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

June 13, 2024 Strategic Planning Meeting Minutes

A. OPENING

Chairperson Bonnie Downing called to order the June 13, 2024 Strategic Planning meeting of the Nebraska Real Property Appraiser Board at 9:02 a.m. by virtual conferencing 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 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 6, 2024. 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/public_material/2024/240613_Public_Material.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, Kevin Hermsen of Gretna, Nebraska, Rodney Johnson of Norfolk, Nebraska and Derek Minshull of North Platte, Nebraska were present. Also present were Director Tyler Kohtz, Business Programs Manager Karen Loll, Licensing Programs Manager Allison Nespor, and Education Program Manager Kashinda Sims, who are headquartered in Lincoln, Nebraska.

ADOPTION OF THE AGENDA

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

C. CHAIRPERSON'S STATE OF THE BOARD REPORT

Chairperson Downing reported no specific comments on the State of the Board. The Chairperson thanked everyone for taking the time to participate in the strategic planning meeting.

D. DIRECTOR'S COMMENTS

Director Kohtz thanked board members for taking the time to go through this process today and for their dedication throughout the year. The Director also thanked staff for the hard work preparing for two meetings in a short period of time. Director Kohtz then explained the purpose of the strategic planning meeting, and informed the Board that the goal is to build a road map for staff to follow for the next fiscal year and set objectives, not to determine how the objectives will be accomplished. Focus is placed on the development of short- and long-term goals. The Director continued by saying that previously established goals that were not completed or are ongoing will be presented to the Board for discussion unless otherwise mentioned. Any new proposed short-term or long-term goals will be presented to the Board for discussion. The Board may make any changes to proposed or existing 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 acknowledge Board Member Johnson and Board Member Minshull's first strategic planning meeting, mentioning 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 Director brought attention to the meeting agenda and recognized its length. Director Kohtz explained that the agenda format 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.

Director Kohtz then highlighted the accomplishments from the current fiscal year:

- The Nebraska Real Property Appraiser Board exists today in its current capacity. The Director thanked board members for the work put into this, and to all of the appraisers who made their voices heard.
- LB992 was passed by the Legislature. It updates the Real Property Appraiser Act to address USPAP changes, Real Property Appraiser Qualifications Criteria changes, ASC SOA recommendations, the Board's PAVE Dashboard statute review, removal of the Real Property Appraiser Renewal Random CHRC Program, and other administrative issues.
- LB989 was passed by the Legislature. It updates the AMC Registration Act to address the ASC SOA recommendations, inclusion of criminal and civil immunity language, changes to the CHRC requirements for owners of more than 10% of an AMC, and other administrative issues.
- Established the Business Program Manager position and hired BPM Loll to alleviate staff strain.
- The cash fund balance decline for FY2023-24 is projected to be $10,000 to $15,000 less than the forecasted cash fund balance decline for the fiscal year. Director Kohtz recognized the Board for being conservative and thoughtful with the use of its funds.

The Director 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:

- Finalize the Title 298 draft addressing LB989 and LB992, have preliminary reviews completed, and hold the public hearing.
- Develop and implement policies and procedures to obtain federal grants for technology-based projects and maintain grant management program.
- Increase revenues to address unforeseen budgetary inflation.

E. GENERAL PUBLIC COMMENTS:

No members of the public were in attendance. With no public comments, Chairperson Downing proceeded to the review of the 2023-24 Strategic Planning Goals and Objectives.

F. REVIEW OF 2023-24 STRATEGIC PLANNING GOALS AND OBJECTIVES

Director Kohtz indicated that he would provide a brief review of the goals and objectives set for the 2023-24 fiscal year since the Board receives a progress update each month. The following items were noted:

- All short-term goals were met for FY2023-24.
- Unless otherwise specified, all long-term goals continue to be met and are ongoing.
- No work was completed on the long-term goal to explore the development and implementation of an updated NRPAB logo.
- No work was completed on the long-term goal to populate the Disciplinary History Search with all real property appraiser and AMC disciplinary action history for active credential and registration holders as a rule change must take place prior to the implementation of this goal.
- No work was completed on the long-term goal to explore use of Federal grant money to pursue development of a translator system between the NRPAB Database and the ASC Federal Registry system as there was no progress made on the compatibility between the NRPAB Database and the ASC Federal Registry system. The Director informed the Board that he wished to have additional discussion on this goal further down the agenda.

G. COMPLIANCE

1. REVIEW OF ENFORCEMENT/INVESTIGATIONS

EPM Sims presented one chart and three graphs to the Board for review outlining the status of the enforcement program. EPM Sims reported that the total number of grievances remained low over the five-year period compared to historic numbers. Sims declared that within the last four years, no grievances have been filed against AMCs. Sims then indicated that, during the current fiscal year, there were nine grievances filed against real property appraisers and three grievances filed against uncredentialed individuals. Director Kohtz remarked that ten to twelve grievances per year has become the norm after procedural changes reduced the number of grievances filed by the Board. EPM Sims then provided a breakdown in the resolution of grievances and indicated that during the current fiscal year, four were dismissed, three were dismissed with an advisory letter sent to the respondent, two are currently unresolved, and one cease and desist order was issued. Board members Downing and Gerdes emphasized the Board's desire to improve the competency and knowledge of the profession and recognized the compliance program as an available tool when appropriate. The Director reaffirmed that the intent of the Board's regulatory program is to be educational in practice when possible. Director Kohtz added that the procedural changes made by the Board have resulted in an increased positive 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

Director Kohtz informed the Board that he had a couple items for discussion under Investigative Processes and Procedures. Director Kohtz informed the Board that its current special assistant attorney general is in the process of retiring, and now may be a good time for the Board bring on a second special assistant attorney general to provide adequate time for transition. Director Kohtz provided some examples of issues and obstacles experienced during the past year while working with a semi-retired special assistant attorney general. Board Member Gerdes brought attention to the contract with the current special assistant attorney general and asked what the renewal process is. Director Kohtz responded that, to date, the decision to renew has been left to the special assistant attorney general and the contract is renewed annually. Board Member Hermsen asked the Director if there are any potential special assistant attorney general candidates in mind. Director Kohtz mentioned that the Board has traditionally had a second special assistant attorney general under contract who, in the past, has always had a professional relationship with the current special assistant attorney general. The Director indicated that Bill Austin was one, but the other is escaping his memory at the moment. Board Member Gerdes asked if it was Jerrod Crouse. Director Kohtz confirmed that this was correct. A board member asked what, specifically, are the criteria for a special assistant attorney general for the Board. Director Kohtz specified that significant real estate law experience is important. The Director noted that any new special assistant attorney general would have a much higher fee than the current special assistant attorney general. Director Kohtz recalled a discussion with Director Lemon of the Real Estate Commission, and informed the Board that he remembered the Commission paying $325.00 per hour at that time. Board Member Minshull inquired about how ongoing cases could be transferred if the Board moved to a new special assistant attorney general. Director Kohtz responded that the two grievances currently in progress should conclude by the end of Blake's contract year. Board Member Gerdes questioned if any work materials would need to be retrieved from the current special assistant attorney general. Director Kohtz assured that the Board that the special assistant attorney general possesses no unique documents, and that anything in possession is protected by attorney-client privilege. The Board agreed that it would be a good step to obtain second special assistant attorney general for compliance matters at the beginning of the next year. The Director reported that this will be included as a short-term goal and added as an agenda item for the July meeting.

Director Kohtz then brought attention to the Board's request that he research the ability for the Board to utilize conditional dismissals for compliance matters. The Director reminded the Board that a conditional dismissal would be a tool used by the Board to address USPAP deficiencies identified by the Board during an investigation where one or more remedial actions could correct the issue without disciplinary action. Conditional dismissals would fit between the advisory letter and disciplinary action. Director Kohtz informed the Board that he discussed the possibility with the Attorney General's Office and was informed that the Board's current authority does not allow for conditional dismissals. The Director also provided Title 298 draft language to the Board's Assistant Attorney General for consideration that defined a negotiated settlement as a conditional dismissal, but Assistant Attorney General Jelkin determined that a specific statutory authority is required for the Board to utilize conditional dismissals; which would be similar to a diversion program in criminal law. Assistant Attorney General Jelkin indicated that other agencies have implemented a similar concept and that the legislature would likely be open to this idea. Chairperson Downing expressed support for the idea but noted that it would involve considerable effort to get a new law passed. Director Kohtz agreed with this and added that the Board would either need to wait until it needs to make statutory changes to implement federal requirements or the language would have to stand on its own. A bill without federal requirements would likely not have a priority and could get stuck in committee. Board Member Minshull asked in how many of the cases before the Board would a conditional dismissal be considered. Director Kohtz estimated that a conditional dismissal might be considered in approximately half of the cases. Board Member Minshull expressed support and commented that use of conditional dismissals would provide a tool to ensure that issues are addressed and would reduce legal costs in situations that might otherwise end up as disciplinary action. Director Kohtz added that conditional dismissals would fit well with the Board's policy that its regulatory program is educational in practice. Board Member Gerdes asked if a respondent in an investigation could potentially demand a conditional dismissal. Director Kohtz responded that it is important that the language makes it clear that this option is offered by the Board only. Board Member Minshull asked what effect a conditional dismissal would have on staff and Board resources. Director Kohtz responded that a conditional dismissal would not be any additional work compared to a consent agreement. Once implemented, the staff would monitor the terms to determine if they are being met or not. The Board agreed that there was no harm in having a bill introduced in the 2025 legislative session to add authority to issue conditional dismissals. The Director informed the Board that he will add the goal under the Laws, Rules, and Guidance Documents goals.

a. Title 298 – Ch. 8

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

b. Internal Procedural Documents:

Director Kohtz asked for any discussion specific to internal procedural documents. There was no discussion.

c. Guidance Documents

Director Kohtz asked for any discussion specific to guidance documents. There was no discussion.

5. OTHER EXECUTIVE SESSION ITEMS: No discussion.

6. FORMS: No discussion.

7. SHORT- AND LONG-TERM GOALS AND OBJECTIVES

The Board established a short-term goal for compliance:

- Obtain second special assistant attorney general for compliance matters.

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 2023-24 fiscal year. The Director presented fourteen 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 stable and that the number of certified general real property appraisers credentialed through reciprocity continues to trend upward. The number of certified residential real property appraisers credentialed through education, experience, and examination is trending upward, and the number of certified residential real property appraisers credentialed through reciprocity remains stable. 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 (not including trainees) credentialed during the past five years through education, experience, and examination, reciprocity, and both combined; 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 had a slight increase and those credentialed through reciprocity continues to increase due to the current upward trend for the certified general classification. When the numbers are broken down to specific classifications, the certified general classification is trending up, the certified residential classification recovered the loss from the previous year and remains stable overall, and the licensed residential classification continues to trend downward. The number of trainee real property appraisers decreased for the first time in the five-year period.

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The Director indicated that it is not clear as to the reason for the trend change at this point, and indicated that it could be a one-time decline, could be due to participation in the PAREA program, or could be a trend change reflecting a market slow-down due to high interest rates. Board Member Minshull inquired about the length of the PAREA program. Director Kohtz responded there was no minimum, but that he believes the Appraisal Institute's program has a maximum of two years for completion. LPM Nespor stated that the program was just approaching the end of the first year.

The Director then presented a chart showing the number of total credentialed appraisers over the past five years to the Board for review and noted the fluctuation due to one- and two-year renewal options.

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 an increase in the number of real property appraisers for the certified general and certified residential classifications. The Trainee classification was stable and the Licensed showed a slight decrease.

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 mostly typical for temporary credentials issued; however, attention was directed to the slight decline in the total number of temporary credentials issued experienced in 2023 and informed the Board that 2024 is currently on the same pace when comparing the May 2023 numbers to the May 2024 numbers.

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 the significant drop in supervisory real property appraisers in the past year could be due to retirement, the PAREA program, or a drop in market demand. As with the trainee real property appraisers, time will help clarify the reason.

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 number of registered AMCs had stabilized after a steep decline. Board Member Minshull inquired if the decline was a result of consolidation of AMCs. The Director responded that the industry is currently experiencing significant consolidation due to a of couple AMCs acquiring smaller AMCs. There are also many AMCs choosing to no longer register in the State due to market conditions. LPM Nespor added that Class Valuation has acquired many other AMCs.

2. REVIEW OF CREDENTIAL HOLDER RENEWALS

Director Kohtz presented the renewal report to the Board for review including two graphs 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 89% and the actual renewal rate was 91% for the fiscal year. Director Kohtz indicated that the previous year's 89% renewal rate appears to be a one-off as all of the other years have a rate of 91% to 92%. The renewal rate for the certified general classification returned to the 91% to 93% range after the one-year dip, the renewal rate for the certified residential classification is stable over the five-year period, and the renewal rate for the licensed residential and trainee classifications fluctuate greatly over the five-year period.

3. 2021-27 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. The Director noted that the certified general and the licensed residential classifications are projected to decline for those credentialed by education, experience, and examination, while the projections show an increase for the certified residential classification. For those credentialed by education, experience, and examination, the projections show that the number of certified residential real property appraisers will exceed the number of certified general real property appraisers in FY25-26. The trend for the number of certified general real property appraisers credentialed through reciprocity will continue 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 projections show that the number of certified general real property appraisers and certified residential real property appraisers will be stable into the future, while the number of trainee real property appraisers and licensed residential real property appraisers will decline slowly. Overall, the total number of real property appraisers is projected to remain stable.

The Director then moved on to the projected number of AMCs and indicated that projections show a slow, steady decrease in the number of registered AMCs. This is due to a lack of new AMCs compared to non-renewed AMCs for each fiscal year. If the renewal rate holds, the number of new AMCs added is not enough to maintain the current number.

4. REAL PROPERTY APPRAISER CREDENTIALS

a. General Discussion

Director Kohtz asked for any general discussion on real property appraiser credentials. There was no discussion.

b. Real Property Appraiser Qualifications

Director Kohtz asked for any discussion specific to real property appraiser qualifications. Board Member Minshull inquired how qualifications in Nebraska compare to other states. Director Kohtz responded that Nebraska has no requirements that exceed TAF Real Property Appraiser Qualifications Criteria. Many states utilize the minimum requirements found in the criteria, but many also have state-specific requirements that exceed the criteria. The Director noted that all states have some variation in how the criteria is carried out. Reviewing and accepting experience is a perfect example, each state has its own way of going about this. LPM Nespor added that Nebraska does require real property appraisers to be nineteen because that is the requirement to sign contracts in the state, which technically exceeds the criteria because there is no minimum age for credentialing in the criteria. Director Kohtz confirmed that this is correct.

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 two existing long-term goals for the Board's consideration.

- Monitor real property appraiser credential renewal dates.
- Explore opportunities to increase number of Nebraska resident real property appraisers.

Director Kohtz informed the Board that late real property appraiser renewals are monitored through the year and that late renewal rates are consistent from year to year. LPM Nespor reported that 15% of real property appraisers renewed late in 2022-23 fiscal year and 18% renewed late this fiscal year, with a few more still expected. The Director reminded the Board that a discussion took place at last year's strategic planning meeting about the effects of moving the real property appraiser renewal date to earlier in the year to provide staff more time to complete processing of the applications.

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Director Kohtz indicated that this concern should be resolved with the additional employee assisting during the renewal period. The Director finished by recommending that this goal remain in place, so that this next renewal period can be reviewed against previous renewal periods. The Board agreed that this long-term goal should remain in place.

The discussion then turned to the goal, "Explore opportunities to increase the number of Nebraska resident real property appraisers." Director Kohtz remarked that this goal is considered with everything the Board does from public information to credentialing policies and procedures. The Director added that if there are any barriers to entry into the profession that the Board could review, it should continue to do so. LPM Nespor added that the Board has done well in the past and that, currently, there are no known issues within the Board's control that could be changed. The Board agreed to maintain the long-term goal as presented.

No new short-term goals were presented or established.

5. TEMPORARY CREDENTIAL

a. General

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

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

Director Kohtz asked for any discussion specific to temporary credential processes and procedures. LPM Nespor commented that demand is high for an online temporary real property appraiser application.

c. Forms

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

d. 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

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

I. EDUCATION

1. GENERAL

Director Kohtz asked if the Board had any discussion specific to general education. There was no discussion.

2. QUALIFYING EDUCATION

a. Processes and Procedures (Title 298 – Ch. 6)

Director Kohtz asked if the Board had any discussion specific to qualifying education processes and procedures. There was no discussion.

b. Application for Qualifying Education

Director Kohtz asked if the Board had any discussion specific to the qualifying education application. There was no discussion.

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

Director Kohtz presented two existing 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.

- 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.

Director Kohtz reminded the Board that the long-term goals to encourage trainee real property appraisers who intended to engage in real property appraisal practice pertaining to agricultural real property upon credentialing to complete agricultural-based qualifying education offered by an education provider with an expertise in agricultural appraisal, were put in place two years ago. The Director asked if the Board would like to continue monitoring the effect as long-term goals. The Board agreed that the goals should remain.

No new short-term goals were presented or established.

3. CONTINUING EDUCATION

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

4. SUPERVISORY REAL PROPERTY APPRAISER AND TRAINEE COURSE

Director Kohtz asked for any discussion specific to the supervisory real property appraiser and trainee course. There was no discussion.

5. INSTUCTORS

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

6. POST-SECONDARY EDUCATION

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

7. BOARD REPRESENTATION/OFFERINGS

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

J. PERSONNEL

1. GENERAL DISCUSSION

Director Kohtz asked for any discussion pertaining to personnel. Board Member Minshull inquired if staffing is now at an appropriate number in relation to the duties. The Director responded that the workload is appropriate for each employee within a 40-hour work week. Each position is also being cross trained in the duties of the other positions. When work in an area increases, the work can be distributed between employees as needed to ensure that it is being completed in a timely manner in a way that does not strain one or more staff members. Cross training also provides the Board some built-in insulation against turnover that didn't exist previously. Finally, more detail is captured in the staff's daily work as more focus is placed on analysis and review. Board members Downing and Gerdes thanked the staff for their work.

2. STAFF POSITIONS:

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

3. POLICIES AND PROCEDURES

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

4. CONFERENCES/TRAINING

Director Kohtz asked for any discussion specific to conferences and training. There was no discussion.

5. BOARD STRUCTURE

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

6. SHORT- AND LONG-TERM GOALS AND OBJECTIVES

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

- 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.

The Board agreed that this goal should remain as presented.

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 existing long-term goals for the Board's consideration.

- Encourage development of Memos from the Board, Facebook posts, and The Nebraska Appraiser articles that contain facts and information of interest to the appraisal business community.
- 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, documents posted to the NRPAB website, meeting information, and other information that affects the industry.
- Explore the development and implementation of an updated NRPAB logo.

Director Kohtz informed the Board that staff did not have time to allocate to developing Memos from the Board, Facebook posts, and The Nebraska Appraiser articles that contain facts and information of interest to the appraisal business community during the past year. The Director indicated that if a staff member or the Board identifies a specific topic, facts, or information of interest to the appraisal business community, it will be disseminated through the appropriate tool. The Board agreed that this goal should remain in place as is. Director Kohtz moved on to the second long-term goal and informed the Board that the goal provides excellent guidance as to where staff should place its focus for public information and recommends that the Board keep this goal as is. The Board agreed that the goal is to remain as written.

The Director brought attention to the goal to explore the development and implementation of an updated NRPAB logo and indicated that it is not a high priority, but that he would like for it to remain as a long-term goal. The Board agreed to keep this goal as a long-term goal.

No new short-term goals were presented.

2. NRPAB WEBSITE

Director Kohtz asked for any general discussion on the NRPAB website. There was no discussion.

a. Processes and Procedures

Director Kohtz asked for any discussion specific to the NRPAB website processes and procedures. There was no discussion.

b. Short- and Long-Term Goals and Objectives

Director Kohtz presented two existing long-term goals 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.
- Populate the Disciplinary History Search with all real property appraiser and AMC disciplinary action history for active credential and registration holders.

The Director informed the Board that before any progress could be made on the second goal related to the Disciplinary History Search, the rules would need to be updated by the legislature. The Board agreed with the two long-term goals as written.

No new short-term goals were presented or established.

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

Director Kohtz asked for any discussion specific to the Memos from the Board processes and procedures. There was no discussion.

b. Short- and Long-Term Goals and Objectives

Director Kohtz presented one existing 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.

Director Kohtz indicated this goal was being used in the way it was intended. Chairperson Downing brought attention to the need to get information out quickly at the beginning of the year and that the memos worked well for this purpose. The Board agreed to keep the long-term goal as presented.

No new short-term goals were presented or established.

4. THE NEBRASKA APPRAISER NEWSLETTER

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

a. Processes and Procedures

Director Kohtz asked for any discussion specific to The Nebraska Appraiser processes and procedures. There was no discussion.

b. Short- and Long-Term Goals and Objectives

Director Kohtz presented one existing 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.

Director Kohtz noted that he had been approached by at least three people from other states that had commented that they read the newsletter and found it very informative and well written. There was specific mention of the explanation on law and rule changes. The Board agreed to maintain the long-term goal as presented.

No new short-term goals were presented or established.

5. FACEBOOK PAGE

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

a. Processes and Procedures

Director Kohtz asked for any discussion specific to the Facebook page processes and procedures. There was no discussion.

b. Short- and Long-Term Goals and Objectives

Director Kohtz presented one existing 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.

The Board agreed to maintain the long-term goal as presented.

No new short-term goals were presented or established.

Break from 10:45 a.m. to 10:56 a.m.

L. ADMINISTRATION

1. GENERAL

a. AM3346 to LB1417

The Director informed the Board that, according to the GPRO, the Governor had no intention of reintroducing LB1417 next year in its original form. If a similar bill is introduced, it would only include the language for AM3346, which does not include the Real Property Appraiser Board. Board Member Hermsen thanked Director Kohtz for his efforts regarding LB1417.

2. POLICIES AND PROCEDURES

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

a. New or Recommended

Director Kohtz asked for any discussion pertaining to any new or recommended policies and procedures. There was no discussion.

b. Internal Procedural Documents

Director Kohtz asked for any discussion specific to Internal Procedural Documents. There was no discussion.

c. NRPAB Meetings:

Director Kohtz asked for any discussion specific to NRPAB meeting processes and procedures and inquired about satisfaction with positioning the closed session of the meeting at the beginning. The Board expressed no issues with the current placement of closed session on the agenda. Chairperson Downing asked if staff has received any feedback regarding the closed session placement. Director Kohtz responded that he has not, but likes to ask every few years to be sure that the closed session location still meets the Board's preference.

d. Request Forms.

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

e. Short- and Long-Term Goals and Objectives

Director Kohtz presented one existing 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.

The Board agreed to keep the long-term goal as written.

No new short-term goals were presented or established.

3. NRPAB RECORDS MANAGEMENT

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

4. NRPAB DATABASE

Director Kohtz reminded the Board that the budget allowed for an average of approximately $1,000.00 per month for NRPAB website maintenance and that any projects over $5,000.00 would be presented to the Board for approval. The Director asked if there were any questions on this procedure. There was no discussion.

a. Online Temporary Real Property Appraiser Credential Application and NRPAB Database Interface

Director Kohtz presented an Agenda Item Summary for the online temporary real property appraiser credential and asked LPM Nespor to provide a brief summary. LPM Nespor informed the Board that this project would create an online application for temporary credentials, an online renewal application for temporary credentials, develop and implement a mechanism for applicants without an Appraiser Login account to access the applications, and develop and implement the admin review interface for the temporary credential applications. The Director informed the Board that the order of technology projects is determined by evaluating cost and time savings to the Board along with customer benefit. The cost estimate for the development and implementation of the temporary real property appraiser credential application and NRPAB Database Interface project is $59,780.00. This estimate includes planning, implementing, testing, and all other associated costs. The Director then brought attention to the ASC Grant Program, and reminded the Board that the ASC's grant funding is intended for state-level projects such as this one. Part of the plan for adding another employee was to tap into this source to shift the cost away from the appraisers, and also to use the grant money as a way for the new position to pay for itself. Director Kohtz added that only projects that do not include strings put in place by the Federal government would be considered for grant funding. Board Member Minshull noted that grant money can be cumbersome to apply for and manage, but believes it is worth pursuing. Board Member Minshull also inquired about the cost of data storage. Director Kohtz stated that the Board is currently paying approximately $300.00 per month for data storage including back-ups, and the additional data would add less than $5.00 per year. The Board agreed to add a short-term goal to apply for an ASC grant for the development and implementation of the temporary real property appraiser credential application and NRPAB Database Interface.

b. Credit Card Payment Option for Online Applications

Director Kohtz indicated that the Board is regularly asked about a credit card payment option. According to the Director, credit card payment are becoming more manageable to implement and it is easier to meet the security requirements. Director Kohtz asked if the Board would be interested in exploring a credit card payment option. The Director added that he has not done any research on this to date, so the funding mechanism to pay the vendor would need to be established. Director Kohtz indicated that he is unsure if the Board must collect a fee or if the vendor takes a transaction fee at the time the transaction is made. Board Member Minshull remarked that the credit card fee could be charged to the applicant and collected at the time of payment. The Board agreed to set a short-term goal to explore credit card payment options for online applications.

c. Short- and Long-Term Goals and Objectives

Director Kohtz presented three existing 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.
- 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.
- Explore use of Federal grant money to pursue development of a translator system between the NRPAB Database and the ASC Federal Registry system.

Director Kohtz brought attention to the long-term goal to explore use of Federal grant money to pursue development of a translator system between the NRPAB Database and the ASC Federal Registry system and informed the Board it appears that a translator system is not feasible. The NRPAB Database and the ASC Federal Registry system use different coding languages that cannot read each other. The Director indicated that he has spent three years working with CIO to find a resolution to this issue. The last idea offered by CIO is a subscription service that would cost $70.00 to $220.00 per month. This monthly fee does not appear to include development costs. Director Kohtz informed the Board that he does not feel that this would be a responsible use of the Board's funds when considering the return for the costs. The Board agreed that the subscription service costs were high. The Director recommended that the Board remove this goal and stated the Board could add the goal back if a reasonable option presents itself in the future. The Board agreed to remove this goal.

The Board agreed to maintain the first two long-term goals as presented.

Director Kohtz presented the two short-term goals established by the Board under the NRPAB Database discussion.

- Explore credit card payment options for online applications.
- Explore the use of Federal grant money for development of online temporary real property appraiser credential application and NRPAB Database Interface.

5. APPRAISAL REVIEW SERVICES CONTRACTOR PROGRAM

Director Kohtz asked for any discussion pertaining to the appraisal review services contractor program. There was no discussion.

M. APPRAISAL SUBCOMMITTEE

Director Kohtz informed the Board that its next ASC Compliance Review would take place in 2025 and asked for any discussion pertaining to the Appraisal Subcommittee. There was no further discussion.

N. APPRAISAL FOUNDATION

Director Kohtz asked for any discussion pertaining to The Appraisal Foundation. Board Member Minshull inquired about the role of The Appraisal Foundation. Director Kohtz provided a summary of the appraiser regulatory structure, and informed the Board that The Appraisal Foundation is a non-profit entity authorized through Title XI to develop the standards real property appraisers must adhere to and the qualifications to become real property appraisers. These standards and criteria are enforced by the Appraisal Subcommittee, a federal agency, who also oversees each state appraiser licensing program.

O. AARO

Director Kohtz announced the Spring AARO conference will transition to a virtual format, maintaining the registration fee at $625.00, which is the same fee for past in-person conferences. The Director expressed hesitation for paying this amount for a virtual conference as the fees typically cover the conference overhead costs. Board Member Hermsen asked if attending the conference is beneficial. The Director replied that it depends, some of the presentations are very good, but some of them do not offer any useful knowledge; it can really be hit and miss. Board Member Johnson noted that conferences moving online is a national trend, but staying informed the Federal updates would be important. The Director replied that he stays on top of what is happening at the Appraisal Subcommittee and The Appraisal Foundation, so their presentations are a confirmation that the correct information is being obtained rather than learning new information. Director Kohtz conceded that much of the information gained at the conference is from conversations that take place outside of the formal conference setting or during the director's roundtable. The setting for this type of discussion is not available at a virtual conference. Director Kohtz added that, within the conference, most of the new information that he receives is in the Freddie Mac and Fannie Mae updates, as he does not follow them closely since their actions and policies have little to no direct effect on the agency. The Director was asked if a spring virtual conference was to become a common occurrence. Director Kohtz responded that he was told that AARO is trying this out next year, but that he suspects the spring conference will be virtual moving forward, if there is a spring conference at all. The Board agreed that since the Director will continue to attend the fall AARO conference, he would not need to attend the first spring virtual conference. This could be re-evaluated if additional information comes to light that would make it important that the Director attend. Director Kohtz indicated the cost of the spring conference was not included in the proposed FY2024-25 budget, but the Board could use carryover funds if needed.

P. LAWS, RULES, AND GUIDANCE DOCUMENTS

1. GENERAL DISCUSSION

Director Kohtz asked for any general discussion pertaining to laws, rules, and guidance documents. There was no discussion.

2. LAWS

a. Real Property Appraiser Act

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

b. Appraisal Management Company Registration Act

Director Kohtz asked for any discussion specific to the Appraisal Management Company Registration Act. There was no discussion.

c. Processes and Procedures

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

d. Short- and Long-Term Goals and Objectives

Director Kohtz presented one existing long-term goal 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.

The Board agreed to maintain the long-term goal as presented.

The following short-term goal was established during discussion in Section G, Compliance:

- Work with the Banking, Commerce and Insurance Legislative Committee's Legal Counsel to draft a bill for introduction to add language to the Real Property Appraiser Act, and the Appraisal Management Company Registration Act, allowing the use of a conditional dismissal in lieu of disciplinary action.

3. RULES

a. Title 297

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

b. Title 298

Director Kohtz informed the Board that the draft for Title 298 to harmonize Title 298 with the changes made to the Nebraska Real Property Appraiser Act and Appraisal Management Company Registration Act in 2024, address the Board's PAVE Dashboard regulations review, and incorporate changes made to the Real Property Appraiser Qualification Criteria Effective January 1, 2026 and CAP Guidelines effective September 17, 2023 is almost complete. The proposed language pertaining to conditional dismissals must be removed, and any other changes required after strategic planning must be made. The Director recommended a new short-term goal to adopt these changes before the end of the FY2024-25 fiscal year. The Board agreed with this goal.

c. Processes and Procedures

Director Kohtz asked for any discussion specific to the processes and procedures for drafting and implementing changes to Title 297 or Title 298. There was no discussion.

d. Short- and Long-Term Goals and Objectives

Director Kohtz presented two existing long-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.
- 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.

The Board agreed to keep the long-term goals as presented.

Director Kohtz presented the short-term goal established by the Board under the Title 298 discussion.

- Adopt Title 298 changes to harmonize Title 298 with the changes made to the Nebraska Real Property Appraiser Act and Appraisal Management Company Registration Act in 2024, address the Board's PAVE Dashboard regulations review, and incorporate changes made to the Real Property Appraiser Qualification Criteria Effective January 1, 2026 and CAP Guidelines effective September 17, 2023.

3. GUIDANCE DOCUMENTS

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

a. Processes and Procedures

Director Kohtz asked for any discussion specific to processes and procedures for establishing and reviewing guidance documents. There was no discussion.

b. Short- and Long-Term Goals and Objectives

Director Kohtz presented one existing 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.

The Board agreed to maintain the long-term goal as presented.

4. INTERNAL PROCEDURAL DOCUMENT

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

a. Processes and Procedures

Director Kohtz asked for any discussion specific to processes and procedures pertaining to establishing and reviewing internal procedural documents. There was no discussion.

b. Short- and Long-Term Goals and Objectives

Director Kohtz presented one existing 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.

The Board agreed to maintain the long-term goal as presented.

No new short-term goals were presented or established.

Q. FINANCIAL

1. REVIEW OF CURRENT FISCAL YEAR

The Board reviewed the expenses and revenues for the current fiscal year as of May 31, 2024. 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. The Director reported that the year-to-date expenditures for the fiscal year are $350,689.39, which amounts to 77.21 percent of the budgeted expenditures for the fiscal year, the year-to-date revenues for the fiscal year are $344,677.65, which amounts to 94.28 percent of the projected revenues for the fiscal year. Director Kohtz indicated that 92.05 percent of the fiscal year has passed. The cash balances are healthy and, overall, the Board is financially in a good place. There was no further discussion concerning the current fiscal year.

2. 2024-27 PROJECTIONS

Director Kohtz presented four charts showing the 2024-27 financial projections. The Director reported that a conservative approach was taken towards the revenue projections as revenues have come in below projections during the past two fiscal years. In addition, the revenues and cash balances were provided with two different fee structures: the current fees and the statutory fees approved this year. The projected expenditures were figured at 90% for the Appraiser Fund and 95% for the AMC Fund. According to the Director, the majority of revenue comes from renewal fees, application fees, and temporary permit fees. Director Kohtz informed the Board that under the current fees, the expenditures will exceed revenues in every projected year for both the Appraiser Program and the AMC Program. With the statutory fees, the revenues exceed the expenditures each year. Director Kohtz then guided the Board to the cash balance projections and showed the Board where the fund balance policy is in relation to the cash balance for both the Appraiser Program and the AMC Program. The Director informed the Board that under the current fees, the Appraiser Fund balance is projected to cross the fund balance policy amount in FY25-26.

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The AMC Fund approaches the fund balance policy amount at the end of FY26-27. Director Kohtz indicated that he also included the statutory fees at the beginning of FY25-26 to show the effect on the Appraiser Fund cash balance and the AMC Fund cash balance. The Director informed the Board that he anticipates the fund balances to be higher than they are projected to be, but the fees will need to be adjusted in the near future. There was no further discussion regarding the 2024-27 financial projections.

3. FY 2024-25 BUDGET

Director Kohtz presented the proposed FY 2024-25 budget to the Board for review and highlighted the following items:

- Projected Appraiser and AMC Fund expenditures are $427,213.00, and the projected Appraiser and AMC Fund revenues are $386,110.00.
- Projected Appraiser Fund expenditures are $285,951.00, and projected Appraiser Fund revenues are $260,285.00.
- Projected AMC Fund expenditures are $141,262.00, and projected AMC Fund revenues are $125,825.00.
- NRPAB Employee Performance Program – $2,303.00 allocated to PSL, Retirement Plan Expenses and FICA Expenses (one-time expenditure).
- Health Insurance Expenses - $17,603.04 allocated to address employee health insurance increase (2025-2027 Biennial Budget Agency Issue).
- Education Services - $68.00 allocated for employee access to the State's LinkedIn Learning Library (one-time expenditure).
- Travel Expenses - $2,161.00 allocated to travel expense for additional board member travel (2025-2027 Biennial Budget Agency Issue).
- Estimated FY23 encumbered funds - $17,068.00.
- Teammate Salary and Benefits ($330,828.00)
- Board Member Per Diem Payments ($7,600.00)
- NRPAB Employee Recognition Program ($2,000.00)
- Travel - AARO Travel (1 Fall and no Spring Conference trip) and board member meeting travel ($16,356.00)
- Legal Services ($20,000.00); Legal Related ($3,000.00)

- Other Contractual Services for CHRC and Appraisal Review Services ($27,000.00)

- CIO – IM Services expenditures, Network Services expenditures, software, and technology projects ($30,128.00)

- Other Operating Expenses (Overage Coverage of $2,461.00)

- Budget includes the following changes from the FY 2023-24 appropriations:
  - Salary and Benefits ($33,612.00)
  - Operating Expenses (-$5,938)
  - Travel Expenses ($2,161.00)

- 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 reported that increased travel costs and health insurance costs are not included in the current appropriation and that carryover funds will be utilized during FY24-25 to cover the difference. These items will need to be addressed in the Board's 2025-2027 Biennial Budget Request. Director Kohtz indicated that the travel costs deficit was much higher, but the Spring AARO Conference travel allocation was shifted over to board member travel to make up some ground. Also, reductions in the operating budget were utilized to make up some ground in benefits. Carryover funds were also allocated to a one-time expenditure for the Employee Performance Program and for education. The State is offering unlimited use of its Linkedin Learning library during this fiscal year for the cost equal to one course. Typically, it is more cost effective for the Board to pay by the course, but in this circumstance, it is more cost effective to elect the annual option at this rate. Board Member Minshull asked if the budget needed to be adjusted for an increase in legal expenditures. The Director responded that no adjustment is needed for FY24-25 as there is enough cushion to absorb additional fees for a second special assistant attorney general. No matter when it would occur, if an investigation were to proceed to hearing, a deficit request would be made as the current appropriation would not cover the costs of a hearing.
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The Director added that the Board's legal expenditures are brought up by the Board's Legislative Fiscal Analyst from time to time as there is typically a large unexpended balance if no hearing takes place. The current cushion is adequate enough to provide enough time to obtain additional appropriations as needed. Director Kohtz asked for any questions or comments. There was no further discussion.

a. Policies and Procedures

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

i. AMC Fund/Appraiser Fund Split

Director Kohtz presented a memo regarding the FY 2024-25 Appraiser/AMC Funds Allocation to the Board for review. The Director explained that the agency cannot utilize appraiser funds on AMC expenditures and cannot utilize AMC funds on appraiser expenditures. The quarterly workload review for each employee takes place during the first full work week in July, October, January, and April. Each employee reported his or her time spent on appraiser- and AMC-related activities per day in quarter-hour increments. The quarterly workload review for each employee indicates that 35% of time was spent AMC related functions, and 65% of time was spent on Appraiser related functions. The addition of the BPM position caused a slight change to the staff time spent in AMC or Appraiser related functions as the majority of time for this position was applied to the general functions of the agency. During analysis of the data for the FY2023-24 fiscal year, it was discovered that the EPM position reported time spent processing education applications as general time; this activity applies only to the Appraiser Program. Thus, the time spent carrying out this duty should have been reported under appraiser hours. During discussion with EPM Sims, it was determined that approximately 12 hours per week are spent in general functions. Other than 48 hours dedicated to this purpose, all other hours reported under general hours were moved to appraiser hours for the purpose of this report. The Director reported that the allocation will remain 65% Appraiser Fund and 35% AMC Fund for FY2024-25. Director Kohtz asked for any questions or comments. There was no further discussion.

ii. Internal Procedural Documents

Director Kohtz asked for discussion specific to internal procedural documents pertaining to financials. There was no discussion.

b. Goals and Objectives

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

4. 2025-2027 BIENNIAL BUDGET

Director Kohtz informed the Board that preparation for the 2025-2027 Biennial Budget will begin soon and indicated that he plans to include budget issues for an increase in funding for travel and health insurance expenditures. The Director also indicated that any fee changes will be incorporated into the biennial budget request. Director Kohtz asked for any questions related to the 2025-2027 Biennial Budget. There was no further discussion.

a. Policies and Procedures

Director Kohtz asked for discussion specific to policies and procedures pertaining to the 2025-2027 Biennial Budget. There was no discussion.

b. Goals and Objectives

A short-term goal was established to complete 2025-27 Biennial Budget Request addressing agency issues discussed at strategic planning.

5. FEES

Director Kohtz brought attention to the 2024-27 financial projections and informed the Board that it is time to begin discussion on fee changes to address the unanticipated budget increases, flat Appraiser Fund revenues, and declining AMC Fund revenues. The Director reminded the Board that fees have not been increased in at least fourteen years and that his focus has been placed in finding more efficient and productive ways to conduct the Board's business. Unfortunately, there are no more cost savings avenues remaining. Director Kohtz informed the Board that any fee changes must be included in Title 298. It would also be helpful to have a plan for the 2025-2027 Biennial Budget preparations. The Director then asked the Board to provide guidance for how he should approach the fee changes. The Board discussed various scenarios that included different fees implemented at different times. The Director and the Board agreed that the fee changes should occur in steps over a three-year period. 5% each year was offered as a guideline. Director Kohtz informed the Board that he could place a fee table in the current Title 298 draft that includes a specific fee in each fiscal year. The increases would be equally spaced until the statutory limit for the fee is reached. The Board agreed with this plan. 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, 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

- Industry's inability to grow
- Efficiency loss due to Database not meeting potential
- Size of Agency staff
- Regulatory and statutory regulations
- Difficulty obtaining new board members

OPPORTUNITIES

- Growth in real property appraiser field
- Continued evaluation of Board and Agency operations
- Embrace of available technology

THREATS

- Agency turnover
- Federal agency oversight
- State economic climate
- Aging appraiser population
- Inadequate Supervisory Appraiser knowledge
- Deemphasis on appraisals at the Federal level

Director Kohtz asked for any discussion pertaining to the SWOT Analysis. The Board agreed that the existing strengths are still relevant. The Board moved to weaknesses. Board Chairperson Downing recommended removing "size of agency staff" from weaknesses. The Board agreed with the Chairperson's assessment that with the addition of the Business Programs Manager position and the ability to cross train, staff size was now an opportunity. The Director informed the Board that "Agency staff size and cross-training of Agency duties" has been added to opportunities. Board Member Gerdes highlighted the commercial and agricultural appraisal expertise on the Board and indicated that a board member with residential appraisal expertise would be an opportunity. The Board agreed. Director Kohtz informed the Board that "Board member with residential appraisal expertise" has been added to opportunities. The ability to offer a non-disciplinary conditional dismissal was recognized as another opportunity by the Board. The Director informed the Board that "Authority for non-disciplinary conditional dismissals" has been added to opportunities. The Board then discussed the use of ASC grant funding for technology projects as a valuable opportunity. Director Kohtz indicated that "Utilization of ASC grant funding for technology projects" has been added to opportunities. A discussion then took place regarding the lack of education of users of appraisals and the Board agreed that this is an opportunity for the Board as well. Director Kohtz announced that "Education of users of appraisal reports" has been added as to opportunities. The Board then moved to threats faced by the Board. A discussion took place regarding the meaning of "State economic climate" and the Board established that the threat could come at the national level or the local level as well, so the overall economic climate is a threat. The Director was asked to strike "State" from this threat. Director Kohtz informed the Board that "Economic climate" is shown as a threat. A discussion also took place on the threat "Inadequate supervisory appraiser knowledge." The Board discussed its authority and ability to correct this issue.
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Director Kohtz reminded the Board that Title 298 includes procedures for the Board to address USPAP deficiencies found in a report with a supervisory appraiser. The Board agreed that more discussion should take place regarding the use of this procedure. The Board agreed to keep the remaining threats as stated. Board Member Gerdes expressed concern with the commodification of appraisals. At times, the number is all that matters to the user of the appraisal. The overall details in support of the value conclusion are ignored or are not important and the assignment is awarded to the lowest bidder regardless of the quality as it is only a product. The Board agreed with Board Member Gerdes and requested that this be added as a threat. The Director informed the Board that "Commodification of appraisal reports" has been added to threats. The Board next discussed the effects of consolidation on the industry and the Board. The Board agreed that business consolidation may push some appraisers out of the industry and government consolidation could remove the appraisers' participation and voice in their own regulatory body. Director Kohtz announced that "Business consolidation" and "Government consolidation" have been added to threats. The Board discussed the risk of appraiser users viewing appraisals as a product and added "Commodification of appraisal reports" as a threat.

S. ADJOURNMENT

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

At 1:24 p.m., Chairperson Downing adjourned the June 13, 2024 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz
Director

These minutes were available for public inspection on June 26, 2024, in compliance with Nebraska Revised Statutes §84-1413 (5).