

SCHOOL FILES

Hawaii Real Estate Commission - <http://www.hawaii.gov/hirec>

January/February/March 1998

CONTINUING EDUCATION: PRIVATIZATION?

Act 289, Session Laws of Hawaii 1997, directed the Legislative Reference Bureau ("Bureau") to determine the feasibility of allowing a private organization to administer the continuing education ("CE") program for real estate brokers and salespersons. The Bureau concluded that:

1. The existing CE program correctly follows the rules and laws established for this group of professionals.
2. It is feasible for a private organization to administer certain specified portions of the CE program. The Hawaii Association of REALTORS is interested in performing such a function as they have past and current experience in providing instructors and courses to licensees and can administer the program as defined, however, some national testing firms may also be willing to contract for this service.
3. It was inconclusive that a private organization administering the CE program would be more cost effective.
4. Privatization alone will not guarantee higher educational quality as educational quality is affected by many factors including instructor's experience in the field, student motivation and interest, and other factors. Educational quality is best assured through an effective course evaluation/monitoring program

for instructors.

5. Privatization of the administration of CE will not necessarily result in greater availability of a diversity of courses because this issue is market driven.

ATTENTION!

*The May 13, 1998 Real Estate Commission Committee meetings have been rescheduled to **Friday, May 8, 1998 and moved to Hilo, Hawaii** - see "Conferences, Meetings, Seminars" in this issue for more information on the time and location.*

6. Hawaii Association of REALTORS may not be the most appropriate organization to oversee the CE program, although they were the only professional private organization in Hawaii that expressed interest. Also, they must consider the procurement code and other for-profit testing companies which may be able to provide the same kind of service at competitive rates.
7. Hawaii's CE program is similar to other states. No other state privatized the administration of their CE program for real estate professionals.
8. The Bureau recommends that if the administration of CE is privatized, selection be made through the State's procurement process.

In short, the Bureau recommended two courses of action, either privatize or not to privatize.

ASK THE COMMISSION!

In order to encourage communication with its readers, *School Files* will now feature a new column, "**Ask the Commission!**". This column will feature a specific topic or concern from you - the readers, educators of real estate. The Commission welcomes your inquiries so that we may address your concerns. Think about it, if it is a concern of yours, it may be a concern or of interest to the next person.

Concern/Question:

The questions on the examination have been reported to be "too technical" and includes outdated information on laws that are no longer applicable. Also, there are no property management questions on the examination.

Staff notifies ASI of any changes in the laws. If there are questions on the examination which relates to a law that has been changed or is obsolete, students should notify the Commission as soon as possible with specific information. Also, there is a pool of questions which make up several different exams. In other words, a test candidate may take the salesperson exam 4 or 5 times and receive a test with different test questions each time. As for specific questions on the

examination which pertains to property management, the laws, rules and license for property managers are the same for real estate licensees. The test may also contain questions relating to the Hawaii Residential Landlord Tenant Code and Discrimination in Real Property Transactions which affect property management. See also "New Content Outline" below under ASI.

The Commission is open to discuss with any trade organizations representing property managers, any exam issue.

ASSESSMENT SYSTEMS, INC. (ASI):

New Content Outline - Revised

Attached is ASI's revised *general* content outline to be effective April 1, 1998. One of the major changes in the content outline is the identification of leases, rents and property management as a separate section. Previously, property management was included under contracts. The other major change is "de-emphasis" on math computations. Under the new outline, 10% of the questions will involve math computations. Previously, 20% of the questions required math calculations.

Please feel free to make copies and distribute to your students. We have received phone calls from students that the instructor is informing them of "changes" but does not indicate what the changes are.

Non-testing Days for 1998 - Revised

Attached is ASI's revised list for non-testing days for 1998. This

replaces the October 2, 1997 list that was attached to your November/December 1997 issue of *School Files*.

LICENSE STATISTICS

As of July 1997, there were 8,301 active licensed brokers and salespersons (3,553 brokers/4,748 salespersons) and 4,579 inactive licensed brokers and salespersons (616 brokers/3,963 salespersons).

As of February 9, 1998, only 129 out of the total 8,301 number of licensees (active and inactive), have completed their three (3) CE courses.

INSTRUCTOR DEVELOPMENT WORKSHOP (IDW) - EVALUATION AND MONITORING PROGRAM

The Hawaii Real Estate Research and Education Center ("HREREC") and the Hawaii Association of REALTORS (HAR) co-sponsored an Instructor Development Workshop (IDW) on March 12, 1998 at the Garden Lanai, Ala Moana Hotel. Approximately 37 instructors attended. It was a highly interactive workshop including small group activities/presentations, not to mention the "scavenger hunt".

During the lunch break, Steve Gilbert, Interim Director for the HREREC, gave a brief presentation on the evaluation/monitoring program and HREREC's CE course updates. The following is a summary of some of the questions asked and a brief explanation:

1. Concerns regarding the monitor's experience and expertise. Who will be doing the

"drop-in" monitoring?

Previously this program used volunteers as monitors for the CE courses and instructors. There was some concern regarding the monitor's experience and expertise in the subject area. In the current evaluation/monitoring program, the first stage is student evaluation. In the second stage, the monitor is either a peer instructor or an expert in the subject area being taught.

2. Why are CE instructors being evaluated differently from prelicense instructors?

Due to the specific subject matter of CE courses, CE courses and instructors are being evaluated for subject. Prelicense instructors teach a broader subject area for a longer period and are being evaluated more on their teaching techniques.

3. Who is paying for all of the envelopes, postage, etc. Where is the money coming from? License fees increased?

Money from the Real Estate Education Fund (REEF) is budgeted for this program. No license fees were increased to fund this program.

If you did not attend the IDW and are currently certified by the Commission, we will be notifying you in the near future.

Hawaii Association of Real Estate Schools (HARES)

HARES is a non-profit organization established in August 1973 for the purpose of opening the communication between the Real Estate Commission, the Real Estate Branch and members of HARES.

HARES has a current membership of 12, made up of continuing education and prelicense schools, providers and instructors, with M.

Russell Goode as the current President, Betty Dower, Vice President, Gretchen Duplanty, Secretary/Treasurer and Sherry Goya, HARES Representative.

Ms. Goya attends each Education Review Committee meeting and reports back to the HARES members.

HARES meets every quarter for their luncheon meeting. Commission's staff was the luncheon speaker at the March 19, 1998 luncheon meeting. At this time, members voiced their concerns with the Commission's education program. One of the concerns is featured in this issue of *School Files* under "Ask the Commission!".

REMINDERS:

Continuing Education Courses for License Restoration and Reinstatement Requirements

If a real estate licensee fails to pay renewal fees and submits a completed renewal application by December 31, of an even-numbered year, the license is forfeited on January 1, of the next odd-numbered year.

Forfeited less than one year: A real estate license may be restored within one year of the date of forfeiture upon written application and payment of the required fees plus penalties. Prior to submitting the application, applicants desiring an active status must satisfy the prescribed continuing education hours for one prior renewal period. Providers must issue the continuing education certificate in the color that corresponds to the correct biennium the applicant is taking the course for.

Forfeited over one year but less than two years: If a license has been forfeited for more than one

year but less than two years, the applicant must satisfy the prescribed continuing education hours for one prior renewal period before submitting a restoration application. The license may be restored upon written application, payment of the fees and penalties, and the Commission may require the applicant to successfully complete a real estate course.

All applicants also have the option to begin again as a new salesperson applicant, including brokers.

Forfeited over two years: If a license has been forfeited for more than two years, the applicant may start all over as a salesperson applicant (that includes broker applicants), or restore the license upon written application, payment of the required fees and penalties, and the Commission may require the applicant to successfully pass the appropriate license examination. Prior to submitting the applicant, the applicant must satisfy the prescribed continuing education hours for one prior renewal period.

Providers may want to ask licensees if they are taking the course for renewal, restoration or reinstatement of license.

Additional requirements: The Commission may exercise its discretion and impose additional requirements prior to restoration or reinstatement of license.

If the license has been forfeited for more than one year but less than two year years, the Commission may require the applicant to successfully complete a real estate course. In most cases, the applicant is required to take the Commission-approved broker or salesperson prelicense course, whichever is applicable, or

complete the three (3) Essential courses (Finance, Listing and DROA) provided by the local board of REALTORS.

If the license has been forfeited for more than two years, the Commission may require the applicant to successfully pass the appropriate license examination.

Diskette Rosters

Effective March 1, 1998, all diskette rosters must be submitted on 3-1/2" IBM formatted diskettes. We will no longer accept the 5-1/4" double-sided, high density (1.2 mb) diskettes as we have changed our computers which can no longer accommodate the 5-1/4" diskettes.

Certificates of Clearance for Classroom Locations

If you are holding your classes in a location different from the classroom location previously registered with the Commission, you must submit a certified statement that the classroom location conforms to the zoning, building, electrical, plumbing, and fire codes of the county in which the facility is located and to State rules as may be applicable to the facility, pursuant to §16-99-123, Hawaii Administrative Rules.

Prelicense Course Logs

When scheduling prelicense classes, each school should be submitting their schedule on the "Real Estate Commission Prelicensing Course Log" form prior to the first class date. See copy of log attached.

APPROVED EDUCATION APPLICATIONS

Continuing Education Providers:
>Windward Community College*
Continuing Education Instructors:

>Steven W. Gilbert, Course categories: Finance, Real Estate Law Update and Ethics, Fair Housing*

>Mitchell A. Imanaka, Course category: Real Estate Law*

Continuing Education Courses:

>"CI 101: Financial Analysis for Commercial Investment Real Estate", Provider: Hawaii

Association of REALTORS, Instructor: Jimmy K. Trask, Jr.

>"Procuring Cause", Provider: Honolulu Board of REALTORS, Author: Oliver E. Frascona.

>"Cutting Edge Issues", Provider: Honolulu Board of REALTORS, Author: Oliver Frascona.

>"CRATS, CRUTS & FLPS: An Alternative Way to Own & Sell Real Estate", Provider: Abe Lee Seminars, Author: Abraham Lee.

>"Sticks, Bricks & Steel Understanding Plans & Construction Methods", Provider: Abe Lee Seminars, Author: Abraham Lee.

>"RS 202 Sales Strategies for the Residential Specialist", Provider: Hawaii Association of REALTORS, Instructor: Bob Wolff.

>RB 503 Strategically Positioning a Business with Proven Marketing Systems", Provider: Hawaii Association of REALTORS, Instructor: John W. Lane.

>"Legal Hotline Issues", Provider: John Reilly Real Estate Continuing Education Company, Author: John Reilly.

Prelicense Schools:

>Hawaiian School of Real Estate, Principal: Ralph Foulger. (Add broker curriculum and request to hold joint salesperson and broker classes).

>Akahi Real Estate Network, LLC, Principal: Jay J. Spadinger.

Prelicense Instructors:

>Jonathon C. Hudson, Salesperson curriculum.*

(*indicates recertification or reregistration)

COMMISSION'S WEB PAGE STATISTICS

From July through December 1997, there were a total of 9,555 requests for the Commission's web page. Some of the sources of the "hits" originated from U. S. providers, U. S. educational and U. S. government. There were also hits from Japan, Australia and Canada.

Specific page requests included 636 for general license information, 203 on how to reach the Commission, 365 on our telephone sheet and 188 on license statistics - just to name a few.

CONFERENCES, MEETINGS, SEMINARS

APRIL

Association of Real Estate License Law Officials (ARELLO) will be having their Board of Directors meeting in St. Louis, Missouri, April 16 - 18, 1998.

The Community Associations Institute (CAI) will be having their annual conference on April 23 - 25, 1998 in Austin, Texas.

MAY

On May 8, 1998, the Hawaii Real Estate Commission will be holding their committee meetings (Laws & Rules, Education and Condominium) at the Conference Rooms in the State Office Building, located at 75 Aupuni Street in Hilo.

If you have a specific concern and would like to address the Committee, please contact the Commission's office toll-free from

the Island of Hawaii at 974-4000, extension 62643 or at 586-2643 for immediate additional assistance.

The next neighbor island meetings will be held on Kauai in the fall.

JUNE

In June 1998, the HREREC will be conducting a television real estate seminar with a panel oriented to the pitfalls for sellers and buyers using the DROA. This format has been previously used by the HREREC for the land title problems seminar held in March 1997.

The Real Estate Educators Association (REEA) will be having their annual conference on June 4 - 6, 1998 in St. Louis.

ARELLO's Western District meetings will be held on June 11-13, 1998 in Salem, Oregon.

SEPTEMBER

The Hawaii Association of REALTORS (HAR) will be having their annual conference on Kauai, September 16 - 18, 1998.

ARELLO will be having their annual conference on September 19 - 23, 1998 in Florida.

COMMISSION & STAFF

At the beginning of January, Senior Real Estate Specialist, Edmond Ikuma, resigned from his position. Good luck!