

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: Wednesday, August 13, 2003

Time: Upon adjournment of the Laws and Rules Review Committee meeting, which convenes at 9:00 a.m.

Place: Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

Present: Vern Yamanaka, Chair
Trudy Nishihara, Vice Chair
Louis Abrams, Member
Mitchell Imanaka, Member
Kathleen Kagawa, Member
John Ohama, Member
Iris Okawa, Member
Peter Rice, Member

Calvin Kimura, Supervising Executive Officer
Alan Taniguchi, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Lorene K. A. Kimura, Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
David Grupen, Condominium Specialist
Shari Wong, Deputy Attorney General
Karyn Takahashi, Recording Secretary

Excused: Marshall Chinen, Member

Others: Paige Vitousek, Vitousek Real Estate School
Steve Glanstein
Marsha Shimizu, Hawaii Association of REALTORS®

Call to Order: Chair Yamanaka called the meeting to order at 9:40 a.m., at which time quorum was established.

Chair's Report: No report.

Sr. Real Estate
Specialist's Report: Minutes of Meeting

Upon a motion by Commissioner Rice, seconded by Commissioner Okawa, it was voted on and unanimously carried to accept the minutes of the July 9, 2003, Education Review Committee meeting as distributed.

Continuing Education: Continuing Education Review Panel

Upon a motion by Commissioner Rice, seconded by Commissioner Imanaka, it was voted on and unanimously carried to recommend delegation to staff the ability to refer courses to a member of the Continuing Education Review Panel when technical expertise is needed, and add to and otherwise adjust the panel members as needed. Initial panel members are as follows:

Michael G. Ching
Judy Sykes
Kenneth Chong
Marsha Shimizu
Ralph S. Foulger
Nancy Grekin

Applications

2003 – 2004 Continuing Education Providers and Courses Ratification List

Upon a motion by Commissioner Okawa, seconded by Commissioner Kagawa, it was voted on and unanimously carried to recommend approval of the following registration/certification:

<u>Registration/Certification</u>	<u>Effective Date</u>
"CI 103 Lease Analysis for Commercial Investment Real Estate" (Nationally Certified Course/Hawaii CCIM Chapter)	July 18, 2003

Course – "1031 Exchanges & Other Tax Issues," Author/Owner: Abe Lee, Provider: Abe Lee Seminars, Course Category: Investment, Course Clock Hours: 3

Upon a motion by Commissioner Okawa, seconded by Commissioner Abrams, it was voted on and unanimously carried to defer decision making on this application subject to review by a member of the Continuing Education Review Panel.

Core Course – “Fair Housing – Rental,” Author/Owner: Abe Lee, Provider: Abe Lee Seminars, Course Category: Fair Housing, Course Clock Hours: 4

Core Course – “Fair Housing – Sales,” Author/Owner: Abe Lee, Provider: Abe Lee Seminars, Course Category: Fair Housing, Course Clock Hours: 4

Senior Specialist Fujimura reported that Mr. Lee purchased these courses from the National Association of REALTORS® and she requested that Mr. Lee update the courses to include Hawaii topics, which he did.

Upon a motion by Commissioner Kagawa, seconded by Commissioner Rice, it was voted on and unanimously carried to recommend approval of “Fair Housing – Rental” and “Fair Housing – Sales” as four clock hour continuing education core courses for the 2003 – 2004 biennium, under the course category Fair Housing.

Provider – ERA School of Real Estate, a division of SRH Inc., Administrator: Scott A. Sherley

Upon a motion by Commissioner Abrams, seconded by Commissioner Nishihara, it was voted on and unanimously carried to recommend approval of ERA School of Real Estate, a division of SRH Inc., as a continuing education provider.

Education Evaluation Task Force

Vice Chair Nishihara reported that some individuals have already been contacted to participate as members of the task force. She stated that letters will be sent and we will await the responses.

Vice Chair Nishihara recommended the following individuals:

Hawaii Island Board of REALTORS®	Helene Tajiri
Kona Board of REALTORS®	Robert Cheesbrough
REALTORS® Association of Maui	Al Imamura
	Elizabeth Holiday
Kauai Board of REALTORS®	Karen Ono
Honolulu Board of REALTORS®	Patricia Choi
	Tom Gill
	Patti Hokama
	East Oahu Realty rep.
Hawaii Association of REALTORS®	Suzanne King
Instructor	Judy Sykes
	Kenneth Chong
Commercial	Joe Haas
Property Management	Caesar Paet
Attorney	Nancy Grekin
Condo/Time Share	To be selected
Commissioner	Louis Abrams

SEO Kimura stated that this list has been developed before and it was started back when Patricia Choi was the Education Review Committee Chair. He stated

that individuals have already been asked to participate and are willing to participate but are not on the recommended list.

Chair Yamanaka stated that those individuals are former Commissioner and Chair of the Education Review Committee, Helen Lindemann and Jackie Parkinson of the Kona Board of REALTORS®. As for Jackie Parkinson and Robert Cheesbrough we are concerned about the cost of travel. SEO Kimura replied that one could be an alternate attendee or there could be an understanding that the second participant will pay their own expenses to and from meetings.

Vice Chair Nishihara explained why the task force member list is so extensive. She stated that one of the purposes of the task force is to look at all education courses and potential courses and it would be beneficial to have different people from different islands, Boards, the real estate community, and instructors. There is diverse talent in the community and they will be able to come up with constructive programs.

Upon a motion by Commissioner Rice, seconded by Commissioner Ohama, it was voted on and unanimously carried to recommend approval of task force members as follows:

Hawaii Island Board of REALTORS® Kona Board of REALTORS®	Helene Tajiri Robert Cheesbrough* Jacqueline "Jackie" Parkinson*
REALTORS® Association of Maui	Alvin Imamura Elizabeth Holiday
Kauai Board of REALTORS® Honolulu Board of REALTORS®	Karen Ono Patricia Choi Tom Gill Patti Hokama Helen Lindemann East Oahu Realty rep.
Hawaii Association of REALTORS® Instructor	Suzanne King Judy Sykes Kenneth Chong
Commercial Property Management Attorney Condo/Time Share Commissioner	Joseph Haas Caesar Paet Nancy Grekin To be selected Louis Abrams

* Kona Board of REALTORS® to determine who they will send as their representative, or whether Robert Cheesbrough or Jacqueline Parkinson will be an alternate, or whether both will attend meetings with the understanding that the second person attending will pay their own expenses to and from meetings.

Chair of task force: Trudy Nishihara, Vice Chair, Education Review Committee

First meeting of task force will take place in September 2003, on a date to be determined.

Prelicense Education: **Applications**

Substitute Instructor – Henry Jay Hannigan, Salesperson and Broker
Curriculums, Dower School of Real Estate

Upon a motion by Commissioner Abrams, seconded by Commissioner Rice, it was voted on and unanimously carried to recommend approval of Henry Jay Hannigan as a substitute prelicense instructor for the salesperson and broker curriculums.

Prelicense School – Seiler School of Real Estate, Ricardo D. Seiler, Principal,
Broker Curriculum – Independent Study Course

Upon a motion by Commissioner Abrams, seconded by Commissioner Kagawa, it was voted on and unanimously carried to recommend approval of Seiler School of Real Estate to offer the broker curriculum – independent study course.

Paige Vitousek Recommendation

A copy of Ms. Paige Vitousek's letter received on August 4, 2003, was distributed to the Commissioners. Ms. Vitousek was available for comment.

Ms. Vitousek stated that there is an incredible wealth of knowledgeable instructors on the mainland. She stated that she has an instructor that is planning to move to Hawaii that she would like to hire—he has been a broker for 27 years, a prelicense instructor for 14 years—however, he does not meet the three year Hawaii licensee requirement. She noted that a licensee can now become a broker without being a Hawaii salesperson, but instructors must still meet the three year requirement.

SEO Kimura stated that Ms. Vitousek is referring to Section 16-99-58(d)(1), Hawaii Administrative Rules, which states that each instructor shall initially take and pass an examination as prescribed by the commission and shall hold a current Hawaii real estate broker's license, have at least three years full-time experience in real estate in Hawaii, and fulfill the present experience requirement for a Hawaii broker's license. SEO Kimura inquired if Ms. Vitousek is requesting that the three years full-time real estate experience in Hawaii be deleted.

Ms. Vitousek responded that there is the broker to broker rule whereby a broker from another State is allowed to become a Hawaii broker if he/she meets the requirements.

SEO Kimura inquired if she would agree to allow an instructor to become certified in Hawaii if he/she was certified by a national organization. Ms. Vitousek replied that she does not think all instructors are part of those organizations.

SEO Kimura stated that this type of rule amendment would need to be taken up by the Laws and Rules Review Committee and noted that rule amendments usually take up to two years. He added that a laundry list of items has been started for changes and her request will certainly be added to the list.

SEO Kimura noted that the Commission does not have the discretion to waive the rule; however, there are other avenues for Ms. Vitousek to pursue, for example, she may want to have the interested individual apply as a substitute instructor; whereby they are not allowed to teach more than 50% of classroom time.

Chair Yamanaka stated that the Committee will have the Education Evaluation Task Force review Ms. Vitousek's issue and the task force can come up with recommendations—this will ensure that her request is considered.

SEO Kimura stated that rulemaking is an administrative process involving a multitude of approving entities the process takes a long time.

SEO Kimura stated that another avenue Ms. Vitousek may want to pursue is having the individual teach as a guest lecturer. A guest lecturer would come in to teach a specific topic but is also limited to teach less than 50% of the scheduled classes.

Vice Chair Nishihara stated that Ms. Vitousek's comments and concerns are very valued and timely and thanked her for attending the meeting.

Upon a motion by Commissioner Nishihara, seconded by Commissioner Rice, it was voted on and unanimously carried to recommend referral of Ms. Vitousek's recommendation to the Education Evaluation Task Force for further review and recommendations.

Administration of
Examinations:

Promissor

Specialist Kimura reported that Promissor switched over to computer based testing on July 29. Promissor reported one glitch with a broker examination, which was immediately solved and there were no additional problems. She added that Promissor sent out a letter to all schools on August 1st informing them of the migration and other changes.

Specialist Kimura also reported that Promissor is currently revising the candidate handbook.

PSI Report

A copy of a news release dated June 30, 2003, from PSI reporting on PSI's expanding examination services was distributed to the Commissioners for their information.

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 – July 2003 School Files

The July 2003 issue of *School Files* was distributed to the Commissioners for their information.

Neighbor Island Outreach

The next neighbor island outreach is scheduled for Wednesday, September 10, 2003, on the island of Kauai.

Interactive Participation with Organizations – NAR Meeting 11/5 – 10/2003

A copy of the program for the upcoming National Association of REALTORS® 2003 Conference and Expo was distributed to the Commissioners for their information.

SEO Kimura reported that in the past we have been unsuccessful in getting approval to get Commissioners to attend these conferences; however, this year's conference has a lot more programs that is directly related to the Commission's responsibilities and its program of work.

Upon a motion by Commissioner Ohama, seconded by Commissioner Imanaka, it was voted on and unanimously carried to recommend approval for one participant to attend the National Association of REALTORS® 2003 Conference and Expo to be held on November 5 – 10, 2003 in San Francisco, California, subject to REEF budget and DCCA approval. The Chair of the Real Estate Commission and the Supervising Executive Officer to determine the attendee.

Real Estate Seminars

Senior Specialist Fujimura reported that she has begun discussion with Ms. Marsha Shimizu, Hawaii Association of REALTORS®, about co-sponsoring a real estate seminar this fiscal year as we did not have a seminar in fiscal year 2003.

Senior Specialist Fujimura stated that they have discussed the topic of responsibilities of principal brokers and brokers in charge. She reported that staff has been trying to inform PBs and BICs of their responsibilities under Section 467-1.6, Hawaii Revised Statutes, and the need for them to come up with a policies and procedures manual and their need to oversee their agents' continuing education as well as informing them of law and rules updates.

Senior Specialist Fujimura reported that they have a potential mainland consultant and are targeting early 2004 for the seminar.

Senior Specialist Fujimura stated that they are seeking recommendations for seminar topics—the PB/BIC topic will narrow the audience down. SEO Kimura stated that the seminar could cover a combination of topics.

Vice Chair Nishihara stated that this would be a good topic for the Education Evaluation Task Force to review and also determine other pertinent topics. Ms. Shimizu stated that the PB/BIC topic is a very important issue.

SEO Kimura stated that budget is also an issue in trying to put on this seminar as we are looking for ways to contain costs and get more for the buck. Travel is the most scrutinized cost item.

Commissioner Rice stated that we should make the request for the budget increase and if it is denied we will have this information on record and we can go to the next Legislature with this information.

Upon a motion by Commissioner Nishihara, seconded by Commissioner Rice, it was voted on and unanimously carried to recommend that the Education Evaluation Task Force (EETF) decide on a topic for a real estate seminar to be held early 2004, that EETF discuss possible seminar topic of Principal Brokers/Brokers in Charge Responsibilities, and that the seminar be a priority for decision making by the EETF at its initial meeting in September 2003.

ARELLO, REEA &
Other Organizations

REEA – 24th Annual Conference report

A copy of the report by SEO Kimura and Senior Specialist Fujimura on the Real Estate Educators Association 24th Annual Conference held on June 22 – 25, 2003 in Philadelphia was distributed to the Commissioners for their information.

SEO Kimura went over key issues of the report and added that they had a meeting with Promissor staff at the Promissor Headquarters. They saw the latest on examination development. They also saw how the PC based exam works and how they implement graphics, video and multi-media into the exam. SEO Kimura stated that he was very impressed and see a lot possibilities

ARELLO – California CE Exam and Exam Fees

A copy of articles regarding California now requiring a final exam for continuing education courses and a comparison of exam fees from various ARELLO jurisdictions was distributed to the Commissioners for their information.

Tennessee REC – Post Licensing Course

A copy of an article from the Spring 2003 Tennessee Real Estate *News-Journal* regarding a new Tennessee law requiring new affiliates complete a law course within the first six months of licensure was distributed to the Commissioners for their information.

Budget and Finance: Budget and Finance Report

Upon a motion by Commissioner Rice, seconded by Commissioner Okawa, it was voted on and unanimously carried to accept the Real Estate Education Fund report as of June 30, 2003.

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Next Meeting: Wednesday, September 10, 2003
 Upon adjournment of the Laws and Rules Review Committee Meeting, which
 convenes at 9:30 a.m.
 Conference Rooms A, B, and C
 State Office Building
 3060 Eiwa Street
 Lihue, Hawaii

Adjournment: With no further business to discuss, Chair Yamanaka adjourned the meeting at
 10:40 a.m.

Reviewed by:

/s/ Diane Choy Fujimura _____
Diane Choy Fujimura
Senior Real Estate Specialist

September 10, 2003 _____
Date

[X] Minutes approved as is.
[] Minutes approved with changes.