

**Arizona Department of Real Estate (ADRE)
Education Advisory Committee (EAC)
Meeting Minutes**

Wednesday
June 8, 2022
10:00 a.m. – 12:00 p.m.
Arizona Department of Real Estate
Google Meet
100 North 15th Avenue, Room 307
Phoenix, Arizona 85007

Call to Order -

Commissioner Dettorre called the meeting to order at 10:02 a.m.

I. Introductions & Welcome

Members present:

- Theresa Barnabei - virtual
- Holly Eslinger
- Jenny Hogan-Lizarraga
- Annalisa Moreno
- Greg Muir
- BethAnn Neynaber
- Jeff Raskin
- Patrick Sheahan- virtual
- Cheryl Terpening
- Kurt Wildermuth- virtual

Absent:

Kim Horn

ADRE Representatives present:

- Louis Dettorre, Commissioner
- Abby Hansen, Chief of Staff (COS)
- Chandni Bhakta, Legislative Liaison
- Jackie Gunderson, Education Services
- James Williams, Education Services

II. Approval of March 9, 2022 Meeting Minutes

Commissioner Dettorre asked for a Motion to approve the March 9, 2022 Meeting Minutes.

Upon a motion by Member Eslinger, seconded by Member Raskin, the Minutes of the March 9, 2022 meeting were unanimously approved.

III. Call to the Public

None

IV. ADRE Reports

Commissioner Dettorre provided some of the noteworthy items at the Department.

- Recent articles have discussed changes in the real estate market.
- The Department currently has a staff of 24 and has hired a new Licensing Division Manager, Marlee McCormick who will start with the Department on Monday June 13th. ADRE is very excited about the experience that Ms. McCormick brings to the Department; she has strong management experience, a thorough understanding of state licensing requirements and experience in interpreting statute and rule. In addition, the Department has hired an Administrative Assistant to assist with the Business Service's needs.
- Commissioner Dettorre noted that staff engagement has remained a priority. The Department just transitioned to AZPerforms! It is the State of Arizona's new and improved performance management system. This platform replaces the Managing for Accountability and Performance (MAP) appraisal system that has been in place since 2013. It was well received by all staff, and our ADRE team is performing well.
- Commissioner Dettorre provided a presentation with Department Statistics and items of note.
- Commissioner Dettorre attended the Association of Real Estate License Law Officials (ARELLO) mid-year meeting held in April in Georgia. Some of the items discussed; new business models, fingerprint clearance card requirements, wholesaling, real estate advertising, legislative changes, unlicensed activity and licensees that are also licensed as home inspectors, mortgage, etc.
- The Department continues to review and update forms as needed and has presented a new version of the ED-101 Instructor Approval. The Department welcomes any input or suggestions regarding the new version, please submit by Friday 6/10/2022. Member Neynaber stated the new form was very easy to understand and had no recommendations to change it.

Member Eslinger stated there has been a lot of conversation with educators about the requirement for instructors to provide their certificates when renewing, asking for certificates from years ago. Commissioner Dettorre noted this requirement has been in place about a year and a half and was to ensure that all instructors were completing the requirement and not using their own courses to fill the requirement. Member Moreno indicated the requirement is for courses taken within the last 48 months.

Commissioner Dettorre noted that this policy is not meant to be punitive to all but to ensure compliance, and noted the concern. He offered that ADRE would consider the policy.

Member Raskin inquired if the ability to upload an Instructor Development Workshop (IDW) certificate to the licensee's record was possible. Commissioner Dettorre stated he would discuss with ADRE IT to determine if this was possible.

- Commissioner Dettorre provided a brief overview of complaints received.

Member Terpening stated licensees using unlicensed contractors continues to be an issue in Tucson.

Member Raskin indicated that it does not appear to be well known/understood that there is a requirement to retain all offers and does not believe most brokers know they are required to keep them. Commissioner Dettorre stated that he talks about this requirement at brokerages often in presentations. Member Sheahan noted the salesperson has no legal responsibility to retain them it's the Designated Brokers responsibility to know what records to maintain and for how long.

- Commissioner Dettorre stated the new Strategic Plan will be posted to the ADRE website and read the education objectives.

- The Department is updating the model Broker Policy and Procedure manual that resides on the website. Member Eslinger is heading up the project with ADRE and is very excited as the Commissioner has approved the posted format to be in Word rather than PDF so it will be more user friendly and customizable. The next meeting with the group will be June 16th and will be a listening meeting to gather input.

Member Sheahan voiced some concern that brokers were printing the template without updating it for their brokerage. Commissioner Dettorre noted there is a clear disclaimer that it is meant only to be a guide to assist with creating a policy and procedure manual. Member Eslinger also noted that the manual is not really written for a Commercial brokerage, but rather Residential.

Member Sheahan asked for a list of the committee members that are reviewing the manual.

Commissioner Dettorre stated that the Department is open to receiving feedback from anyone regarding the update to the manual.

The members of the group are;

Commissioner Dettorre, Deputy Commissioner Knupp, Holly Eslinger, Duane Fouts, Robin King, Laurie McDonnell, Sindy Ready, Lisa Suarez, Jan Steward, Cathy Swann

Chandni Bhakta gave a brief overview of bills currently tracked by the Department.

- HB2694 Fees – Department of Real Estate fees

Commissioner Dettorre noted that this bill was originally brought forward by the Department based on the Sunset Audit. Based on the budget model that the Department is held to, the Department is required to review its fees, and often is required to lower fees. If approved this bill will allow the Department to reduce fees lower as it removes the restriction of how low a fee may be. This bill was amended to allow a prelicense course to be delivered through a combination live in classroom and video streaming host remote delivery.

- HB2172 Employee Compensation - allows licensee to accept compensation from other than their broker if specific rules apply.
- HB2747 Disclosure – wholesale real estate buyers; disclosure

V. Volunteer Monitor Program Update

- Jackie Gunderson indicated that there are currently a pool of 15 full time monitors and the Department is always looking for more.
- The next Pre Licensing IDW will be held virtually on August 16th, 2022.

VI. Discussion of Real Estate Advisory Board's Discussion on Continuing Education Course Categories

- Commissioner Dettorre gave a brief overview of the Advisory Board Discussion on continuing education courses, and that it was a matter brought forward by the Chair. Commissioner Dettorre discussed the process to change a category which is governed by the Department's Administrative Rules, and that they were last reviewed in 2014, through a stakeholder process resulting in a request for an exemption to the rule-making moratorium.

Commissioner Dettorre stated that he has been reviewing and compiling other states continuing education requirements and invites all EAC members to do their own research and bring forward their findings to discuss at the next EAC meeting. The EAC meetings are publicly noticed and anyone may participate. Commissioner Dettorre said that he would bring forward information from other states at the next meeting.

Member Raskin questioned if it failed as a motion in the Advisory Board venue does it not move forward. Commissioner Dettorre stated a directive from the Advisory Board is not required for the EAC to discuss this topic.

Member Eslinger noted that she has heard that a change to the subject matter is not embraced by the educators as it will require them to rewrite all of their material.

Member Hogan-Lizarraga stated that there is a need to fine point the category so that topics are included. Commissioner Dettorre agreed it is a topic for discussion and asked for examples of topics that were being submitted, but not approved under existing categories.

Member Sheahan stated that the motion was voted down because most Advisory Board members know they do not need to advise the EAC.

Member Moreno said that she attended the Advisory Board meeting virtually and noted that there seemed to be a lot of confusion on what was being asked of the members and was curious if there was something specific that prompted this with the Board.

Commissioner Dettorre indicated he had been asked that question by others as well and is unaware of anything specific. However, ADRE and educators should continue to focus on quality and relevant education for Arizona licensees.

Member Sheahan stated that the topic has been brought up before and goes nowhere.

Member Barabei asked if a category can be expanded to allow for courses that are tools for a licensee to do their job. Commissioner Dettorre stated “yes” but it would require a rule amendment if specific topics were added that could not be addressed in a current topic.

Commissioner Dettorre asked all members if they would like to continue to have a discussion on the topic and where to go from here, as it involves many stakeholders.

All Members stated yes they would like to continue the conversation.

Commissioner Dettorre indicated he would provide the information that he has collected next meeting for future discussion.

- VII. EAC Appointment Terms Ending July 31, 2022
Commissioner stated that members with terms expiring please reapply if interested and no action required if not.
- VIII. Next EAC Meeting: September 7, 2022
- IX. Adjournment 11:30

Respectfully submitted this _____ day of September 7, 2022
Education Advisory Committee

Commissioner Louis Dettorre

Members of the Education Advisory Committee will attend either in person or by telephone conferencing.