

EDUCATION REVIEW COMMITTEE
REAL ESTATE COMMISSION
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii
www.hawaii.gov/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: Tuesday, January 6, 2004

Time: Upon adjournment of the Laws and Rules Review Committee meeting, which convened at 9:30 a.m.

Place: Conference Room
REALTORS Association of Maui
441 Ala Makani Place
Kahului, Maui

Present: Vern Yamanaka, Chair
Trudy Nishihara, Vice Chair
Louis Abrams, Member
Iris Okawa, Member
Peter Rice, Member

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

Others: Tracy Stice, Hawaii Association of REALTORS
Lorraine Gibo, IH&J
Nadine Gomes, IH&J
Lois Janis
Harvey Janis
Fauziah Haron
Scott A. Sherley, Hawaii Association of REALTORS
Marsha Shimizu, Hawaii Association of REALTORS
Brian Thomas
Thomas Doumas
Terry Tolman, REALTORS Association of Maui
Ralph Nagamine
Faye Field, Polo Beach AOA
Charles Treuhold, Polo Beach AOA

Excused: Marshall Chinen, Member
Mitchell Imanaka, Member
Kathleen Kagawa, Ph.D. Member
John Ohama, Member

Call to Order: The Chair called the meeting to order at 10:12 a.m., at which time quorum was established.

Chair's Report: The Chair thanked the REALTORS Association of Maui for hosting the meetings. He also wished everyone present a "Happy New Year!"

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

Upon a motion by Commissioner Rice, seconded by Commissioner Abrams, it was voted on and unanimously carried to accept the minutes of the December 11, 2003 Education Review Committee meeting as circulated.

Continuing Education: Continuing Education Core Course – Update on ProSchools, Inc. Contract

Senior Specialist Fujimura reported that Pro Schools is working on the core course. They are putting together the information that they gathered to produce the course materials for the core course. The Commission has a contract with the Hawaii Association of REALTORS to do an instructors' development workshop at least once each licensing biennium. For the Commission's core course, ProSchools will provide at least two "train the trainer" sessions. One of these sessions may be used as an IDW for the current biennium.

Prelicensing Education Administration:

Broker Curriculum and Resources

A meeting will be held with the prelicense instructors and principals on January 22, 2004, from 9:30 a.m. to 2:30 p.m., in the Queen Liliuokalani Conference Room, located at 335 Merchant Street, First Floor, Honolulu, Hawaii.

Other – Dearborn Real Estate Education e-learning

Information on e-learning from Dearborn Real Estate Education was distributed to the Commissioners for their information. There are interactive exercises that students can participate in. The Commission is looking into using electronic delivery methods.

The Chair noted that the information did not address security issues.

The SEO stated that security concerns will be addressed when the Commission decides to move forward on electronic methods of delivery.

The SEO also reported that the State of Georgia has changed its broker curriculum within the past two years. They now have post-licensing requirements.

Broker Curriculum and Resources

The broker curriculum is being updated and revised. The final draft was reviewed by the Education Evaluation Task Force. They are proposing to increase the number of required hours to 80 hours. Any changes to the number of hours required will have to be done through an amendment of the Hawaii Administrative Rules, Chapter 99.

Administration of Examinations:

Promissor – Russ Goode's Concerns

Mr. Goode previously appeared at the December 2003 Commission meeting and informed the Commission that one of his students had taken a HP12C calculator to the exam and personnel at the exam site would not allow her to bring it into the exam. This issue was deferred to today's meeting for decision making.

The Chair reported that test center personnel are concerned that alpha-numeric calculators can be used to bring information into the examination. The HP12C calculator has stored formulas. Part of the intent of testing was to test the ability of the applicant to do basic calculations without formulas being available to them.

Commissioner Rice questioned if we are testing their knowledge of the formula or understanding the content and process. If it is part of the curriculum that students are taught the math functions, then calculators should not be allowed. If the intent was for the student to understand the content and process, the HP12C calculator could be allowed.

The Chair stated that the intent was to test the applicant's ability to calculate.

The SEO stated that technology has been evolving over the last 20 years and has impacted the practice of real estate. When a person was licensed, they may have had to know how to do the calculations from scratch. The HP12C is used by other states. There may be concern about the applicant bringing information in to the test center or taking information back to the schools. The issue of security should be the responsibility of the testing company.

Commissioner Nishihara stated that the concern raised involved the real estate broker's exam. A broker needs to know how interest is calculated.

It was suggested that the instructors be polled to see what was being used when the students are being taught and what types of calculators are being used in the field.

Upon a motion by Commissioner Rice, seconded by Commissioner Okawa, it was voted on and unanimously carried to defer decision making to the Real Estate Commission meeting to be held on January 30, 2004 after polling members of the Education Evaluation Task Force and other educators and agents as to appropriateness of HP12C calculator or other similar calculators for use during the real estate broker's license examination.

Sr. Specialist Fujimura reported that copies of the newly revised Candidate Handbook were sent to the schools. Schools were advised to contact Promissor directly for future supplies.

Program of Work,
FY04:

Annual Report, Quarterly Bulletin and School Files

REB staff sent out requests for bid proposals to six vendors for the printing of the Hawaii Real Estate Bulletin. Five proposals were received. A summary of the proposals was distributed to the Commissioners for their review.

Upon a motion by Commissioner Abrams, seconded by Commissioner Nishihara, it was voted on and unanimously carried to accept the bid from Service Printers, Inc., of \$5,621.00 per issue for four issues, for a total of \$22,484.00.

Special Issues:

Hawaii Association of REALTORS Legislative Bill on Landlord Education

The Hawaii Association of REALTORS has requested \$30,000 from the Real Estate Education Fund to sponsor an educational program on landlord tenant drug education.

Ms. Shimizu stated that this is a comprehensive program that will aid in consumer protection and risk management. The program will explain how to identify drug problems; will discuss the application, screening and rental process that landlords can use in identifying tenants with possible illegal drug use. The program also proposes to explain the warning signs, tells them what to do when the problem is identified. The presenter is willing to tailor the presentation to what is applicable to Hawaii.

Mr. Sherley asked if the Commission thought that this was the course that the Hawaii Association of REALTORS should provide under the terms of its contract with them.

Mr. Stice stated that he thought it might be possible that there will be a new course on agency. Mr. Stice was informed that the agency course would most likely be planned for the new biennium. Mr. Stice stated that he thought that the program should also be offered on the island of Hawaii and on the island of Kauai.

The proposed program would be offered to licensees and also to the general public. The program is directed more towards owners who own one or two units. They would like the program to be offered to the public at little or no cost.

The Chair reported that the class was offered for continuing education credit on the island of Hawaii. Ms. Shimizu stated that the Hawaii Island Board of REALTORS offered a longer program in 2002 and it was approved for continuing education credit.

Those present from the Hawaii Association of REALTORS were asked if their members supported this proposal that is offered under the Hawaii Association of REALTORS' and the Real Estate Commission's contract. Mr. Sherley answered that the membership was in support of the proposal under the contract.

When asked if arrangements could be made at public facilities to reduce the cost, Ms. Shimizu stated that they would be willing to work with staff on that, however, there are certain criteria which need to be met in order to offer it in a public facility. One of the criteria would be that the program would have to be offered at a location where the attendees could purchase their lunches quickly during the lunch break and be back in time for the afternoon session. Another criterion is whether the public facilities are set up and equipped to put on the desired presentation. It may be more costly to have to contract with another vendor for equipment and other arrangements.

Upon a motion by Commissioner Rice, seconded by Commissioner Nishihara, it was voted on and unanimously carried to accept the December 31, 2003 revised proposal from the Hawaii Association of REALTORS to sponsor "Landlord Training Program" under the current contract between the Real Estate Commission and the Hawaii Association of REALTORS, with a proposed budget of \$10,726.00 for FY05, subject to revision, and with the understanding that the seminar may be attended for continuing education credit.

The Chair thanked the Hawaii Association of REALTORS for their efforts. Ms. Shimizu stated that this originated from their Legislative Committee.

The Chair also mentioned that the REC Chair spoke with the President of the Hawaii Bar Association and they are interested in participating. He also stated that the Commission could consider two additional topics for sessions on the other islands.

Open Forum: Mr. Stice thanked the Commission for their expressed interest in working with the Hawaii Association of REALTORS and its Legislative Committee. They would like to make sure that everyone is informed of what is being considered. Mr. Stice stated that the problem with "ice" came about quickly and there are more proactive issues which can be addressed. He also stated that this year's Legislative Committee is a strong committee, with new blood. He would like to utilize the committee members.

Mr. Stice was informed that if the Hawaii Association of REALTORS is seeking to submit an administration bill, it would have to be submitted by the end of August or in early September 2004 for consideration during the 2005 legislative session. The SEO also informed Mr. Stice that RICO's involvement is important and that they should also participate from the beginning.

The Chair thanked Mr. Stice for bringing forth the issues.

Budget and Finance: No report.

Next Meeting: Wednesday, February 11, 2004
Upon adjournment of the Laws and Rules Review Committee meeting, which convenes at 9:00 a.m.
Queen Lili'uokalani Conference Room
King Kalakaua Building
335 Merchant Street, Room 333
Honolulu, Hawaii

Adjournment: With no further business to discuss, the Chair adjourned the meeting at 10:52 a.m.

Reviewed by:

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

February 11, 2004
Date

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