

MINUTES OF THE MEETING
Kansas Real Estate Commission
November 18, 2019

The Kansas Real Estate Commission held its regular meeting on Monday, November 18, 2019, at 9:00 a.m. at the Chamber of Commerce, 117 W. 4th Street, Pittsburg, Kansas 66762.

Commissioners Present:

Bryon Schlosser, Chairperson
Joe Vaught, Vice-Chairperson
Errol Wuertz, Member
Sue Wenger, Member
Connie O'Brien, Member

Staff Present:

Erik Wisner, Executive Director
Kelly White, Deputy Director, Director of Licensing and Education
Wendy Alkire, Director of Compliance – By Telephone
Amber Nutt, Real Estate Education Specialist – By Telephone
Stacey Serra, Legal Assistant – By Telephone

Kansas Real Estate Commission Legal Counsel:

Charles Macheers, Assistant Attorney General
Christine Sankoorikal, Assistant Attorney General – By Telephone

Members of the Public:

Brian Jones
Timothy Kundiger
Monica Angeles
Nazar Saman

Call to Order

Mr. Schlosser called the meeting to order at 9:00 a.m.

Approval of the Minutes of the October 21, 2019 Meeting

Mr. Wuertz made the motion, seconded by Mr. Vaught, to approve the minutes from the October 21, 2019 meeting. Motion carried unanimously.

License Deactivation/Reactivation Follow Up/Proposed Form Change

The Commission approved a revision to the License Change Form (REL-300) to indicate the licensee notified the current supervising broker of their intent to terminate their affiliation and to confirm discussion of any pending transactions and agreements.

Course Outline Reviews

The Commission reviewed staff's proposed revisions to the Principles of Real Estate and Kansas Practice Course outlines and proposed topics for the new required core course to be taught effective July 1, 2020 (pending approval of K.A.R. 86-1-11). Staff will contact the schools and incorporate feedback into the outlines for review at the February meeting.

Compliance Report

The Commission reviewed the status of open legal cases. The oldest complaint pending review (non-litigation) is from May 17, 2017 (previously held due to litigation). The oldest disciplinary file pending staff review is from August 30, 2018. The oldest disciplinary file pending review by the attorney general's staff is from July 18, 2018.

Staff completed 127 compliance reviews in FY2020. The current turnaround time for compliance review results is eleven months. Zero transactions were reported by 35% of brokers in the last four fiscal years. Two repeat violations were found during 10 follow up reviews in FY2020.

Eleven percent of complaints in the last four fiscal years were reported anonymously.

Licensee, Education and Exam Report

As of October 30, 2019, there are 17,084 licensees, an increase of 702 from last year and 274 pending applications (59 salesperson, 25 broker and 190 fingerprint-only files).

Staff approved two elective, two mandatory, and two salesperson pre-license courses during the month of October. Only one school has requested approval of the broker management course required January 1, 2020.

In FY2020, Pearson Vue administered 1,015 exams with an overall pass rate of 66%. Twenty-four brokers and 191 salespersons tested based on requirements met in another state. Brokers had a 71% pass rate, and salespersons had an 87% pass rate.

The Commission reviewed the results of student surveys and course audits.

Director's Report

Real estate fee fund receipts are \$412,697 which is 2% higher than estimated. Real estate fee fund expenditures for FY2020 are \$340,813 which is 3% or \$35,555 lower than estimated.

The real estate fee fund balance is \$975,943 which is up \$60,624 from July 1, 2019. Background investigation fee fund receipts for FY2020 are \$39,425 which is 2% lower than estimated. Real estate recovery fund receipts for FY2020 are \$2,566 and the balance in the fund is \$293,328.

The Division of Budget approved the Commission's request for a technical adjustment to increase the expenditure authority across all funds in FY2021 by \$17,168 to provide for the salary increase authorized by the FY2020 pay plan increase.

The Division of Budget approved the Commission's request for the authority to create a Special Litigation Reserve Fund to be funded by a transfer of up to \$20,000 from the real estate fee fund in both FY2020 and FY2021.

The Division of Budget denied the Commission's request to increase the real estate fee fund expenditure authority by \$5,363 in FY2021 due to major increases in OITS costs. An appeal was submitted to the Division of Budget on November 14, 2019.

The Commission reviewed a proposed Expert Witness Contract drafted by Ms. Jane Weiler, legal counsel from the Attorney General's Office. Mr. Vaught made the motion, seconded by Mr. Wuertz, to approve the proposed Expert Witness Contract. Motion carried unanimously.

Mr. Wisner provided a summary of the small agency meeting including results of a state employee survey and updates from the Governor's Communication Director, Chief Information Officer, and Appointment's Director.

The ability to change a licensee's status or company affiliation online will launch in the next few months.

Adjournment

Mr. Wuertz made the motion, seconded by Mr. Vaught, to adjourn the meeting. Motion carried unanimously.

Mr. Schlosser adjourned the meeting at 11:15 a.m.