legislature. The Commission will have to go through the legislative process to have the changes approved. The Commission faces a dilemma when the industry feels that the changes are not needed.

The SEO stated that most of the comments that the Commission received say that they are in favor of continuing education. The unofficial sentiment of the Commission is to increase the number of hours of mandatory continuing education courses and have a mandatory course every year.

Mr. Wilson stated that he felt that if the money is being put in, the licensees should be getting something back.

Commissioner Abrams reported that the Legislative Auditor reported that continuing education is not worth it and it should be eliminated.

Vice Chair Yamanaka stated that Hawaii has the one of the lowest continuing education requirements in the nation.

Ms. Ward stated that more people are interested in selling than in taking the course. She asked if agency was a part of the core course.

Commissioner Yamanaka asked those present to notify staff of how they feel about continuing education because it will help the Commission to gather support to go forward.

The Commissioners appreciated the audience's participation at the Committee meetings.

Senior Specialist Fujimura informed those present that the Commission is thinking of using some of the moneys to develop the core course and to revise the broker's curriculum. The Commission is trying to revise the broker's curriculum but has been unable to do it in the past.

Commissioner Ohama informed those present that in prior years, the Commission encountered a problem with the broker's curriculum. The schools said that they would not teach the course if the number of hours was increased. An alternative was to offer online delivery of the courses.

The Hawaii Real Estate Research and Education Center had recommended keeping the course and breaking it down into specialty areas.

Budget and Finance: Budget and Finance Report – February 28, 2003 Report

Upon a motion by Commissioner Abrams, seconded by Commissioner Imanaka, it was voted on and unanimously carried to recommend acceptance of the Real Estate Education Fund report as of February 28, 2003.

Next Meeting: Tuesday, June 10, 2003
Upon adjournment of the Laws and Rules Review Committee Meeting, which convenes at 9:00 a.m.
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

