



**STATE OF WASHINGTON
DEPARTMENT OF LICENSING
REAL ESTATE COMMISSION
MEETING MINUTES**

DATE: Thursday November 16, 2023
TIME: 10:00 a.m.
LOCATION: Virtual via Microsoft Teams

BOARD MEMBERS: Jennifer Clawson, Chair, Assistant Director (Absent)
Eddie Chang, Vice Chair
Casey Brazil, Commissioner
Ruth Fabiola Macias, Commissioner (Absent)
Sabrina Jones-Schroeder, Commissioner
Shelly Schmitz, Commissioner
Keith Bruce-Jones, Commissioner

STAFF MEMBERS: Marcus Glasper, Director
Sarah Pittman, Deputy Assistant Director
Sandy Boyes, Senior Contracts Specialist
Bill Dutra, Administrator
Debra Allen-Bâ, Assistant Administrator
Jason Lenn, Military and Military Spouse Liaison
Sandy Baur, Program Specialist
Saundra Schaefer, Program Specialist

1. Call to Order

Vice Chair Eddie Chang called the meeting to order at 10:00 a.m.

2. Roll Call

Program Specialist Saundra Schaefer called roll. All Commissioners were present except for Chair Jennifer Clawson and Commissioner Ruth Fabiola Macias

3. Approval of Agenda

Vice Chair Chang stated there would be a minor change to the agenda. He said Deputy Assistant Director Sarah Pittman would provide the Professional Service Industries (PSI) update in the place of Chair Clawson.

Vice Chair Chang called for an **APPROVAL BY UNANIMOUS CONSENT** of the November 16, 2023 agenda, with the stated changes. There were **NO OBJECTIONS**, and he stated the agenda was **APPROVED**.

4. Approval of Minutes

4.1. Approval of August 17, 2023 Minutes

Vice Chair Chang called for an **APPROVAL BY UNANIMOUS CONSENT** of the August 17, 2023 meeting minutes. There were **NO OBJECTIONS**, and he stated the meeting minutes were **APPROVED**.

5. Awards/Recognition

5.1. Introduction of Department of Licensing (DOL) Director Marcus Glasper

Director Glasper will introduce himself to the Commission.

Director Marcus Glasper introduced himself to the Commission. He shared his work history and provided an outline of what he would be working on with DOL in the following years.

5.2. Introduction of DOL Military and Military Spouse Liaison Jason Lenn

Jason Lenn will introduce himself to the Commission and provide a summary of his position and how it relates to the industry.

Jason Lenn introduced himself as a new team member with the DOL Boards, Commissions, and Outreach unit. He spoke briefly of his work history and his new role as the Military and Military Spouse Engagement Coordinator.

5.3. Introduction of New Commissioner

Staff will introduce the newly appointed Commissioner, Keith Bruce-Jones

Program Specialist Sandy Baur introduced new Commissioner Bruce-Jones. Commissioner Bruce-Jones shared with the Commission a brief bio of his personal life and professional work history.

6. Old Business

6.1. Professional Service Industries (PSI) Update

Chair Clawson will provide an update.

DOL's Senior Contracts Specialist Sandy Boyes provided a PSI update. She said DOL was meeting weekly with PSI to resolve ongoing issues. Ms. Boyes said she was confident the personally identifiable information (PII) issues had been addressed by PSI.

The DOL and PSI teams determined there were two PSI system issues. One issue was created with a system update and had been fixed effective August, 2023. The second issue was with scheduling exams. This issue was projected to be fixed by late November, 2023. PSI would also migrate DOL to a new platform with updated technology, with the intent to alleviate future issues. Ms. Boyes said DOL would continue to work with PSI.

Ms. Pittman added that DOL was quick to respond to the PII concerns with PSI before the issue escalated. She said DOL Leadership worked closely with PSI on developing proper training and creating checks and balances to ensure PII would be managed properly going forward.

Commissioner Sabrina Jones-Schroeder asked whether PSI needed test takers' social security numbers. Ms. Pitman said DOL addressed the issue with PSI leadership. As a result, test takers would no longer be asked to provide social security numbers.

Commissioner Jones-Schroeder asked about the ongoing concerns with the test, especially the managing broker's test. Administrator Bill Dutra said DOL was gathering data, a preliminary study had been done by the Washington Center for Real Estate Research (WCRER), and that DOL would review the results. He said the current focus was getting examinees and licensees a consistent, appropriate, and timely process.

6.2. University of Washington (UW) Washington Center for Real Estate Research (WCRER) Report: Pass/Fail Rates by State

A representative from UW WCRER will provide detailed information and answer Commissioner questions regarding the report.

Director of WCRER, Steven Bourassa, presented data from 2018 to 2022 showing the trends of pass/fail rates for the managing broker and broker exams throughout the country. He also provided a WCRER update.

Commissioner Jones Schroeder asked whether the data only included states who contracted with PSI. Mr. Bourassa said it included other vendors, and that he would send Ms. Baur a comparison of states that use only PSI as a vendor.

Mr. Bourassa said that WCRER is contracted with the Department of Commerce to submit periodic reports to legislature with a focus on what legislation will be interested in.

7. New Business

7.1. Establish Record Keeping Subcommittee

The Commission will establish a Record Keeping Subcommittee and appoint members. The Subcommittee's focus will be to review real estate recordkeeping statute and determine whether updated definitions or additional clarification is needed.

The Commission discussed changes that were needed to the current composition of the subcommittees. Vice Chair Chang proposed a slate of subcommittee members for the Record Keeping, Education, and Team Names Subcommittees.

Commissioner Jones-Schroder made a **MOTION** to appoint subcommittee members as follows:

- Record Keeping Subcommittee: Commissioners Casey Brazil, Jones-Schroder, and Bruce-Jones.
- Education Subcommittee: Commissioners Shelly Schmitz, Brazil, and Jones-Schroder.
- Team Names: Vice Chair Chang and Commissioners Bruce-Jones and Schmitz.

Commissioner Schmitz **SECONDED** the motion, and it **PASSED** by a vote of 5-0.

7.2. 2024 Calendar Review and Approval

Staff will present the proposed 2024 calendar of Commission meetings.

Ms. Schaefer proposed the 2024 meeting dates of February 16, May 16, August 15, and November 15 at 10:00 a.m.

Commissioner Jones-Schroder made a **MOTION** to approve the meeting dates as presented. Vice Chair Chang **SECONDED** the motion, and it passed by a vote of 5-0.

7.3. Licensed Transaction Coordinator

Commissioner Jones-Schroeder will lead the discussion on this topic.

Commissioner Jones-Schroeder shared concerns that there are unlicensed brokers who are acting as a transaction coordinator for other licensees outside of their own firm, creating questions around where recordkeeping should be housed/maintained, which firm has oversight, and how business should be conducted. She said it is not clear to the industry what a licensee should or should not do in these situations. She would like to see some guidance or an opinion from DOL regarding the transaction coordinator.

Commissioner Schmitz agreed that guidelines were needed and provided examples of transaction coordinating services trying to stand alone. She said she would like to see a deep discussion on the topic of transaction coordinators.

Due to the Commissions interest in the topic, Vice Chair Chang suggested a subcommittee be formed.

Commissioner Jones-Schroder made a **MOTION** to form a Licensed Transaction Coordinator Subcommittee with herself, and Commissioners Schmitz and Bruce-Jones as members. Commissioner Schmitz **SECONDED** the motion, and it **PASSED** by a vote of 5-0.

ACTION ITEM: Staff to schedule a Licensed Transaction Coordinator Subcommittee meeting.

7.4. Subcommittee Membership

Commissioners will discuss the composition of the subcommittees and hold member elections if necessary.

This item was addressed during agenda item 7.1.

8. Reports

Report-outs and/or data will be shared on the following topics:

8.1. Subcommittee Reports

8.1.1. Education Subcommittee Update

Report-out on subcommittee progress.

Commissioner Jones-Schroder gave a detailed report on the Committee's work including readiness to address PSI test issues with DOL, CORE curriculum, continuing education credits when teaching, best practices on renewing fingerprints, letters of intent for commercial brokers, and a central data base for education credits.

Ms. Allen-Bâ reminded the Commissioners that the national tests that PSI administers are from the Association of Real Estate License Law Officials (ARELLO), and that only the state test was created by DOL and the Commission with the assistance of PSI. She advised the subcommittee to review the pre-exam education for ways to increase the pass rates.

Commissioner Jones-Schroeder said that the Subcommittee had been moving in that direction and had attempted to gather pass rate data on individual schools for comparison.

Vice Chair Chang said it would be good for the Education Subcommittee members to take the PSI test, so they had more context when developing strategies to improve it.

8.1.2. Team Names Subcommittee Update

Report-out on subcommittee progress.

Commissioner Schmitz shared the next steps the Subcommittee would be taking. They will start with the legislative process, get guidance from DOL, and work from there. The Committee would gather facts and stakeholder perspectives, then begin the legislative process during the 2025 session.

8.1.3. Senate Bill (SB) 5191 Update

Report-out on subcommittee progress.

Mr. Dutra said DOL discontinued the discussion regarding SB 5191 regarding the definition of “as soon as reasonably practical,” and would resume the conversation in 2024.

8.1.4. SB 5399 Subcommittee Update

Report-out on subcommittee progress.

Ms. Baur said the recruitment for a Management Analyst was active and was projected to be filled by December 16, 2023. She said the subcommittee would be able to move forward once the new Management Analyst was hired.

8.2. Finance Office Reports

8.2.1. Budget Overview 3 was

Staff will provide information on the budget, including revenue and expenditure data.

Ms. Baur reviewed the data from the Budget Overview.

Commissioner Jones-Schroder asked what would happen to unused revenue over expenditures. She said she was concerned the legislature may allocate the funds into other budgetary needs. She suggested the Commission provide additional services to licensees, such as the centralized data system for education certificates discussed earlier in the meeting.

Ms. Allen-Ba said the budget/funds were dedicated specifically for the real estate program, so the legislature could not reallocate them. She said if the Commission consistently performs at lower expenditures, the legislature may reduce the Commission’s spending authority to accurately reflect that trend.

Vice Chair Chang, for the benefit of new Commissioner Bruce-Jones, let the Commission know that they do not have any oversight on the budget, and that this report is informational only.

8.3. Central Investigations and Audit Unit Reports

8.3.1. Complaint Case Counts

Ms. Baur reviewed data from the case count report with the Commission.

Commissioner Schmitz asked for clarification between Complaint Intake, Investigation Unit, and Legal Compliance Unit. Mr. Dutra explained the steps a complaint takes and the individual units’ responsibilities in the review process.

Vice Chair Chang asked if the Commission could be informed of complaint trends for issues that they could address. Ms. Baur said the Investigations Unit started tracking complaint trends and would be able to share the statistics at the 2024 commission meetings.

8.4. Licensing and Customer Support Services Reports

8.4.1. Licensee Counts

Ms. Baur reviewed the data from the Licensee Count Report for the Commission.

8.5. Boards, Commissions, and Outreach Unit

8.5.1. Review Master Action Items

Ms. Schaefer reviewed the status of and updates to items on the Master Action Item List for the Commission.

Ms. Baur gave an update regarding fingerprinting notices. She said the notice was sent out 120 days prior to license expiration. She suggested that licensees start their license renewal process 90 days before their renewal deadline to ensure there would be enough time for fingerprinting requirements.

Commissioner Jones-Schroder asked whether staff could report on the specifics of backlogs of emails, average calls, call hold times and how many calls are being dropped.

Ms. Allen-Bâ said DOL's software did not have the capacity to document the types of complaints. She said she hoped the new software DOL would have in 2024 would collect data on the types of calls that are received. She also said DOL would address the issues with the fingerprinting renewal process.

9. Public Comments

The public may address the Commission on matters within the Commission's jurisdiction, either verbally during the meeting or by submitting written comments. Verbal comments are limited to one three-minute comment. Written comments are limited to no more than 500 words and must be emailed to DOLBoards@dol.wa.gov no less than two business days prior to the meeting with the subject line "Public Comment: Real Estate Commission." In response to all public comments, the Commission is limited to requesting that the matter be added to a future agenda for discussion or directing staff to study the matter further. Inflammatory comments and language will not be permitted.

A member of the public, Lindsey Bavaro, addressed the Commission and asked the Licensed Transaction Coordinator Subcommittee to define the role of transaction coordinators (TC) and for DOL to publish information on TCs.

A member of the public, Mathew Plummer, addressed the Commission commenting on the potential issues around TC and the new agency law that would soon be effective. Mr. Plummer also said there were fingerprinting notification issues on Secure Access Washington.

A member of the public, Wendy Price, addressed the Commission and requested more in-person classes and exams to be conducted in Washington State.

A member of the public, Christina Nelson, addressed the Commission and asked why there weren't any live instruction classes in Washington State.

A member of the public, John Hunter, addressed the Commission and asked for clarification from DOL on the requirement of a log of all offers and who should enforce a buyer agency agreement.

Vice Chair Chang directed the public members' questions to staff for further discussion.

10. Conclusion

10.1. Announcements

Commissioner Jones-Schroder asked whether there was a way for public members to ask questions and have appropriate DOL staff address their questions. Ms. Allen-Bâ said she took notes of public comments, and that staff would circle back with answers to the questions. She also said anyone could email questions to DOLBoards@dol.wa.gov and staff would provide answers directly.

Ms. Baur said licensees could also email DOLBoards@dol.wa.gov with any questions about the new agency law, effective January 1, 2024.

10.2. Requests for Agenda Items

Commissioner Jones-Schroder requested a report from the Central Investigations and Audit Unit regarding policy updates to agency law to be presented at the next meeting.

10.3. Review Action Items

Ms. Schaefer reviewed the new action items from the meeting.

- Staff to get detailed information of the average incoming and hold times of phone calls, email backlog, etc.

11. Adjournment

Vice Chair Chang adjourned the meeting at 12:16 p.m.

Next Commission Meeting:

February 15, 2024

10:00 a.m.

Virtual via Microsoft Teams

Submitted by: Debra Allen-Bâ
Debra Allen-Bâ, Assistant Administrator

2-16-2024
Date

Approved by: Jennifer Clawson
Jennifer Clawson, Commission Chair

2-21-2024
Date