

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

**June 17, 2025 Strategic Planning Meeting Minutes**

**A. OPENING**

Chairperson Gerdes called to order the June 17, 2025 meeting of the Nebraska Real Property Appraiser Board at 12:30 p.m. in the Nebraska Real Property Appraiser Board meeting room located on the first floor of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

**B. NOTICE OF MEETING**

Chairperson Gerdes 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](http://www.nebraska.gov) on June 10, 2025. 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 in Public Meeting Material ([https://appraiser.ne.gov/board\\_meetings/](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 Cody Gerdes of Lincoln, Nebraska; Kevin Hermesen of Gretna, Nebraska; Rodney Johnson of Norfolk, Nebraska; Derek Minshull of North Platte, Nebraska; and Adam Batie of Kearney, Nebraska were present. Also present were Director Tyler Kohtz, Licensing Programs Manager Karen Loll, Education Program Manager Kashinda Sims, and Business Programs Manager Colby Falls, who are headquartered in Lincoln, Nebraska.

**ADOPTION OF THE AGENDA**

Chairperson Gerdes reminded those present for the meeting that the agenda cannot be altered twenty-four hours prior to the meeting except for emergency items in accordance with the Open Meetings Act. Board Member Minshull moved to adopt the agenda as presented. Board Member Hermesen seconded the motion. The motion carried with Hermesen, Johnson, Minshull, Batie, and Gerdes voting aye.

**C. CHAIR'S STATE OF THE BOARD REPORT**

Chairperson Gerdes thanked everyone for coming to the strategic planning meeting. Gerdes indicated that the Board is on the right path and the strategic planning meeting identifies the plans for the future. Chairperson Gerdes then welcomed Adam Batie to his first strategic planning meeting as a member of the Board.

#### **D. DIRECTOR'S COMMENTS**

Director Kohtz thanked the board members for taking the time to go through this process and for their dedication throughout the year. The Director also thanked staff for its 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. The Director continued by saying that the focus is placed on the development of short- and long-term goals and any 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 acknowledged Board Member Adam Batie'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:

- LB139 was passed by the Legislature. It updates the Real Property Appraiser Act and the Appraisal Management Company Registration Act to allow the use of a conditional dismissal in lieu of disciplinary action. This option will be available to the Board beginning September 2, 2025.
- The adopted changes to Title 298, which harmonizes Title 298 with the changes made to the Nebraska Real Property Appraiser Act and Appraisal Management Company Registration Act in 2024, addresses the Board's PAVE Dashboard regulations review, adds a fee schedule, and incorporates changes made to the Real Property Appraiser Qualification and CAP Guidelines, is expected to be approved by Governor Pillen tomorrow, June 18, 2025.
- The Board applied for and was awarded an ASC SARAS Grant in the amount of \$58,033.00 for the Director's AARO Conference attendance and to develop an online temporary application and review interface in the database. This application will go live on July 1, 2025.
- The ASC compliance review of the Board's programs was completed in March of this year; the Appraiser Program and AMC Program, were each awarded the ASC Finding of "Excellent."
- The Board obtained a second Special Assistant Attorney General. Jim Titus and Eric Knutson of Peetz, Koerwitz, and Lafleur, PC LLO entered into a contract with the Board and were appointed by the Attorney General's Office. Jim and Eric have been great to work with and are very attentive to the Board's needs.
- The Board received full funding as requested in its 2025-2027 Biennial Budget Request for the next biennium.
- Real property appraiser renewals were once again completed with a significant period of being short staffed with little disruption to the public or the real property appraiser community.

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

- Title 298 changes to address real property appraiser upgrade credential discrepancies in the Real Property Appraiser Qualifications Criteria effective January 1, 2026.
- Framework for the FY2026-27 budget.
- Senator, Legislative Staff, and GPRO Open House/Roundtable.
- Acceptance of AQB approved education activities without Board Approval.
- AQB approval eligibility of Nebraska Community College Real Estate Degree programs.

**E. GENERAL PUBLIC COMMENTS:**

No members of the public were in attendance. With no public comments, Chairperson Gerdes proceeded to the review of the 2024-25 Strategic Planning Goals and Objectives.

**F. REVIEW OF 2024-25 STRATEGIC PLANNING GOALS AND OBJECTIVES**

Director Kohtz indicated that he would provide a brief review of the goals and objectives set for the 2024-25 fiscal year since the Board receives a progress update each month. The following items were noted:

- All short-term goals established for FY2024-25 were completed. However, funding was not included in the ASC SARAS Grant for the online credit card payment options for online applications.
- 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 appraisers and AMC disciplinary action history for active credential and registration holders as the adopted Title 298 changes must become effective prior to implementation of this goal.
- All other long-term goals continue to be met and are ongoing.

**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 during the current fiscal year, and for the most part, over the five-year period. Sims stated that during this fiscal year, three grievances were filed against AMCs; one consent agreement has been entered into with the Board, and the remaining two are expected to be resolved at its regular meeting on June 18, 2025. Sims then reported that five grievances were filed against real property appraisers; four were dismissed and one consent agreement was entered into with the Board. Sims concluded by informing the Board that no grievances were filed against uncredentialed individuals during this fiscal year.

**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 asked for any discussion pertaining to investigative processes and procedures. Chairperson Gerdes questioned if there were any roadblocks or hiccups the staff is experiencing with the current processes and procedures. EPM Sims stated that the only key issue is communication with subject matter experts. Director Kohtz noted that there were communication issues with the previous Special Assistant Attorney General; however, communication with the newly appointed Special Assistant Attorneys Generals has been great. Board Member Johnson expressed understanding for real property appraisers considering reviewer assignments not wanting their work to be reviewed by the Board, as it may be intimidating. Chairperson Gerdes agreed with Board Member Johnson. The Chairperson thanked EPM Sims for the report. There was no further discussion.

**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:**

Director Kohtz informed the Board that the OESI Interface in the NRPAB Database will go live for the July meeting. Board Member Minshull thanked staff for the work preparing the necessary information for each item for the Board's review. Chairperson Gerdes noted the evolution of the process and indicated that the Board has all the information needed, as well as adequate time to review the information, to make informed decisions. Director Kohtz acknowledged Chairperson Gerdes' comment and added that the new interface should help make the Board's review process even more efficient.

**6. FORMS**

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

**7. SHORT- AND LONG-TERM GOALS AND OBJECTIVES**

Director Kohtz asked for any discussion specific to compliance goals and objectives. There was no 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 2024-25 fiscal year. The Director presented fourteen charts to the Board for review. The first two charts represented the number of Nebraska Real Property Appraisers credentialed through education, experience, and examination over the past five years (not including trainees) by classification, and those credentialed through reciprocity during the past five years by classification. Director Kohtz remarked that the number of certified general real property appraisers credentialed through education, experience, and examination shows a slow decline while 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 stable, and the number of certified residential real property appraisers credentialed through reciprocity remains mostly stable. The licensed residential real property appraiser classification continues to show 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 the total 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 a downward trend for the total real property appraiser credentialed through education, experience, and examination and a continued upward trend for those credentialed through reciprocity. When the numbers are broken down by classification, the certified general and certified residential classifications remain stable, while the licensed residential classification continues to trend downward. The number of trainee real property appraisers has declined sharply over the past two years. The Director indicated that, at this point, it is not clear as to the reason for the trainee classification trend change. Director Kohtz suggested that it could be due to participation in the PAREA program; however, the Board has not received applications with any experience completed through the PAREA program to date.

The Director then presented a chart showing the total number of credentialed real property appraisers over the past five years for the Board's for review and noted the fluctuation of one- and two-year renewals. Director Kohtz also acknowledged that the decline in the number of trainee real property appraisers has negatively impacted the total; however, when the trainee classification is excluded, the number of certified and licensed real property appraisers remains stable.

Director Kohtz brought attention to two charts representing the number of real property appraisers by classification over the past thirteen-month period, and the total number of appraisers over the past thirteen-month period. The Director indicated that the trends appear to be stable and noted the January decrease is due to the non-renewal of real property appraiser credentials.

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 total temporary credentials issued for the month of May was sixty-nine rather than the seventy-eight as shown in the first two graphs and that the correction has been made in the regular June meeting materials. The number of temporary real property appraiser credentials has declined slowly over the five-year period.

Director Kohtz proceeded to the two charts representing the number of registered supervisory real property appraisers over the past thirteen months and the past five years. The Director focused on the five-year trends and indicated that the decrease in the number of supervisory real property appraisers correlates with the decrease in the number of trainee real property appraisers between 2023 and 2025. Director Kohtz offered potential reasons for the decline, such as a high number of retirements over the past few years, or the possibility that there is simply a lack of trainee real property appraisers. Chairperson Gerdes questioned whether available valuation technology is playing a role in the decrease in the number of trainee real property appraisers and/or supervisory real property appraisers. The Director indicated that it is possible, but there are no indicators pointing in this direction at the present time.

Director Kohtz then presented two charts illustrating the number of registered AMCs over thirteen months and over five years to the Board for review. The Director stated that the number of registered AMCs has stabilized. Chairperson Gerdes asked if there is a relationship between AMCs and temporary or reciprocal credentials issued. Director Kohtz responded that most temporary and reciprocal credentials are related to commercial or agricultural work.

## **2. REVIEW OF CREDENTIAL HOLDER RENEWALS**

Director Kohtz presented the 2025-26 Real Property Appraiser Renewal Progress report to the Board for review which includes two graphs representing the number of Nebraska real property appraisers that renewed their credentials over the past five years. The Director reported that renewal rates reasonably fell within the projected ranges, except for the trainee classification. The projected renewal rate for the trainee classification was 74% for the current fiscal year, and the actual renewal rate was 63%, which is inconsistent with the other years in the report. Board Member Batie questioned whether the decrease in the renewal rate could be related to new credentials being issued. Director Kohtz indicated that the projected renewal rate takes the projected upgrades into consideration, so the drop is not related to an increase in new credentials being issued by education, experience, and examination.

The Director then presented two graphs representing the number of late renewals by months late and credential type. Director Kohtz indicated that the majority of late renewal applications are received before January 1st of each year and the certified general classification accounts for a large percentage of those late renewals. Board Member Minshull asked if there is a rationale for a real property appraiser choosing a one-year renewal rather than a two-year renewal. Chairperson Gerdes offered retirement as a reason. Director Kohtz indicated that the real property appraiser's education cycle is also a factor. A person could not apply for a two-year renewal in the middle of their CE cycle. Board Member Johnson added that it is sometimes just preference for either way. Director Kohtz agreed with Board Member Johnson.

## **3. 2022-29 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. Director Kohtz explained that these projections are used for budgeting purposes. The Director noted that the certified general and the licensed residential classifications are projected to decline, and the certified residential classification is stable, for those credentialed by education, experience, and examination. Director Kohtz then brought attention to the trainee classification and informed the Board that the current projection shows a continuation of the current trend.

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The Director added that although the current trend supports this projection, it is likely that this projected trend will change before next year. The projection for the number of certified general real property appraisers credentialed through reciprocity will continue to trend upward, the number of certified residential real property appraisers are projected to remain stable, and the number of licensed real property appraisers are projected to decline slowly. The projections show that the overall number of certified general real property appraisers and certified residential real property appraisers will remain stable in 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. Board Member Hermesen questioned the purpose of the licensed classification. Director Kohtz indicated that many states do not have a licensed real property appraiser. Chairperson Gerdes indicated that a licensed residential real property appraiser could upgrade to the certified residential classification without the post-secondary education after a certain period of time. The Director confirmed this to be correct and added that when the AQB made this change to the Real Property Appraiser Qualification Criteria, he thought this would become a stepping-stone credential to the certified residential classification, but this has not been realized.

The Director then moved on to the projected number of AMCs and indicated that projections are stable. Board Member Minshull inquired if the decline was a result of consolidation of AMCs. The Director responded that there have been AMC consolidations and AMCs reducing their market footprint over the past three years. However, the number of new AMC registrations issued was twice the projections for the fiscal year. Although this does not indicate a trend, it is a sign that the attrition is ending.

Board Member Minshull asked if it would be wise for the Board to increase the AMC renewal fee to the statutory maximum sooner than what is identified in the current fee schedule. Director Kohtz indicated that AMCs are projected to be stable, but given the imminent cash fund balance transfer, it would be a good idea to consider such a change to increase the fund balance to insulate against future attrition in the market. Board Member Johnson stated that he sees no concerns with the idea. Chairperson Gerdes agreed and expressed support for staying ahead of the issue.

#### **4. REAL PROPERTY APPRAISER CREDENTIALS**

##### **a. General Discussion**

Director Kohtz asked for any general discussion on real property appraiser credentials and indicated that Board Member Minshull would like for the Board to discuss the decline in the number of Nebraska resident certified general real property appraisers. Board Member Minshull then questioned the overall effect that temporary and reciprocal credentials have on the potential applicant pool for resident real property appraisers. Chairperson Gerdes indicated that it does have an effect as the large companies from Chicago, Kansas City, and Denver can place a large staff on an assignment, reducing the cost compared to local offices. Chairperson Gerdes asked Board Member Hermesen if he experiences this in the Omaha market. Board Member Hermesen confirmed that out-of-state firms compete with local firms in Omaha. Board Member Minshull reiterated the importance of having an adequate number of local real property appraisers available for assignments and remarked that out-of-state firms do not have the local expertise needed to complete assignments with the detail needed to adequately evaluate risk.

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Board Member Minshull asked if a separate fee structure could be put in place for reciprocal and temporary credentials since the influx in out-of-state real property appraisers may discourage Nebraska residents from entering the profession. The Director stated that a statute change would likely be needed to implement a change for reciprocal real property appraisers; however, the Board's fees for temporary credentials will be at the federal maximum in two years, so there is no increase that could be made to temporary credentials. Board Member Minshull asked if a financial incentive could be made available to increase the number of Nebraska resident real property appraisers. The Board discussed different concepts, such as reducing renewal fees for supervisory real property appraisers, assisting supervisory real property appraisers with operating costs, and assisting trainee real property appraisers with costs. The Director informed the Board it does not have funding within the current budget to implement such a program. Funding could be requested in the next biennial budget request, but the Board would need to establish revenues to offset the additional costs of the program. Another option would be to apply for a SARAS Grant through the ASC. The program developed would have to meet the qualifications for a grant. SARAS Grants may be used for states with a shortage of appraisers in rural, tribal lands, or other underserved markets. States may submit projects to assist aspiring appraisers in fulfilling the required education and experience to become a licensed or certified appraiser. The application should include supportable data that substantiates the shortage of appraisers. Projects that address diversity and partnerships with institutions of higher education are highly encouraged. Chairperson Gerdes then recommended that Director Kohtz contact the ASC to inquire about options available to the Board.

**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 credentialing processes and procedures. Chairperson Gerdes inquired if there was a way to speed up the process for reviewing experience and education. The Director stated that there was no efficient way to speed up the processes, noting most delays are due to staff waiting on responses. Gerdes then questioned if the order in which the process is completed by applicants could be adjusted. Director Kohtz responded that the Real Property Appraiser Qualifications Criteria requires that education and experience be approved prior to being allowed to sit for examination. Chairperson Gerdes then asked if the Appraisal Applicant Experience Review Subcommittees could get a summary of the assessment for an applicant when the email is sent to review an applicant. The Chairperson added that it takes a long time to verify all the information.

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Director Kohtz informed the Board that the education and technical requirements for experience are already met if the application is going to the review subcommittee. The subcommittee only needs to be concerned with whether the experience is acceptable or not. If there was an issue, the matter would go before the Board rather than a subcommittee for review. The Director then stated that a summary could be added to assist the review subcommittee. Board Member Gerdes indicated that he would appreciate the information. Director Kohtz replied that he would add summary language to communication with the Board's Subcommittees.

**f. Forms**

Director Kohtz asked for any discussion specific to real property appraiser forms. The Director indicated online applications increase office efficiency and reduce user errors. When the online application for real property appraiser renewals was implemented, the Board wanted the paper application to remain available. The Director expressed that processing paper applications is a significantly slower process and requested if the Board would consider removing paper applications as an option for real property appraiser and AMC renewals. The Director added that the intent is to discontinue paper applications in the future as applications are moved online. Chairperson Gerdes inquired if the Board could reduce the reliance on paper applications but keep them available for use. Board Member Hermesen recommended a processing fee for paper applications. The Chairperson also suggested making the paper applications available upon request. Director Kohtz indicated that applications could be made available upon request; however, this would have to wait until the next renewal season as the new application process is set for the 2026-27 applications for renewal. As for the processing fee, the Director noted that a statute or a rule change would be required to implement a processing fee for this purpose. Board Member Johnson indicated that appraisers must use technology every day, including submitting reports and information through portals, so it is not a hardship to log into a portal to renew their credential.

**g. Short- and Long-Term Goals and Objectives**

Director Kohtz then presented two existing long-term goals for the Board's consideration:

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

Director Kohtz informed the Board that he had no specific comments on the long-term goals and asked the Board if these goals should remain. The Board agreed that the two long-term goals should remain in place.

Director Kohtz then informed the Board that through discussions, three short-term goals were identified for consideration. The Director then presented the following short-term goals for the Board's consideration:

- For real property appraiser and AMC applications available online, explore offering paper applications upon request only for processing fee.
- Explore separate fee structure for credentialing through reciprocity.
- Explore Use of SARAS grant to increase the number of Nebraska resident appraisers.

The Board agreed that the three recommendations should be established as short-term goals for FY2025-26. Chairperson Gerdes commented that the long-term goal, “Explore opportunities to increase number of Nebraska resident real property appraisers” appears to be redundant considering the short-term goals established. Director Kohtz asked if this should be removed from the long-term goals. The Board agreed.

## **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. There was no discussion.

### **c. Forms**

Director Kohtz reminded the Board that the online temporary real property appraiser application will be effective on July 1, 2025 and asked for any discussion specific to temporary credential forms. Board Member Minshull requested confirmation that temporary real property appraiser credentials are issued per assignment and reciprocal real property appraiser credentials are for one or two years. Director Kohtz confirmed this.

### **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**

### **a. General**

Director Kohtz asked for any discussion specific to AMC registration. Chairperson Gerdes referenced the conversation regarding AMC fees during the real property appraiser credential discussion and recommended that “review AMC fees” be added as a short-term goal. Director Kohtz noted the request. There was no further discussion.

### **b. Initial Registration**

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

### **c. Renewal of Registration**

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

### **d. Processes and Procedures**

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

### **e. Forms**

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

**f. Short- and Long-Term Goals and Objectives**

Director Kohtz presented the following short-term goal to the Board for consideration:

- Review current AMC fees.

The Board agreed to establish the short-term goal as presented for FY2025-26.

**I. EDUCATION**

**1. GENERAL DISCUSSION**

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

**2. ACCEPTANCE OF AQB APPROVED EDUCATION ACTIVATES WITHOUT BOARD APPROVAL**

Director Kohtz informed the Board that during a past regular meeting, the Board asked that he add consideration of the acceptance of AQB approved education activities without Board approval to the strategic planning meeting agenda. The Director informed the Board that currently, all education must be approved by the Board or approved by another jurisdiction in which the real property appraiser or applicant resides or is credentialed according to the ASC Appraiser Registry. Director Kohtz indicated that when this idea was first brought up, he was supportive of the concept; however, after the ASC's last compliance review, he would prefer that the review and approval process not be removed for education, even if the activity is AQB approved. The Director added that, although the ASC would likely view all AQB approved education activities as acceptable, it would put the Board in an awkward position of explaining its rationale for accepting the activities without prior vetting of the activities. During the last compliance review, the ASC was particularly focused on education, so a hands-off approach could lead to liabilities that are not anticipated. Board Member Hermesen questioned why staff is reviewing a course if the course has been approved by the AQB. Director Kohtz clarified that if an education activity is AQB approved, the education provider only needs to submit an application stating as much. Staff's vetting of the activity is to ensure that AQB approval is active, and that the education activity approval is appropriate for its purpose. Staff rarely conducts a deeper review of an AQB approved education activity. However, if there is a discrepancy that needs to be resolved, staff may review the AQB course file documentation for clarification. Maintaining Board approval of an AQB approved activity also allows staff to monitor any changes to the AQB approval or assigned delivery mechanism approvals. Chairperson Gerdes then asked how often AQB approved education activities come before the Board. The Director and EPM Sims indicated that it is very rare. The Chairperson then asked about turnaround time for an AQB approved activity. EPM Sims estimated it to be about thirty minutes. The Board agreed that the current education processes and procedures should remain in place.

**3. QUALIFYING EDUCATION**

**a. AQB Approval Eligibility of Nebraska Community College Real Estate Degree Programs**

Director Kohtz brought attention to a recent change made by the AQB to allow AQB approval for degrees in real estate from community colleges. The Director informed the Board that he does not know of any real estate programs hosted by Nebraska community colleges, but if there are any, it may be beneficial to reach out to the institution to gauge interest in obtaining AQB approval. Board Member Hermesen indicated that he believes the University of Nebraska Omaha has a program. Director Kohtz confirmed that UNO's Degree in Real Estate and Land Economics is AQB approved.

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The Director informed the Board that he worked with the University and the AQB to get this program approved. Chairperson Gerdes asked Director Kohtz how much time he put into the UNO approval. The Director responded that not much time was needed. Once the process started, his involvement was related to ensuring that the state's requirements are met. The Director was asked if he has reached out to UNL. Director Kohtz informed the Board that he did reach out on occasion when going through the process with UNO, but the idea was not well received. Board Member Batie expressed support for any avenue that may open up more paths into the profession. The Board agreed that this should be a goal for the FY2025-26 fiscal year.

**b. Processes and Procedures**

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

**c. Application for Approval as a Qualifying Education Activity in Nebraska**

Director Kohtz asked if the Board had any discussion specific to the qualifying education application. 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:

- 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 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 intend 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 three years ago. The Director then asked the Board if these goals should remain. Board Member Minshall asked why the goals are specific to agriculture. Director Kohtz stated that, for a period, the Board felt that those entering the profession to engage in real property appraisal practice pertaining to agricultural properties were not receiving adequate agricultural appraisal-based education. Chairperson Gerdes confirmed this and continued by reporting that many of the qualifying education courses for the certified general classification focus on the commercial aspect of appraising, which puts those that intend to engage in real property appraisal practice with a focus on agricultural properties at a disadvantage. The Director asked if the Board would like to maintain these long-term goals. The Board agreed that the goals should remain.

Director Kohtz informed the Board that, through discussions, one short-term goal had been identified for consideration. The Director presented the following short-term goal for the Board's consideration:

- Reach out to Nebraska community colleges with real estate degree programs to gauge interest in AQB Approval.

The Board agreed to the establishment of this short-term goal for FY2025-26.

#### **4. CONTINUING EDUCATION**

##### **a. Processes and Procedures**

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

##### **b. Forms**

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

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

Director Kohtz asked the Board if there were any continuing education short- and long-term goals and objectives they wanted to establish. There was no discussion.

#### **5. 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.

#### **6. INSTRUCTORS**

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

#### **7. POST-SECONDARY EDUCATION**

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

#### **8. 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. There was no discussion.

#### **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. Board Member Minshull commented that the structure of the Board is adequate and fair, and that the Board is able to effectively carry out its responsibilities. Chairperson Gerdes agreed with this statement.

## **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/AFSCME contract changes, and to address general work environment needs and/or changes.

Director Kohtz informed the Board that he had no specific comments on the long-term goal and asked whether the Board believed the goal should remain. The Board agreed that the long-term goal should remain in place.

## **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.

The Director brought attention to the goal of exploring the development and implementation of an updated NRPAB logo and indicated that it is not a priority and that no progress has been made over the years. The Director informed the Board that this goal originated a few years ago when the state encouraged unified branding for agencies. At the time, the Board set a long-term goal to explore a new logo to align with the state branding specifications. However, this is not a requirement and not a priority. Director Kohtz recommended that the Board remove this goal. The Board agreed to remove this goal.

No new short-term goals were presented.

## **2. Senator, Legislative Staff, And GPRO Open House/Roundtable**

Director Kohtz presented the Senator, Legislative Staff, and GPRO Open House/Roundtable idea to the Board for discussion. The Director reminded the Board that it originally discussed this idea at its regular meetings in July and August of 2024, but it was removed from the agenda due to the announcement of a special session. The Director stated that with senator term limits, there is less connection with state agencies than there used to be, even more so with the smaller boards and commissions. An open house or roundtable could be a means for senators to learn about who the Board is and what it does. The idea stemmed from a legislative staff briefing that the Nebraska Broadband Office held, but after more research, it was established that this was arranged by the Clerk's Office of the Legislature. Director Kohtz indicated that he was no longer certain that the Board could arrange a similar meeting that would be well attended voluntarily. Chairperson Gerdes indicated that he saw no benefits for the time needed to plan for and hold such a meeting. The Director emphasized that the Board has an excellent relationship with the Banking, Commerce, and Insurance Committee, which is highly important. The Board agreed not to establish this as a goal.

### **a. Short- and Long-term Goals and Objectives**

No Short- or Long-term goals nor objectives were presented or established.

## **3. 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 usability.
- 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 the goal to populate the Disciplinary History Search with all real property appraiser and AMC disciplinary action history for active credential and registration holders was set as a long-term goal because a rule change was required before this work could be completed. Once the adopted Title 298 changes are approved, this work will be completed. Director Kohtz requested that this goal be re-established as a short-term goal for FY2025-26. The Board agreed to maintain the long-term goal pertaining to the NRPAB website and re-establish the Disciplinary History Search as a short-term goal.

## **4. 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 informed the Board that he had no specific comments on the long-term goal and asked whether the Board believed the goal should remain. The Board agreed that the long-term goal should remain in place.

No new short-term goals were presented or established.

**5. THE NEBRASKA APPRAISER NEWSLETTER**

Director Kohtz asked for any discussion regarding 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 informed the Board that he had no specific comments on the long-term goal and asked the Board if this goal should remain. The Board agreed that the long-term goal should remain in place.

No new short-term goals were presented or established.

**6. 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.

Director Kohtz informed the Board that he had no specific comments on the long-term goal and asked the Board if this goal should remain. The Board agreed that the long-term goal should remain in place.

No new short-term goals were presented or established.

Break from 2:23 p.m. to 2:32 p.m.

## **L. ADMINISTRATION**

### **1. GENERAL**

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

### **2. UTILIZATION OF A.I. TO AUTOMATE TASKS, ASSIST WITH CUSTOMER SERVICE, AND/OR DATA ANALYSIS**

Director Kohtz brought attention to the prevalence of artificial intelligence and asked for any discussion pertaining to the utilization of A.I. to automate tasks, assist with customer service, and/or data analysis. Board Member Minshull recommended looking into state-approved A.I. software. The Director shared that he had discussed availability and policies with CIO Matthew McCarville. The Director noted that the state is moving slowly to develop A.I. policies and implementation options due to information security concerns. Once information enters the public realm, it is public information, and any A.I. developer would own significant rights to any data captured. Although the CIO is not making an announcement to agencies, the July 1, 2025 release of Microsoft Enterprise will include Power BI Pro, a data analysis software that agencies may use freely for data analysis. The state currently has a contract with Aible.com for specific AI case development. The Department of Banking has completed a project, but CIO McCarville signed a Non-Disclosure Agreement, so he was unable to provide any details regarding the scope of that project. Board Member Batie inquired about the Board's usage of artificial intelligence. Director Kohtz responded that he does not know at this time, which is the reason why he requested discussion from the Board to help identify potential areas where A.I. use could be beneficial. The Director reiterated common applications include automating tasks, assisting with customer service, and data analysis. Board Member Minshull agreed that some automation and data analysis may be beneficial if cost effective but indicated that the Board should avoid the use of customer service bots, as one of the strengths of the Board is its direct and personal interaction with the public and appraisal business community. Director Kohtz expressed support for this comment.

#### **a. Short- and Long-Term Goals and Objectives**

Director Kohtz then informed the Board that, through discussion, one long-term goal was identified for consideration. The Director then presented the following long-term goal for the Board's consideration:

- Explore utilization of A.I. to assist with business functions to automate tasks and for data analysis.

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

### **3. POLICIES AND PROCEDURES**

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

#### **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.

Director Kohtz informed the Board that he had no specific comments on the long-term goal and asked the Board if this goal should remain. The Board agreed that the long-term goal should remain in place.

No new short-term goals were presented or established.

### **4. NRPAB RECORDS MANAGEMENT**

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

### **5. NRPAB DATABASE**

#### **a. General Discussion**

Director Kohtz stated there has been no update on the SARAS Federal Grant Continuation Request Submission and asked if there were any questions on the NRPAB Database updates. The Director then asked for any other general discussion pertaining to the NRPAB Database. There was no discussion.

**b. Credit Card Payment Option for Online Applications**

Director Kohtz asked for any discussion pertaining to the credit card payment option for online applications. The Director reminded the Board that it was included in the SARAS Grant application, but funding was not awarded for this project. This project will be re-considered for a year three project under the current grant or may be considered for a future application. Board Member Minshull indicated that the ability to accept credit card payments is useful but should not be a high priority as long as ACH payments can be made.

**c. Online Application for Nebraska Real Property Appraiser Credential Through Reciprocity**

Director Kohtz informed the Board that the online Application for Nebraska Real Property Appraiser Credential through Reciprocity is included in the SARAS Federal Grant Continuation Request Submission for FY2025-26 and asked if there was any discussion. There was no discussion.

**d. Online Applications for Approval as Education Activities in Nebraska**

Director Kohtz informed the Board that the online applications for approval as education activities in Nebraska are in the SARAS Federal Grant Continuation Request Submission for FY2025-26 and asked if there was any discussion.

**e. 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 database; repair bugs, make improvements, and add enhancements needed to address program or use changes.
- Explore online real property appraiser through E, E, & E initial applications, AMC initial application, and other services that require payment of a fee.

Director Kohtz informed the Board that he had no specific comments on these long-term goals and asked the Board if these goals should remain. The Board agreed that these long-term goals should remain in place.

No new short-term goals were presented or established.

**6. APPRAISAL REVIEW SERVICES CONTRACTOR PROGRAM**

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

**a. Processes and Procedures**

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

**b. Contractor Agreements**

Director Kohtz asked for any discussion pertaining to the contractor agreements. There was no discussion.

**c. Appraisal Services Contractor USPAP Compliance Review Report Summary Documents**

Director Kohtz asked for any discussion pertaining to the appraisal services contractor USPAP compliance review report summary documents. There was no discussion.

**d. USPAP Compliance Review Reports Forms**

Director Kohtz asked for any discussion pertaining to the USPAP compliance review reports forms. There was no discussion.

**e. USPAP Compliance Review Report Form Check Sheets**

Director Kohtz asked for any discussion pertaining to the USPAP compliance review report form check sheets. There was 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. GOVERNMENT- SPONSORED ENTERPRISES**

Director Kohtz asked for any general discussion pertaining to Fannie Mae or Freddie Mac. There was no discussion.

**P. AARO**

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

**Q. 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.

Director Kohtz informed the Board that he had no specific comments on this long-term goal and asked the Board if this goal should remain. The Board agreed that this long-term goal should remain in place.

### **3. RULES**

#### **a. Title 297**

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

#### **b. Title 298**

##### **i. General Discussion**

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

##### **ii. Real Property Appraiser Qualifications Criteria Language Correction**

Director Kohtz presented an email chain between himself and ASC Program Manager Jonny Stewart to the Board for review and reminded the Board that Title 298 will need to be updated to address the Real Property Appraiser Qualifications Criteria Effective January 1, 2026, for real property appraisers credentialed prior to January 1, 2026, who upgrade to a higher classification after January 1, 2026. There was no further discussion.

##### **iii. NSP National Fingerprint-Based Criminal History Background Check Fee Increase**

Director Kohtz presented a letter from the Nebraska State Patrol to the Board for review. The letter informs agencies that the fee for the National Fingerprint-Based Criminal History Background Check will increase from \$45.25 to \$55.00 on August 1, 2025. The Director indicated that the fee would need to be updated in Title 298. There was no further discussion.

#### **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.

Director Kohtz informed the Board that he had no specific comments on these long-term goals and asked the Board if these goals should remain. The Board agreed that these long-term goals should remain in place.

Director Kohtz then informed the Board that through discussions, one short-term goal was identified for consideration. The Director then presented the following short-term goal for the Board's consideration:

- Adopt Title 298 changes to implement the Real Property Appraiser Qualification Criteria Effective January 1, 2026 for real property appraisers credentialed prior to January 1, 2026 that upgrade to a higher classification after January 1, 2026 and to implement the CHRC Fee changes as increased by the Nebraska State Patrol.

The Board agreed that the recommendation should be established as a short-term goal for FY2025-26.

### **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.

Director Kohtz informed the Board that he had no specific comments on this long-term goal and asked the Board if this goal should remain. The Board agreed that this long-term goal should remain in place.

No new short-term goals were presented or established.

### **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.

Director Kohtz informed the Board that he had no specific comments on this long-term goal and asked the Board if this goal should remain. The Board agreed that this long-term goal should remain in place.

No new short-term goals were presented or established.

## **R. FINANCIAL**

### **1. REVIEW OF CURRENT FISCAL YEAR**

The Board reviewed the expenses and revenues for the current fiscal year to date. The Director reported that, as of this morning, the year-to-date expenditures for the fiscal year are \$422,698.00, which amounts to 81.82 percent of the budgeted expenditures for the fiscal year. Director Kohtz then broke down expenditures excluding encumbrances and reported that expenditures are \$407,698.00, which includes special one-time expenditures, such as increased AARS Contractor fees and the OESI Interface project. 92 percent of the \$444,285.00 FY2024-25 base allocation has been utilized. The year-to-date revenues for the fiscal year are \$389,212.00, which amounts to 103.52 percent of the projected revenues for the fiscal year. Director Kohtz indicated that 91.78 percent of the fiscal year has passed.

Director Kohtz then moved to the Budget Status Report for the Real Property Appraiser Fund and AMC Fund. As of this morning, the Real Property Appraiser Fund year-to-date expenditures are \$284,482.00, which amounts to 81.22 percent of the budgeted expenditures for the fiscal year. The Real Property Appraiser Fund year-to-date revenues are \$263,592.00, which amounts to 100.68 percent of the projected revenue for the fiscal year. The AMC Fund year-to-date expenditures are \$138,217.00, which amounts to 83.09 percent of the budgeted expenditures for the fiscal year. The AMC Fund year-to-date revenues are \$125,620.00, which amounts to 110.02 percent of the projected revenue for the fiscal year.

Director Kohtz then presented four graphs illustrating expenses, revenues, and cash balances to the Board for review. The Director then guided the Board to the NRPAB Twenty-Five Month Cash Balance chart and informed the Board that the cash balance for the AMC Fund is \$312,043.80, the cash balance for the Appraiser Fund is \$389,841.52, and the overall cash balance for both funds is \$718,072.35. The Director then asked if there were any questions or comments regarding the review of the current fiscal year. There was no further discussion concerning the current fiscal year.

### **2. 2025-29 PROJECTIONS**

Director Kohtz presented four charts showing the 2025-29 financial projections. The Director reported that the projected expenditures were calculated at 90 percent for the Appraiser Fund and 90 percent for the AMC Fund. Director Kohtz informed the Board that, as always, a conservative approach was taken towards the revenue projections. The Director also indicated that the Title 298 fee schedule is implemented in the projections. According to Director Kohtz, the majority of revenue comes from renewal fees, application fees, and temporary permit fees. Board Member Minshull brought attention to the projected expenditures exceeding revenues for next fiscal year and for FY2027-28. The Director confirmed Board Member Minshull's observation as correct and informed the Board that the Title 298 fee schedule incrementally increases fees with the statutory limits being reached in FY2027-28.

Director Kohtz then guided the Board to the cash balance projections and illustrated where the fund balance policy stands in relation to the cash balance for both the Appraiser Program and the AMC Program. The Director informed the Board that the \$150,000.00 cash fund transfer from the Appraiser Fund, and the \$100,000.00 cash fund transfer from the AMC Fund, are included in FY2025-26. Director Kohtz indicated that at the regular meeting on June 18, 2025, an updated Appraiser Fund Cash Balance Policy and an updated AMC Fund Cash Balance Policy will be presented for the Board's consideration. The proposed policies temporarily remove the allocation for technology projects as Federal funding is available for this purpose under the SARAS Grants.

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The fund balance policies used in this chart are the proposed fund balance policies. The Director reported that the projected AMC Fund balance would be above the cash fund balance for the duration of the reporting period; however, the projected Appraiser Fund amount would be significantly below the threshold throughout the same period. Director Kohtz indicated that over ten years of budget management has been erased because of the cash fund transfers. Director Kohtz informed the Board that the goal was to build up revenues over the next few years and let the fund balances trickle down for a few years before the statutory fee limit would need to be increased again; the cash fund transfers leave little option to the Board but to move this timeline up significantly. The Director concluded by saying that the cash fund balances will be monitored closely during the next couple of years. Chairperson Gerdes thanked Director Kohtz for the report.

### **3. FY 2025-26 BUDGET**

Director Kohtz presented the proposed FY2025-26 Budget to the Board for review and highlighted the following items:

- Projected Appraiser and AMC Fund expenditures are \$438,117.00, and projected Appraiser and AMC Fund revenues are \$389,823.00.
- Projected Appraiser Fund expenditures are \$299,701.00, and projected Appraiser Fund revenues are \$255,823.00.
- Projected AMC Fund expenditures are \$138,416.00, and projected AMC Fund revenues are \$133,625.00.
- No projected carryover allocation is included.
- Proposed Budget includes general expenditure allocation of 65% to Appraiser Fund and 35% to AMC Fund.
- Employee Salaries and Benefits (\$348,775.00)
- Board Member Per Diem Payments (\$7,500.00)
- NRPAB Employee Recognition Program (\$2,000.00)
- Board Member Meeting Travel (\$12,038.00)
- Legal Services (\$20,000.00); Legal-Related (\$3,000.00)
- Other Contractual Services - CHRC and Appraisal Review Services (\$31,023.00)
- CIO – IM Services expenditures, Network Services expenditures, and software (\$33,264.00)
- Other Operating Expenses (overage coverage of \$251.00)



- Budget includes the following changes from the FY2024-25 base:
  - Salary and Benefits (\$17,847.00)
    - Permanent Salaries (\$10,163.00), Per Diem Payments (\$100.00), Retirement Plan (\$762.00), FICA (\$770.00), Health Insurance (\$6,432.00), Workers Comp Premiums (-\$180.00)
  - Operating Expenses (\$6,554.00)
    - CIO Charges (\$1,100.00), Publication and Print Expense (-\$250.00), Rent Expense (\$939.00), Rent Depreciation (\$477.00), Office Supplies (-\$500.00), Accounting and Auditing (\$1,858.00), Purchase Assessment (\$2.00), Educational Services (-\$17.00), Other Contractual Services (\$4,023.00), Insurance Expense (\$40.00), Other Operating Expenses (-\$468.00).
  - Travel Expenses (-\$2,097.00)
- **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: 10 Hours x \$125.00 = \$1,250.00
    - Commercial: 10 Hours X \$125.00 = \$1,250.00
  - 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, aside from the DAS assessments and salary and benefits changes, funds were reallocated to increase the AARS Contractor fees as requested by the Board. For FY2025-26, the fees will be increased to \$1,250.00 and to \$1,500.00 in FY2026-27. If the Board would like to increase the fees above this amount, it would have to be included in the Board's 2027-29 Biennium Budget Request. The Board did not request any changes to the proposed FY2025-26 Budget.

**a. Policies and Procedures**

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

**i. AMC Fund/Appraiser Fund Split**

Director Kohtz presented a memo regarding the FY2025-26 Appraiser-AMC Funds Allocation to the Board for review. The Director reminded the Board 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.

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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 34% of time was spent on AMC related functions, and 66% of time was spent on Appraiser related functions. During analysis of the proposed budget for FY2025-26, the past, present, and projected numbers and trends for appraiser credentialing, AMC registration, education activities, and compliance, were taken into consideration. The number of AMC registrations renewals have been stable since FY2023-24; however, the number of new AMC registrations increased during FY2024-25, resulting in a slight increase of reported hours for the AMC Registration Program for FY2024-25 compared to FY2023-24. Twenty-four (24) hours were reported in FY2023-24, compared to 39.75 in FY2024-25. Overall, the number of new real property appraiser credentials issued remains stable for the second fiscal year in a row, following increases during FY2021-22 and FY2022-23. These numbers are expected to remain steady for FY2025-26. The number of real property appraiser credential renewals fell below projections in FY2025-26 but are projected to be consistent for the next few fiscal years. Because the numbers are stable for both the Real Property Appraiser Program and the AMC Registration Program, no additional consideration is given to determine the Appraiser Fund and AMC Fund allocation. Finally, there are no education or compliance program changes, or legislative or policy matters, that would affect the AMC/Appraiser Funds allocation for FY2025-26. The Director then stated that the AMC/Appraiser Funds allocation for FY2025-26 will remain at 65% Appraiser Fund and 35% AMC Fund. 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.

**c. State Health Plan Update**

Director Kohtz presented a letter from Lee Will, Director of the Department of Administrative Services (“DAS”) to the Board for review. Director Will informed agencies that the agency expense for health insurance will increase by 18.5% for FY2025-26, beyond the amount identified by DAS during the legislative session. Director Kohtz informed the Board that agencies had no chance of addressing this significant expenditure increase in its biennial budget request or during the legislative session. Moving forward, the Board has two options to address the deficit of \$12,263.00 for FY 2025-26 and \$12,876.15 for FY2026-27. The first option is to make a mid-biennium deficit request. Under this option, expenditures would increase by the deficit amounts for each fiscal year, which would result in a compounded decrease in the cash balance projections. This would result in the need for the statutory fee limits to be increased in 2028, at the latest, to implement fee increases to absorb the compounded cash balance decrease due to this expenditure and to replenish the funds after the cash fund transfer to be completed in FY2025-26. The second option is to make adjustments to the proposed budget in FY2025-26 and FY2026-27 to absorb the expenses.

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In the proposed FY2025-26 budget, funds would be removed for the employee bonus, Director's salary increase would be reduced by \$3,000.00, and the increase to reviewer fees would be eliminated. This would still leave a deficit of \$3,482.00. For the FY2026-27 budget, funds would be removed for employee bonuses, the increase to reviewer fees would be eliminated, and other operating expenses would be reduced by \$291.00. Because additional funding was included by the Legislature for FY2026-27, the remainder of the deficit would be eliminated, as the proposed reviewer fees were to increase over FY2025-26. The cash balance projections would not change significantly under this option. Due to the cash fund transfer in FY2025-26, the statutory fee limit would likely need to be increased in 2029 or 2030 with the next fee increase after FY2027-28 taking place in FY2031-32 or FY2032-33. Board Member Johnson asked what other agencies are doing to compensate. Director Kohtz stated that he has not communicated with other agencies affected by this, as the letter was received on Friday, June 13, 2025. Chairperson Gerdes asked if the Board needs to make a decision regarding how to proceed. Director Kohtz indicated that now is the time to make such a decision as he will present the FY2025-26 Budget to the Board for approval at the July meeting with the changes recommended during strategic planning. The Director was asked how he feels about the second option to make adjustments to the proposed budget in FY2025-26 and FY2026-27 to absorb the expenses. Director Kohtz indicated that it would not make him happy personally, however, he acknowledged his position as Director of a state agency is to understand and implement Board's best interests. Board Member Minshull indicated that the second option is a non-starter. Board Member Gerdes agreed and added that this expenditure was not placed on the Board because of an error on its part or mismanagement. The Board agreed. The Director thanked the Board and proposed a short-term goal to the Board for consideration:

- Submit Budget Deficit Request for \$12,263.00 deficit to Health Insurance Expenses (515500) for FY2025-26, and for \$12,876.00 deficit to Health Insurance Expenses (515500) for FY2026-27, due to 18.5% cost of insurance increase to the agency as notified by DAS on June 13, 2025.

The Board agreed that this short-term goal should be established for FY2025-26.

## **5. FEES**

Director Kohtz presented the approved Fee Schedule effective July 1, 2025 to the Board for review and asked for any discussion. Chairperson Gerdes inquired whether any fees fail cover the cost of processing an application or form. The Director responded that, except for education, this has not been measured individually recently; however, overall expenditures and revenues provide a reasonable indication for whether this is being accomplished. Prior to the cash fund transfer and the health insurance increase, fees covered costs. After these events, the answer is unknown. Board Member Minshull asked if the late processing fees are set at the statutory maximum. Director Kohtz indicated that they are. There was no further discussion.

## **S. SWOT ANALYSIS**

Director Kohtz informed the Board that it was time to review the SWOT Analysis. The Director 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
- 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
- Agency staff size and cross-training of agency duties
- Board member with residential appraisal expertise
- Authority for non-disciplinary conditional dismissals
- Utilization of ASC grant funding for technology projects
- Education of users of appraisal reports

### **THREATS**

- Agency turnover
- Federal agency oversight
- Economic climate
- Aging appraiser population
- Inadequate Supervisory Appraiser knowledge
- Deemphasis on appraisals at the Federal level
- Commodification of appraisal reports
- Business consolidation
- Government consolidation

Director Kohtz asked for any discussion pertaining to the SWOT Analysis. The Board reviewed the existing strengths and agreed that all listed items are still relevant. The Board moved to weaknesses and discussed the existing weaknesses. Chairperson Gerdes questioned why "Efficiency loss due to database not meeting potential" is listed. Director Kohtz clarified that the State of Nebraska's servers cannot communicate with the Federal government's servers, so the ASC Extranet cannot be auto updated with information in the NRPAB Database.

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This project was in the works for years before it was determined not to be feasible. The Director added that he believes the weakness identified is related to the functions that could be added to the database that do not currently exist. Chairperson Gerdes recommended that "Difficulty obtaining new board members" be stricken from weaknesses as the Board is fully staffed at the present time. Board Member Hermesen agreed but commented that appointments being made in a timely manner is still an issue. The Board agreed with Chairperson Gerdes' recommendation. The Chairperson commented that not having as diverse of a Board makeup as in the past could be considered a weakness as different perspectives are always beneficial. The Board agreed; however, no changes were made. There was no further discussion regarding weaknesses. The Board then moved to opportunities and discussed the existing opportunities. A request was made to add "Utilization of ASC funding to increase number of Nebraska appraisers." The Board agreed to add this as an opportunity. Chairperson Gerdes then turned focus to "Authority for non-disciplinary conditional dismissals," and stated that this should be listed as a strength and not as an opportunity since it has been implemented in law. The Board agreed to move this to the list of strengths. Director Kohtz asked for any additional changes. No further discussion took place.

#### **T. ADJOURNMENT**

Board Member Minshull moved to adjourn the meeting. Board Member Johnson seconded the motion. The motion carried with Hermesen, Johnson, Minshull, Batie, and Gerdes voting aye. At 4:29 p.m., Chairperson Gerdes adjourned the June 17, 2025 meeting of the Nebraska Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz  
Director

These minutes were available for public inspection on July 2, 2025, in compliance with Nebraska Revised Statutes § 84-1413(5).