

AGENDA
November 18, 2024

KREC Conference Room

Zoom Meeting

<https://www.zoomgov.com/j/16108455048>

Meeting ID: 161 0845 5048

833-568-8864

9:00 a.m. Call to Order – Additions to Agenda

1. Public Hearing – KAR 86-1-5 and 86-1-10 (Wisner)
2. Approval of the August 26, 2024 Commission Meeting Minutes
3. Formal Hearings
 - Maria Quintero, Zoom 9:15 a.m.
 - Jason Spalitto, Zoom 9:30 a.m.
 - Mark A. Roy, In-Person 9:45 a.m.
4. Informal Hearing-Withdrawal of Approval to Offer Real Estate Courses
 - Realty School of Kansas, Larry Rickard, School Coordinator, In-Person, 10:00 a.m.
5. Continue Formal Hearings
 - Julia Thomas, Zoom 10:15 a.m.
6. Staff Reports
 - Education and Communication Report (Nutt)
 - Licensing Report (Smith)
 - Director’s Report (Wisner)
7. Possible Public Comment
8. KOMA/KORA Training

Adjournment

PUBLIC HEARING

State of Kansas
Kansas Real Estate Commission
Notice of Public Hearing on Proposed Administrative Regulations

September 4, 2024

A public hearing will be conducted on Monday, November 18, 2024, at 9:00 a.m. at the Kansas Real Estate Commission, 700 SW Jackson, Suite 404, Topeka, KS, to review and consider the adoption of proposed permanent regulations of the Kansas Real Estate Commission. The public hearing will be conducted in-person and virtually. Members of the public who wish to attend the public hearing virtually can access the meeting at <https://www.zoomgov.com/j/16108455048> using the Meeting ID: 161 0845 5048.

This 60-day notice of the public hearing shall constitute a public comment period for receiving written public comments on the proposed regulations. All interested parties may submit written comments prior to the hearing to the Kansas Real Estate Commission, 700 SW Jackson, Suite 404, Topeka, KS 66603 or by email to erik.wisner@ks.gov. All interested parties will be given a reasonable opportunity to present their views orally regarding the adoption of the proposed regulation during the public hearing. It may be necessary to request each participant limit any oral presentation to five minutes to provide all parties an opportunity to present.

Any individual with a disability may request an accommodation to participate in the public hearing and may request the regulations and economic impact statement in an accessible format. Requests for accommodation to participate in the public hearing should be made at least 10 business days in advance of the hearing by contacting Erik Wisner at (785) 296-3411 or erik.wisner@ks.gov.

Copies of the proposed regulations and the economic impact statement for the proposed regulation can be viewed at <https://www.krec.ks.gov/compliance/commission-statutes-rules-and-regulations>.

Summaries of the proposed regulations and their economic impact follow.

K.A.R. 86-1-5. Fees. The proposed amendments increase fees for an applicant submitting fingerprints to the KBI for a mandatory background check and implement the requirements in K.S.A. 48-3406 that exempt military spouses of active military service members who reside or plan to reside in the state from any licensure or fingerprint fees. The Commission estimates the economic impact of the Kansas Bureau of Investigation (KBI) increasing the background check fee by \$10 will be about \$20,000 annually that will be passed through to the KBI. The Commission is unable to estimate the economic impact of the fee exemption for military spouses because the Commission has no information on how many military spouses currently hold a Kansas real estate license or will obtain one in the future.

K.A.R. 86-1-10. Approved courses of instructions; procedure. The proposed amendments add a definition for “synchronous distance education” and modify standards for these types of courses. These amendments are based on distance education standards developed by the Association of Real Estate License Law Officials and used by many other states. The proposed amendments were requested by real estate education providers to provide more flexibility in offering distance education courses. The Commission estimates the economic impact of the amendments to be about \$1,875 in 2025 and \$350 each year after.

Erik Wisner
Executive Director
for the Kansas Real Estate Commission

86-1-5. Fees. (a) Each applicant shall pay a fee in an amount equal to the actual cost of the examination and the administration of the examination to the testing service designated by the commission.

(b) Each applicant shall submit the following fees for licensure to the commission:

- (1) For submission of an application for an original salesperson's license, a fee of \$15;
- (2) for submission of an application for an original broker's license, a fee of \$50;
- (3) for an original salesperson's license, a prorated fee based on a two-year amount of \$125;
- (4) for an original broker's license, a prorated fee based on a two-year amount of \$175;
- (5) for renewal of a salesperson's license, a two-year fee of \$125;
- (6) for renewal of a broker's license, a two-year fee of \$175;
- (7) for each branch office, a fee of \$100; and
- (8) for each primary office of a company created or established by a supervising broker, a fee of \$100.

(c)(1) Each applicant shall pay a fee of ~~\$60~~ \$70 to the commission for the cost of submitting the applicant's fingerprints to the Kansas bureau of investigation (KBI) for the purpose of obtaining a criminal history check conducted by the KBI and the federal bureau of investigation and for the commission's reasonable costs of administering the criminal history check program.

(2) Each licensee who is submitting fingerprints in connection with an investigation of that licensee shall pay a fee of ~~\$60~~ \$70 for the cost of submitting the licensee's fingerprints to the KBI for the purpose of obtaining a criminal history check conducted by the KBI and the federal

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bureau of investigation and for the commission's reasonable costs of administering the criminal history check program in connection with any investigation.

(d) Each military spouse of an active military service member who resides or plans to reside in this state due to the assigned military station of the individual or the individual's spouse shall pay a fee of \$0 to the commission for any licensure fees or fingerprinting fees related to licensure.

(e) Each course provider seeking course approval pursuant to K.S.A. 58-3046a, and amendments thereto, shall pay a fee of \$75 to the commission.

(~~e~~) (f) Each licensee seeking approval of a course of instruction pursuant to K.S.A. 58-3046a(~~k~~)(j), and amendments thereto, shall pay a fee of \$20 to the commission. (Authorized by K.S.A. 2021 2023 Supp. 58-3063; implementing K.S.A. 2021 2023 Supp. 58-3039, as amended by L. 2024, ch. 15, sec. 39, and K.S.A. 2023 Supp. 58-3063 and K.S.A. 2023 Supp. 48-3406, as amended by L. 2024, ch. 9, sec. 1; effective Jan. 1, 1966; amended, E-73-30, Sept. 28, 1973; amended Jan. 1, 1974; amended, E-74-50, Sept. 13, 1974; amended May 1, 1975; amended, E-81-18, July 16, 1980; amended May 1, 1981; amended May 1, 1982; amended May 1, 1983; amended, T-86-10, May 1, 1985; amended May 1, 1986; amended, T-87-32, Nov. 19, 1986; amended May 1, 1987; amended Sept. 26, 1988; amended July 31, 1991; amended Dec. 20, 1993; amended July 31, 1996; amended, T-86-10-1-97, Oct. 1, 1997; amended Oct. 24, 1997; amended March 13, 1998; amended, T-86-7-2-07, July 2, 2007; amended Nov. 16, 2007; amended Dec. 1, 2015; amended March 17, 2017; amended Dec. 21, 2018; amended Sept. 16, 2022; amended P- _____.)

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86-1-10. Approved courses of instructions; procedure. (a) Definitions. Each of the following terms, as defined in this subsection, shall apply to K.A.R. 86-1-10 through K.A.R. 86-1-12 and K.A.R. 86-1-17:

(1) "Commission" means Kansas real estate commission.

(2) "Coordinator" means an individual who serves as the primary contact for a school and is responsible for complying with the requirements in this regulation.

(3) "Course" means instruction designed to fulfill the education requirements of K.S.A. 58-3046a, and amendments thereto.

(4) "~~Distance~~ Asynchronous distance education course" means a course for which the school provides ~~instructional materials~~ self-paced instruction by mail or electronic transmission to students who are physically separated from the instructor for all or a portion of the course.

(5) "In-person education course" means a course provided to students who are not physically separated from the instructor.

(6) "Monitoring" means review of approved courses by commission staff to ensure that the attendance, presentation platform, instruction time, outline, and materials provided by schools meet the requirements of the commission.

(7) "School" means an entity eligible under K.S.A. 58-3046a(g), and amendments thereto, to offer courses approved by the commission.

(8) "Synchronous distance education course" means a course for which the school provides live instruction in real time by electronic transmission to students who are physically separated from the instructor for all of the course.

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(b) Request for course approval. Each school seeking commission approval of a course shall submit the following information to the commission at least 45 days before the first scheduled class session:

- (1) A completed course approval application obtained from the commission;
 - (2) a copy of all course materials, including textbooks, student workbooks, and examinations with answers;
 - (3) the total number of sessions, sections, or modules;
 - (4) the duration of each session, section, or module;
 - (5) the total number of requested hours for the course;
 - (6) the course objectives and a detailed course outline; and
 - (7) the course approval fee prescribed by K.A.R. 86-1-5.
- (c) Additional course approval requirements for asynchronous distance education courses.

(1) In addition to meeting the requirements of subsection (b), each school requesting approval of a an asynchronous distance education course shall submit the following information:

- (A) The means to access the asynchronous distance education course as it will be offered to students;
- (B) evidence of sufficient information technology support to enable students to complete the asynchronous distance education course;
- (C) documentation on how the asynchronous distance education course will require active participation by each student and substantial interaction between the students and the instructor, other students, or a computer program; and

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(D) evidence that the system used for testing students will scramble questions and items for any quizzes or examinations to ensure a random presentation.

(2) Each asynchronous distance education course certified by the association of real estate license law officials shall be presumed to meet the requirements in paragraph (c)(1).

(3) Each school offering a an asynchronous distance education course approved by the commission under K.S.A. 58-3046a(e) or K.S.A. 58-3046a(f), and amendments thereto, shall require each student to answer at least 10 quiz or examination questions per credit hour.

(4) Each school offering a an asynchronous distance education course approved by the commission under K.S.A. 58-3046a(a), K.S.A. 58-3046a(b), K.S.A. 58-3046a(c) or K.S.A. 58-3046a(d), and amendments thereto, shall require each student to answer at least 50 quiz or examination questions.

(5) Each school shall issue a certificate of completion of each asynchronous distance education course approved by the commission to meet any requirement of K.S.A. 58-3046a, and amendments thereto, to each student who has answered at least 90 percent of the quiz or examination questions correctly during the distance education course.

(d) Additional course approval requirements for synchronous distance education courses.

(1) In addition to meeting the requirements of subsection (b), each school requesting approval of a synchronous distance education course shall submit the following information:

(A) The means to access the synchronous distance education course as it will be offered to students;

(B) evidence of sufficient information technology support to enable students to complete the synchronous distance education course;

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(C) documentation on how the synchronous distance education course will require active participation by each student and substantial interaction between the students and the instructor, other students, or a computer program;

(D) documentation on how the school will require students to have a functional video camera and be present on camera at all times;

(E) documentation on how the school will require students to be actively engaged in the course at all times without distractions; and

(F) evidence of no more than 30 students in a course unless an additional moderator is assisting with the monitoring of students.

(2) Each synchronous distance education course certified by the association of real estate license law officials shall be presumed to meet the requirements in paragraph (d)(1).

~~(d)~~ (e) Instructors. Each school coordinator shall be responsible for ensuring that the school's instructors have the specialized preparation, training, and experience in the subject matter to be taught to ensure competent instruction.

~~(e)~~ (f) Changes to an approved course.

(1) Except as provided in paragraph ~~(e)~~(f)(2), each school shall submit a new application for course approval under subsection (b) if there is any significant change to the course content, outline, objectives, or presentation platform for an approved course.

(2) A school shall not be required to submit a new application for course approval under subsection (b) if any of the following changes:

(A) The coordinator;

(B) the location of the school; ~~or~~

(C) the course title; or

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(D) the course schedule.

(3) Each school shall submit notification to the commission of each change described in paragraph ~~(e)~~(f)(2) at least ~~15~~ five days before the change is scheduled to occur.

(4) Each school shall submit notification to the commission at least 15 days before the discontinuation of any course or the intent to close the school.

~~(f)~~ (g) Registration of approved courses; application for renewal.

(1) The registration of courses approved by the commission shall expire on January 31 of each year. Each application to renew the approval of a course shall be submitted on a form provided by the commission.

(2) Each application to renew approval of a course received after the expiration date shall require the submission of a new application for approval pursuant to subsection (b).

~~This regulation shall be effective on and after July 1, 2020.~~ (Authorized by K.S.A. 2019 2023 Supp. 58-3046a and K.S.A. 2019 2023 Supp. 74-4202; implementing K.S.A. 2019 2023 Supp. 58-3046a; effective, T-83-32, Oct. 25, 1982; effective May 1, 1983; amended May 1, 1984; amended, T-86-31, Sept. 24, 1985; amended May 1, 1986; amended, T-87-32, Nov. 19, 1986; amended May 1, 1987; amended Jan. 29, 1990; amended July 16, 1990; amended Nov. 17, 1995; amended Dec. 14, 2001; amended, T-86-7-2-07, July 2, 2007; amended Nov. 16, 2007; amended July 1, 2020; amended P-_____.)

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Kansas Administrative Regulations Economic Impact Statement (EIS)

Kansas Real Estate Commission
Agency

Erik Wisner
Agency Contact

785.296.6951
Contact Phone Number

86-1-5 and 86-1-10
K.A.R. Number(s)

Permanent Temporary

Is/Are the proposed rule(s) and regulation(s) mandated by the federal government as a requirement for participating in or implementing a federally subsidized or assisted program?

Yes If yes, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. Budget approval is not required; however, the Division of the Budget will require submission of a copy of the EIS at the end of the review process.

~~No~~ If no, do the total annual implementation and compliance costs for the proposed rule(s) and regulation(s), calculated from the effective date of the rule(s) and regulation(s), exceed \$1.0 million or more in implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, local governmental units and individuals as a result of the proposed rule and regulation over the initial five-year period following adoption of such rule(s) and regulation(s) (as calculated in Section III, F)?

Yes If "Yes," then the agency shall not adopt the rule(s) and regulation(s) until the rule(s) and regulation(s) has been ratified by the Legislature with a bill, unless the proposed rule(s) and regulation(s) are: 1) mandated by the federal government as a requirement for participating in or implementing a federally subsidized or assisted program, as described in K.S.A. 77-416(b)(1)(B), and amendments thereto; 2) temporary rule(s) and regulation(s) adopted pursuant to K.S.A. 77-722, and amendments thereto; or 3) rules and regulations adopted pursuant to K.S.A. 2-3710 (Kansas Agricultural Remediation Board). Continue to fill out the remaining EIS form to be included with the regulation packet in the review process to the Department of Administration and the Attorney General. The submitted EIS will be independently analyzed by the Division of the Budget for approval.

No If no, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. The submitted EIS will be analyzed by the Division of the Budget for approval.



Section I

Analysis, brief description, and cost and benefit quantification of the proposed rule(s) and regulation(s). If the approach chosen by the Kansas agency to address the policy issue is different from that utilized by agencies of contiguous states or of the federal government, the economic impact statement shall include an explanation of why the Kansas agency's rule and regulation differs.

The proposed amendments to K.A.R 86-1-5 include:

- Increasing the fee for submitting a licensee's fingerprints to the Kansas Bureau of Investigation (KBI) for a mandatory background check from \$60 to \$70. This is necessary because the KBI informed the agency they will be increasing their charge by \$10. The collected fee is a passthrough and will go directly to the KBI.
- Implement the requirements in K.S.A. 48-3406 that exempt military spouses of active military service members who reside or plan to reside in the state from any licensure or fingerprint fees.

The proposed amendments to K.A.R. 86-1-10 include:

- Adding a definition for "synchronous distance education." An exam is not required for this type of course, but the following requirements must be met:
 - Students must have functioning video/audio and be present and always engaged on camera.
 - Documentation on how the synchronous DE course will require active participation by each student and substantial interaction between the students and the instructor, other students, or a computer program.
 - Evidence of no more than 30 students in a course unless an additional moderator is assisting with the monitoring of students.
- Change the requirement for schools to notify the commission of changes in course content from within 15 days to 5 days.

These amendments are based on distance education standards developed by the Association of Real Estate License Law Officials and are used by many states.

Section II

Explain whether the proposed rule and regulation is mandated by federal law as a requirement for participating in or implementing a federally subsidized or assisted program and whether the proposed rules and regulations exceed the requirements of applicable federal law.

Not mandated by federal law and doesn't exceed any requirements in federal law.

Section III

Agency analysis specifically addressing the following:

- A. The extent to which the rule(s) and regulation(s) will enhance or restrict business activities and growth;

The proposed amendments will not restrict business activity or growth.

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- B. The economic effect, including a detailed quantification of implementation and compliance costs, on the specific businesses, sectors, public utility ratepayers, individuals, and local governments that will be affected by the proposed rule(s) and regulation(s) and on the state economy as a whole;

The Kansas Real Estate Commission (KREC) estimates the \$10 increase in the fingerprinting fee that the KBI is implementing will affect 2,000 applicants each year that will generate additional fee revenues of \$20,000 annually. This will also increase KREC expenditures by \$20,000 for the additional expenditures to the KBI. KREC can't estimate the loss of fee revenue for the military spouse exemption because prior to July 1, 2024, KREC was not collecting this information. No reliable source exists to know how many military spouse exemptions will be issued each year.

KREC estimates that the revised standards for synchronous distance education will lead to 25 new course application in the first year of implementation and 5 new course each year after. The first-year revenue would be \$1,875.

- C. Businesses that would be directly affected by the proposed rule(s) and regulation(s);

Entities providing approved courses of instruction required for an applicant or licensee to obtain and maintain a Kansas real estate license.

- D. Benefits of the proposed rule(s) and regulation(s) compared to the costs;

For K.A.R. 86-1-5, KREC has no information on costs vs. benefits. All changes in the proposed regulation were required by the Legislature and the KBI.

The proposed amendments to K.A.R. 86-1-10 were requested by real estate education providers to provide more flexibility in offering distance education courses.

- E. Measures taken by the agency to minimize the cost and impact of the proposed rule(s) and regulation(s) on business and economic development within the State of Kansas, local government, and individuals;

For K.A.R. 86-1-5, KREC has no information to provide on minimizing costs. All changes in the proposed regulation were required by the Legislature and the KBI.

The proposed amendments to K.A.R. 86-1-10 were requested by real estate education providers to provide more flexibility in offering distance education courses. Any potential new fees for course approval would be offset by more relevant course content that meet national standards.

- F. An estimate of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, local governments, or individuals. *Note: Do not account for any actual or estimated cost savings that may be realized. Implementation and compliance costs*



determined shall be those additional costs reasonably expected to be incurred and shall be separately identified for the affected businesses, local governmental units, and individuals.

Costs to Affected Businesses – \$1,875
Costs to Local Governmental Units – \$0
Costs to Individuals – \$20,000
Total Annual Costs – \$21,875
(sum of above amounts)

Give a detailed statement of the data and methodology used in estimating the above cost estimate.

These numbers are based on agency budget estimates for FY2025. Note that KREC can't estimate the loss of fee revenue for the military spouse exemption because prior to July 1, 2024, KREC was not collecting this information. Each original applicant who is exempt will result in \$140-\$225 in decreased revenue to KREC and each renewal applicant who is exempt will result in \$125-\$175 in decreased revenue to KREC. No reliable source exists to know how many military spouse exemptions will be issued each year.

- Yes If the total implementation and compliance costs exceed \$1.0 million or more in implementation and compliance costs over the initial five-year period following adoption of such rule(s) and regulation(s) that are reasonably expected to be incurred by or passed along to businesses, local governmental units and individuals as a result of the proposed rule and regulation, did the agency hold a public hearing to find that the estimated costs have been accurately determined and are necessary for achieving legislative intent? If applicable, document when the public hearing was held, those in attendance, and any pertinent information from the hearing.
- No
- Not Applicable

Provide an estimate to any changes in aggregate state revenues and expenditures for the implementation of the proposed rule(s) and regulation(s), for both the current fiscal year and next fiscal year.

KREC estimates the proposed amendments to the rules and regulations will increase aggregate state revenues and expenditures by \$21,875 in FY 2025 and by \$20,375 in FY 2026. Note that KREC can't estimate the loss of fee revenue for the military spouse exemption because prior to July 1, 2024, KREC was not collecting this information. Each original applicant who is exempt will result in \$140-\$225 in decreased revenue to KREC and each renewal applicant who is exempt will result in \$125-\$175 in decreased revenue to KREC. No reliable source exists to know how many military spouse exemptions will be issued each year.

Provide an estimate of any immediate or long-range economic impact of the proposed rule(s) and regulation(s) on any individual(s), small employers, and the general public. If no dollar estimate can be given for any individual(s), small employers, and the general public, give specific reasons why no estimate is possible.

KREC estimates a long-term annual revenue increase of \$20,375. Note that KREC can't estimate the loss of fee revenue for the military spouse exemption because prior to July 1, 2024, KREC was not collecting this information. Each original applicant who is exempt will result in \$140-\$225 in decreased revenue to KREC and each renewal applicant who is exempt will result in \$125-\$175 in

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decreased revenue to KREC. No reliable source exists to know how many military spouse exemptions will be issued each year.

G. If the proposed rule(s) and regulation(s) increases or decreases revenues of cities, counties or school districts, or imposes functions or responsibilities on cities, counties or school districts that will increase expenditures or fiscal liability, describe how the state agency consulted with the League of Kansas Municipalities, Kansas Association of Counties, and/or the Kansas Association of School Boards.

These regulations do not apply to the League of Kansas Municipalities, Kansas Association of Counties, and the Kansas Association of School Boards so we did not consult them.

H. Describe how the agency consulted and solicited information from businesses, business associations, local governmental units, state agencies, or institutions and members of the public that may be affected by the proposed rule(s) and regulation(s) or may provide relevant information.

For K.A.R. 86-1-5, KREC consulted with the Attorney's General Office and the KBI to implement the mandated fingerprinting fee increase and implement the military spouse exemption required by the Legislature. These fee changes were discussed with the Kansas Association of Realtors and real estate industry members, and were approved by KREC at its April 8 and June 17, 2024, Commission meetings.

The proposed amendments to K.A.R. 86-1-10 were requested by schools to provide more flexibility in offering distance education courses. KREC discussed the changes with real estate industry members and had an open public comment during the January 24, 2024, Commission meeting to solicit feedback from any interested parties.

Section IV

Does the Economic Impact Statement involve any environmental rule(s) and regulation(s)?

- Yes If yes, complete the remainder of Section IV.
 No If no, skip the remainder of Section IV.

- A. Describe the capital and annual costs of compliance with the proposed rule(s) and regulation(s), and the individuals or entities who would bear the costs.
- B. Describe the initial and annual costs of implementing and enforcing the proposed rule(s) and regulation(s), including the estimated amount of paperwork, and the state agencies, other governmental agencies, or other individuals who will bear the costs.
- C. Describe the costs that would likely accrue if the proposed rule(s) and regulation(s) are not adopted, the individuals or entities who will bear the costs and who will be affected by the failure to adopt the rule(s) and regulation(s).
- D. Provide a detailed statement of the data and methodology used in estimating the costs used.





Mark Tomb
Vice President of Governmental Affairs
Kansas Association of REALTORS®
3644 SW Burlingame Rd.
Topeka, KS 66611
785-414-5155
mark@kansasrealtor.com

To: Kansas Real Estate Commission
From: Mark Tomb, VP of Governmental Affairs
Date: 10/22/2024

Re: Written Comments in Support of Proposed Amendments to K.A.R. 86-1-10

On behalf of the Kansas Association of REALTORS®, thank you for the opportunity to provide comments in support of proposed amendments to K.A.R. 86-1-10, which will add a definition of synchronous distance education and maintain standards for those types of real estate courses.

The Kansas Association of REALTORS® represents 11,000 members involved in residential, agricultural and commercial real estate and has advocated on behalf of the state's property owners for more than 100 years. REALTORS® serve an important role in the state's economy and are dedicated to working with our elected officials to create better communities by supporting economic development, a high quality of life and providing affordable housing opportunities while protecting the rights of private property owners.

On real estate licensing and regulation, the Kansas Association of REALTORS® Policy Statement says:

REALTORS® are acutely aware of the importance and necessity of the continued licensure and regulation of the real estate industry by the Kansas Real Estate Commission. At all times, REALTORS® strive to protect the interests of the public by maintaining and perpetuating a high level of competence for those individuals entering and continuing to practice in the real estate industry.

Updating approved courses of instruction to include synchronous distance education courses provides flexibility to real estate education providers as they work to keep up with constantly changing modes of education delivery. The additional guidance on how to provide synchronous distance education, such as ensuring substantial interaction between instructors and students, keeps standards in place that will maintain a high level of competency in those receiving these courses.

In conclusion, the Kansas Association of REALTORS® supports the proposed regulations as they provide flexibility to real estate education providers while maintaining educational standards in synchronous distance courses. Thank you for your time and consideration of our comments.

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Erik Wisner, Executive Director

Laura Kelly, Governor

MINUTES OF THE MEETING
Kansas Real Estate Commission
August 26, 2024

The Kansas Real Estate Commission held its regular meeting on Monday, August 26, 2024, at the KREC office.

Commissioners Present:

Natalie Moyer, Chairperson
Bryon Schlosser, Member
Clarissa Harvey, Member

Jacqueline Kelly, Vice-Chairperson
Marsha McConnell, Member

Staff Present:

Erik Wisner, Executive Director
Amber Nutt, Education Director
Lindsey Bowes, Legal Assistant
Tim O'Brien, Real Estate Specialist/Investigator

Alycia Smith, Licensing Director
Wendy Alkire, Deputy Director & Compliance Director
Cindy Boswell, Real Estate Specialist/Senior Investigator
Madison Sawyer, Administrative Officer

Kansas Real Estate Commission Legal Counsel:

Nicole Turner, Assistant Attorney General
Spencer Taylor, Assistant Attorney General
Sydney Walsh, Assistant
Lisa Mendoza, First Assistant Attorney General

Members of the Public:

Todd Woodburn	Mark Barker	Kim Bischler	Steve Metarelis	Mark Tomb
Emily Timblin	Lauren Sams	Bryan Ruoff	Josh Waters	Kelly White
Nicole Fielder	Coldwell Banker			

Call to Order

Ms. Moyer called the meeting to order at 9:00 a.m.

Approval of the Minutes of the June, 17 2024 Meeting

Ms. McConnell moved to approve the minutes of the June 17, 2024, meeting. Ms. Kelly seconded the motion. Motion carried unanimously.

Education and Communication Report

Staff has approved 6 pre-license courses and 115 continuing education courses for FY24. Pearson VUE has administered 2,873 exams with an overall pass rate of 57% for the term of FY24 and administered 255 exams with an overall pass rate of 53% for the term of FY25. Ms. Nutt provided an updated version of Pearson's National/General Exam Content Outline for Salespersons which was meant to go live on August 2024, but has been pushed back to January 2025.

Ms. Nutt shared a planned meeting with Pearson regarding their Kansas contract. Ms. Nutt and Mr. Wisner will attend the meeting in Kansas City in September to discuss contractual obligations.

Hearing of Preston Coffman, Docket 24-2096

Licensing Report

As of August 2024, there are 18,993 licensees, which is a decrease of 234 compared to July 2023. There are 209 pending applications (53 salesperson, 11 broker, and 145 fingerprint-only files). This is a decrease of 34 applicants compared to 2023.

Compliance Report

Staff has received 330 complaints and completed 336 compliance reviews so far in FY24. Compliance courses are scheduled for November 14, 2024, for BRRETA and November 20, 2024, for Broker Supervision.

Ms. Alkire requested changes to KREC Delegation of Authority. Ms. McConnell moved to approve the changes to KREC Delegation of Authority. Mr. Schlosser seconded the motion. Motion carried unanimously.

Ms. Alkire requested for KREC to publish a Civil Consent Judgment from Johnson County District Court against Bradley Chapin. Mr. Chapin has previously received several letters from the commission related to unlicensed auction activity. The commission approved the request to fully publish the Judgment by consensus.

Mr. Schlosser moved to reflect the commission's appreciation for Ms. Alkire's years of service within the written minutes.

Director's Report

The real estate fee fund balance as of June 30, 2024, is \$1,509,111 which is up \$95,624 for FY24. Real estate fee fund receipts for FY24 are \$1,318,588 and real estate fee fund expenditures for FY24 are \$1,190,666. Background investigation fee fund receipts for FY24 are \$101,100 and the real estate recovery fund receipts for FY24 are \$21,498.

Mr. Wisner provided the FY25-27 Budget Submission for commission approval. Mr. Schlosser moved to approve the realigned fiscal year 2025 budget and proposed fiscal year 2026 and 2027 KREC budget proposals and to give Mr. Wisner authority to make any technical changes and other changes requested by the Division of Budget and the Governor's office during their review. Ms. Kelly seconded the motion. Motion carried unanimously.

Mr. Wisner proposed changes to the application approval guidelines. Mr. Schlosser moved to approve the additional clarification for license applications, Ms. McConnell seconded the motion. Motion carried unanimously.

Mr. Wisner provided an update on the new licensing system and on legislative and policy matters. A legal action summary report was provided for FY24. Mr. Wisner provided an update on proposed regulations 86-1-5 (KBI Fees) and 86-1-10 (Synchronous Distance Education).

An ARELLO Legal Exchange Update was provided to the commission regarding the NAR Settlement. Mr. Wisner proposed publishing an online statement regarding the Commission's jurisdiction as it relates to the

NAR Settlement and the validity of KREC published forms. Commission approved of the proposed statement for online publication by consensus.

Public Comment

Jamie Sauder provided written public comment regarding broker supervision and BRRETA.

Adjournment

The meeting adjourned at 10:22 a.m.

Formal Hearings

- Maria Quintero
- Jason Spalitto
- Mark Roy
- Julia Thomas

INFORMAL HEARING

Realty School of Kansas

Docket 24-1730

Hearing Script

02/23/2024 Agency Action

Exhibit 1: 05/05/2023 Commission Directive and 05/16/2023

Correspondence

Exhibit 2: 05/16/2023 Corrective Action Plan

Exhibit 3: 11/27/2023 Course Comp. File

Exhibit 4: 11/29/2023 Error Notice

Exhibit 5: Data Submission Instructions

Exhibit 6: 09/18/2017 Core FTP Demo Email

Exhibit 7: Instruction Manual Provided Emails

FORMAL HEARINGS (CONT.)

STAFF REPORTS

EDUCATION &
COMMUNICATION
REPORT

MEMO



DATE: November 18, 2024

TO: Kansas Real Estate Commission Members

FROM: Amber Nutt
Director of Education and Communication

Jayhawk Tower
700 SW Jackson Street, Suite 404
Phone: 785-296-3411 Fax: 785-296-1771
krec@ks.gov
www.krec.ks.gov

Education and Communication Department Report for FY24 (As of 10/31/24)

Education Reports – See attached

Course Applications	Aug - Oct 2024	FY25 Total	FY24 Total
In-person	11	8	47
Virtual (synchronous)	0	0	6
Distance (asynchronous)	14	5	68
Pre-License	1	4	6
Continuing Education	24	9	115
Elective	23	9	109
Mandatory	1	0	6
Withdrawn or Denied	0	1	2
Total Processed	25	13	121

Exam Performance Summary	FY25 Total	FY24 Total
Broker Pass Rate	59%	55%
Salesperson Pass Rate	53%	57%
Overall Pass Rate	54%	57%
Broker Total Exams	70	244
Salesperson Total Exams	799	2,629
Total Exams	869	2,873

Additional Items:

- New course completion certificates due to amendments in 86-1-10 and licensing process
- Possible addition of asynchronous distance education as a delivery method option for compliance courses

New Courses from 8/1/24 to 10/28/24

<u>Course Type</u>	<u>Course #</u>	<u>Course Title</u>	<u>Hours</u>	<u>Status</u>	<u>Location</u>
CCIM Institute					
Elective	E20492	Introduction to Commercial Real Estate	3	Active	In-Person
Colibri Real Estate, LLC					
Elective	E20514	Negotiation Fundamentals	3	Active	Distance
Elective	E20513	Negotiation Models and Case Studies	3	Active	Distance
Kaplan Real Estate Education					
Elective	E20508	2025/2027 Association Ethics v1.0 (3-hour)	3	Active	Distance
Elective	E20509	Undesigning Injustice Online Video Course v1.0 (3-Hour)	3	Active	Distance
Elective	E20510	Everyday Ethics in Real Estate v4.0 (4-Hour)	4	Active	Distance
Salesperson Pre-License Course	P20500	Kansas Real Estate Principles v1.1	30	Active	Distance
Kingdom Real Estate School					
Mandatory Kansas Required Core	M20507	Kansas Required Core	3	Active	In-Person
Elective	E20497	New Home Construction	3	Active	In-Person
Elective	E20498	Home Styles and Design	3	Active	In-Person
Elective	E20499	Fair Housing	3	Active	In-Person
Leading Lane Real Estate Solutions					
Elective	E20496	Military Relocation Professional	6	Active	In-Person
McKissock LP					
Elective	E20511	Negotiation Models and Case Studies	3	Active	Distance
Elective	E20512	Negotiation Fundamentals	3	Active	Distance
ReeceNichols Training					
Elective	E20493	Today's Contracts: A Comprehensive Overview	3	Active	Distance
Elective	E20494	Today's Contracts: A Comprehensive Overview	3	Active	In-Person
Elective	E20501	Using the Code to Solve Ethical Dilemmas	3	Active	Distance
Elective	E20502	Growing Green: Environmental Awareness and Your Real Estate Practice	3	Active	Distance
Elective	E20503	Ethics At Work	3	Active	Distance
Elective	E20505	Buying HUD Homes: A Guide for Agents	3	Active	In-Person
Elective	E20506	Buying HUD Homes: A Guide for Agents	3	Active	Distance
REjournals					
Elective	E20504	6th Annual Kansas City Commerical Real Estate Forecast Summit	3	Active	In-Person
RSCK School of Real Estate					
Elective	E20491	Buyers By Generation - Success in Every Segment	6	Active	In-Person
Elective	E20495	Go With Your Gut!	3	Active	In-Person
The CE Shop, LLC					
Elective	E20515	Check Your Bias and Fair Housing Practices	3	Active	Distance

Exam Performance Summary by Fiscal Year (FY21-FY25)



Fiscal Year	First Time Takers					Repeat Takers					Overall Statistics				
	Total Exams	Total Pass	Pass Rate	Total Fail	Fail Rate	Total Exams	Total Pass	Pass Rate	Total Fail	Fail Rate	Total Exams	Total Pass	Pass Rate	Total Fail	Fail Rate
FY2021															
Broker	129	95	74%	34	26%	56	22	39%	34	61%	185	117	63%	68	37%
Salesperson	2,511	1,681	67%	830	33%	1,464	704	48%	760	52%	3,975	2,385	60%	1,590	40%
Total	2,640	1,716	67%	864	33%	1,520	726	48%	794	52%	4,160	2,502	60%	1,658	40%
FY2022															
Broker	160	120	75%	40	25%	67	36	54%	31	46%	277	156	69%	71	31%
Salesperson	2,052	1,398	68%	654	32%	1,207	563	47%	644	53%	3,259	1,961	60%	1,298	40%
Total	2,212	1,518	69%	694	31%	1,274	599	48%	675	52%	3,486	2,117	61%	1,369	39%
FY2023															
Broker	157	105	67%	52	33%	89	44	49%	45	51%	246	149	61%	97	39%
Salesperson	1,744	1,133	65%	611	35%	1,121	505	45%	616	55%	2,865	1,638	57%	1,227	43%
Total	1,901	1,238	65%	663	35%	1,210	549	45%	661	55%	3,111	1,787	57%	1,324	43%
FY2024															
Broker	137	90	66%	47	34%	107	44	41%	63	59%	244	134	55%	110	45%
Salesperson	1,565	1,044	67%	521	33%	1,064	462	43%	602	57%	2,629	1,506	57%	1,123	43%
Total	1,702	1,134	67%	568	33%	1,171	506	43%	665	57%	2,873	1,640	57%	1,233	43%
FY2025															
Broker	43	27	63%	16	37%	27	14	52%	13	48%	70	41	59%	29	41%
Salesperson	488	304	62%	184	38%	311	123	40%	188	60%	799	427	53%	372	47%
Total	531	331	62%	200	38%	338	137	41%	201	59%	869	468	54%	401	46%

EXAM PASSING RATES BY SCHOOL FOR FY25 (July-October 2024)



Kansas Broker	First Time Takers					Repeat Takers					Overall Statistics				
	Total Exams	Total Pass	Pass Rate	Total Fail	Fail Rate	Total Exams	Total Pass	Pass Rate	Total Fail	Fail Rate	Total Exams	Total Pass	Pass Rate	Total Fail	Fail Rate
Career Education Systems - Online	12	11	92%	1	8%	4	3	75%	1	25%	16	14	88%	2	13%
Career Education Systems - Kansas City	8	7	88%	1	13%	2	0	0%	2	100%	10	7	70%	3	30%
Waiver - KREC Equivalent Requirements Met	11	6	55%	5	45%	4	3	75%	1	25%	15	9	60%	6	40%
Perry Real Estate College	6	2	33%	4	67%	7	3	43%	4	57%	13	5	38%	8	62%
Lowry School of Real Estate	3	0	0%	3	100%	5	3	60%	2	40%	8	3	38%	5	63%
Kansas Association of REALTORS	3	1	33%	2	67%	5	2	40%	3	60%	8	3	38%	5	63%
Total	43	27	63%	16	37%	27	14	52%	13	48%	70	41	59%	29	41%

Kansas Salesperson	First Time Takers					Repeat Takers					Overall Statistics				
	Total Exams	Total Pass	Pass Rate	Total Fail	Fail Rate	Total Exams	Total Pass	Pass Rate	Total Fail	Fail Rate	Total Exams	Total Pass	Pass Rate	Total Fail	Fail Rate
Sterling College	1	1	100%	0	0%	0	0	0%	0	0%	1	1	100%	0	0%
Waiver - KREC Equivalent Requirements Met	55	43	78%	12	22%	6	5	83%	1	17%	61	48	79%	13	21%
Colibri Real Estate, LLC	25	20	80%	5	20%	9	6	67%	3	33%	34	26	76%	8	24%
Perry Real Estate College	4	3	75%	1	25%	2	1	50%	1	50%	6	4	67%	2	33%
Kaplan Real Estate Education	10	6	60%	4	40%	5	4	80%	1	20%	15	10	67%	5	33%
The CE Shop, Inc.	62	45	73%	17	27%	26	12	46%	14	54%	88	57	65%	31	35%
Career Education Systems - Kansas City	89	62	70%	27	30%	57	25	44%	32	56%	146	87	60%	59	40%
Lowry School of Real Estate	7	5	71%	2	29%	2	0	0%	2	100%	9	5	56%	4	44%
Career Education Systems - Online	67	42	63%	25	37%	52	20	38%	32	62%	119	62	52%	57	48%
Career Education Systems - Wichita	51	30	59%	21	41%	32	11	34%	21	66%	83	41	49%	42	51%
Kansas Association of REALTORS	30	17	57%	13	43%	29	9	31%	20	69%	59	26	44%	33	56%
ReeceNichols Training	28	9	32%	19	68%	28	12	43%	16	57%	56	21	38%	35	63%
ReeceNichols Training – Online	4	1	25%	3	75%	4	2	50%	2	50%	8	3	38%	5	63%
Training Partners	19	8	42%	11	58%	14	4	29%	10	71%	33	12	36%	21	64%
Kansas Real Estate School	18	7	39%	11	61%	19	5	26%	14	74%	37	12	32%	25	68%
RSCK School of Real Estate	4	3	75%	1	25%	9	1	11%	8	89%	13	4	31%	9	69%
Career Academy of Real Estate - Penfed Realty	11	2	18%	9	82%	13	5	38%	8	62%	24	7	29%	17	71%
Key Real Estate School	3	0	0%	3	100%	4	1	25%	3	75%	7	1	14%	6	86%
Total	488	304	62%	184	38%	311	123	40%	188	60%	799	427	53%	372	47%

Please note, pass and fail percentage rates may be misleading when the total number of exams is low. It may also be misleading for any school to include information from this chart in any advertisement unless the advertisement also contains the percentage results shown and the total number of exams taken and passed in the same type size and prominence in the advertisement.

MEMO



DATE: November 18, 2024
TO: KREC Commission Members
FROM: Amber Nutt, Director of Education and
Communication
RE: Course Completion Certificates

Jayhawk Tower
700 SW Jackson Street, Suite 404
Phone: 785-296-3411 Fax: 785-296-1771
krec@ks.gov
www.krec.ks.gov

86-1-17. Responsibilities of schools. (b) Issuance of certificates to students. (1) Within five calendar days of completion of the course, each school shall issue a certificate of completion in person, electronically, or by mail to each student who successfully completes a course approved by the commission. Each school shall use certificate forms approved by the commission.

Currently, KREC staff provides approved school coordinators with up to nine different course completion certificate templates. These differ based on location and type of course offered. Schools are required to issue a certificate of completion to each student who successfully completes a course approved by the Commission. Policy allows for schools to modify the template to match their brand if the form contains specific information and is approved by staff.

The adoption of digital submission of course completion records for continuing education (CE) and Prelicense courses enables the school to send accurate and timely data directly to KREC. Schools must submit accurate course completion data to KREC within five calendar days of course completion for all courses. The forms will no longer be presented to exam centers and should be saved by students in case of a reporting error.

Staff is proposing modifying and condensing the prescribed forms down to one form for prelicense and one form for CE. The new forms will reflect regulation and licensing system changes.

For CE course completion certificates, staff recommends an effective date that aligns with the implementation of amendments to 86-1-10. For Prelicense course completion certificates, staff recommends an effective date that aligns with the new go-live date for the licensing system. These certificates must be in use no later than February 1, 2025.

Possible Motion: <NAME> moves the Commission approve the modified and condensed course completion forms to be provided by schools to students for student records.

MEMO



DATE: November 18, 2024
TO: KREC Commission Members
FROM: Amber Nutt, Director of Education and Communication, and Madison Collazo, Administrative Officer
RE: Adding Asynchronous Distance Education Option for Compliance Courses

Jayhawk Tower
700 SW Jackson Street, Suite 404
Phone: 785-296-3411 Fax: 785-296-1771
krec@ks.gov
www.krec.ks.gov

In 2017, the Commission discussed development of Broker Supervision and Brokerage Relationships in Real Estate Transactions Act (BRRETA) modules as disciplinary courses. Commission staff began offering these courses in-person in 2019 and virtual-synchronously in 2020.

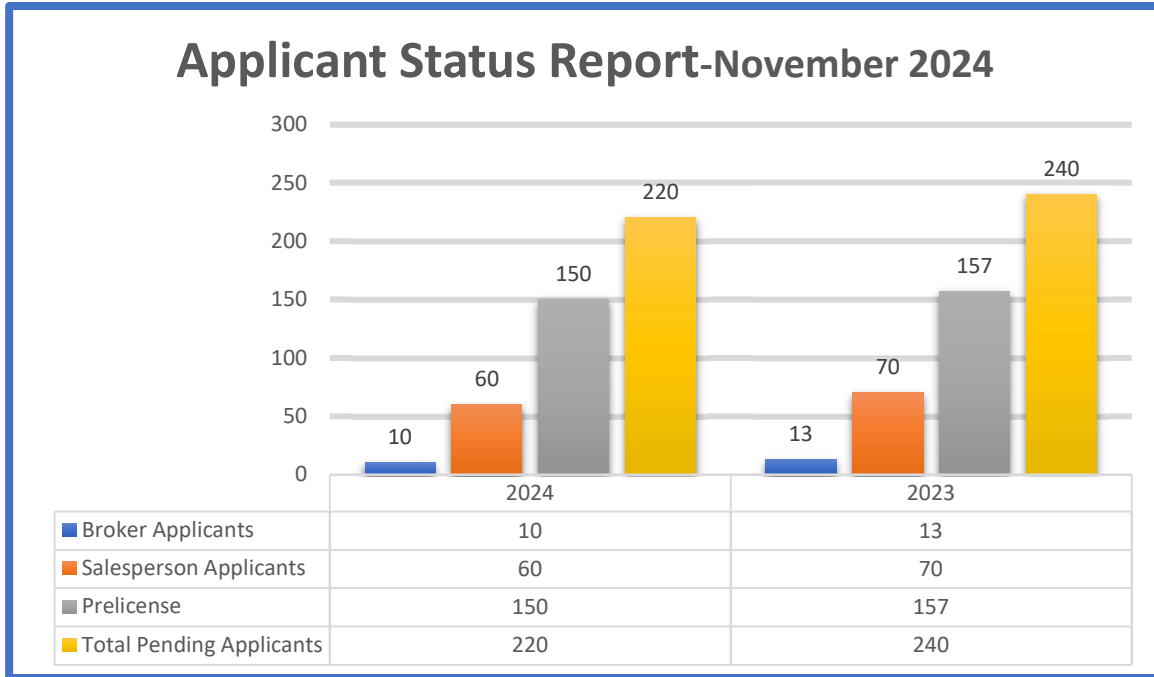
Staff spends a significant amount of time preparing, scheduling, instructing, and assisting with these courses based on the number of registrants. At present, each compliance course requires approximately **12 hours** of staff time. This includes staff for scheduling, registering, facilitating, instructing, monitoring, etc. Volunteer registrants often cancel with little prior notice or fail to attend their registered course - only 53% of volunteer registrants attend and complete their registered course.

2023-2024 CY	Total Registered	Completed	# that were Discipline	Volunteer Completion Rate
In-person Course	53	37	8	64%
Virtual Course	107	59	16	47%

Staff recommends adding asynchronous distance education as an additional delivery method. This requires the purchase of an online learning management system (LMS) in 2025. The number of in-person courses would eventually be reduced from eight courses per year to four courses per year and offered in addition to the asynchronous online courses.

Question for the Commission: Would the Commission like staff to explore and provide additional information to add asynchronous distance education as an additional delivery method option offered by KREC?

LICENSING REPORT

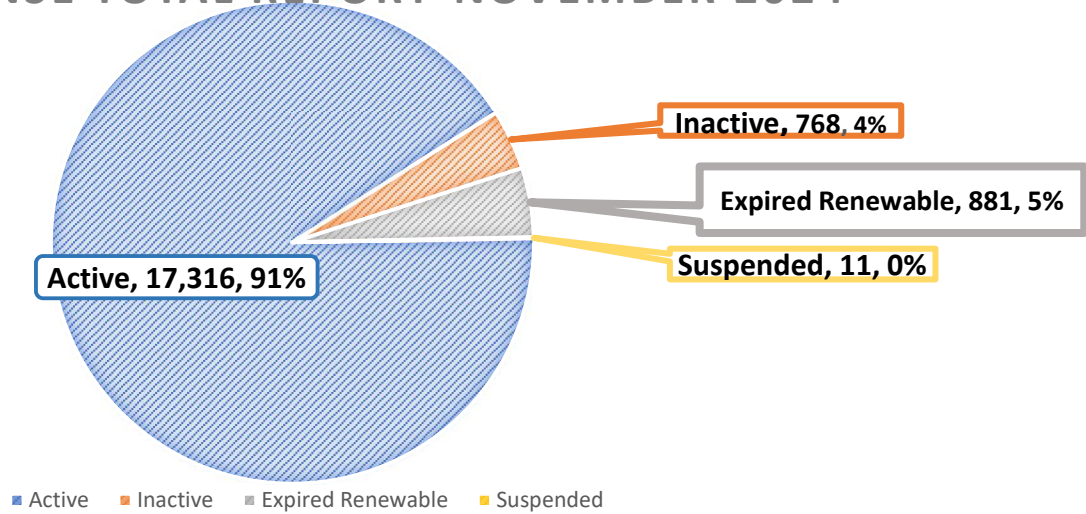


TRENDS

Overall decrease of **20** applicants compared to November 2023

- **Broker Applicants: -3**
- **Salesperson Applicants: -10**
- **Prelicense Applicants: -7**

LICENSE TOTAL REPORT-NOVEMBER 2024



Total of **18,976** licensees; this is a decrease of 251 licenses compared to November 2023

- **17,316 Active Licenses** (13,983 Salesperson, 3,333 Broker; ↑28 from prior year)
- **768 Inactive Licenses** (725 Salesperson, 43 Broker: ↓98 from prior year)
- **881 Expired Renewable Licenses** (792 Salesperson, 89 Broker: ↓181 from prior year)
- **11 Suspended Licenses** (3 Salesperson, 8 Broker; no change from prior year)

OFFICE INFORMATION

OFFICE TYPE

COMPANY	BRANCH
2,245	202
OFFICE TOTAL: 2,447	

↓ 33 companies/branches compared to November 2023

DIRECTOR'S REPORT

MEMO



DATE: November 18, 2024
TO: Kansas Real Estate Commission Members
FROM: Erik Wisner, Executive Director
RE: Director's Report

Jayhawk Tower
700 SW Jackson Street, Suite 404
Phone: 785-296-3411 Fax: 785-296-1771
krec@ks.gov
www.krec.ks.gov

Fiscal

- The real estate fee fund balance as of Oct. 31, 2024, is \$1,473,314 down \$44,045 from July 1, 2024. (attached).
 - Revenue. Real estate fee fund receipts for FY25 are \$392,897. This is 1% lower than original estimates.
 - Expenditures. Real estate fee fund expenditures in FY25 are \$413,395. This is 2% lower than original estimates.
- Background investigation fee fund receipts for FY25 are \$26,653. Real estate recovery fund receipts for FY25 are \$10,228. The balance is \$341,743 up \$10,172 from July 1, 2024.
- **FY2-27 Budget Submission.** The FY25-27 budget requests were sent to the Division of Budget prior to the September 15 deadline.
- **2025 Law Books** – Printing costs for law books is approximately \$1.50/book with an additional \$4.65/book mailing cost. If we order 3500 books and mail out one to every supervising broker (approximately 2000) and keep the remaining for staff use and course distribution it would cost the Commission about \$15,000. This is an allowable expense out of the recovery fund if we also include a summary of license law updates similar to January 2020.

Legislative and Policy Issues

- **Pearson VUE Examination Administration Contract Amendment** (attached) –Pearson is going to move Kansas exam administration into their new portal in conjunction with the Accela licensing system upgrade. As part of the move the state and national portion of the examination will be separate exams from a scheduling aspect. They are requesting the Commission approve a revised fee schedule where applicants pay for each part of the exam rather than one fee for both. In addition, they would eliminate the increased rate for first-time takers. I recommend a motion to approve the revised schedule.
 - **Possible Motion:** *I move the Commission approve the Pearson VUE proposed exam fee schedule that charges applicants \$37.50 per state or national portion of the exam effective after the Accela licensing system go-live date.*

- **Delegation Motions for 2025 Legislative Sessions** (attached)
- **Accela Licensing System Update and Timeline**
- **ARELLO 2024 Annual Meeting Update**
- **KAR Annual Conference Update** – Attached WSU Home Sales Forecast and KREC Licensing Trends
- **McGivern Case** -- At the July 31, 2023 meeting, the Commission was briefed on a pending legal matter regarding Brad McGivern who appealed an adverse ruling by the Office of Administrative Hearings to Shawnee County District Court. On May 17, 2024 the court ruled in favor of KREC and denied Mr. McGivern's petition for judicial review related to the finding of a violation and costs assessed. McGivern has appealed the ruling and the case is in front of the Kansas Court of Appeals. The KSAG Solicitor General's office is handling the appeal for the Commission and has informed us that McGivern's attorney got a second extension for his opening brief which is now due November 22.

Dates and Events

- **2025 Proposed Commission Meeting Dates (via Zoom or Commission Conf Room unless noted)**
 - Jan. 27
 - Mar. 31
 - May 19
 - Aug. 4
 - Oct. 8, *8am in conjunction w/ KAR Annual Meeting (Wichita)*
 - Dec. 15
- **Staff Presentations**
 - Nov. 19 - Flint Hills Association of REALTORS®, Manhattan (Wisner)
- **Other Events**
 - Feb. 3-6, 2025 – KAR Winter Advocacy Conference (Lawrence)
 - Apr. 14-16, 2025 -- ARELLO Mid-Year Conference (San Diego, CA)
 - May 31-Jun. 5, 2025 -- NAR Legislative Conference (Washington DC)
 - Sept. 9-12, 2025 – ARELLO Annual Conference (Miami, FL)
 - Oct. 7-9, 2025 -- KAR Annual Conference (Wichita)
 - Nov. 12-17, 2025 – NAR Annual Meeting (Houston, TX)

Real Estate Commission (Fund 2721) Cash Balance Report

For the Year Ending
Cash at Beginning of Year

6/30/2024

\$ 1,517,358.68

Revenue

CLERICAL SERVICES	\$	-		
LICENSE PERSONAL SERVICES	\$	-		
LICENSE BUSINESS SERVICES	\$	378,770.00		
OTHER FINES PENALTIES FORFEIT	\$	14,126.67		
OTHER NON REVENUE RECEIPTS	\$	-		
TOTAL REVENUE				\$ 392,896.67

Expenditures

Salaries & Wages	\$	318,335.96		
Contractual Services	\$	93,594.77		
Commodities	\$	272.59		
Capital Outlay	\$	1,191.47		
TOTAL EXPENDITURES				\$ 413,394.79

Net Total Transfers		
Less Acct. Pay	\$	(11,900.73)
Less Prior FY Expenditures	\$	11,645.98

Ending Cash Balance

\$ 1,473,313.85

Cash Balance Report (Fund 2721 - Hospitality)

For the Year Ending
Cash at Beginning of Year

6/30/2024

\$ 1,000.00

Expenditures

Salaries & Wages	\$	-		
Contractual Services	\$	445.62		
Commodities	\$	-		
Capital Outlay	\$	-		
TOTAL EXPENDITURES				\$ 445.62

Ending Cash Balance

\$ 554.38

Total Cash Balance - Trial Balance

\$ 1,473,868.23

													Income Statement		92
													For the Year Ending: 06/30/2023		
Budget	July-24	August-24	September-24	October-24	November-24	December-24	January-25	February-25	March-25	April-25	May-25	June-25	YTD	% Collect	
Revenue															
420400	CLERICAL SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
421100	LICENSE PERSONAL SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
421110	License Business Services	\$ 1,211,000.00	\$ 63,502.50	\$ 94,456.00	\$ 125,479.00	\$ 95,332.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 378,770.00	31%
	AF App Fees	\$ 28,000.00	\$ 1,144.50	\$ 2,164.50	\$ 2,187.00	\$ 1,737.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,233.00	26%
	OB Orig BR Licenses	\$ 21,000.00	\$ 945.00	\$ 630.00	\$ 2,205.00	\$ 1,102.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,882.50	23%
	OS Orig Slsp Licenses	\$ 159,000.00	\$ 7,212.50	\$ 14,400.00	\$ 11,250.00	\$ 11,812.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,675.00	28%
	BF Broker Renewal Fees	\$ 235,000.00	\$ 10,395.00	\$ 16,852.50	\$ 21,577.50	\$ 15,435.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,260.00	27%
	SF Slsp Renewal Fees	\$ 645,000.00	\$ 35,687.50	\$ 52,087.50	\$ 73,912.50	\$ 57,037.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 218,725.00	34%
	LF Late Ren Fees	\$ 105,000.00	\$ 7,200.00	\$ 6,840.00	\$ 12,420.00	\$ 5,760.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,220.00	31%
	MISC (CF/DP,NC,OC/CR/IR,CC/OO,BC)	\$ 18,000.00	\$ 918.00	\$ 1,481.50	\$ 1,927.00	\$ 2,448.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,774.50	38%
	Refunds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
454090	OTHER FINES PENALTIES FORFEIT	\$ 23,500.00	\$ 1,900.00	\$ 2,093.13	\$ 6,203.75	\$ 3,929.79	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,126.67	60%
469090	Other Nonrevenue Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
461190	Asset Conversion Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Gross Revenue	\$ 1,234,500.00	\$ 65,402.50	\$ 96,549.13	\$ 131,682.75	\$ 99,262.29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 392,896.67	32%
													\$ 392,896.67		

													Income Statement		
													For the Year Ending: 06/30/2023		
	July '21	August '21	September '21	October '21	November '21	December '21	January '22	February '22	March '22	April '22	May '22	June '22	YTD		
Revenue															
421100	License Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
421110	Licenses Business	\$ 7,012.50	\$ 10,534.00	\$ 13,956.00	\$ 10,592.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,095.00	
454090	Fines/Penalties/Forfeitures	\$ -	\$ 6.87	\$ 1,596.25	\$ 388.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,991.87	
	Gross Revenue	\$ 7,012.50	\$ 10,540.87	\$ 15,552.25	\$ 10,981.25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,086.87	
													Bal until \$100K met	\$ 57,905.00	

54900 (Fund 2721)
BU-0100

															<i>For the year ending: 06/30/2025</i>	
BUDGET	July-24	August-24	September-24	October-24	November-24	December-24	January-25	February-25	March-25	April-25	May-25	June-25	YTD	Remaining Budget	% Spent	
Budget Balance as of: 07/01/2024																
Operating Expenses	\$ -															
Salaries & Wages (51000)	\$ 1,000,175.00	\$ 70,944.74	\$ 102,829.13	\$ 71,389.88	\$ 73,172.21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318,335.96	\$ 681,839.04	32%
Total Salaries & Wages	\$ 1,000,175.00	\$ 70,944.74	\$ 102,829.13	\$ 71,389.88	\$ 73,172.21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318,335.96	\$ 681,839.04	32%
Communication (52000)	\$ 16,551.00	\$ -	\$ 1,273.29	\$ 311.59	\$ 2,240.07	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,824.95	\$ 12,726.05	23%
Other Freight and Express (52100)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Printing and Advertising (52200)	\$ 10,150.00	\$ -	\$ -	\$ -	\$ 27.10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27.10	\$ 10,122.90	0%
Rents (52300)	\$ 55,390.00	\$ 8,109.18	\$ 20.83	\$ 4,064.09	\$ 8,672.34	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,866.44	\$ 34,523.56	38%
Repair and Serv Equip Furn (52400)	\$ 100.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100.00	0%
In State Travel & Subsistence (5251)	\$ 53,373.00	\$ -	\$ 4,292.83	\$ 2,215.22	\$ 14,577.58	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,085.63	\$ 32,287.37	40%
Out of State Travel & Subsistence (52520)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Fees - Other Services (52600)	\$ 91,944.00	\$ -	\$ 9,777.40	\$ 2,345.63	\$ 7,253.17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,376.20	\$ 72,567.80	21%
Fees - Professional Services (52700)	\$ 111,264.00	\$ -	\$ 26,400.00	\$ -	\$ 29.95	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,429.95	\$ 84,834.05	24%
Utilities (52800)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Other Contractual Services (52900)	\$ 5,121.00	\$ 15.00	\$ 1,939.50	\$ 15.00	\$ 15.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,984.50	\$ 3,136.50	39%
Total Contractual Services	\$ 343,893.00	\$ 8,124.18	\$ 43,703.85	\$ 8,951.53	\$ 32,815.21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,594.77	\$ 250,298.23	27%
Clothing (53000)	\$ 1,400.00	\$ -	\$ 15.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15.00	\$ 1,385.00	1%
Food for Human Consumption (5320)	\$ 885.00	\$ -	\$ 53.35	\$ 104.95	\$ 43.51	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 201.81	\$ 683.19	23%
Maint Constr Material Supply (5340)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Vehicle Part Supply Accessory (5350)	\$ 500.00	\$ -	\$ 25.52	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25.52	\$ 474.48	5%
Pro Scientific Supply Other (53600)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Office & Data Supplies (53700)	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00	0%
Other Supplies and Materials (5390)	\$ 350.00	\$ -	\$ -	\$ 30.26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30.26	\$ 319.74	9%
Total Commodities	\$ 4,135.00	\$ -	\$ 93.87	\$ 135.21	\$ 43.51	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 272.59	\$ 3,862.41	7%
Furn Fixtures and Equipment (54000)	\$ 1,250.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,250.00	0%
Books & Library Material (54110)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Microcomputer Equipment (54130)	\$ 1,000.00	\$ 1,191.47	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,191.47	\$ (191.47)	119%
Software (54180)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Building Improvements (54200)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Capital Outlay	\$ 2,250.00	\$ 1,191.47	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,191.47	\$ 1,058.53	53%
Total Operati	\$ 1,350,453.00	\$ 80,260.39	\$ 146,626.85	\$ 80,476.62	\$ 106,030.93	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 413,394.79	\$ 937,058.21	31%

54900 (Fund 2721) Official Hospitality
BU-0104

															<i>For the year ending: 06/30/2025</i>	
BUDGET	July-24	August-24	September-24	October-24	November-24	December-24	January-25	February-25	March-25	April-25	May-25	June-25	YTD	Remaining Budget	% Spent	
Budget Balance as of: 07/01/2024																
Official Hospitality (529700)	\$ 1,000.00															
All Other Expenses	\$ -	\$ 373.97	\$ -	\$ 71.65	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 445.62	\$ -	
Total Hospitality Expenses	\$ -	\$ 373.97	\$ -	\$ 71.65	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 445.62	\$ -	

Real Estate Commission (Fund 2722)

Cash Balance Report

For the Year Ending
Cash at Beginning of Year

6/30/2024
\$ 11,213.62

Revenue

Average Daily Balance Interest	\$	-		
Other Nonrevenue Receipts	\$	-		
Recovery of Prior FY Exp	\$	27,480.00		
TOTAL REVENUE			\$	27,480.00

Expenditures

Salaries & Wages	\$	-		
Contractual Services	\$	26,653.00		
Commodities	\$	-		
Capital Outlay	\$	-		
TOTAL EXPENDITURES			\$	26,653.00

Less Prior FY Expenditures	\$	5,700.00		
Less Accounts Payable	\$	-		
Less Transfer	\$	-		

Ending Cash Balance

\$ 6,340.62

Real Estate Commission (Fund 7368)

Cash Balance Report

For the Year Ending
Cash at Beginning of Year

6/30/2024
\$ 331,570.73

Revenue

Average Daily Balance Interest	\$	5,228.27	
Recovery of Prior FY Exp	\$	5,000.00	
Other Nonrevenue Receipts	\$	-	
TOTAL REVENUE			\$ 10,228.27

Expenditures

Salaries & Wages	\$	-	
Contractual Services	\$	55.89	
Commodities	\$	-	
Capital Outlay	\$	-	
TOTAL EXPENDITURES			\$ 55.89

Less Priot FY Expenditures	\$	-
Less Accounts Payable		
Less Transfer	\$	-

Ending Cash Balance

\$ 341,743.11

From: [Joel Norris](#)
To: [Erik J. Wisner \[KREC\]](#); [Carrie Dahl](#); [Paula Sisneros](#); [Aaron Peterson](#)
Cc: [Amber Nutt \[KREC\]](#)
Subject: RE: KS Real Estate signed amendment signed by Pearson VUE
Date: Thursday, October 24, 2024 3:43:24 PM

EXTERNAL: This email originated from outside of the organization. Do not click any links or open any attachments unless you trust the sender and know the content is safe.

Erik, apologies for the delay. If the Commission is in agreement, I think we can keep this short.

To help facilitate the migration of the Kansas Real Estate Commission's exam program to an authorization (i.e., pre-eligibility) client on Pearson VUE's registration and scheduling system, a significant amount of administrative overhead will be saved by both parties if we change the current exam fees to the following.

Exam	Current Fee: Both Exam Parts	Current Fee: One Exam Part (State or National)	New Fee: Per Exam (State or National)
First Time Sales	\$82	\$82	\$37.50
Retake Sale	\$75	\$75	\$37.50
First Time Broker	\$82	\$82	\$37.50
Retake Broker	\$75	\$75	\$37.50

Under this model, the following changes will be enacted:

- Kansas real estate candidates who are required to pass both the State and National exams will be obligated to schedule both exams separately for \$37.50 each.
- All exam attempts, regardless of whether it is a first time attempt or retake attempt, will be \$37.50 per exam. This means that candidates who previously paid a total of \$82 for a first time attempt (in total for the State and National exams) will only need to pay a total of \$75 going forward.

The fee change will go into effect concurrent with the launch date of the Kansas Real Estate Commission's new licensing system and will remain in effect for the remainder of the current contract term.

Delegation Motions for Legislative Matters

Motion #1: I move that the Commission designate and delegate to the Executive Director its authority to provide testimony to the Legislature or answers to Legislators or Legislative Committees, during the 2025 Legislative Session, including any 2025 Special Session, on policies decided by the Kansas Real Estate Commission. Further, I move that the Executive Director is required to notify the Commission of the testimony or answers at the next meeting.

Motion #2: I move that the Commission designate and delegate to the Chairperson, or the Vice Chairperson, its authority to provide testimony or answers to Legislators or Legislative Committees, during the 2025 Legislative Session, including any 2025 Special Session, on policies that have not been finally determined by the Commission but requires an immediate response by the Commission to the requestor. Any testimony or answers to Legislators or Legislative Committees from the Chairperson, or the Vice Chairperson as the case may be, may be conveyed through the Executive Director. Further, I move that the Chairperson, or the Vice Chairperson as the case may be, is required to notify the Commission of the testimony or answers at the next meeting, whether at a special meeting or at the regularly scheduled meeting. If the Commission approves of the testimony or answers provided, the Chairperson, or the Vice Chairperson shall obtain ratification by the Commission. If the Commission disapproves of the testimony or answers provided, the Chairperson, or the Vice Chairperson shall immediately withdraw the prior testimony or answers and shall provide the requestor with the Commission's approved policy.



2025
Kansas

Housing Markets Forecast

Dr. Stanley D. Longhofer
October 3, 2025

Full Circle

25

The slides from today's presentation are available on the WSU Center for Real Estate website at

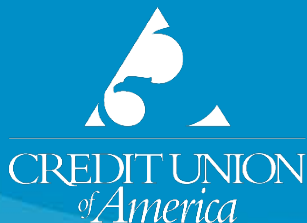
wichita.edu/realestate

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2025 Forecast Sponsors



Security 1st Title



25

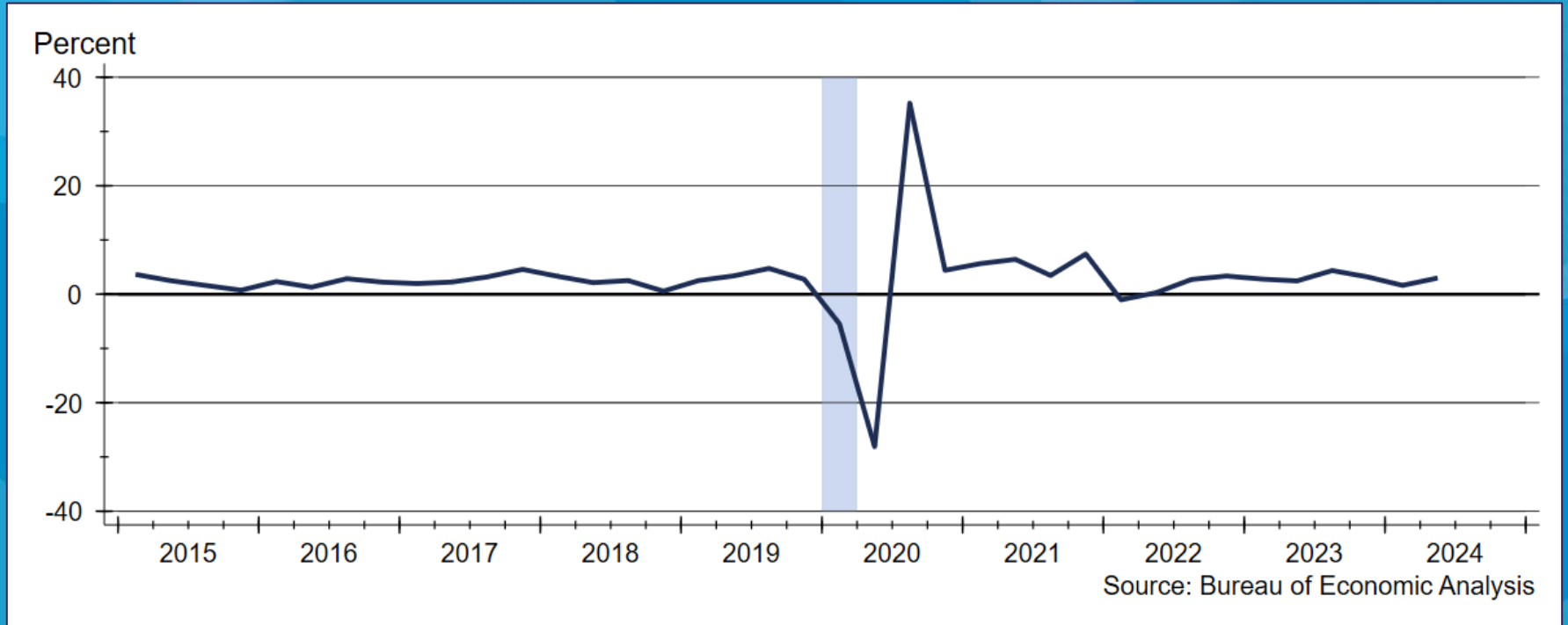
Thanks also to



and participating REALTOR® MLS
systems across Kansas

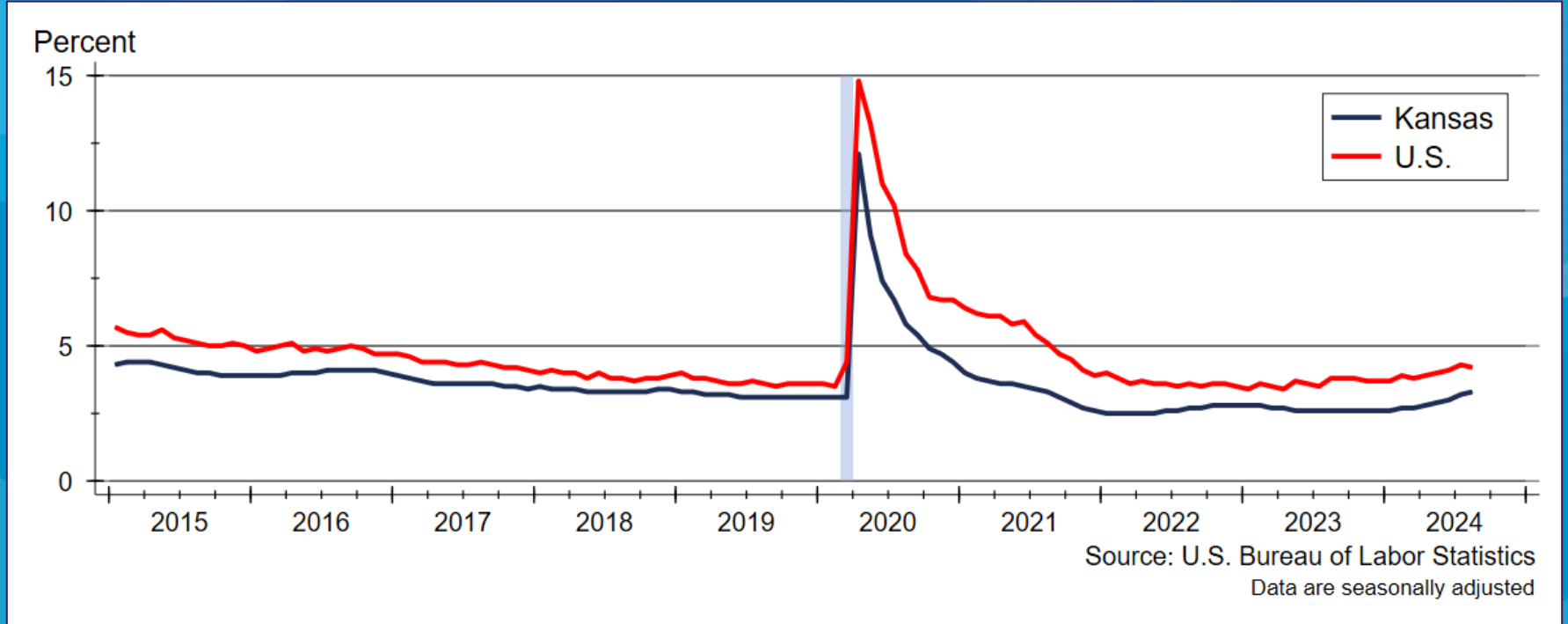


Real GDP Growth Continues to be Fairly Strong



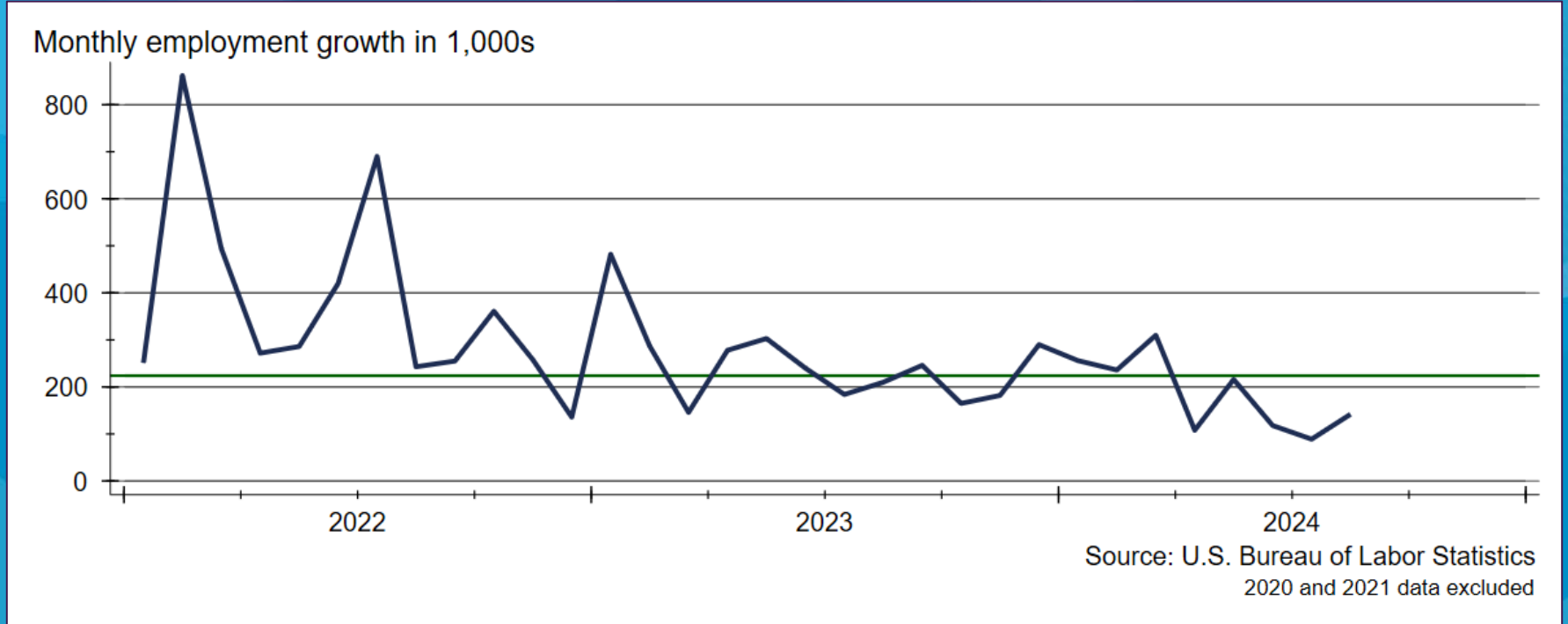


Unemployment Rate is Still Quite Low



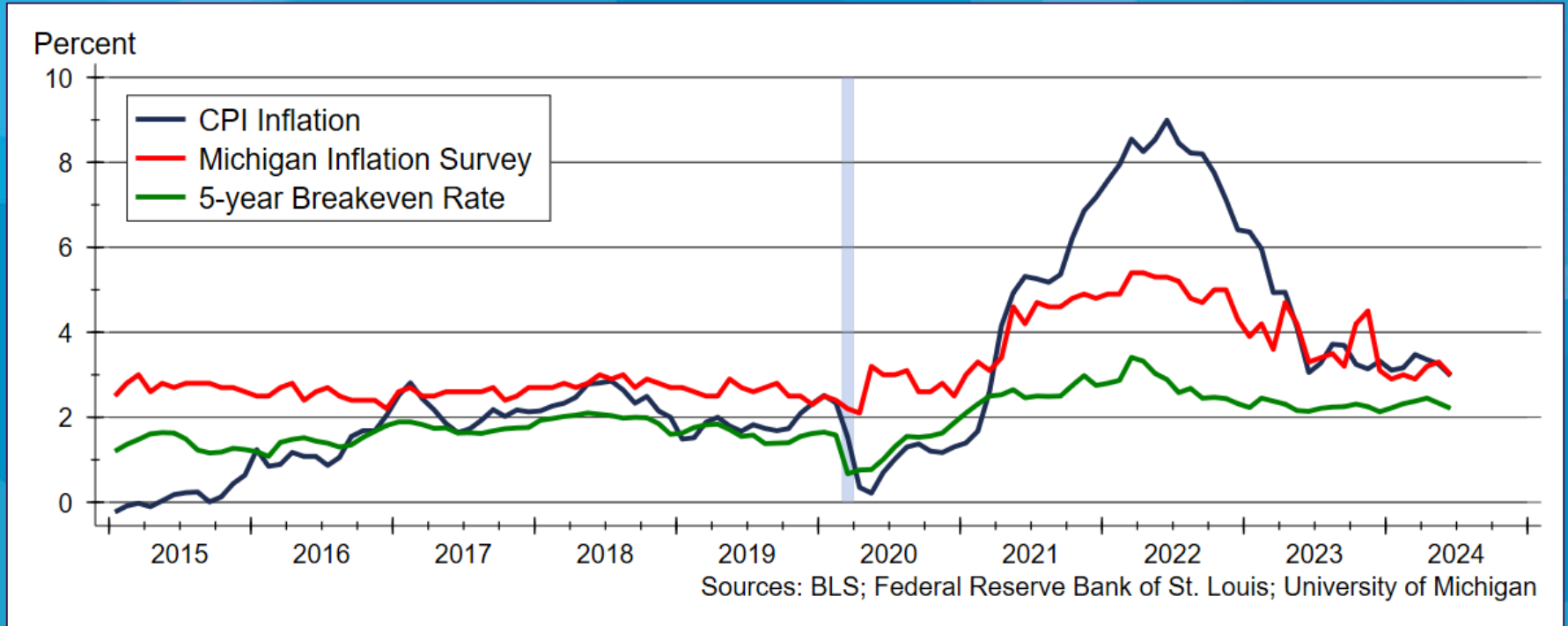


But Employment Growth Remains Sluggish



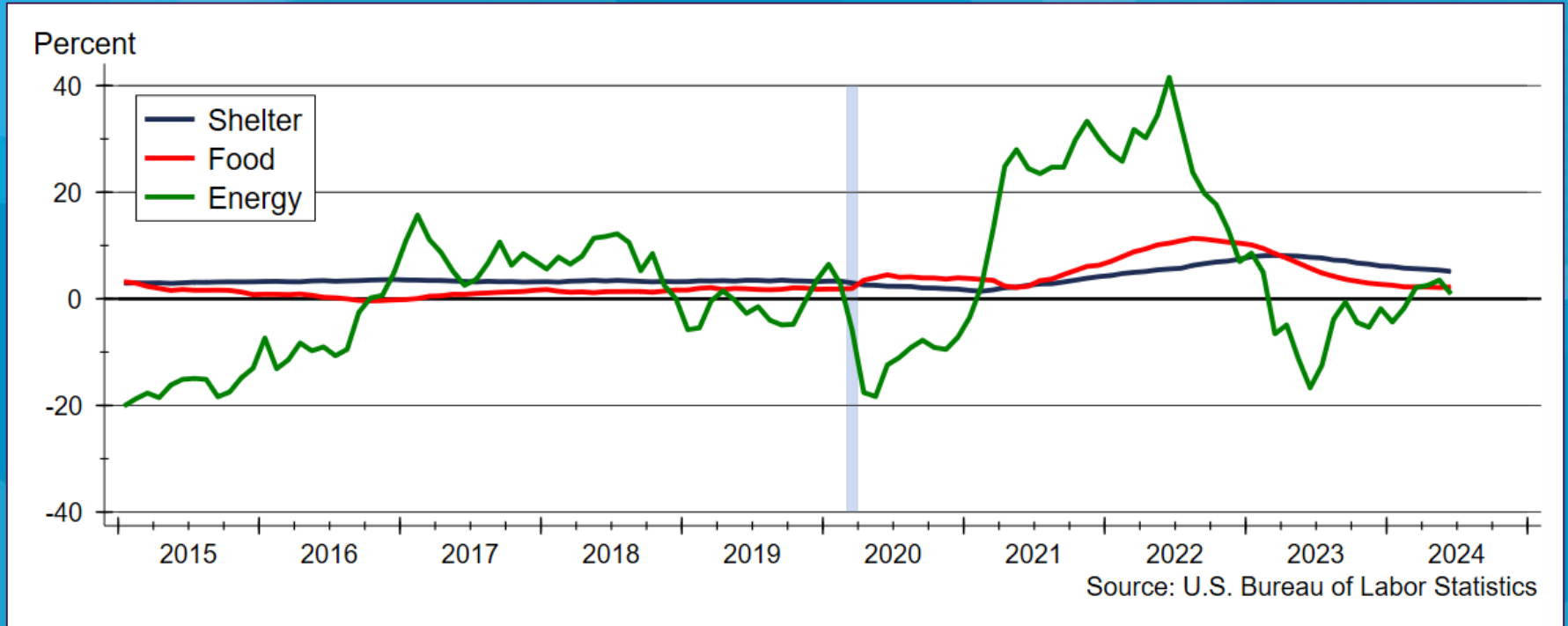


Inflation Expectations are Moderating



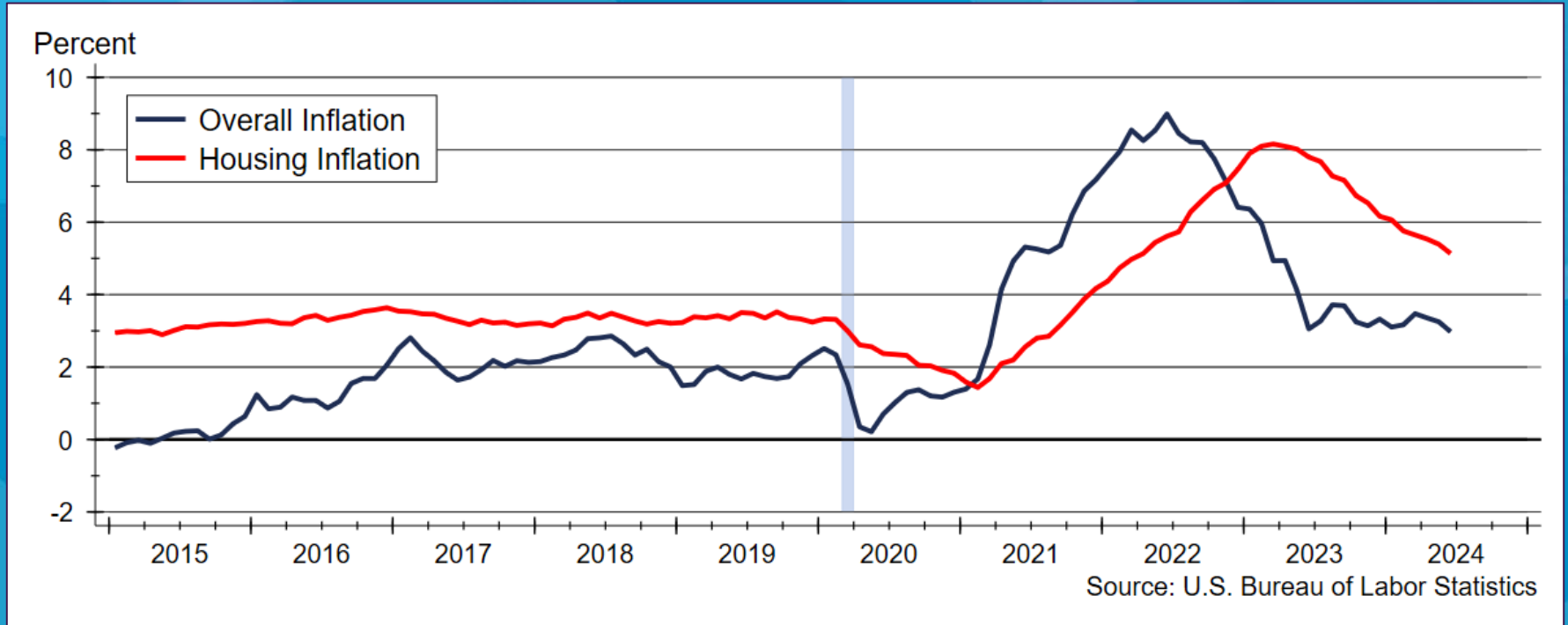


Key Drivers of Inflation are Easing



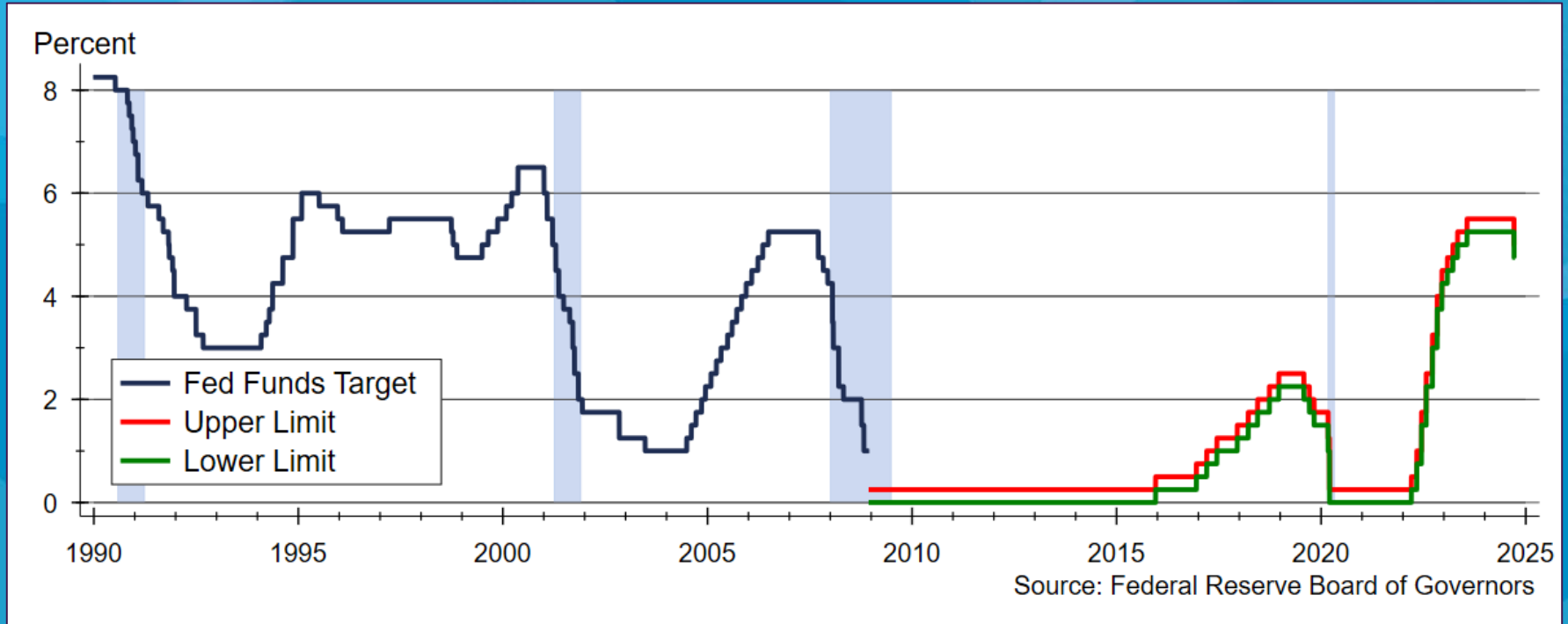


Housing Inflation is Still High



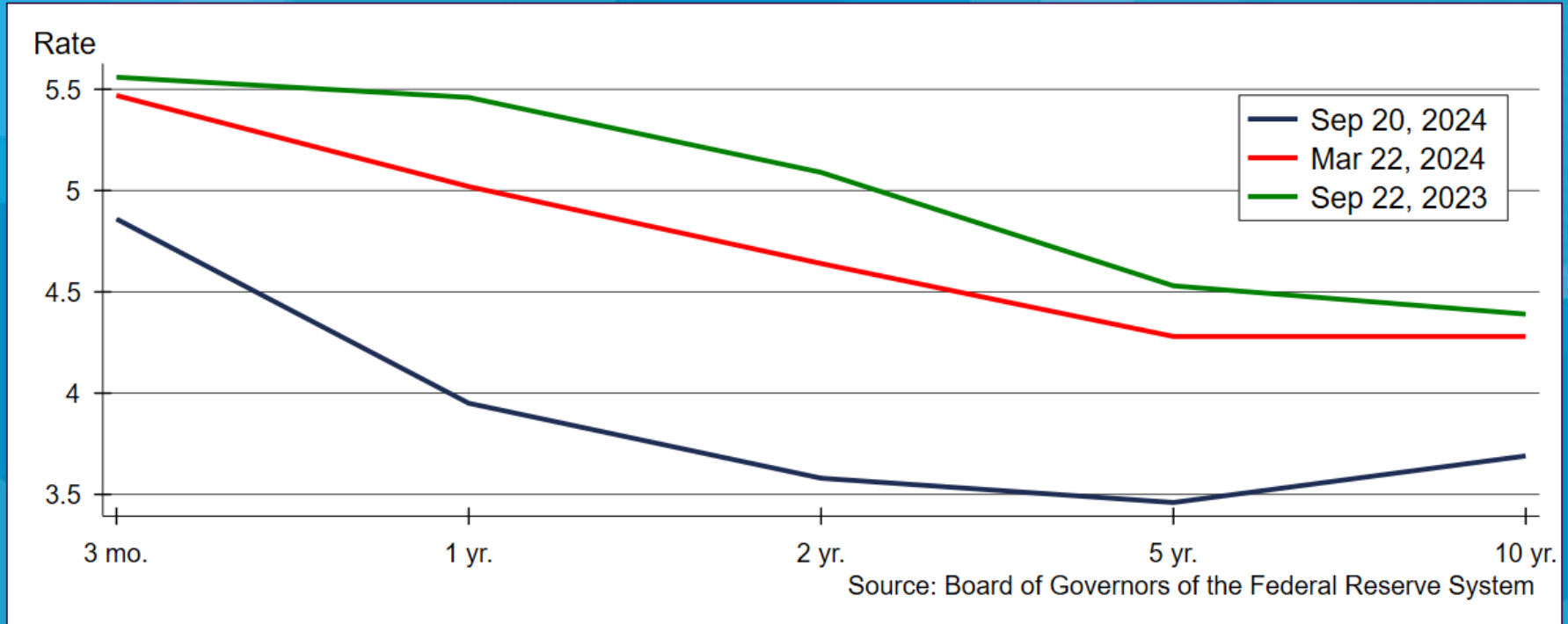


Fed Funds Target Rate



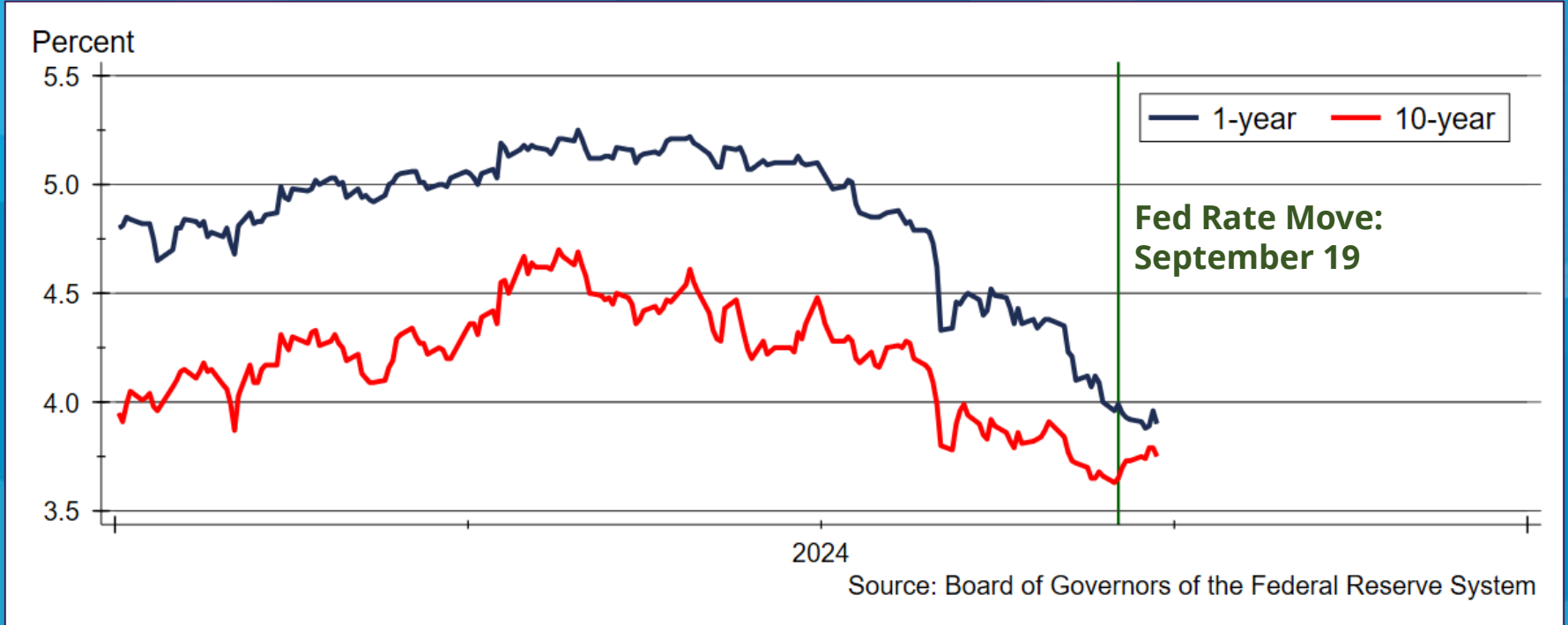


The Yield Curve is Flattening



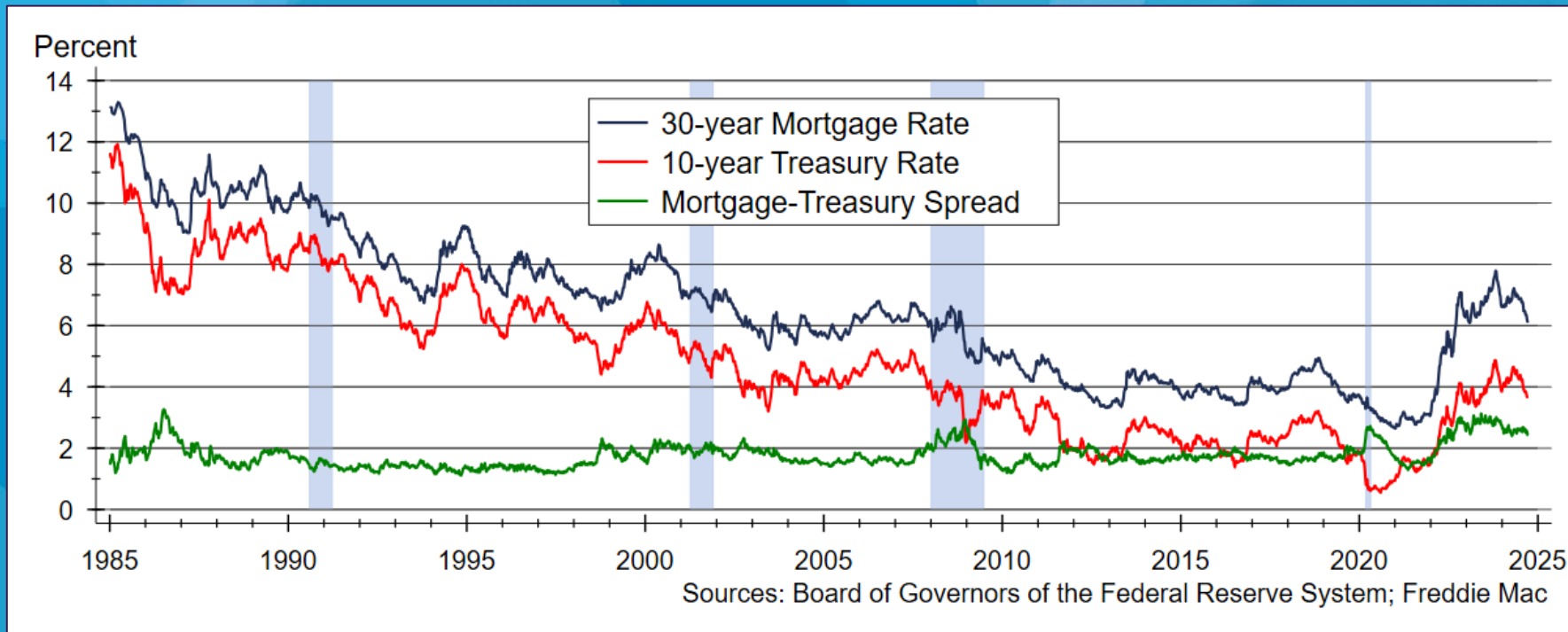


Treasury Rates Following Fed Move



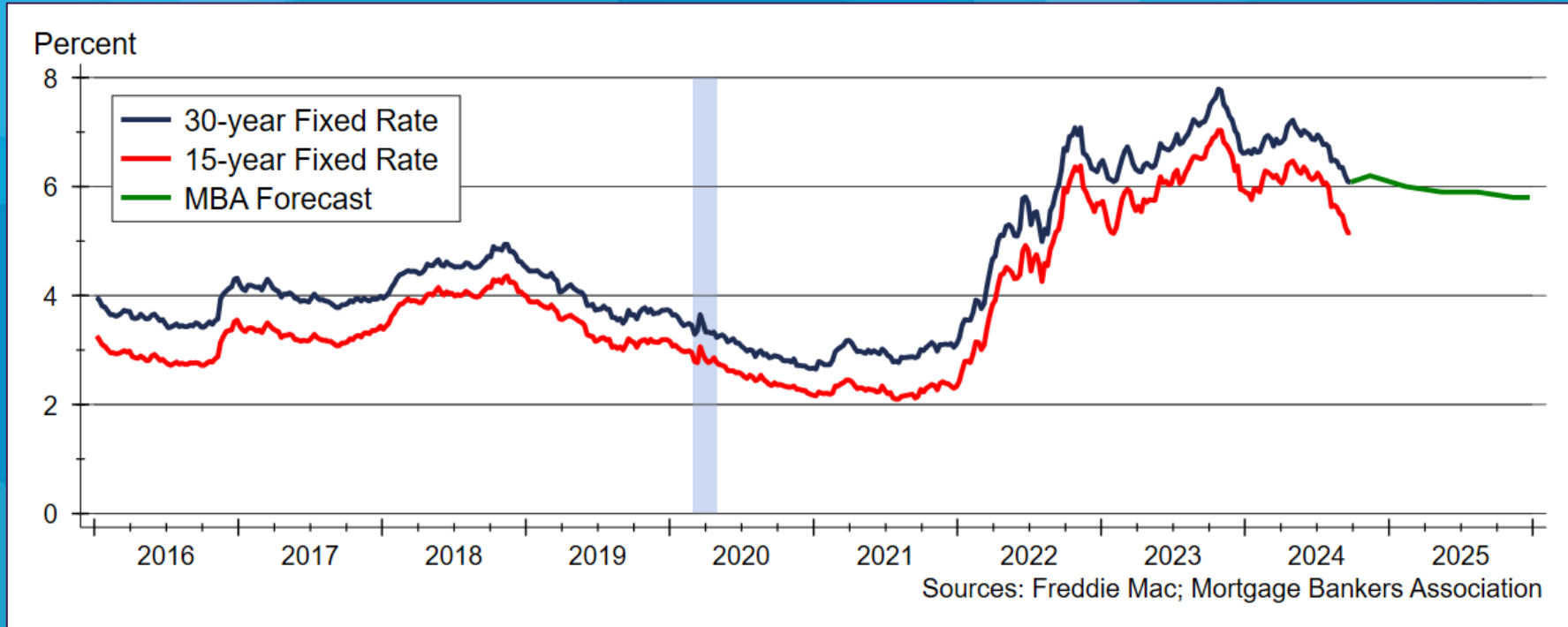


Mortgage Risk Premium Remains Higher than Normal



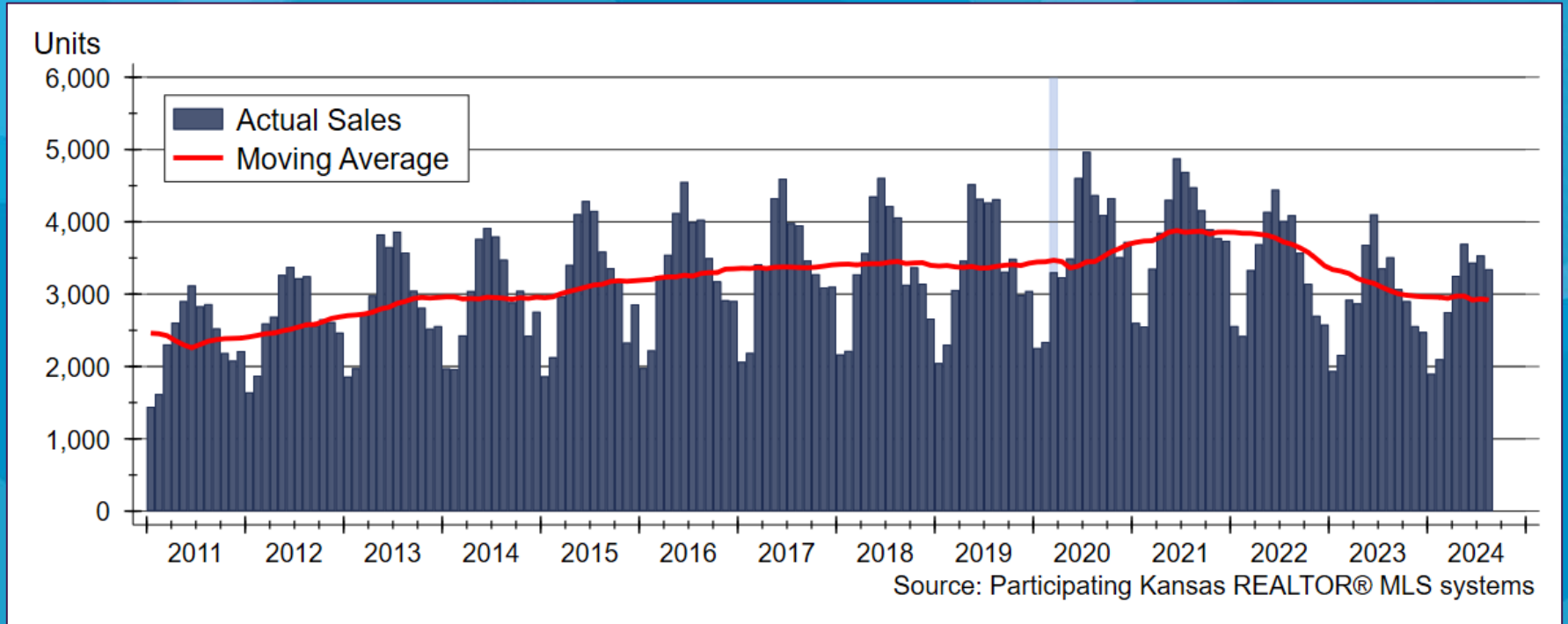


MBA Mortgage Rate Forecast

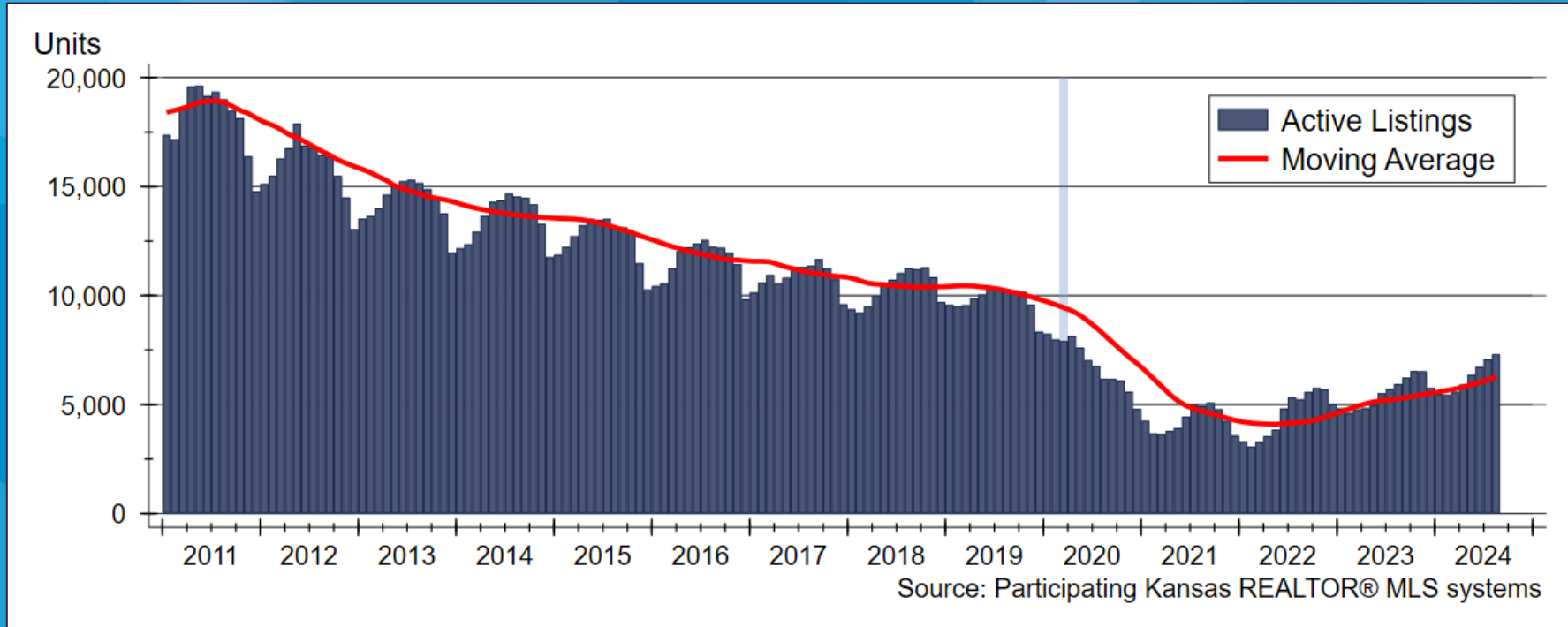




Kansas Home Sales Activity

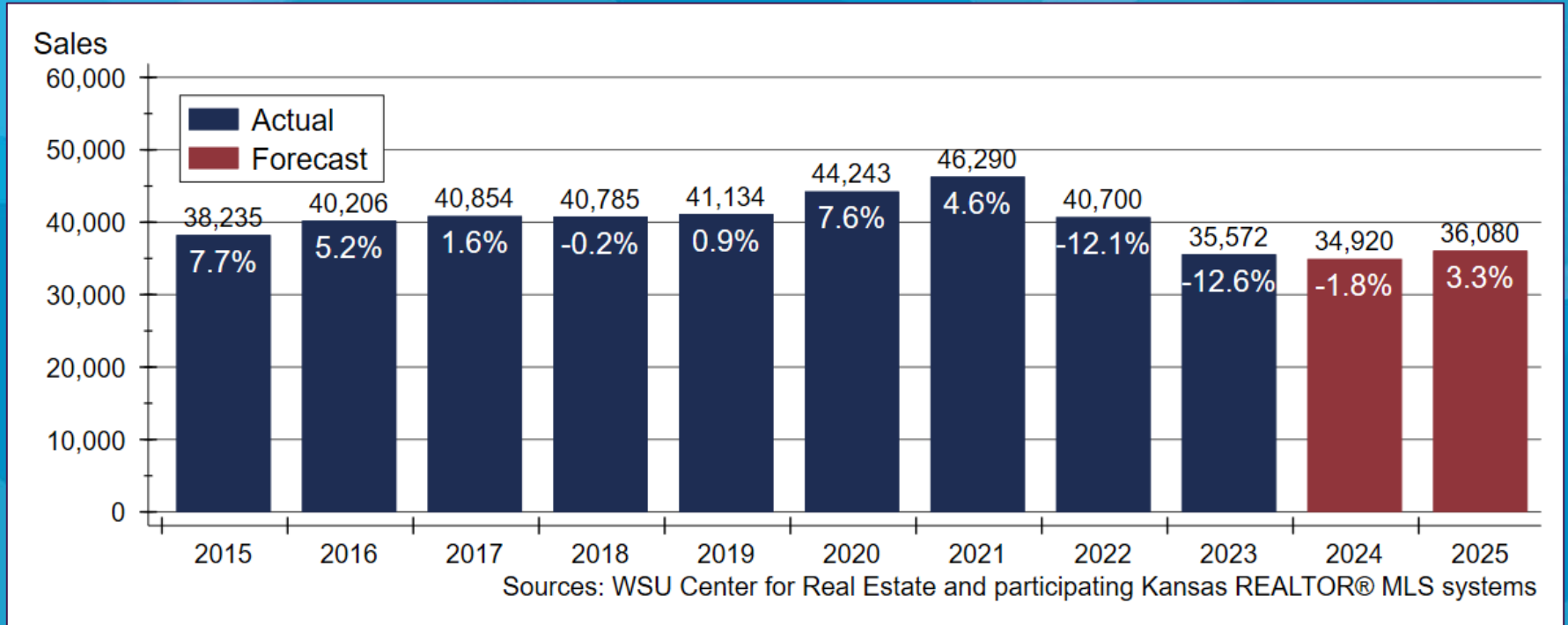


Active Listings are Still Well-Below Pre-Pandemic Levels



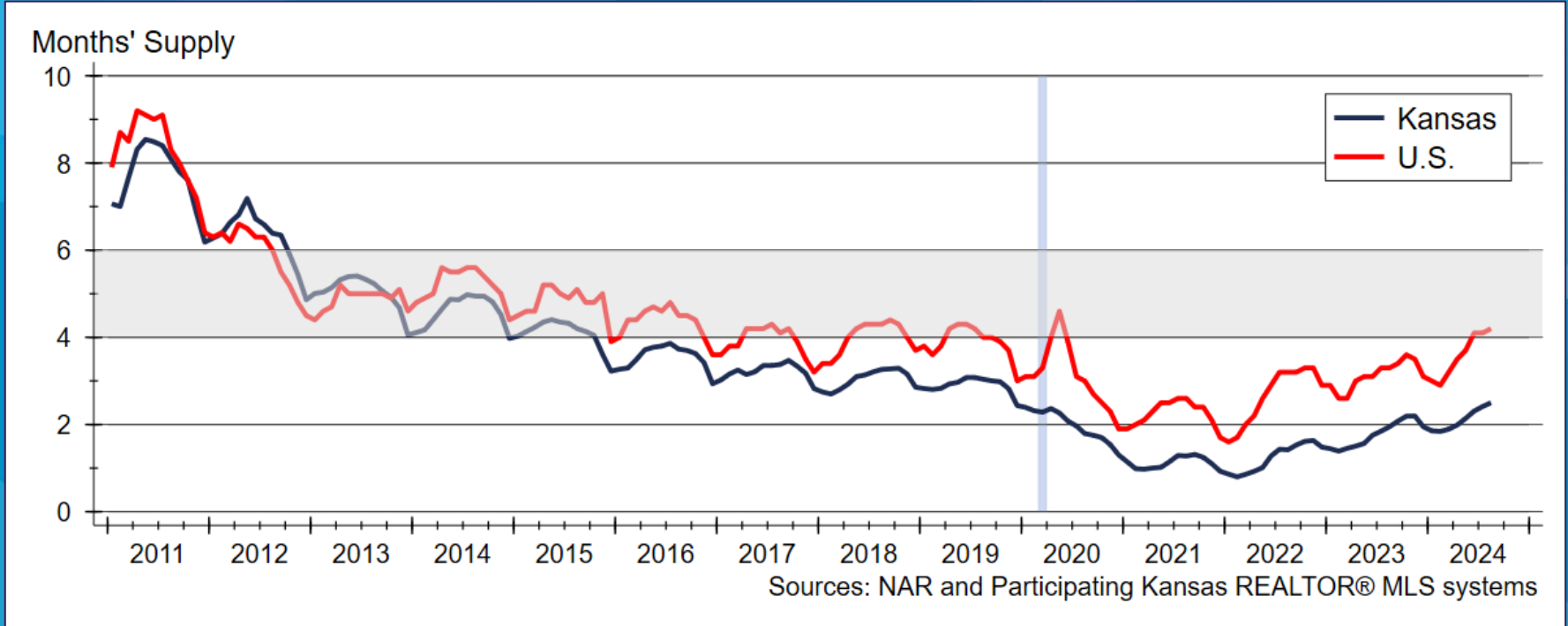


Kansas Home Sales Forecast



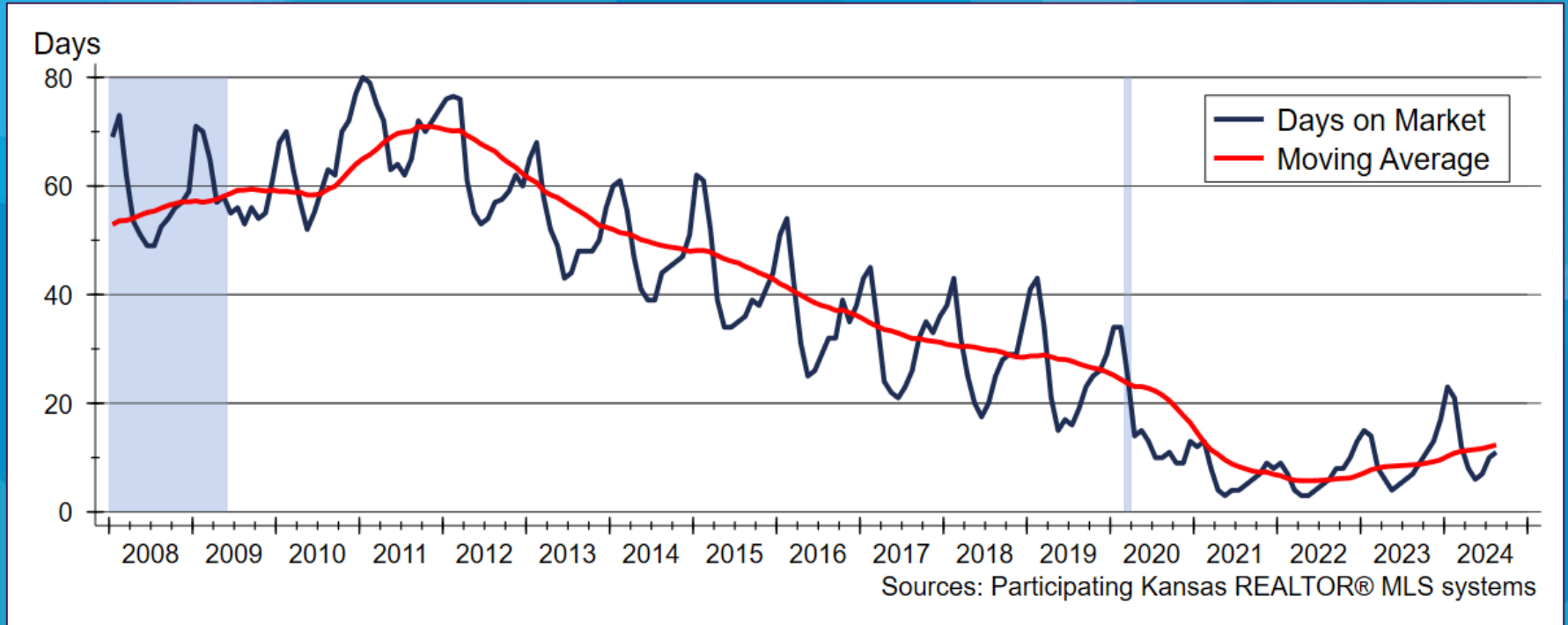


Inventory of Homes Available for Sale in Kansas



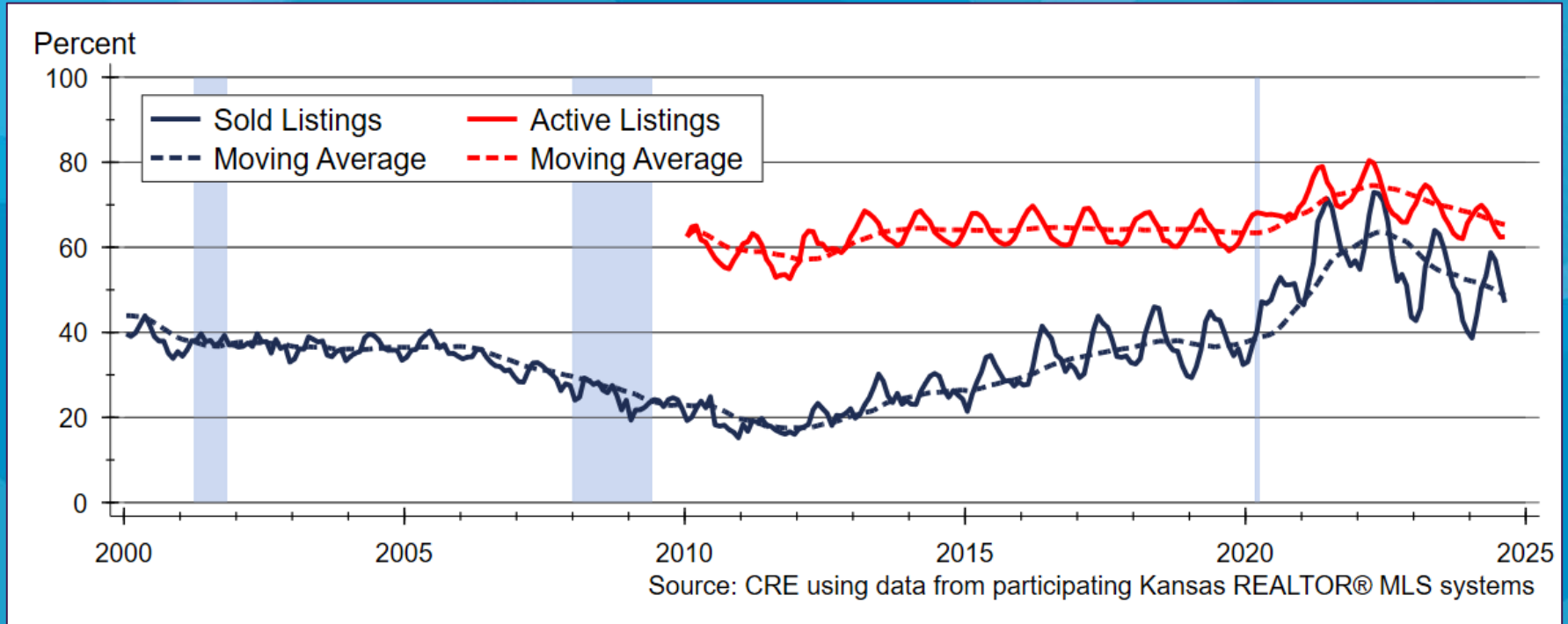


Median Number of Days On Market



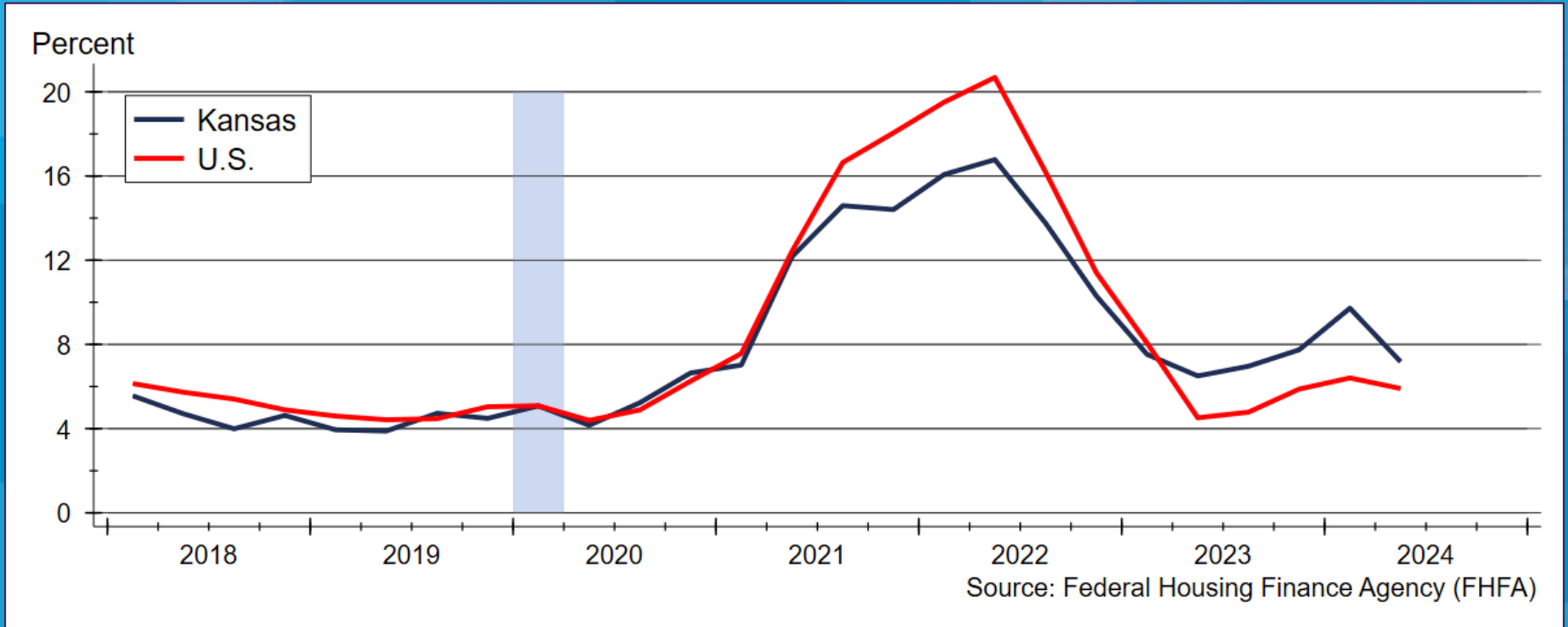


Premium Listings and Sales



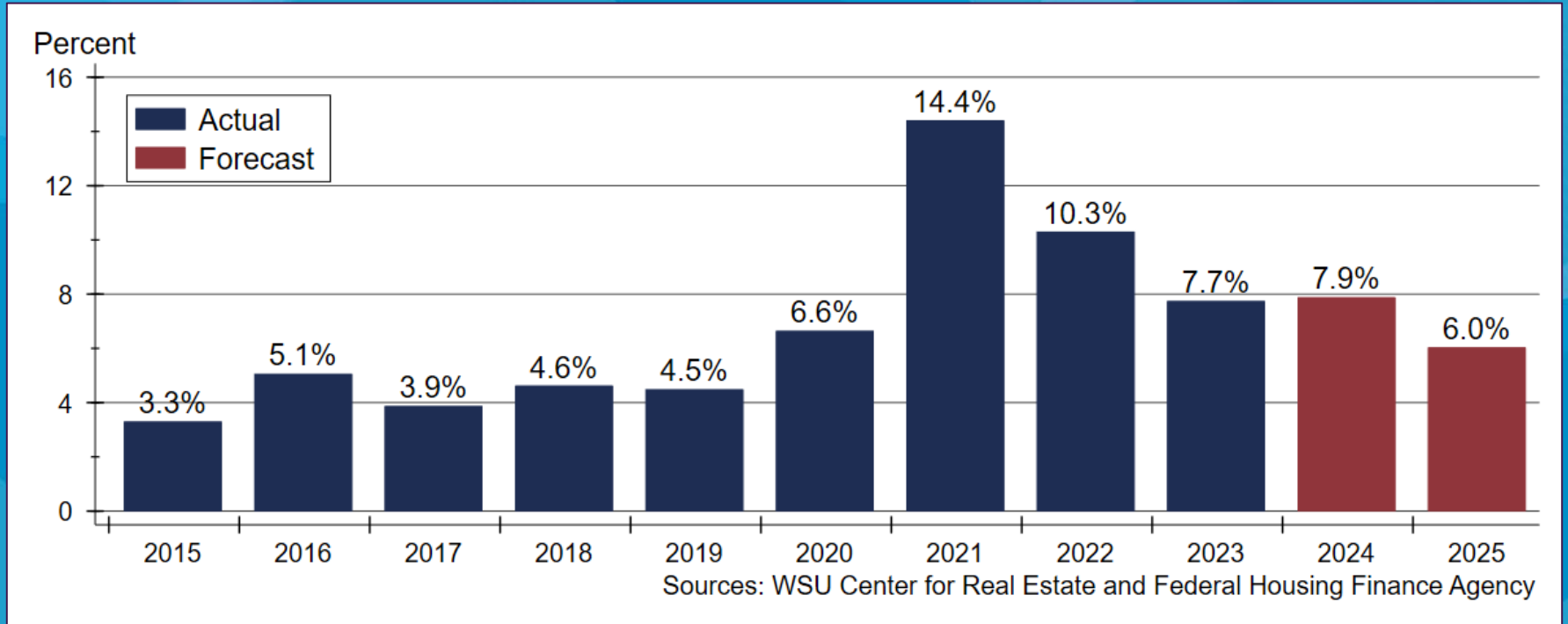


Home Price Appreciation Has Slowed but Remains Very Strong



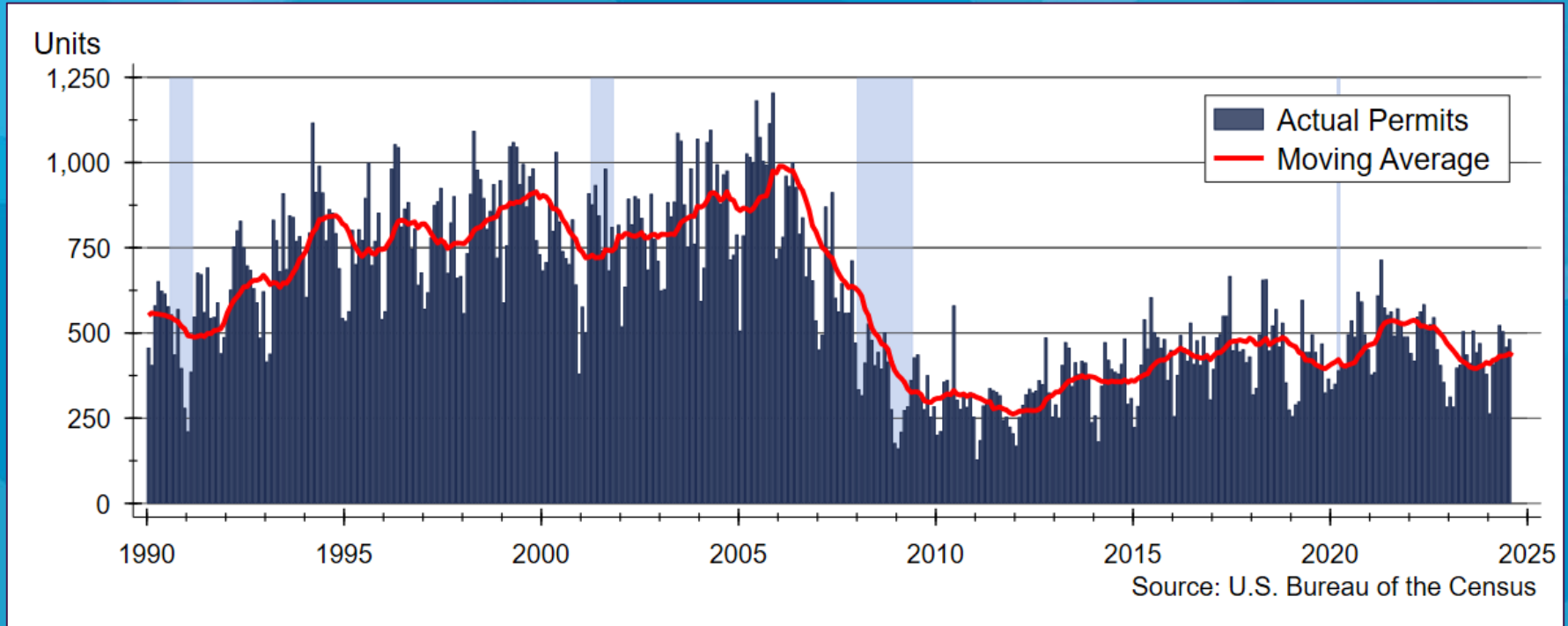


Home Price Appreciation Forecast



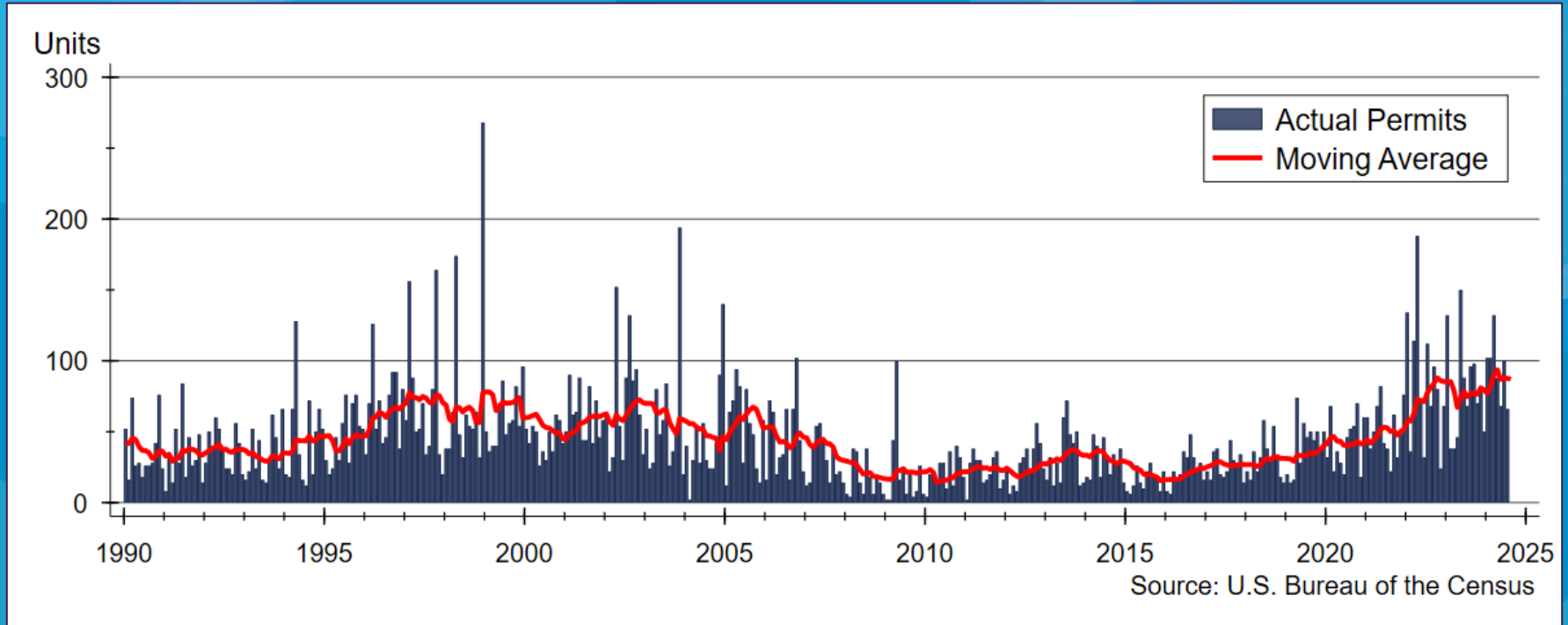


Single-Family Building Permits



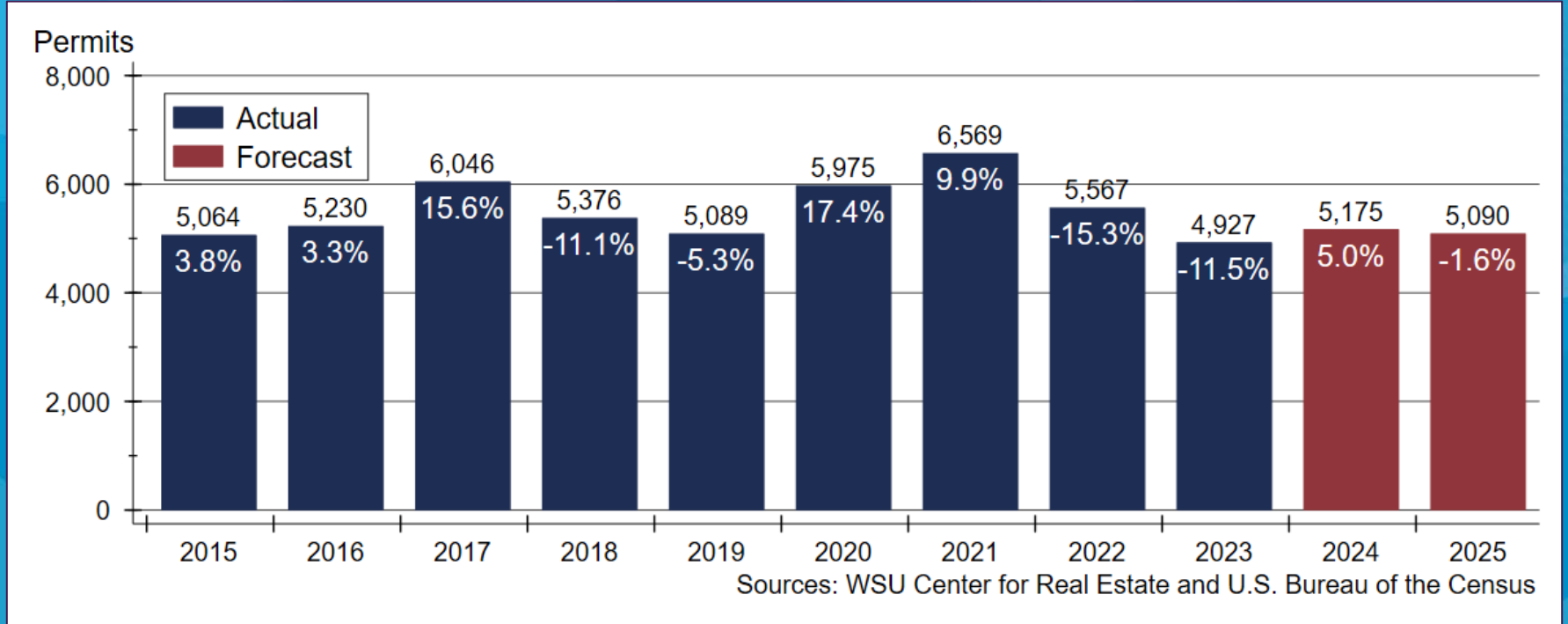


Two-Family Building Permits





Kansas Single-Family Home Construction Forecast





2025 Kansas Housing Forecast

	2022 <u>Actual</u>	2023 <u>Actual</u>	2024 <u>Forecast</u>	2025 <u>Forecast</u>
Total Home Sales	40,700 units -12.1%	35,572 units -12.6%	34,920 units -1.8%	36,080 units +3.3%
SF Building Permits	5,567 units -15.3%	4,927 units -11.5%	5,175 units +5.0%	5,090 units -1.6%
Home Price Appreciation	+10.3%	+7.7%	+7.9%	+6.0%



2025 Major Markets Forecast

	<u>KC</u>	<u>Lawrence</u>	<u>Manhattan</u>	<u>Topeka</u>	<u>Wichita</u>
Total Home Sales	36,300 units +4.4%	1,080 units -0.9%	1,800 units +11.1%	2,840 units -0.7%	9,550 units +2.0%
SF Building Permits	4,465 units +0.7%	235 units -2.1%	255 units +2.0%	365 units +2.8%	1,285 units +4.9%
Home Price Appreciation	+5.6%	+3.4%	+4.9%	+4.2%	+7.7%

25

2025 Forecast Sponsors



Security 1st Title





KANSAS

2025 HOUSING
FORECAST

FULL CIRCLE

WSU Center for Real Estate

Laying a Foundation for Real Estate in Kansas

www.wichita.edu/realestate



WICHITA STATE
UNIVERSITY
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