

**NEBRASKA REAL PROPERTY APPRAISER BOARD
NRPAB OFFICE MEETING ROOM, FIRST FLOOR
NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

June 15, 2022 Strategic Planning Meeting Minutes

A. OPENING

Chairperson Thomas Luhrs called to order the June 15, 2022 Strategic Planning meeting of the Nebraska Real Property Appraiser Board at 2:00 p.m., in the Nebraska Real Property Appraiser Board meeting room located on the first floor of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

B. NOTICE OF MEETING

Chairperson Luhrs announced the notice of the meeting was duly given, posted, published, and tendered in compliance with the Open Meetings Act, and all board members received notice simultaneously by email. Publication of official notice of the meeting appeared on the State of Nebraska Public Calendar found at www.nebraska.gov on June 7, 2022. The agenda was kept current in the Nebraska Real Property Appraiser Board office and on the Board's website. In accordance with the Open Meetings Act, at least one copy of all reproducible written material for this meeting, either in paper or electronic form, was available for examination and copying by members of the public. The material in paper form was available on the table in a public folder, and the material in electronic form was available on the Board's website on the agenda (https://appraiser.ne.gov/meetings/agenda/2022/220615_Agenda.pdf), and in Public Meeting Material (https://appraiser.ne.gov/board_meetings/). A copy of the Open Meetings Act was available for the duration of the meeting. For the record, Board Members Thomas Luhrs of Imperial, Nebraska, Wade Walkenhorst of Lincoln, Nebraska, Bonnie Downing of Dunning, Nebraska, and Cody Gerdes of Lincoln, Nebraska. Also present were Director Tyler Kohtz, Business and Licensing Program Manager Allison Nespor, and Business and Education Program Manager Katja Duerig, who are all headquartered in Lincoln, Nebraska. Board Member Kevin Hermesen of Gretna, Nebraska was absent and excused.

ADOPTION OF THE AGENDA

Chairperson Luhrs reminded those present for the meeting that the agenda cannot be altered 24 hours prior to the meeting except for emergency items according to the Open Meetings Act. Board Member Downing moved to adopt the agenda as printed. Board Member Walkenhorst seconded the motion. With no further discussion, the motion carried with Walkenhorst, Downing, Gerdes, and Luhrs voting aye.

C. CHAIRPERSON'S STATE OF THE BOARD REPORT

Chairperson Luhrs reported that he had no comments on the State of the Board except to welcome everyone. The Chairperson expressed gratitude to everyone for coming to participate in the strategic planning meeting. Chairperson Luhrs asked for any comments, and with no further discussion, proceeded to the Director's comments.

Board Member Kevin Hermesen joined the meeting at 2:04 p.m.

D. DIRECTOR'S COMMENTS

Director Kohtz thanked the board members for coming and welcomed Board Member Hermesen. The Director then thanked the board members for their time and dedication throughout the year, and BLPM Nespor and BEPM Duerig for their work throughout the year, and for their efforts preparing for two meetings in two days. Director Kohtz remarked that the purpose of strategic planning is to determine what ideas and goals the Board would like to focus on for the next fiscal year; build a roadmap for staff to follow in the short term and long term. The goal of this meeting is to set objectives, not to establish how the objective will be accomplished. Director Kohtz also indicated that strategic planning is an opportunity to continue building staff and board member institutional knowledge. Each board member serves a five-year term, and each member is at a different place in their term. The Director brought attention to the meeting agenda and recognized the length, then indicated that it allows for open conversation regarding any topic the Board may wish to discuss. There is no need to spend time on an agenda item if there is no discussion. The Director then highlighted the accomplishments from the current fiscal year:

- The appraiser online renewal application has been up and running for one entire renewal cycle. The Director said this is an accomplishment, and the review system built into the application makes it easier to train temporary staff on renewal application processing.
- Through relevant bill drafting and rulemaking, the Board continues to open the door a little more for new real property appraisers to enter the profession.
- The Board has stayed on top of federal and industry changes with law making and rulemaking. All goals related to Laws, Rules, and Guidance Documents were accomplished.
- The agency underwent a successful Appraisal Subcommittee State Off-site Assessment (SOA) in February 2022. Director Kohtz informed the Board that there was no official rating, and staff has worked to incorporate all the changes recommended by the Policy Managers.
- The transfer of all appraiser paper files to electronic format is complete. According to the Director, this has been a goal for several years.
- Significant progress was made on multiple technology projects, including database enhancements and virtual conferencing capabilities.

Director Kohtz indicated that the following projects are still ongoing:

- There has not been sufficient time for staff to develop a solid or scrolling message screen on the Board's website. The Director expects this project to be completed during the next fiscal year.
- OCIO is experiencing a lot of turnover right now, so the database projects are moving slowly until new OCIO staff is more familiar with the NRPAB database.
- The Supervisory Appraiser Contact List will likely not be a part of this year's renewal application. The Director reported that progress has been made in the past few days, but expressed doubt that it is enough to be ready for the July 1 launch of the renewal application.
- No change was made to the testing service provider. Director Kohtz informed the Board that Pearson Vue never responded to his inquiries, however, PSI has improved since last year. The Director remarked that he no longer sees a need to pursue a change to the testing service provider.

Director Kohtz then turned to the future and outlined some areas and goals that he would like the Board to focus discussion on today, which include:

- Update Title 298 to include changes brought by LB707, the new Criteria, and CAP policies.
- Stay aware of regulatory changes at the federal level. Diversity and discrimination reports and discussions have delayed a new draft of USPAP. There will likely be significant changes to the criteria as well. The Director noted that it will be important to be flexible when the federal changes come as a quick turn-around-time may be required.
- Finish the AMC online renewal application.
- Lay groundwork to hire additional teammate shortly after July 1, 2023.
- Prepare the 2023-25 biennial budget request.

- Maintain our current level of effectiveness, efficiency, and public satisfaction.

The Director outlined the general structure of the 2022-23 Strategic Planning meeting agenda and informed the Board that he planned to walk through the agenda and discuss whichever items the Board would like to spend time on. The Director asked for any questions or comments. There was no discussion.

E. GENERAL PUBLIC COMMENTS

Chairperson Luhrs asked for any public comments. There were no members of the public in attendance. With no comments, the Chair proceeded to the review of the 2021-22 strategic planning goals and objectives.

F. REVIEW OF 2021-22 STRATEGIC PLANNING GOALS AND OBJECTIVES

Director Kohtz reviewed the goals and objectives set for the 2021-22 Fiscal Year. The following items were noted:

- All the short-term legislative goals were completed, and the long-term legislative goals have all been met and are ongoing.
- The credentialing and registration goal related to disciplinary action reporting was completed and the supervisory appraiser contact list project is ongoing. Director Kohtz also mentioned that exploring opportunities to increase the number of Nebraska resident real property appraisers is always in progress. The Director also opined that the goal to explore change to testing service provider should be removed as previously mentioned.
- The long-term personnel goals continue to be met.
- The short-term public information goals are all ongoing. Little progress was made on the scrolling message screen due to time constraints. All of the long-term public information goals continue to be met.
- The video conferencing equipment and software has been installed, the online AMC renewal application is in progress, no work was completed by CIO on the NRPAB Database and ASC Federal Registry translator, and the remaining appraiser paper files were transferred to electronic file format. The remaining long-term goals continue to be met.

G. COMPLIANCE

1. REVIEW OF ENFORCEMENT/INVESTIGATIONS

Director Kohtz presented four charts and graphs to the Board for review outlining the status of the enforcement program. The Director reported that a majority of cases are dismissed, sometimes with an advisory letter. There have been only two consent agreements in the last five years. The Director noted the increase in surrendered or expired credentials and informed the Board that this is a sign that the Board's investigative process is thorough and evidenced based. Board Member Gerdes asked if the Board's enforcement program specifically gets audited. Director Kohtz replied that the ASC reviews the duration of investigations, the disposition of all grievances, and that the compliance program is compliant with Title XI. Board Member Gerdes thanked the Director. Director Kohtz asked for any other questions or comments. There was no further discussion.

2. ENFORCEMENT OF REAL PROPERTY APPRAISER ACT

Director Kohtz asked for specific questions or discussion pertaining to real property appraiser enforcement. There was no discussion.

3. ENFORCEMENT OF APPRAISAL MANAGEMENT COMPANY REGISTRATION ACT

Director Kohtz asked for specific questions or discussion pertaining to AMC enforcement. There was no discussion.

4. INVESTIGATIVE PROCESSES AND PROCEDURES (TITLE 298 – CH. 8)

Director Kohtz asked for specific questions or discussion pertaining to investigative processes and procedures. There was no discussion.

5. FORMS

Director Kohtz asked for specific questions or discussion pertaining to compliance forms. There was no discussion.

6. SHORT- AND LONG-TERM GOALS AND OBJECTIVES

Director Kohtz brought attention to the current long-term goal, “Continue monitoring the effectiveness and efficiency of the Compliance Program.” Director Kohtz indicated that this goal dates back to 2014. Then, the Compliance Program was run much differently, with the Board doing a lot of the work that staff now does. The Director remarked that this was not sustainable, and the basis of this goal was to monitor the Compliance Program through significant procedural changes. Director Kohtz stated that this goal can remain, or, if the Board feels the Compliance Program is running smoothly with no changes needed, the goal could be removed. Board Member Gerdes asked how long it has been since the Compliance Program procedures underwent a major change. The Director responded that the current procedures have been in place since around 2018. Board Member Gerdes expressed support for removing the goal, and all board members agreed. The Director asked for any other questions or comments. There was no further discussion.

H. CREDENTIALING AND REGISTRATION

1. REVIEW OF CURRENT CREDENTIAL HOLDERS/AMC REGISTRATIONS

A review of the credentialing and AMC registration programs took place for the 2021-22 fiscal year. The Director presented twelve charts to the Board for review. The first two charts represented the number of Nebraska Real Property Appraisers credentialed through education, experience, and examination over the past five years (not including Trainees), and those credentialed through reciprocity during the past five years. Director Kohtz remarked that there is an overall increase in numbers, especially in Certified General appraisers credentialed through reciprocity.

Director Kohtz moved on to the next two charts that illustrated the number of total credentialed appraisers over the past five years (not including Trainees), and the total credentialed appraisers by classification over the past five years.

The Director presented the chart showing the number of total credentialed appraisers over the past five years to the Board for review.

Director Kohtz brought attention to two charts representing the number of appraisers by credential over the past thirteen-month period, and the total number of appraisers over the past thirteen-month period. The Director reported that Trainee numbers have shown a surprising increase, and Certified General numbers are significantly higher than projected.

Director Kohtz presented three charts related to temporary credentials; one showing calendar year totals over five years, one showing year-to-date totals over five years, and one showing temporary credentials issued every month over the previous twelve-month period. The Director noted that the trends are all typical.

Director Kohtz proceeded to the two charts representing the number of registered supervisory real property appraisers over the past five years. The Director compared the current number of registered supervisory real property appraisers to that of other states, and said Nebraska has a good count.

Director Kohtz presented two charts illustrating the number of registered AMCs over thirteen months and over five years to the Board for review.

2. REVIEW OF CREDENTIAL HOLDER RENEWALS

Director Kohtz presented the renewal report to the Board for review, which included two charts representing the number of Nebraska real property appraisers that renewed their credentials over the past five years. The Director reported that the projected renewal rate was 91% and the actual renewal rate was 92%. The rate of renewal for Licensed Residential credential holders was only 78%. Director Kohtz pointed out that 42 Trainee renewals were due this year and 34 were received, however, these charts do not account for the Trainees that upgraded their credential during the year.

3. 2019-25 CREDENTIAL HOLDER/AMC REGISTRATION PROJECTIONS

The Director presented five graphs for the Board's analysis. The first four graphs outlined appraiser trends; the next graph outlined the number of registered AMCs. The Director explained that these projections are used for budgeting purposes. Director Kohtz reported that, since he ran these reports, more credential applications have been received, so these projections are on the low end. The Director moved on to projections for appraisers credentialed through reciprocity and stated that the trends maintain from the past few years. The number of reciprocal credentials is rising while credentials issued through education, experience, and examination is dropping. Board Member Walkenhorst asked if the reports account for appraiser retirement. Director Kohtz responded that there is no accounting for retirement specifically, rather, these projections are based on the actual number of credential renewals, which is affected by retirement. Board Member Walkenhorst thanked the Director.

Director Kohtz acknowledged that the projection shows that AMC numbers will remain stable, which will be good for revenues. There was no further discussion.

4. REAL PROPERTY APPRAISER CREDENTIALS

a. General Discussion: No discussion.

b. Real Property Appraiser Qualifications: No discussion.

c. Real Property Appraiser Credential Renewal: No discussion.

d. Supervisory Real Property Appraiser: No discussion.

e. Processes and Procedures: No discussion.

i. Credentialing through Education, Experience, and Examination (Title 298 – Ch. 2)

ii. Credentialing through Reciprocity (Title 298 – Ch. 3)

iii. Renewal of Active Credential (Title 298 – Ch. 4)

iv. Inactive Status (Title 298 – Ch. 5)

f. Forms: No discussion.

g. Short- and Long-Term Goals and Objectives

- Explore opportunities to increase the number of Nebraska resident appraisers (long-term).
- Explore change to testing service provider. Director Kohtz asked that this goal be removed since we have returned to a good place with our current provider. All Board Members agreed.

5. TEMPORARY CREDENTIAL

Director Kohtz asked for any general discussion related to temporary credentials. There was no discussion.

6. APPRAISAL MANAGEMENT COMPANY REGISTRATION

Director Kohtz asked for discussion pertaining to Appraisal Management Company Registration. BLPM Nespor noted that many AMCs see the requirement that owners of more than 10% submit fingerprint cards every year as burdensome, and asked whether this could be changed. Ms. Nespor added that she has only seen one addition to an owner's criminal record between renewals. Chairperson Luhrs asked for clarification about the current procedures: AMC owners need to be fingerprinted every year? Ms. Nespor replied affirmatively. She informed the Board that the Nebraska State Patrol does not accept printed-out copies of fingerprint cards that may be on-file at an AMC, so the owners must actually have their fingerprints rolled, every year. Director Kohtz reported that the fingerprinting is not necessarily a federal requirement, but it was the best way the Board initially found to meet federal requirements. Chairperson Luhrs expressed desire to look at this requirement and try to reduce regulatory burden. Director Kohtz agreed to add this as a goal, and stated that this would require a change to statute.

a. Processes and Procedures: No discussion.

b. Forms: No discussion.

c. Short- and Long-Term Goals and Objectives:

- Explore alternative options for verification for AMC owner AMC Rule compliance for renewal (short-term).

I. EDUCATION

1. GENERAL

Director Kohtz asked for general discussion pertaining to education. There was no discussion.

2. QUALIFYING EDUCATION

Director Kohtz asked for discussion pertaining to Qualifying Education. Board Member Gerdes brought attention to an issue discussed by the Board regarding qualifying education for certified general appraiser applicants. Board Member Gerdes stated that few applicants who work on agricultural properties complete ag-specific education, rather, they take the "general" courses that don't necessarily go in-depth about agricultural properties. Board Member Gerdes asked, is there anything the Board can do to encourage ag-specific education providers to offer courses in Nebraska? Director Kohtz reported that this is a difficult issue since there is no federal requirement for specific agriculture focused education; any such requirements enacted by the Board would be above the Real Property Appraiser Qualifications Criteria and may show favoritism to certain education providers. Chairperson Luhrs remarked that it is not always possible to classify a property as agricultural or not, for example, a feedlot is as much commercial as it is agricultural. Board Member Downing noted that mentorship from a supervisory real property appraiser is also a factor in an applicant's readiness for a certified general credential. Director Kohtz acknowledged the discussion points and said that the Board has the authority to assign additional education during the applicant review process, which it has done, and that this is the best tool available to the Board. Chairperson Luhrs asked if there is anything the Board could do to encourage trainee real property appraisers to take ag-specific education rather than the "general" certified general courses? Director Kohtz recommended adding this encouragement to the letter sent out upon approval of a Trainee credential.

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The Director then brought attention back to the supervisors and asked, does a supervisory real property appraiser typically have any say in what courses a trainee real property appraiser takes? Board Member Downing remarked that supervisory real property appraisers may encourage, but generally do not control the trainee real property appraiser's coursework. Director Kohtz informed the Board that the majority of qualifying education certificates staff has seen over the past few years have been from Appraisal Institute and McKissock and are online qualifying education. A discussion took place regarding the content of the general courses from these providers versus the content of the general courses from ag-specific education providers like ASFMRA. BLPM Nespor suggested that an informational document be added to the Board's website. Director Kohtz expressed support for the idea, saying it could simply be added to the Certified General Credential Requirements document. The Director proposed that a letter be sent to all active supervisory appraisers as well, bringing attention to this issue. The Director asked if any of the Board Members are ASFMRA members, and if so, asked if this could be discussed at a meeting. Chairperson Luhrs and Board Member Downing reported that they are members, and offered to bring up this issue to the organization. The Director said, "That would be great. Part of the problem is availability." Director Kohtz reported that this goal would be added, with side notes for the specific actions agreed upon today. Further, he expressed approval for bringing awareness to the tools that are already available, rather than imposing additional requirements.

a. Processes and Procedures: No discussion.

b. Application for Qualifying Education: No discussion.

c. Short- and Long-Term Goals and Objectives:

- Add language to the Certified General Real Property Appraiser Requirements document located on the Board's website encouraging potential real property appraiser applicants who intend to engage in real property appraisal practice pertaining to agricultural real property complete agricultural-based qualifying education offered by an education provider with an expertise in agricultural appraisal (short-term).
- Encourage trainee real property appraisers who intend to engage in real property appraisal practice pertaining to agricultural real property upon credentialing as a certified general real property appraiser complete agricultural-based qualifying education offered by an education provider with an expertise in agricultural appraisal in approval letter sent to trainee real property appraisers (long-term).
- Request that supervisory real property appraisers with trainee real property appraisers who intend to engage in real property appraisal practice pertaining to agricultural real property upon credentialing as a certified general real property appraiser encourage their trainee real property appraisers to complete agricultural-based qualifying education offered by an education provider with an expertise in agricultural appraisal in approval letter sent to supervisory real property appraisers (long-term).
- Send letter to all registered supervisory real property appraisers describing the real property appraisal practice deficiencies observed by the Board concerning the appraisal of agricultural real property, and to request that supervisory real property appraisers encourage their trainee real property appraisers who intend to engage in real property appraisal practice pertaining to agricultural real property upon credentialing as a certified general real property appraiser, to complete agricultural-based qualifying education offered by an education provider with an expertise in agricultural appraisal (short-term).

- Send letter to American Society of Farm Managers and Rural Appraisers describing the real property appraisal practice deficiencies observed by the Board concerning the appraisal of agricultural real property and requesting that the organization consider increasing its frequency and availability of synchronous, asynchronous, and hybrid qualifying and continuing education offerings (short-term).

3. CONTINUING EDUCATION

Director Kohtz asked for discussion pertaining to Continuing Education. Chairperson Luhrs remarked that ag-specific education should be encouraged for continuing education for those who are already credentialed, as well as for applicants; credential holders should try to get CE focused on the properties that they work with. Director Kohtz reported that the next newsletter will contain information about renewals, so he will include this suggestion to encourage Nebraska real property appraisers to complete continuing education focused on the types of properties they appraise. The Director indicated that this information will also be added to the renewal Q&A document. Chairperson Luhrs thanked the Director. The Director asked for any other questions or comments about continuing education. There was no further discussion.

a. Processes and Procedures: No discussion.

b. Application for Qualifying Education: No discussion.

c. Short- and Long-Term Goals and Objectives:

- Include language in the 2023-2024 Credential Renewal Reminder and Information article in the fall edition of The Nebraska Appraiser encouraging Nebraska real property appraisers to complete continuing education related to their area of real property appraisal practice focus (short-term).
- Include a new Q&A in the 2023-2024 Credential Renewal Questions and Answers encouraging Nebraska real property appraisers to complete continuing education related to their area of real property appraisal practice focus (short-term).

4. SUPERVISORY REAL PROPERTY APPRAISER AND TRAINEE COURSE

Director Kohtz asked for discussion pertaining to the Supervisory Real Property Appraiser and Trainee Course. There was no discussion.

5. INSTRUCTORS

Director Kohtz asked for discussion pertaining to Instructors. There was no discussion. The Director noted that the instructor application will be removed, and instructor information will be reported on the activity application instead. Since there are still instructors for education activities and the Board's authority remains to take action on an activity in which an instructor fails to meet the requirements in Chapter 6 of Title 298; this item will remain on the strategic planning agenda in the future.

6. POST-SECONDARY EDUCATION

Director Kohtz asked for discussion pertaining to Post-Secondary Education. There was no discussion.

7. BOARD REPRESENTATION/OFFERINGS

Director Kohtz asked for discussion pertaining to Board Representation/Offerings. There was no discussion.

J. PERSONNEL

1. Staff Positions

Director Kohtz asked for discussion pertaining to staff positions. There was no discussion.

2. Memo to the Board – Consideration for Additional Staffing

Director Kohtz presented a Memo to the Board regarding Consideration for Additional Staffing. The Director reported that he has spoken to each board member about this individually, so he will only summarize this memo. According to the Director, the number of hours in the day is simply not enough for the workload, and staff is forced to push the smaller things further and further back. Since 2017, there has been significant task creep that has begun to impede the staff's effectiveness and efficiency. The Director added that the signs point to this creep continuing to increase into the future. Although many steps have been taken during the past two years to increase efficiency, such as database enhancements to better automate processes, staff duty evaluation and reassignment, and streamlined processes and procedures, the pace at which staff must operate to complete tasks to keep up with the current workload is exceeding its capabilities. Any negative change in staffing would also have a detrimental effect on Board functions as the staff's current level of experience and expertise allows it to operate at a high level in spite of the task creep. The Director once again informed the Board that specifics can be found in the memo, and thanked BLPM Nespor and BEPM Duerig for providing data as requested. The Director noted that this topic would be discussed again with the budget and asked for any questions or comments. The Board agreed with the Director's assessment and supports adding a teammate to the staff.

3. Policies and Procedures

Director Kohtz asked for discussion pertaining to personnel policies and procedures. Board Member Walkenhorst brought attention to the Employee Handbook and stated that Juneteenth is not listed as a State holiday. The Director indicated that Juneteenth is indeed a paid, State holiday, and that the Employee Handbook has not yet been updated since the Legislature passed the bill authorizing Juneteenth as a State holiday; it will be added to the next draft. The Director thanked Board Member Walkenhorst and asked for any other questions or comments. Board Member Gerdes remarked that his address is listed incorrectly on the board roster. Director Kohtz apologized for the error and said it would be corrected. The Director asked for any other questions or comments. There was no further discussion.

4. Conferences/Training

a. Fall/Spring AARO Conference

Director Kohtz reported that he plans to continue attending both the Fall and Spring AARO Conferences and asked for any questions or comments. There was no further discussion.

5. Board Structure: No discussion.

6. Renewal Season Interns

- Director Kohtz reported that the plan for this fiscal year is to utilize the SOS Temporary Program for one 40 hour per week renewal season staff member, rather than two staff members at 20 hours per week, as the Board is moving towards adding another full-time teammate. The Director indicated that, when the Board has hired another permanent, full-time teammate, the need for renewal season interns/temporary employees will cease to exist. Chairperson Luhrs asked if it is easier for permanent staff to work with one full-time or two half-time temporary employees. Director Kohtz responded that it doesn't make much of a difference, as long as everyone stays flexible about schedule. The Director added that it also depends on what SOS has available. BLPM Nespor remarked that, if the SOS Temporary Program cannot provide sufficient assistance, permanent staff can cover the real property appraiser renewal work with overtime. The Director indicated that this is not ideal, but it is what happened this year. Director Kohtz then asked for any other questions or comments. With no further discussion, Director Kohtz expressed desire to re-word the existing goal to "renewal season temporary staff as available," as "interns" no longer fits with the Board's renewal season procedures. Board Member Walkenhorst suggested changing this to a short-term goal, as this will be the last year the Board seeks out renewal season temporary staff. All board members and the Director agreed. Board Member Hermesen asked if having the 2-year renewal term option alleviates some of the work. Director Kohtz responded that the Board has always had 1-year and 2-year renewal options. Board Member Hermesen suggested staggering credential expiration dates throughout the year so that renewal season is less hard on the agency; this could be based on alphabetical order or by credential type. Director Kohtz informed the Board that the agency has explored this idea before, and that a report was prepared for the Board discussing the effects of different renewal periods; he remarked that he would share this report with the Board. Chairperson Luhrs commented that if recalculating renewal periods can help the staff, it's worth exploring. Director Kohtz noted that renewal season used to balance out with AMC registration renewals, but now that AMCs renew every year, there is more work during this time of year. BLPM Nespor expressed dissatisfaction with the many errors made by AMCs on applications to the board, which compounds the problem. The Director acknowledged that every state has its own way of collecting information, and most AMCs report to multiple states, therefore significant problems with reporting occur. Director Kohtz declared that "Explore change to real property appraiser credential renewal dates" would be added to the goals.

7. Short- and Long-Term Goals and Objectives

- Continue updating the policies and procedures documents as needed to ensure compliance with state policy changes, NAPE/ASFCME contract changes, and to address general work environment needs and/or changes (long-term).
- Add additional Administrative Specialist classified employee. Adequate staffing is required to carry out the Board's mission, maintain a high-level operation, remain compliant with Title XI, and to maintain public satisfaction (short-term).
- Add the Juneteenth holiday to the NRPAB Employee Handbook (short-term).
- Utilize SOS temporary employee as available to assist with processing real property appraiser renewal applications for the 2023-24 real property appraiser renewals (short-term).

Break 3:37 p.m. to 3:45 p.m.

K. PUBLIC INFORMATION

1. GENERAL

Director Kohtz asked for any general discussion on public information matters. There was no discussion. The Board agreed to keep the goals as is.

a. Short- and Long-Term Goals

- Encourage development of Memos from the Board and Facebook posts that contain facts the appraiser community may be interested in (long-term).
- Continue utilizing the NRPAB website, NRPAB Facebook page, The Nebraska Appraiser, and Memos from the Board to disseminate relevant and important information to the appraisal business community and the general public in a timely manner. This includes information related to state and federal regulations, credentialing and registration requirements, renewal information, education information, Board policies and procedures, and other information that affects the industry (long-term).
- Explore the development and implementation of an updated NRPAB logo (long-term).

2. NRPAB WEBSITE

Director Kohtz asked for any general discussion on the NRPAB website. There was no discussion. The Director indicated that the long-term goal would remain as is.

a. Education Provider Offering Calendar

Director Kohtz brought attention to the education provider offering calendar on the NRPAB website. The Director reported that this is no longer being utilized and asked if there were any concerns about removing it from the site. Board Member Walkenhorst asked for clarification about how the calendar works. BEPM Duerig described the Board's online education provider offering calendar. Director Kohtz said that most education is online and self-paced now, so a calendar is not useful. Ten years ago, when most education was completed in the classroom, this calendar was a very good source for aspiring and current real property appraisers. The Board agreed that the calendar may be removed. The Director asked for any other questions or comments. There was no further discussion.

b. Processes and Procedures: No discussion.

c. Short- and Long-Term Goals and Objectives

- Continue to monitor the effectiveness of current NRPAB website, and repair bugs and make improvements and add enhancements needed to address functionality or use (long-term).
- Director Kohtz asked if the Board had interest in adding disciplinary actions and consent agreement attachments to the appraiser listing. The Director noted that this is public information, and this addition would just be making it more accessible than it is under the current process, where a public records request is required. BLPM Nespor asked if the agency would upload this information individually. The Director remarked that he had no plan for its functionality at this time. Director Kohtz reported that this is common practice for other states' appraiser public information. BLPM Nespor displayed the website Appraiser Listing page and demonstrated how to access the appraiser public information.

Board Member Gerdes asked if there is a way to restructure the page so that the search function appears front-and-center, as the map and second link are distracting from the helpful information. BEPM Duerig agreed that the map and second link are confusing and expressed support for a redesign. Director Kohtz indicated that if the Board would like it done, it will be done. All board members agreed. The Director added that this current page design was specifically requested by the Board and expressed satisfaction with the Board's decision to update it as he agreed that the information is confusing as displayed.

Director Kohtz returned the discussion to adding disciplinary actions to the appraiser listing. Board Member Gerdes expressed interest only if it does not create more work for staff. Chairperson Luhrs expressed neutrality on the subject. A discussion took place about how it would function, where the attachments come from, and whether it creates more work for staff. Director Kohtz proposed to get a quote from the OCIO and present it at a regular meeting. The Board agreed. The Director asked for any other questions or comments. There was no further discussion.

Explore adding disciplinary action orders/consent agreements to the Appraiser Listing search as a PDF attachment (Obtain quote from CIO and present to the Board for consideration) (short-term).

- Remove Education Provider Offerings Calendar from the NRPAB website (short-term).
- Restructure the Appraiser Listing page on the NRPAB website and remove the distribution map (short-term).
- Complete addition of a solid or scrolling message screen at the top of the NRPAB website for use to disseminate relevant timely information, such as notices of meetings (Short-term). See discussion in Section D, Director's Comments.

3. MEMOS FROM THE BOARD

Director Kohtz asked for discussion pertaining to Board memos. There was no discussion. The Director indicated that the long-term goal would remain as is.

a. Processes and Procedures: No discussion.

b. Short- and Long-Term Goals and Objectives

- Continue utilization of Memos from the Board to disseminate in a timely manner important information that should not be held for the next release of The Nebraska Appraiser (long-term).

4. THE NEBRASKA APPRAISER NEWSLETTER

Director Kohtz asked for discussion pertaining to newsletter. There was no discussion. The Director indicated that the long-term goal would remain as is.

a. Processes and Procedures: No discussion.

b. Short- and Long-Term Goals and Objectives

- Continue releasing new issues of The Nebraska Appraiser on a quarterly basis to disseminate important information to the appraisal business community and the general public in an effective and efficient manner (long-term).

5. FACEBOOK PAGE

Director Kohtz asked for discussion pertaining to Facebook page. There was no discussion. The Director indicated that the long-term goal would remain as is.

a. Processes and Procedures: No discussion.

b. Short- and Long-Term Goals and Objectives

- Continue utilization of the NRPAB Facebook page to disseminate important information in a timely manner that the appraiser community and general public would otherwise not be aware of, such as documents posted to the NRPAB website, meeting information, and NRPAB policy and business information (long-term).

L. ADMINISTRATION

1. POLICIES AND PROCEDURES

Director Kohtz asked for and general discussion pertaining to policies and procedures. There was no discussion. The Director indicated that the long-term goal would remain as is.

a. NRPAB Meetings: No discussion.

b. Request Forms: No discussion.

c. Short- and Long-Term Goals and Objectives

- Continue to monitor the effectiveness of current processes and procedures, and update processes and procedures as needed to maintain effectiveness and efficiency of the administration of the Board's programs (long-term).

2. NRPAB RECORDS MANAGEMENT

Director Kohtz asked for discussion pertaining to NRPAB Records Management. There was no discussion.

3. NRPAB DATABASE

Director Kohtz asked for any general discussion pertaining to the NRPAB Database. The Director reported that projects are moving slower than anticipated due to CIO staff turnover. The ASC has not responded to any of CIO's request for information regarding the translator system between the NRPAB Database and the ASC Federal Registry System. Director Kohtz reminded the Board that this system would eliminate the need to update appraiser contact information in both the NRPAB Database and the ASC Federal Registry System. Board Member Walkenhorst remarked that this sounds like a good, time-saving system, and it's even better if the project would qualify for a grant. Director Kohtz noted that the goal would remain on the list. There was no further discussion. The Director informed the Board that the long-term goals would remain as is.

a. 21681: Message Center Functionality through NRPAB Appraiser Login

Director Kohtz presented CIO Work Item #21681 titled, "Message Center Functionality through NRPAB Appraiser Login." The Director informed the Board that this Work Item is for the development of a message center function between the NRPAB Database and Appraiser Login; the cost estimate for this message center function is \$48,090.00. Director Kohtz reported that many states are building or already have electronic communication systems that are used instead of letters and emails, in most cases. Director Kohtz explained that the system would save any communications in the communication log automatically, saving staff time spent on this activity. The Director asked for the Board's feedback. Board Member Gerdes asked how this would work for real property appraisers.

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Director Kohtz replied that the real property appraiser would receive an email notification that there is a message, then would log in to Appraiser Login to read it. BEPM Duerig remarked that that means more steps for real property appraisers, but fewer steps for staff. BLPM Nespor commented that she could see a way this system would be helpful, but it could have a downside. Director Kohtz asked if the Board had an opinion one way or the other; the Board expressed neutrality. The Director proposed shelving the discussion for the next strategic planning meeting and the Board agreed. The Director asked for any other questions or comments. There was no further discussion.

b. Short- and Long-Term Goals and Objectives

- Continue to monitor the effectiveness of current NRPAB Database, repair bugs, and make improvements and add enhancements needed to address program or use changes (long-term).
- Explore online real property appraiser initial applications, AMC initial applications, education activity applications, and other services that require payment of a fee (long-term).
- Explore use of Federal grant money to pursue development of a translator system between the NRPAB Database and the ASC Federal Registry system (short-term).
- Complete online AMC renewal application and AMC Interface upgrade (short-term).
- Complete supervisory real property appraiser list derived from Application for Renewal of Nebraska Real Property Appraiser Credential (short-term). BLPM Nespor demonstrated the supervisory real property appraiser list as it currently exists in the testing stage of the NRPAB Database.

4. APPRAISAL REVIEW SERVICES CONTRACTOR PROGRAM

Director Kohtz asked for discussion pertaining to the Appraisal Review Services Contractor Program. Board Member Gerdes noted that he would like to see a clarifying change made to the wording of the compliance review staff review check list as it is unclear if the remarks are staff's or the contractor's. BLPM Nespor reported that this will be done. Director Kohtz encouraged the Board to bring any questions or suggestions for forms to him at any time. Board Member Walkenhorst asked if the Board would use the 2014-15 USPAP Review Report Form. The Director replied that the Board has an obligation to investigate every grievance that comes in, even if the appraisal report is several years old. If an appraisal report with a report date in 2014 was under review, the 2014-15 edition of USPAP would be used for the real property appraiser's work, but the contractor would utilize the current version of USPAP for his or her review. The Director asked for any other questions or comments. There was no further discussion.

M. APPRAISAL SUBCOMMITTEE

Director Kohtz asked for discussion pertaining to the Appraisal Subcommittee. There was no discussion.

N. APPRAISAL FOUNDATION

Director Kohtz asked for discussion pertaining to The Appraisal Foundation. There was no discussion.

O. AARO

Director Kohtz asked for discussion pertaining to AARO. There was no discussion.

P. LAWS, RULES, AND GUIDANCE DOCUMENTS

1. LAWS

Director Kohtz informed the Board that the long-term goal to address changes to USPAP, Real Property Appraiser Qualifications Criteria, ASC Policy Statements, AQB CAP Program Guidelines, and Title XI as required will remain as is.

a. Real Property Appraiser Act

i. ASC SOA Statute Updates

Director Kohtz presented a list of all the statutory and rule changes recommended by the ASC during the State Off-Site Assessment. The Director reported that these recommendations have already been incorporated into Title 298, and any recommended changes to the Real Property Appraiser Act and Appraisal Management Company Registration Act will be included in the bill for the next session. Director Kohtz asked for any questions or comments. There was no further discussion.

b. Appraisal Management Company Registration Act

i. ASC SOA Statute Updates

Director Kohtz referenced the conversation related to the Real Property Appraiser Act. There was no further discussion.

ii. Criminal and Civil Immunity in AMC Registration Act

Director Kohtz brought attention to the Board's immunity to civil actions related to the Board's duties under the Real Property Appraiser Act found in Neb. Rev. Stat. § 76-2225, and informed the Board that no such language exists in the Appraisal Management Company Registration Act. The Director proposed adding a civil and criminal immunity section to the AMC Registration Act similar to what exists in the Real Property Appraiser Act. All board members agreed that this should be done. There was no further discussion.

c. Processes and Procedures: No discussion.

d. Short- and Long-Term Goals and Objectives

- Address changes to USPAP, Real Property Appraiser Qualifications Criteria, ASC Policy Statements, AQB CAP Program Guidelines, and Title XI as required (long-term).
- Work with the Banking, Commerce, and Insurance Legislative Committee's Legal Counsel to draft a bill for introduction addressing the changes needed in the Real Property Appraiser Act, which includes but is not limited to the ASC SOA recommendations (Short-term).
- Work with the Banking, Commerce, and Insurance Legislative Committee's Legal Counsel to draft a bill for introduction addressing the changes needed in the AMC Registration Act, which includes but is not limited to the ASC SOA recommendations and inclusion of criminal and civil immunity language (short-term).

2. RULES

a. Title 297: No discussion.

b. Title 298

Director Kohtz presented the Proposed Changes to Title 298 of the NAC, March 15, 2022 draft to the Board for review, and informed the Board that the details included in the draft will be discussed at the regular June meeting. The Director indicated that the LB707 changes to the Real Property Appraiser Act and Appraisal Management Company Registration Act, the ASC SOA recommendations, the Real Property Appraiser Qualifications Criteria, Effective January 1, 2022, and CAP Policies and Procedures, Effective January 1, 2022 are all included in this draft. Director Kohtz asked for any discussion regarding Title 298. There was no discussion. The Director indicated that the long-term goals would remain as is.

c. Processes and Procedures

Director Kohtz summarized the process for rules updates to the Board and asked for questions or comments. There was no further discussion.

d. Short- and Long-Term Goals and Objectives

- Harmonize Title 298 with the changes made to the Nebraska Real Property Appraiser Act and Appraisal Management Company Registration Act as needed (long-term).
- Continue to monitor the effectiveness of regulations to reduce unnecessary regulatory burden, remove barriers to entry into the real property appraiser profession, maintain an effective education program, and provide for better clarification and administration (long-term).
- Adopt Title 298 changes to reduce unnecessary regulatory burden and remove barriers to entry into the real property appraiser profession, provide for better clarification and administration, harmonize Title 298 with the changes made to the Nebraska Real Property Appraiser Act through LB707 in 2022, and incorporate changes made to the Real Property Appraiser Qualification Criteria and CAP Guidelines effective January 1, 2022 (short-term).

3. GUIDANCE DOCUMENTS

Director Kohtz asked for discussion pertaining to Guidance Documents. There was no discussion. The Director indicated that the long-term goal would remain as is.

a. Processes and Procedures: No discussion.

b. Short- and Long-Term Goals and Objectives

- Continue to adopt Guidance Documents for public advisement concerning interpretation of statutes and rules, and retire Guidance Documents that are no longer relevant (long-term).

4. INTERNAL PROCEDURAL DOCUMENT

Director Kohtz asked for discussion pertaining to the Internal Procedural Document. There was no discussion. The Director indicated that the long-term goal would remain as is.

a. Processes and Procedures: No discussion.

b. Short- and Long-Term Goals and Objectives

- Continue to adopt internal procedures as needed to assist with the Board's administration of its programs and retire internal procedures that are no longer relevant (long-term).

Q. FINANCIAL

1. REVIEW OF CURRENT FISCAL YEAR

The Board reviewed the expenses and revenues for the current fiscal year as of May 31, 2022. Director Kohtz informed the Board that he would not provide specific details because this information will be covered at the Board's regular June meeting, and will be covered in detail at the July meeting after the fiscal year ends. The Director indicated that cash balances are healthy and overall, and the Board is financially in a good place with revenues currently exceeding expenditures. There was no further discussion concerning the current fiscal year.

2. 2022-25 PROJECTIONS

Director Kohtz presented four charts showing the 2022-25 financial projections. The Director declared that revenues are projected to continue to be strong. According to the Director, a majority of revenue comes from renewal fees as well as application fees and temporary permit fees. The Director asked for any questions or comments. There was no further discussion with regard to the 2022-25 financial projections.

3. FY 2022-23 BUDGET

Director Kohtz presented the preliminary FY 2022-23 budget to the Board for review, and highlighted the following items:

- Employee Salaries and Benefits (\$246,746.29)
- Board Member Per Diem Payments (\$9,100.00)
- NRPAB Employee Recognition Program (\$1,000.00)
- Intern/Temporary Employee (\$7,830.00)
- Travel - AARO Travel (Budget includes funding for 1 Fall and 1 Spring Conference trip) and board member meeting travel (\$18,737.64)
- Staff Education (\$1,500.00)
- Legal Services (\$35,000.00)
- Other Contractual Services for CHRC and Appraisal Review Services (\$41,000.00)
- CIO – IM Services expenditures, Network Services expenditures, and software (\$80,262.00)
- Funding for equipment repair and purchase (\$1,000.00)
- Other Operating Expenses (overage coverage of \$82.77)

- Budget includes the following changes from the FY 2021-22 appropriations:
 - Salary and Benefits (\$8,068.21)
 - Other Operating Expenses (-\$1,115.15)
 - CIO Expenses: \$372.00 for general expense increases and \$50,000 (FY 20-21 Carryover) for 14261-AMC Renewal Online Application and Interface (\$50,372.00)
 - SOS Temporary Employee Services (\$150.00)
 - Other Contractual Services Expenses (\$1,000.00)
 - Freight (-\$100.00)
 - Awards (-\$50.00)
 - Conference Registration (\$250.00)
 - Surety and Notary Bonds (-\$26.00)
 - Insurance Expense (\$26.00)
 - Travel Expenses (-\$935.36)
- Applicant Standard 3 Reviewer Fees/SME Fees are set at:

Applicant Reviews

Residential: 4 Hours x \$125.00 = \$500.00

2-4 Family: 5 Hours x \$125.00 = \$625.00

Agricultural: 7 Hours x \$125.00 = \$875.00

Commercial: 7 Hours x \$125.00 = \$875.00

SME

Residential: 5 Hours x \$125.00 = \$625.00

2-4 Family: 5 Hours x \$125.00 = \$625.00

Agricultural: 12 Hours x \$125.00 = \$1500.00

Commercial: 12 Hours x \$125.00 = \$1500.00

The Director asked for any questions or comments. There was no discussion.

a. Policies and Procedures

i. AMC Fund/Appraiser Fund Split

Director Kohtz presented a memo regarding the FY 2022-23 Appraiser/AMC Funds Allocation to the Board for review. The Director reported that the Board is required to justify use of funds between the Appraiser Fund and AMC Fund for general costs such as office supplies like paper. Director Kohtz informed the Board that the quarterly workload review of the first full work week in July, October, January, and April for each employee indicates that 34% of time was spent AMC-related functions, and 66% of time was spent on Appraiser-related functions. During analysis of the proposed budget for FY2022-23, past, present, and projected numbers and trends for appraiser credentialing, AMC registrations, education activities, and compliance were taken into consideration. The FY 2021-22 final result was 36% AMC hours and 64% Appraiser hours, and there were no circumstances that were given special consideration; therefore, the allocation will remain 65% Appraiser Fund and 35% AMC Fund for FY 2022-23. The Director asked for any questions or comments. There was no further discussion.

b. Goals and Objectives

Director Kohtz asked for discussion pertaining to short and long-term goals and objectives. There was no discussion.

4. 2023-2025 BIENNIAL BUDGET

Director Kohtz informed the Board that preparation for the 2023-2025 Biennial Budget will begin soon and indicated that he plans to include budget issues for an increase in funding for CIO and Technology Expenditures, an additional teammate, and AARS Contractor Services, along with a budget issue for a decrease in funding for SOS Temporary Services. Director Kohtz informed the Board that the current revenues support the request for funding increase to the 2023-2025 Biennial Budget. Director Kohtz asked for any general discussion concerning the 2023-2025 Biennial Budget Request. There was no discussion.

a. CIO and Technology Expenditures

The Director indicated that as the database, website, and appraiser login become more complex, additional funding in an approximate amount of \$2,000.00 for minor enhancements and bug fixes is needed from FY 22-23 to FY 23-24. Director Kohtz asked for any questions or recommendations concerning CIO and technology expenditures. There was no additional discussion.

b. Additional Staffing

The Director projected that the net increase in funding required to add an Administrative Specialist classified employee and eliminate the need for SOS Temporary Services would be approximately \$34,500.00 from FY 22-23 to FY 23-24. Director Kohtz asked for any questions or recommendations concerning additional staffing. There was no additional discussion.

c. AARS Contractor Services

Director Kohtz then informed the Board that additional funding in the approximate amount of \$6,500.00 is needed for AARS Contractor Services to account for the projected increase in the number of education, experience, and examination applicants from FY 22-23 to FY 23-24. Director Kohtz asked for any questions or recommendations concerning AARS Contractor Services. There was no additional discussion.

d. Policies and Procedures

Director Kohtz asked for any discussion regarding the 2023-25 Biennial Budget policies and procedures. There was no discussion.

e. Goals and Objectives

- Include request for an increase in funding for CIO and technology maintenance expenditures, additional AARS contractor services, and an additional Administrative Specialist classified employee in the FY2023-25 Biennial Budget Request (short-term).

5. FEES

Director Kohtz asked for discussion pertaining to Fees. Chairperson Luhrs asked if the Board's fee structure needs to change to support another staff member. Director Kohtz replied that that is not necessary, our current fees already support the addition of another full-time teammate. There was no further discussion.

R. SWOT ANALYSIS

Director Kohtz informed the Board that it was time to review the SWOT Analysis. Director Kohtz reminded the Board that the analysis lists the strengths, weaknesses, opportunities, and threats of the agency. The Board reviewed the items from last year:

STRENGTHS

- Customer service
- Organization
- Staff depth
- Staff knowledge
- Adaptability
- Professional Diversity of Board

WEAKNESSES

- Inability to grow the industry
- Efficiency loss due to database
- Size of agency
- Regulatory and statutory regulations

OPPORTUNITIES

- Growth in appraiser field
- Continually evaluate how the Board and Agency operate

THREATS

- Agency turnover
- Federal agency oversight
- State economic climate
- Aging appraiser population

Director Kohtz asked if any board members had any comments, recommendations, or changes. Board Member Walkenhorst commented that there are concerns about staffing, so “Staff depth” may no longer be a strength, it could even be a weakness. The Board agreed to move Staff depth to the weakness category and include it as part of size of agency. Chairperson Luhrs posed the question, if there are 90-plus trainees and 70-plus supervisors in the state, is Aging appraiser population a threat anymore? Director Kohtz remarked that the industry should be evening out in terms of new people entering the industry. The Director asked the Board if it wished for this to be removed. The Board agreed to keep it as a threat for the time being. Chairperson Luhrs opined that a more relevant threat would be the lack of knowledgeable supervisors available. Board Member Downing agreed with this statement. The Director informed the Board that adequate, knowledgeable supervisory appraisers will be added to threats category. BLPM Nespor commented that “professional diversity of board” may be less of a strength now that there is no residential appraiser on the board. The Chairperson acknowledged this, but said the board still has a lot of knowledge with two MAIs and two ARAs. Chairperson Luhrs continued by saying that “board member knowledge” may be a strength now. Director Kohtz asked the Board if it wished to add this to the strengths category. The Board agreed to this. The Director then asked if there were any more comments or changes to the SWOT Analysis. There was no further discussion.

S. ADJOURNMENT

Board Member Downing moved to adjourn the meeting. Board Member Walkenhorst seconded the motion. Motion carried with Walkenhorst, Downing, Gerdes, Hermesen and Luhrs voting aye.

At 5:36 p.m., Chairperson Luhrs adjourned the June 15, 2022 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz
Director

These minutes were available for public inspection on June 29, 2022, in compliance with Nebraska Revised Statutes §84-1413 (5).