

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

June 21, 2023 Strategic Planning Meeting Minutes

A. OPENING

Vice-Chairperson Bonnie Downing called to order the June 21, 2023 Strategic Planning meeting of the Nebraska Real Property Appraiser Board at 2:03 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

Vice-Chairperson Downing 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 16, 2023. 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 Bonnie Downing of Dunning, Nebraska, Cody Gerdes of Lincoln, Nebraska, and Kevin Hermesen of Gretna, Nebraska were present. Thomas Luhrs of Imperial, Nebraska and Wade Walkenhorst of Lincoln, Nebraska were absent and excused. Also present were Director Tyler Kohtz, Business and Licensing Program Manager Allison Nespor, and Business and Education Program Manager Kashinda Sims, who are headquartered in Lincoln, Nebraska.

ADOPTION OF THE AGENDA

Board Member Downing 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 Gerdes moved to adopt the agenda as printed. Board Member Hermesen seconded the motion. With no further discussion, the motion carried with Hermesen, Gerdes, and Downing voting aye.

C. CHAIRPERSON'S STATE OF THE BOARD REPORT

Director Kohtz stated that the Chairperson will not be delivering a State of the Board Report as he is absent. There was no further discussion.

D. DIRECTOR'S COMMENTS

Director Kohtz thanked the board members for coming as well as for their time and dedication throughout the year. The Director then thanked BLPM Nespor and BEPM Sims for their hard work 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, to build a roadmap for staff to follow in the short- and long-term. The Director informed the Board that the previously established goals that were not completed or are ongoing will be presented to the Board for consideration unless otherwise mentioned. In addition, any new proposed short-term or long-term goals will be presented to the Board for consideration. The Board can make any changes to proposed goals as it sees fit, add any short- or long-term goals, and/or remove any proposed short- or long- term goals. Director Kohtz then mentioned that strategic planning is an opportunity to continue building staff and board member institutional knowledge as each member is at a different place in their term. The goal of this meeting is to set objectives, not to establish how the objective will be accomplished. 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:

- Multiple database and technology projects were completed, including the online AMC registration renewal application and database AMC Interface upgrade, the website disciplinary action search, the restructured website real property appraiser search, the addition of the message screen on the website, and many general website updates.
- Real property appraiser renewals were completed short staffed with little disruption to the public or the real property appraiser community.
- The Title 298 changes adopted by the Board on November 17, 2022 were approved by Governor Pillen.
- The ASC's audit of the Board's Real Property Appraiser Program and AMC Registration Program were successful.
- PSL funding was secured for an additional teammate.

Director Kohtz indicated that ongoing goals that were not completed during this fiscal year include the ASC Extranet to NRPAB Database translator project. The Director reminded the Board that CIO is working on solutions, but nothing has been identified as a possibility to date. Director Kohtz informed the Board that he intends to request that this project be moved to a long-term goal as three years have been spent trying to make progress with no luck.

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

- Draft legislative bills to address major federal changes, the Board's PAVE Dashboard statute review, and other items as identified during this strategic planning meeting.
- Hire additional FTE teammate and integrate in a way that maintains the current level of efficiency, effectiveness, and public satisfaction, while reducing staff burden and insulating the Board against structural deficiencies related to employee turnover.
- Lay groundwork for Technology Project Grant Management Program.

E. GENERAL PUBLIC COMMENTS:

Vice-Chairperson Downing asked for any public comments. No members of the public in attendance. With no comments, Vice-Chairperson Downing proceeded to the review of the 2022-23 Strategic Planning Goals and Objectives.

F. REVIEW OF 2022-23 STRATEGIC PLANNING GOALS AND OBJECTIVES

Director Kohtz indicated that he would provide a brief review the goals and objectives set for the 2022-23 fiscal year as the Board receives a progress update each month. The following items were noted:

- All short-term legislative goals were completed, and the long-term legislative goals continue to be met and are ongoing.
- All short-term credentialing and registration goals were completed, and the long-term credentialing and registration goals continue to be met and are ongoing.
- Apart from constructing a letter to supervisory real property appraisers that brings attention to the agricultural appraisal deficiencies identified by the Board and requests that supervisory real property appraisers encourage trainees who intend to engage in real property appraisal practice pertaining to agricultural real property to complete agricultural-based qualifying education offered by an education provider with an expertise in agricultural appraisal, all other short-term education requirements were met. Long-term education goals continue to be met and are ongoing.
- All short-term personnel goals were completed, and the long-term personnel goals continue to be met and are ongoing.
- All short-term public information goals were completed, and the long-term public information goals continue to be met and are ongoing.
- With the exception of the use of a translator system between the NRPAB Database and the ASC Federal Registry system, all other short-term administration goals have been met. The long-term administration goals continue to be met and are ongoing.
- All short-term financial goals were completed. There are no long-term financial goals identified by the Board.

Board Member Gerdes commented that it is nice to see the short- and long-term goals presented monthly so that the Board is up to date on the progress being made. Director Kohtz agreed and noted that there is also a progress record kept in the minutes from month to month. There was no further discussion.

G. COMPLIANCE

1. REVIEW OF ENFORCEMENT/INVESTIGATIONS

Director Kohtz presented one chart and three graphs to the Board for review outlining the status of the enforcement program. The Director reported that the total number of grievances are low over the five-year period compared to historic numbers. Within the last three years, no AMC grievances have been recorded. Director Kohtz indicated that this may have to do with the existence of the AMC Registry. AMCs have to be more concerned with having disciplinary action taken against them as all states now have access to this information. As for real property appraisers, there were five grievances filed during the current fiscal year; three were dismissed and two are unresolved. The effects of the Board's policy defining the intent of the Board's regulatory program as educational in practice when possible, and pursuing dispositions the Board deems beneficial to the respondent, has had a positive impact on the Board's Enforcement Program internally, and also on the real property appraiser business community's perception of the Board.

2. ENFORCEMENT OF REAL PROPERTY APPRAISER ACT

Director Kohtz asked for any discussion pertaining to real property appraiser enforcement. There was no discussion.

3. ENFORCEMENT OF APPRAISAL MANAGEMENT COMPANY REGISTRATION ACT

Director Kohtz asked for any discussion pertaining to AMC enforcement. There was no discussion.

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

Director Kohtz asked for any discussion pertaining to investigative processes and procedures. There was no discussion.

5. FORMS

Director Kohtz asked for any discussion pertaining to compliance related forms. There was no discussion.

6. SHORT- AND LONG-TERM GOALS AND OBJECTIVES

Director Kohtz reported that there are no current or proposed goals or objectives for compliance. Vice-Chairperson Downing expressed hope that the number of grievances remains low. Board Member Gerdes referenced historic numbers and asked if the Board filing grievances contributed to the high numbers in the past. Director Kohtz confirmed Board Member Gerdes's statement and informed the Board that when its program was more punitive in nature, the Board and individual board members would often bring matters before the Board to be filed as grievances. The Director estimated that during those years, the Board averaged approximately thirty-five grievances a year and fifteen to twenty were filed by the Board. This practice, along with the punitive nature of the program, resulted in significantly hire legal fees paid by the Board each year and created distrust of the Board within the real property appraiser business community.

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Since moving to an evidence-based investigative process, the legal fees have remained low from year to year as the Board does not intend to go to hearing unless the evidence supports a violation of the Real Property Appraiser Act or the AMC Registration Act in a clear and convincing manner. Board Member Gerdes thanked the Director for the explanation. 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 2022-23 fiscal year. The Director presented twelve charts to the Board for review. The first two charts represented the number of Nebraska Real Property Appraiser credentialed through education, experience, and examination over the past five years (not including trainees) by classification, and those credentialed through reciprocity during the past five years by classification. Director Kohtz remarked that number of certified general real property appraisers credentialed through education, experience, and examination is trending downward, but that the number of certified general real property appraisers credentialed through reciprocity is trending upward. The opposite trends are in effect for the certified residential real property appraisers. The number credentialed through education, experience, and examination is trending upward, but the number of certified residential real property appraisers credentialed through reciprocity is trending downward. The licensed residential real property appraiser classification is showing a downward trend for those credentialed through education, experience, and examination, while the number of those credentialed through reciprocity is stable.

Director Kohtz moved on to the next two charts that illustrated total the number of Nebraska Real Property Appraisers credentialed through education, experience, and examination (not including trainees) and those credentialed through reciprocity during the past five years, and the total number of credentialed real property appraisers by classification during the past five years. The Director noted the trends for the total real property appraiser credentialed through education, experience, and examination and those credentialed through reciprocity mirror the certified general real property appraiser trends previously discussed due to the number of certified general real property appraisers compared to the other classifications. When the numbers are broken down to specific classifications, the certified general classification is trending up, the certified residential classification is fairly stable, the licensed residential classification is trending downward, and the trainee classification continues to trend upward.

The Director presented the chart showing the number of total credentialed appraisers over the past five years to the Board for review and noted the effects of the high and low renewal years on the total number of real property appraisers.

Director Kohtz brought attention to two charts representing the number of real property 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 the thirteen-month snapshot shows a steep decline in the number of real property appraisers due to non-renewal of credentials between December and January and a strong upward trend for new credentials issued since December, especially for the certified general classification. Due to timing, this chart does not include the three or four additional certified residential real property appraisers credentialed during the past week or two.

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 typical for temporary credentials issued.

Director Kohtz proceeded to the two charts representing the number of registered supervisory real property appraisers over the past five years. The Director informed the Board that Nebraska has a very healthy number of supervisory real property appraisers.

Director Kohtz presented two charts illustrating the number of registered AMCs over thirteen months and over five years to the Board for review. The Director noted the surprising decline in the number of registered AMCs. According to the Director, the industry is currently experiencing significant consolidation where a couple AMCs are acquiring smaller AMCs. The current economic conditions may also be playing a role as some of the smaller AMCs may be focusing on specific markets instead of operating nationally. BLPM Nespor agreed that the main reason is likely due to smaller AMCs being bought out by larger ones.

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 87%. Director Kohtz informed the Board that the renewal rate for the certified general classification can be significantly lower than projected due to the number of credential holders who retire that year. Director Kohtz added that it is random and there is no data that can support a trend for when this will occur. In general, future projections are revised downward to account for the possibility of a trend developing. The certified residential classification also experienced a renewal rate below projected. Board Member Gerdes asked if the number of trainee real property appraisers that do not renew is related to the number that are approved without supervisory real property appraisers. BLPM Nespor stated that trainee real property appraisers without a supervisory real property appraiser have a much higher non-renewal rate because they cannot find a supervisory real property appraiser and move on.

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Board Member Gerdes indicated that this makes sense. Director Kohtz brought attention to the Board's voluntary supervisory real property appraiser list added to the website last year and mentioned that it is easier for these trainees now than in the past. Board Member Gerdes indicated that one deterrent for supervisory real property appraisers is potential trainee real property appraisers that are not prepared. Director Kohtz agreed with this statement and informed the Board that anytime a person calls the office and asks what they could do to get a supervisory real property appraiser, they are told to complete their education and become a trainee real property appraiser. The Director also indicated that the AQB-approved college programs are a great asset to the industry as those that have an AQB-approved degree are ready to hit the ground running when they finish college. The Board agreed with this and expressed optimism that the PAREA programs starting could help with this as well.

3. 2020-26 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 and that these projections are on the conservative side; especially when taking into account the renewal rates for the current fiscal year. The Director noted that the certified general and the licensed residential classifications show a continued decline for those credentialed by education, experience, and examination, while those increase in the certified residential classification. The projections show more certified residential real property appraisers than certified general real property appraisers credentialed by education, experience, and examination in FY25-26. The trend for the number of certified general real property appraisers credentialed through reciprocity will continued to trend upward at a good rate, while the number of licensed residential real property appraisers will remain steady, and the number of certified residential real property appraisers will decline slowly. The total number of certified general real property appraisers, certified residential real property appraisers, and trainee real property appraisers will grow slowly, while the number of licensed residential real property appraisers will remain steady. The total number of appraisers will experience an increase over the reporting period with trends mirroring those described for those credentialed by education, experience, and examination and those credentialed through reciprocity.

The Director then moved on to the projected number of AMCs and indicated that projections show a steady decrease in the number of registered AMCs. Board Member Hermesen asked if it would be possible to increase fees, as a majority of the Board's income is received through renewals. Director Kohtz indicated that this is an option and will be needed in the future, but the AMC Fund balance far exceeds to AMC Fund Cash Balance Policy minimum, so drawing down that cash balance for a few years would be a good thing. Hermesen then asked if the Board's fees are competitive with other states. The Director responded that the last time he reviewed other states' fees, Nebraska was right in line; however, this exercise has not been completed in a few years, so he does not know if other states have been raising fees in response to the state of the AMC industry. BLPM Nespor noted that moving from two-year to one-year renewals helped with revenues during this decline. Vice-Chairperson Downing thanked staff for this information.

4. REAL PROPERTY APPRAISER CREDENTIALS

a. General Discussion

Director Kohtz asked for any general discussion. There was no discussion.

b. Real Property Appraiser Qualifications

Director Kohtz asked for any discussion specific to real property appraiser qualifications. There was no discussion.

c. Real Property Appraiser Credential Renewal

Director Kohtz asked for any discussion specific to real property appraiser renewals. There was no discussion.

d. Supervisory Real Property Appraiser

Director Kohtz asked for any discussion specific to supervisory real property appraisers. There was no discussion.

e. Processes and Procedures

Director Kohtz asked for any discussion specific to real property appraiser processes and procedures. There was no discussion.

f. Forms

Director Kohtz asked for any discussion specific to real property appraiser forms. There was no discussion.

g. Short- and Long-Term Goals and Objectives

Director Kohtz presented one short-term and one long-term goal for the Board's consideration.

- Explore changes to real property appraiser credential renewal dates (short-term).
- Explore opportunities to increase the number of Nebraska resident real property appraisers (long-term).

Board Member Hermsen remarked that during the past year the Board explored ideas to ease the burden on staff for real property appraiser and AMC renewals and asked if the additional employee relieves these concerns. Director Kohtz responded that the new employee would relieve these concerns as this position would take over the financial duties and also process real property appraiser renewal applications between October and December. BLPM Nespor brought attention to the real property appraiser renewal due date of November 30th, and informed the Board that moving it up to October 31st would provide for more time for staff to process renewal applications.

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Board Member Gerdes asked staff to describe the real property appraiser renewal process steps that are the most time-consuming. Nespor indicated that the continuing education review and the criminal history record check are the most time-consuming. The Director reported that the changes made to the Real Property Appraiser Random Background Check Program will alleviate a lot of time spent on this process. Director Kohtz added that in the future, the intent is to remove the program entirely as it no longer serves the purpose that it once did. Every active credential holder has likely had a CHRC check at this point and the Board can utilize the information from rapback reports to assist with monitoring real property appraiser backgrounds as needed. Hermesen then switched topics and indicated that he does not support the idea of two-year only renewals. Hermesen then asked if the number of certified general real property appraisers credentialed through reciprocity are increasing, could anything else be done to mitigate this issue. Hermesen suggested changing the renewal dates for reciprocity credential holders. BLPM Nespor indicated that creating separate dates to keep track of would actually cause more issues. The Board acknowledged this. Director Kohtz recommended that the proposed goal, "Explore changes to real property appraiser credential renewal dates" be changed to a long-term goal and restated as, "Monitor real property appraiser credential renewal dates." All board members agreed.

The discussion then turned to the goal, "Explore opportunities to increase the number of Nebraska resident real property appraisers." BLPM Nespor asked if there was anything the Board could do to encourage more active supervisory real property appraisers. Nespor brought attention to a program utilized in South Dakota for trainee real property appraisers to gain experience credit. Director Kohtz indicated that South Dakota has had issues with underserved markets, so they obtained ASC grant money to fund their program. South Dakota's requirements to become a real property appraiser exceed the Real Property Appraiser Qualifications Criteria significantly, so their efforts are counterproductive in a sense. Board Member Hermesen indicated that he is not sure how the Board would incentivize supervisory real property appraisers since there are many variables that contribute to the decision to supervise or not. Director Kohtz also mentioned that there has been some discussion regarding exam-based credentialing. In other words, there may be more changes coming to credentialing requirements in the future. The Board agreed to leave this goal as presented.

5. TEMPORARY CREDENTIAL

a. Processes and Procedures (Title 298 – CH.3)

Director Kohtz asked for any discussion specific to temporary credential processes and procedures. There was no discussion.

b. Forms

Director Kohtz asked for any discussion specific to temporary credential forms. There was no discussion.

c. Short- and Long-Term Goals and Objectives

Director Kohtz asked if the Board had any short- or long-term goals related to temporary credentials. There was no discussion.

6. APPRAISAL MANAGEMENT COMPANY REGISTRATION

a. Processes and Procedures (Title 298 – Ch. 7)

Director Kohtz asked for any discussion specific to AMC registration processes and procedures. There was no discussion.

b. Forms

Director Kohtz asked for any discussion specific to AMC registration forms. There was no discussion.

c. Short- and Long-Term Goals and Objectives

Director Kohtz asked if the Board had any short- or long-term goals related to AMC registrations. There was no discussion.

I. EDUCATION

1. GENERAL

The Director asked for any discussion pertaining to education. Board Member Gerdes mentioned that the additional agriculture-based education resolved a lot of issues the Board discussed during last year's strategic planning meeting. Vice-Chairperson Downing agreed with this comment. Director Kohtz added that the work put into this by the Board and staff resulted in a better relationship with agriculture-based education providers and provides for many more education options for aspiring and current real property appraisers; this was a good team effort by all involved. The Board agreed.

a. Short- and Long-Term Goals and Objectives

Director Kohtz asked if the Board had any short- or long-term goals related to general education. There was no further discussion.

2. QUALIFYING EDUCATION

Director Kohtz asked for discussion specific to qualifying education. There was no discussion.

a. Processes and Procedures: No discussion.

b. Application for Qualifying Education: No discussion.

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

Director Kohtz presented two long-term goals for the Board's consideration.

- 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 to 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).

The Board agreed with the long-term goals as presented. No new short-term goals were presented.

3. CONTINUING EDUCATION

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

a. **Processes and Procedures:** No discussion.

b. **Forms:** No discussion.

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

Director Kohtz asked if the Board had any short- or long-term goals related to continuing education. There was no discussion.

4. SUPERVISORY REAL PROPERTY APPRAISER AND TRAINEE COURSE

Director Kohtz asked for any discussion pertaining to supervisory real property appraiser and trainee courses. There was no discussion.

a. **Processes and Procedures:** No discussion.

b. **Forms:** No discussion.

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

Director Kohtz asked if the Board had any short- or long-term goals related to the supervisory real property appraiser and trainee course. There was no discussion.

5. INSTRUCTORS

Director Kohtz asked for any discussion pertaining to instructors. There was no discussion.

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

Director Kohtz asked if the Board had any short- or long-term goals related to instructors. There was no discussion.

6. POST-SECONDARY EDUCATION

Director Kohtz asked for any discussion pertaining to post-secondary education. There was no discussion.

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

Director Kohtz asked if the Board had any short- or long-term goals related to post-secondary education. There was no discussion.

7. BOARD REPRESENTATION/OFFERINGS

Director Kohtz asked for any discussion pertaining to Board offerings. There was no discussion.

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

Director Kohtz asked if the Board had any short- or long-term goals related to Board offerings. There was no discussion.

J. PERSONNEL

1. STAFF POSITIONS

Director Kohtz presented position descriptions for the proposed Business Programs Manager, the Education Program Manager, and the Licensing Programs Manager. The Director explained that each position will have specific programs or functions assigned for management, but the job duties of each position will also include tasks related to programs or functions not assigned as determined by the Director. Director Kohtz informed the Board that each position will be cross trained on the other positions, and the duties of each position will be fluid depending on the workload and where emphasis is needed. The new Business Programs Manager position would be responsible for accounting functions, office business activities, and special support for the Budget Program, the Grant Administration Program, and the Records Management Program. Vice-Chairperson Downing expressed support for the makeup of the positions, including the flexibility built in. There was no further discussion.

2. POLICIES AND PROCEDURES

Director Kohtz asked for any discussion pertaining to personnel policies and procedures. There was no discussion.

3. 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.

4. BOARD STRUCTURE

Director Kohtz asked for any discussion pertaining to the Board's structure. There was no discussion.

5. SHORT- AND LONG-TERM GOALS AND OBJECTIVES

Director Kohtz presented a short-term and a long-term goal for the Board's consideration.

- Hire Administrative Specialist classified employee (short-term).
- 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).

The Board agreed with the goals as presented.

Break from 3:33 p.m. to 3:38 p.m.

K. PUBLIC INFORMATION

1. GENERAL

Director Kohtz asked for any general discussion on public information matters. There was no discussion.

a. Short- and Long-Term Goals

Director Kohtz presented three long-term goals for the Board's consideration.

- Encourage development of Memos from the Board and Facebook posts that contain facts that may interest the appraiser community (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).

Board Member Gerdes asked when the last update to the Board's logo took place. Director Kohtz responded that the logo has been the same since he started, and, likely, since the Board's creation. The Director added that in 2012 the agency color scheme was defined, and the number of logos was reduced to the current logo and the seal. Director Kohtz indicated that branding recognition was something that needed to be established at that time. Director Kohtz was asked if any work has been done on this to date. The Director responded, "Not really, the office has been so busy that there has not been enough time to look into it; it is not a high priority."

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BLPM Nespor mentioned that the design process could be costly. Director Kohtz indicated that there are programs that could be used to complete the redesign. The Director asked if there were any other questions or comments regarding the presented goals. There was no further discussion.

2. NRPAB WEBSITE

Director Kohtz asked for any general discussion on the NRPAB website. Board Member Gerdes expressed satisfaction with the Facebook message addition to the website. According to Gerdes, it keeps real property appraisers in the know and gives time-stamped information to the public. Gerdes also expressed satisfaction with the restructured Real Property Appraiser Search and added that it is easy to follow and easy to find real property appraisers by name, type, or location. The Board agreed with Board Member Gerdes. Director Kohtz asked for any other discussion. Board Member Hermesen asked Director Kohtz what the plan is to populate the Disciplinary Action Search. Director Kohtz acknowledged that he has not gotten that far since the search function was just completed. Board Member Hermesen asked if no information is populated in the NRPAB database, would the website only report that there is no disciplinary action for the real property appraiser. Director Kohtz responded, “yes.” Director Kohtz was then asked if the Disciplinary Action Search will only be populated with the ten-year history for real property appraisers. The Director indicated that, as of now, that is the plan. Title 298 requires the Board to publish disciplinary history for the past ten years, but there may be some interpretation room to add those disciplinary actions beyond ten years. According to the Director, if the ten-year history is all that can be added, then a rule change is required to add the remaining disciplinary action history. A short-term goal was recommended to hide the public side of the Disciplinary Action Search and populate the Disciplinary History Search with the ten-year real property appraiser and AMC disciplinary action history for active credential and registration holders by December 31, 2023, and a long-term goal was recommended to complete the process for all active real property appraisers and AMCs. Director Kohtz asked if there was any other discussion. There was no additional discussion.

a. Processes and Procedures: No discussion.

b. Short- and Long-Term Goals and Objectives

Director Kohtz presented one long-term goal for the Board’s consideration.

- Continue to monitor the effectiveness of current NRPAB website; repair bugs, make improvements, and add enhancements needed to address functionality or use (long-term).

The Board agreed with the long-term goal as presented, and established the following goals as well:

- Populate the Disciplinary History Search with ten-year real property appraiser and AMC disciplinary action history for active credential and registration holders before December 31, 2023 (short-term).

- Populate the Disciplinary History Search with all real property appraiser and AMC disciplinary action history for active credential and registration holders (long-term).

3. MEMOS FROM THE BOARD

Director Kohtz asked for any general discussion on Memos from the Board. There was no discussion.

a. Processes and Procedures: No discussion.

b. Short- and Long-Term Goals and Objectives

Director Kohtz presented one long-term goal for the Board's consideration.

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

The Board agreed with the long-term goal as presented. No new short-term goals were presented.

4. THE NEBRASKA APPRAISER NEWSLETTER

Director Kohtz asked for any discussion on The Nebraska Appraiser newsletter. There was no discussion.

a. Processes and Procedures: No discussion.

b. Short- and Long-Term Goals and Objectives

Director Kohtz presented one long-term goal for the Board's consideration.

- 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).

The Board agreed with the long-term goal as presented. No new short-term goals were presented.

5. FACEBOOK PAGE

Director Kohtz asked for any discussion on the NRPAB Facebook Page. There was no discussion.

a. Processes and Procedures: No discussion.

b. Short- and Long-Term Goals and Objectives

Director Kohtz presented one long-term goal for the Board's consideration.

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

The Board agreed with the long-term goal as presented. No new short-term goals were presented.

L. ADMINISTRATION

1. POLICIES AND PROCEDURES

Director Kohtz asked for any discussion pertaining to policies and procedures not already on the agenda. There was no discussion.

a. NRPAB Meetings: No discussion.

b. Request Forms: No discussion.

c. Short- and Long-Term Goals and Objectives

Director Kohtz presented one long-term goal for the Board's consideration.

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

The Board agreed with the long-term goal as presented. No new short-term goals were presented.

2. NRPAB RECORDS MANAGEMENT

Director Kohtz asked for any discussion pertaining to records management. There was no discussion.

a. Retention Schedule 71: No discussion.

b. Short- and Long-Term Goals and Objectives

Director Kohtz asked if the Board had any short- or long-term goals related to records management. There was no discussion.

3. NRPAB DATABASE

Director Kohtz asked for any discussion pertaining to the NRPAB Database. There was no discussion.

a. Short- and Long-Term Goals and Objectives

Director Kohtz presented one short-term and two long-term goals for the Board's consideration.

- Continue to monitor the effectiveness of current NRPAB database; repair bugs, make improvements, and add enhancements needed to address program or use changes (long-term).
- Explore online real property appraiser initial applications (Reciprocity; EE&E; Temporary), 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).

Director Kohtz brought attention to the short-term goal to explore use of Federal grant money to pursue development of a translator system between the NRPAB Database and the ASC registry system and reminded the Board of the minimal progress made by CIO in establishing a method to carry out this goal during the past three years. The Director recommended that the Board move this goal to a long-term goal. The Board can reengage in this process if CIO presents a translation method that works. The Board agreed to move this goal to the long-term goals.

4. APPRAISAL REVIEW SERVICES CONTRACTOR PROGRAM

a. Processes and Procedures: No discussion.

b. Contractor Agreements: No discussion.

c. Appraisal Services Contractor USPAP Compliance Review Report Summary

BLPM Nespor brought attention to past issues that the Board has had with phrasing used on the Appraisal Services Contractor USPAP Compliance Review Report Summaries and asked if the Board would like to change the wording on these documents to be more easily understood. Board Member Hermesen commented that the wording is awkward as the intent is to identify that the contractor met the contract obligations, but it feels like it is stating that the subject report is USPAP compliant. Hermesen suggested amending the language, “USPAP Compliance Review Report Meets Pre-Board Review Contact Requirements” to , “Does the review report meet contract requirements?” The Board agreed with this recommendation. Vice-Chairperson Downing also recommended that “USPAP Compliance Review” be removed from the staff section of the summaries as well. Director Kohtz recommended, “Staff Comments on Contractor Performance.” The Board agreed that this would be easier to understand. The Director informed the Board that there is no need to set a goal as staff can have these summary updates ready for the July meeting for the Board’s consideration.

d. USPAP Compliance Review Report Forms: No discussion.

e. USPAP Compliance Review Report Check Sheets: No discussion.

M. APPRAISAL SUBCOMMITTEE

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

N. APPRAISAL FOUNDATION

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

O. AARO

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

P. LAWS, RULES, AND GUIDANCE DOCUMENTS

1. LAWS

a. Real Property Appraiser Act

Director Kohtz asked for any general discussion pertaining to the Real Property Appraiser Act. There was no discussion.

i. Real Property Appraiser Act_June 1, 2023 Draft

Director Kohtz reminded the Board that the changes presented are not final, so if the Board does not agree with a change, it can be removed, but there is no need to address the details. The Director informed the Board that all of the changes that were in the draft reviewed by the Board last fall are still present and that only the changes since then will be covered. The Director guided the Board to page P.28 and informed the Board that the random background check language for real property appraiser renewals is stricken. The Director next moved to page P.30 and indicated that the requirements for the use of qualifying education as continuing education have been simplified. Many real property appraisers, and often staff, have a difficult time determining the specific requirements for a specific situation.

ii. PAVE Dashboard Statute Review

Director Kohtz opened by informing the Board that after the meeting he had with Policy Manager Tidwell and an ASC legal counsel in mid-May, where he was told that many changes were going to be made to the PAVE Dashboard, he received a phone call from the same ASC legal counsel the day before the PAVE Dashboard was to go live, in which he was informed that none of the changes that were agreed to during the mid-May meeting were going to be implemented. Director Kohtz indicated that he has nothing else to offer regarding this situation, except that the Pave Dashboard results for Nebraska are the same as they were when first provided by Policy Manger Tidwell. The Director presented the statutes that he identified as exceeding the Real Property Appraiser Qualifications Criteria to the Board. Director Kohtz asked that the Board determine whether the following statutes should be removed, modified, or remain the same as at present:

- Neb. Rev. Stat § 76-2227(4)(d)(i) – The Director informed the Board that a felony conviction is automatically disqualifying. A discussion took place regarding the importance of background history to become a real property appraiser and agreed that this statute should remain unchanged. BLPM Nespor brought attention to the fact that if the applicant’s civil rights are restored, the felony conviction is no longer disqualifying.
- Neb. Rev. Stat. § 76-2228.01(1)(d) – Director Kohtz informed the Board that an applicant for credentialing as a trainee real property appraiser has a one-year time frame for completion of the Supervisory Appraiser and Trainee Course. The Board agreed to make not change to this statute as the timeframe in place emphasizes the importance of this course.
- Neb. Rev. Stat. §§ 76-2228.01, 76-2230, 76-2231.01, 76-2232 – The Director brought attention to the statutes that require that an applicant for credentialing must complete the national exam within twelve-months. Director Kohtz informed the Board that the Real Property Appraiser Qualifications Criteria is very clear regarding the exam requirements, which allows for up to twenty-four months for completion of the exam, and the results are valid for twenty-four months after completion. These statutes exceed the Criteria. A discussion took place regarding the time frame requirement. BLPM Nespor pointed out the number of real property appraiser applicants that are denied for failing to pass the exam within twelve months. Vice-Chairperson Downing added that the applicant gets three attempts to pass the exam as well. BLPM Nespor confirmed that this is correct. Director Kohtz informed the Board that the three-attempt requirement is found in the rules and will be discussed further down on the agenda. The Board agreed that this requirement should be in line with the minimum found in the Real Property Appraiser Qualifications Criteria.

iii. 2024 USPAP Update

Director Kohtz reminded the Board that a new edition of USPAP goes into effect on January 1, 2024. The next update to the Real Property Appraiser Act must also include changes to address the latest edition of USPAP. There was no further discussion.

iv. ASC SOA Statute Updates (ASC Appraiser Registry)

Director Kohtz reminded the Board that the draft of the Real Property Appraiser Act on the strategic planning meeting agenda already includes the ASC SOA statute updates. There was no further discussion.

v. Qualifying Education for Continuing Education Acceptance

Director Kohtz informed the Board that this item was already discussed during review of the draft of the Real Property Appraiser Act. There was no further discussion.

vi. Directory of Appraisers Content Changes

Director Kohtz informed the Board he had no discussion on this item at this time. There was no further discussion.

vii. Real Property Appraiser Renewal Due Date (October 31st – November 30th)

Director Kohtz informed the Board that this item was already discussed under Section H of the agenda. There was no further discussion.

b. Appraisal Management Company Registration Act

Director Kohtz asked for any general discussion pertaining to the AMC Registration Act. There was no discussion.

i. AMC Registration Act_June 1, 2023 Draft

Director Kohtz once again reminded the Board that the changes presented are not final, so if the Board does not agree with a change, it can be removed, but there is no need to address the details. The Director informed the Board that all of the changes that were in the draft reviewed by the Board last fall are still present and that only the changes since then will be covered. The Director guided the Board to page P.101 and informed the Board that the definition of real property appraiser has been added to cross-reference the Real Property Appraiser Act. Currently this is not a defined term in the AMC Registration Act as a Real Property Appraiser has a different meaning than an AMC Appraiser. The Director next moved to page P.105 and indicated that CHRC requirements are changed to only require AMC owners of 10% or more that have not had a previous CHRC conducted by the Nebraska State Patrol submit to a CHRC at AMC renewal. Language is also added authorizing the Board to carry out a CHRC when a new AMC owner of 10% or more is identified outside of the AMC renewal process. The Board was then directed to pages P.106 and P.107. Director Kohtz informed the Board that Neb. Rev. Stat. §76-3209 and N.R.S. § 76-3211 are stricken as these statutes were relevant pre-AMC Rule update, but are no longer needed. Finally, the Director guided the Board to P.110 and indicated that the civil and criminal immunity language remains in this draft. If it becomes a problem as the legislative session approaches, it can be removed, but as of now, the goal is to get this done.

ii. ASC SOA Statute Updates (AMC Rule, ASC AMC Registry)

Director Kohtz reminded the Board that the draft of the AMC Registration Act on the strategic planning meeting agenda already includes the ASC SOA statute updates. There was no further discussion.

iii. Criminal and Civil Immunity in AMC Registration Act

Director Kohtz informed the Board that this item was already discussed during review of the draft of the AMC Registration Act. There was no further discussion.

iv. Owner of More than 10% of an AMC CHRC Requirements

Director Kohtz informed the Board that this item was already discussed during review of the draft of the AMC Registration Act. There was no further discussion.

c. Processes and Procedures

Director Kohtz asked for any discussion pertaining to processes and procedures. There was no discussion.

d. Short- and Long-Term Goals and Objectives

Director Kohtz presented one long-term and two short-term goals for the Board's consideration.

- 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 include but are not limited to the USPAP changes, Real Property Appraiser Qualifications Criteria changes, ASC SOA recommendations, and the Board's PAVE Dashboard statute review (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 include but are not limited to the ASC SOA recommendations, changes to the CHRC requirements for owners of more than 10% of an AMC, and inclusion of criminal and civil immunity language (short-term).

The Board agreed with the long-term and short-term goals as presented.

2. RULES

a. Title 297

Director Kohtz asked for any discussion pertaining to Title 297. There was no discussion.

b. Title 298

Director Kohtz asked for any general discussion pertaining to Title 298. There was no discussion.

i. PAVE Dashboard Regulations Review

The Director presented the regulations that he identified as exceeding the Real Property Appraiser Qualifications Criteria to the Board. Director Kohtz asked that the Board determine whether the following regulations should be removed, modified, or remain the same as at present:

- 298 NAC Chapter 2, § 002.02 – Director Kohtz informed the Board that, at the Board's discretion, up to 50% of the real property appraisal practice experience required for credentialing as a licensed residential, certified residential, or certified general real property appraiser may be obtained in another jurisdiction. Board Member Gerdes indicated that he struggles with this one.

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On one side, he doesn't want to restrict potential real property appraisers from entering the profession, but on the other side, not all experience is the same. Board Member Hermesen agreed that Nebraska has some unique properties that real property appraisal practice experience in another state cannot duplicate. Board Member Downing agreed with this statement and added that residential properties in rural Nebraska and agriculture-based appraisals can have many features unique to Nebraska. Gerdes also brought attention to the opposite side of the discussion, and indicated that real property appraisal practice experience that is all high-rises in Chicago or New York would not translate very well to real property appraisal practice in Nebraska. Gerdes added that the person could gain competency, but that also takes time. Gerdes then recommended that the Board keep this regulation as is, but change 50% to 100%. This would allow all of an applicant's out of state real property appraisal practice experience to be accepted, but also maintains the Board's discretion to deny a percentage of experience if it is not applicable to Nebraska. Board Member Hermesen responded that he is fine with moving the percentage to 100% as he understands Gerdes's position but would prefer to leave it at 50% to avoid any confusion as to what acceptable real property appraisal experience is. The Board agreed to change 50% to 100%.

- 298 NAC Chapter 2, § 002.07 – The Director informed the Board that mass appraisal, appraisal review, appraisal consulting, or restricted appraisal report experience that may be accepted for credit is restricted to 25% of allowable experience. The Real Property Appraiser Qualifications Criteria does not put a limit on what qualifies as experience. Director Kohtz then asked that when the Board is discussing this matter, it take into consideration the fact that mass appraisal is exempt from the Real Property Appraiser Act in Nebraska. A few years ago, the assessment community got an exemption for mass appraisal from the Real Property Appraiser Act, so that counties no longer needed to contract with real property appraisers for mass appraisal work. At this time, anybody could do this work for the counties. When this contracted work was still under the Board's jurisdiction, real property appraisal practice experience logs would sometimes include mass appraisal. Since the exemption went into place, the Board has not seen any mass appraisal experience submitted for credit. Director Kohtz opined that if the Board were to receive an application with mass appraisal real property appraisal experience, unless the applicant obtained that experience in Douglas, Lancaster, or Sarpy County, the experience would likely not be USPAP compliant. Gerdes commented that he does not believe that the Lancaster County Assessor's Office has any credentialed appraisers now. The Board agreed to keep this regulation as it is.

- 298 NAC Chapter 2, § 003.04 – The Director reported that an applicant for credentialing has three attempts to complete the exam. Director Kohtz once again informed the Board that the Real Property Appraiser Qualifications Criteria is very clear regarding the exam requirements. This regulation exceeds the Criteria as there is no limit on the number of exam attempts. The Board agreed that this requirement should be removed from this rule.
- Neb. Rev. Stat. §§ 76-2228.01(1)(b) and 76-2230(1)(b) – Director Kohtz apologized and informed the Board that this should have been covered under the statute review. The Director continued by saying that the trainee real property appraiser and licensed residential real property appraiser credentials require a high school diploma or a certificate of high school equivalency, or education acceptable to the Board. The Real Property Appraiser Qualifications Criteria is silent on high school level education requirements for the trainee and licensed residential classifications. Although education acceptable to the Board is included, the ASC still considers these statutes as exceeding the Criteria. The Board agreed to remove this requirement from the Real Property Appraiser Act.
- 298 NAC Chapter 6, § 004.04A.2f – Director Kohtz reported that the Supervisory Appraiser and Trainee Course has a closed-book final exam. The Real Property Appraiser Qualifications Criteria does not require a final exam. The Director was asked if the “closed-book” language is causing the issue. Director Kohtz reported that there is no final exam requirement at all. Board Member Hermesen commented that the final exam does serve a purpose, even if it is a small part of the course. It indicates that this is important, and something should be taken away from the completion of this course. The Board agreed with Hermesen and agreed to keep the final exam requirement for this course.

c. Processes and Procedures

Director Kohtz asked for any discussion pertaining to processes and procedures. There was no discussion.

d. Short- and Long-Term Goals and Objectives

Director Kohtz presented two long-term and one short-term goals for the Board’s consideration.

- 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, maintain an effective enforcement program, and provide for better clarification and administration (long-term).

- Implement updated Real Property Appraiser Qualifications Criteria, CAP Policies and Procedures, and address the Board's PAVE Dashboard regulations review (short-term).

The Board agreed with the long-term and short-term goals as presented.

3. GUIDANCE DOCUMENTS

Director Kohtz asked for discussion pertaining to Guidance Documents. There was no discussion.

a. Processes and Procedures

Director Kohtz asked for any discussion pertaining to processes and procedures. There was no discussion.

b. Short- and Long-Term Goals and Objectives

Director Kohtz presented one long-term goal for the Board's consideration.

- 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).

The Board agreed with the long-term goals as presented. No new short-term goals were presented.

4. INTERNAL PROCEDURAL DOCUMENT

Director Kohtz asked for discussion pertaining to the Internal Procedural Document. There was no discussion.

a. Processes and Procedures

Director Kohtz asked for any discussion pertaining to processes and procedures. There was no discussion.

b. Short- and Long-Term Goals and Objectives

Director Kohtz presented one long-term goal for the Board's consideration.

- 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).

The Board agreed with the long-term goals as presented. No new short-term goals were presented.

Q. FINANCIAL

1. REVIEW OF CURRENT FISCAL YEAR

The Board reviewed the expenses and revenues for the current fiscal year as of May 31, 2023. 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 expenditures are far below budget, and due to lower-than-expected renewal rates for real property appraisers and AMCs, the revenues are below projected. The cash balances are healthy and, overall, the Board is financially in a good place with revenues currently exceeding expenditures. There was no further discussion concerning the current fiscal year.

2. 2023-26 PROJECTIONS

Director Kohtz presented four charts showing the 2023-26 financial projections. The Director informed the Board that when preparing the FY23-24 budget, one thing that surprised him was the effect of moving funding from general operations to PSL. When funding is moved to PSL it becomes a fixed expenditure, which greatly reduces the liquid funding allocated to certain expenditure accounts that can freely move between operating budget accounts. Because of this, the projected expenditures were figured at 90% for the Appraiser Fund and 95% for the AMC Fund, compared to the historic 80% for the Appraiser Fund and 90% for the AMC Fund. As a result, expenditures are projected to exceed revenues for both the Appraiser Fund and the AMC Fund. According to the Director, the majority of revenue comes from renewal fees, as application fees, and temporary permit fees. Director Kohtz noted that revenue projections were figured conservatively after the low real property appraiser renewal rate for this fiscal year. The Director added that the projected revenues include the Director's anticipation that the decline in the number of AMCs will stabilize during the next year. If this does not happen, there will be a significant effect on the AMC Fund. Director Kohtz informed the Board that it has not increased fees during his twelve years as Director. The Director stated, "In fact, the Board reduced the renewal fee by \$25.00 annually for appraisers in 2016." Director Kohtz then informed the Board that it will need to consider fee increases in the future. The Director indicated that returning real property appraiser renewal rates to the pre-2016 amount, increasing temporary credential fees to the federal minimum of \$250.00, charging trainee real property appraisers a renewal fee, and increasing AMC renewal fees are all possibilities. Board Member Hermsen asked if the Board should be making fee changes now. Director Kohtz responded that the current fund balance for the Appraiser Fund and AMC Fund far exceed the Board's policy for minimum fund balance, so nothing needs to be done right now as these balances should be drawn down a bit. Once they get close to the fund balance policy limits, the Board will want to increase fees as needed to make up the expenditure-to-revenue deficit for each program. The Director projected that this point would occur in a couple of years for the Appraiser Fund and in anywhere from six to eight years for the AMC Fund, depending on whether the rate of AMC decline stabilizes. Vice-Chairperson Downing expressed hesitation for charging a renewal fee to trainee real property appraisers.

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BLPM Nespor informed the Board that trainee real property appraisers currently pay \$10.00 for the random CHRC program for real property appraiser renewals, so when this program is retied, a fee could easily be moved from this program to a renewal fee and increased just a little. The Board agreed that this would limit financial burden on trainee real property appraisers. There was no further discussion with regard to the 2023-26 financial projections.

3. FY 2023-24 BUDGET

Director Kohtz presented the proposed FY 2023-24 budget to the Board for review and highlighted the following items:

- Projected Appraiser and AMC Fund expenditures are \$396,895.00, and the projected Appraiser and AMC Fund revenues are \$362,910.00.
- Projected Appraiser Fund expenditures are \$267,552.00, and projected Appraiser Fund revenues are \$235,360.00.
- Projected AMC Fund expenditures are \$129,343.00, and projected AMC Fund revenues are \$127,550.00.
- Teammate Salary and Benefits (\$304,816.00) – Includes funding for one additional full-time equivalent Administrative Specialist classified teammate.
- Board Member Per Diem Payments (\$7,600.00)
- Travel – AARO Travel (1 Fall and 1 Spring Conference trip) and board member meeting travel (\$14,195.00)
- Legal Services (\$20,000.00)
- Other Contractual Services for CHRC and Appraisal Review Services (\$30,000.00)
- CIO – IM Services expenditures, Network Services expenditures, software, and technology projects (\$31,870.00)
- Other Operating Expenses (Overage Coverage of \$2,065.00)
- Budget includes the following changes from the FY 2022-23 appropriations:
 - Salary and Benefits (\$58,070.00)
 - Operating Expenses (-\$83,511.00)
 - Travel Expenses (-\$4,543.00)

- 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 then guided the Board through the changes in the proposed budget to accommodate one additional full-time equivalent Administrative Specialist classified teammate. Director Kohtz informed the Board that PSL increases by \$37,126.25. In addition, overtime payments, comp time payments, and employee bonuses were removed within PSL. Comp time and overtime will no longer be needed unless there is a staff shortage. In this case, the freed PSL will be moved to the appropriate expenditure account. The Director then turned attention to the operations expenditures and informed the Board that many of the accounts with small allocations were moved to Other Operating Expenses to provide for more flexibility in the use of these funds. Currently, the funds are dedicated to accounts that are rarely if ever utilized. Director Kohtz guided the Board to Legal Services and informed the Board that this account is being reduced by \$15,000.00 and Legal Related Expenses are being reduced by \$4,000.00. Director Kohtz explained that the rationale for this reduction is found in the historic expenditures for these accounts. According to the Director, between FY11 and FY17, expenditures averaged approximately \$28,000.00 in legal services and \$3,150.00 in legal related expenses. When the Board switched its enforcement program to be educational in nature and utilize evidence-based investigations, the expenditures between FY18 and FY22 averaged approximately \$2,300.00 for legal services and \$15.00 for legal related expenses. Because the Board will not file formal charges on a grievance unless it has clear and convincing evidence of a violation of the Real Property Appraiser Act or the AMC Registration Act, there is less need for legal services. This being said, the last hearing cost the Board around \$50,000.00, so even if Legal Services and Legal Related Expenses were funded at the FY22 levels, a Budget Deficit Request would be required. The difference between the funding levels for these accounts between FY 23 and FY22 is that the Budget Deficit Request would be much higher if a hearing were to take place. Also, the Board would want to be more mindful of the timelines as it progresses through this process. For example, the Board would want to avoid, if possible, high legal expenditures in November or December. Director Kohtz then moved to Other Contractual Services and reported this account is being reduced by \$11,000.00. This reduction is attributed to a reduction in costs related to changes made to CHRCs for both real property appraisers and AMC owners of more than 10%, and better estimation of investigation-related contractual services.

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The Director finished by informing the Board that the Travel Expenditures account will be reduced by \$4,542.64. This reduction is the result of deeper analysis of the exact expenditures. Now that virtual conferencing is available for up to six meetings of the Board, funding is not needed for the full number of meetings. More detailed analysis was completed for the Director's AARO travel expenditures as well. Director Kohtz reported that he anticipates travel expenditures to come in around \$11,000.00 to \$12,000.00 for FY23.

a. Policies and Procedures

Director Kohtz asked for any general discussion pertaining to policies and procedures. There was no discussion.

i. AMC Fund/Appraiser Fund Split

Director Kohtz presented a memo regarding the FY 2023-24 Appraiser/AMC Funds Allocation to the Board for review. 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 33% of time was spent on AMC-related functions, and 67% of time was spent on Appraiser-related functions. During analysis of the proposed budget for FY2023-24, past, present, and projected numbers and trends for appraiser credentialing, AMC registrations, education activities, and compliance were taken into consideration. The Director reported that the allocation will remain 65% Appraiser Fund and 35% AMC Fund for FY 2023-24. Director Kohtz 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. FEES

Director Kohtz asked for discussion pertaining to Fees. There was no 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, and opportunities of, and threats to the agency. The Board reviewed the items from last year:

STRENGTHS

- Customer service
- Organization
- Board Member Knowledge
- Staff Knowledge
- Adaptability
- Professional Diversity of Board
- Modernization of Accessibility

WEAKNESSES

- Inability to Grow the Industry
- Efficiency Loss due to Database
- Size of Agency Staff
- 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
- Inadequate Supervisory Appraiser Knowledge

The Director asked for any discussion pertaining to the SWOT Analysis. Board Member Gerdes indicated that the inability to grow is not a weakness of the Board, but that the profession is difficult to enter. Director Kohtz asked if the wording should be changed for the weakness, "Inability to Grow the Industry" to "Industry's Inability to Grow." The Board agreed with this recommendation. A recommendation was made to add a new weakness, "Difficulty Obtaining New Board Members." Board Member Gerdes commented that the congressional district representative positions always fill quickly, but that the broker and financial institutions representative positions are very difficult to fill. Director Kohtz agreed with this statement and added that even though the Board reduced the requirements for the broker position, the problem persists. The Board agreed that to add the recommendation to weaknesses. BLPM Nespor commented that several people have inquired about online credit card payments. According to the Director, adding a credit card payment option is possible, but handling of credit card information requires a significant amount of time put into the compliance side of it. Once the Business Programs Manager is on board and integrated, this is something that can be explored. Board Member Gerdes suggested adding a new opportunity, "Embrace Available Technology". The Board agreed with this addition. Board Member Hermesen brought attention to all of the changes taking place at the Federal level and mentioned that the amount of work available to real property appraisers is being reduced. Director Kohtz recommended a new threat, "Deemphasis on appraisals at the Federal level." The Board agreed to add this language to the existing threats. The Director asked for any other discussion. There was no further discussion.

S. ADJOURNMENT

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

At 5:47 p.m., Vice-Chairperson Downing adjourned the June 21, 2023 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz
Director

These minutes were available for public inspection on June 30, 2023, in compliance with Nebraska Revised Statutes §84-1413 (5).