

State of Alaska
Department of Community
&
Economic Development
Division of Occupational Licensing

Real Estate Commission

FY 01 Annual Report

Larry Spencer, Chairperson

Ruth Blackwell

Clarence Bolden

Gail Dossman Tolliver

Audrey Foldoe

Jeannie Johnson

Lottie Michael

Rosanne Alexander,
Executive Administrator

Alaska

**Department of Community
and Economic Development**

Division of Occupational Licensing

3601 C Street, Suite 722, Anchorage, AK 99503-5934

Telephone: (907) 269-8160 • Fax: (907) 269-8156 • Text Telephone: (907) 465-5437

Email: License@dced.state.ak.us • Website: www.dced.state.ak.us/occ/

October 5, 2001

Ms. Catherine Reardon, Director
Division of Occupational Licensing
P. O. Box 11806
Juneau, Alaska 99801-0806

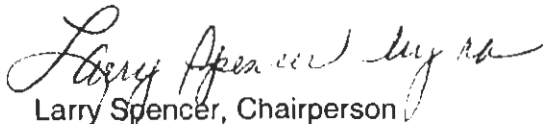
Dear Ms. Reardon:

Enclosed is the annual report of the Real Estate Commission for FY 2001 to meet statutory requirements under AS 08.01. Last year, the Commission set very ambitious goals – both short and long term. This report reflects the success meeting our immediate challenges, while other objectives will continue to receive attention in the next reporting period.

Of course, our most proud achievement was the adoption of the new Residential Real Property Transfer Disclosure Statement. Many, many hours of hard work culminated in a comprehensive template that is certain to ease disclosure obstacles for all citizens wishing to transfer real property. The final product results from a true collaboration between the Commission and dedicated real estate practitioners represented by the Multiple Listing Service forms committee. We thank the committee for its service to Alaskans.

I am pleased by the success of Fiscal Year 2001 and am honored to have chaired the Commission during this effort.

Yours truly,



Larry Spencer, Chairperson
Real Estate Commission

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REAL ESTATE COMMISSION MEMBERS

AS of June 7, 2001

Name & Mailing Address E-mail Address	Telephone, Judicial District		Fax	Term Expires
	Work	Home		
CLARENCE BOLDEN 1234 Hillcrest Drive Anchorage, AK 99503 pltinc@gci.net	274-0536 263-8541 dir. Public Member	279-3456	274-0551 279-0444	1/31/2004
GAIL DOSSMAN 646 King Arthur Circle Anchorage, AK 99518 <u>creole@alaska.net</u>	563-5500 AB, 3 rd Judicial District	338-0585	762-3189	1/31/2003
JEANNIE JOHNSON 1621 Second Street Douglas, AK 99824 skylark@alaska.net	364-2121 AB, 1 st Jud. Dist.	364-3570	364-3520	3/1/2005
LOTTIE MICHAEL 3000 A Street, Suite 200 Anchorage, AK 99503 lottiemichael@gci.net	563-7733 AB, At large	274-9157	561-8929	
SUSAN RAINEY Realty 2000 1221 Noble Street Fairbanks, AK 99708 srainey@mosquionet.com	472-2001 AB 4th Jud. Dist.	474-2001	474-2001	1/31/2001
LARRY SPENCER 175 S. Franklin St, #330 Juneau, AK 99801 lspencer@spencerrealty.alaska.com	463-4111 Broker, At Large	463-3782	463-4122	1/31/2003

1621 Second Street
Douglas, Alaska 9982

364-2121 Office
364-3570 Home
364-3520 Fax

Jeannie Johnson

- Objective** I am very interested in serving on the Alaska Real Estate Commission as the representative of the First Judicial District.
- Summary of qualifications** 1975 – 2001 J. Johnson Company Juneau, Alaska
Real Estate Broker, License #3691
- Licensed in Alaska as Real Estate Sales Person, 1975, Anchorage
 - Licensed in Alaska as Real Estate Broker, 1978, Anchorage
 - Owner of Real Estate Office in Anchorage until 1996 when I moved my business to Juneau.
- Professional experience** 1975 - 2001
- I am a graduate of REALTORS Institute as well as having completed many professional classes throughout the years.
 - I have worked in all phases of real estate... residential, commercial, leasing and property management.
 - My many years of experience in Alaskan real estate have enabled me to be familiar with the markets and agents throughout Alaska.
- Extracurricular activities** I am a licensed private pilot and airplane owner. I have flown extensively throughout Alaska.
- Volunteer experience** City & Borough of Juneau, Airport Board, Second Term
Southeast Alaska Multiple Listing Service, Secretary/Treasurer
Southeast Alaska Regional Air Show, Chairperson
Alaska Airmen's Association, Past Regional Director
Capital City Women's Political Caucus, Co-Chair
PTA President, Girl Scout Leader, Cub Scout Leader in years past.

I have been an Alaskan resident since the age of 5, 1952. I grew up in Anchorage and moved to Juneau in 1996.

Real Estate Commission Staff
FY 2001

Name and Mailing Address e-mail address	Phone	Fax
Catherine Reardon, Director Division of Occupational Licensing P. O. Box 110806 Juneau, Alaska 99811-8006 <u>Catherine_Reardon@commerce.state.ak.us</u>	465-2538	465-2974
Rosanne Alexander, Executive Administrator 3601 C Street, Suite 722 Anchorage, AK 99603 <u>Rosanne_Alexander@dced.state.ak.us</u>	269-8197	269-8196
Anthony Marriage, Publication Specialist 3601 C Street, Suite 722 Anchorage, AK 99503 <u>Tony_Marriage@dced.state.ak.us</u>	269-8168	269-8196
Tom Stanley, Investigator 2601 C Street, Suite 722 Anchorage, AK 99503 <u>Tom_St Stanley@dced.state.ak.us</u>	269-8189	269-8156
Michelle Mandel, Licensing Examiner 3601 C Street, Suite 722 Anchorage, AK 99503 <u>Michelle-Mandel@dced.state.ak.us</u>	269-8162	269-8196

REC Accomplishments, FY 2001

Based on the Commission's goals and objectives for Fiscal Year 2001, the following accomplishments are reported:

Education

The Education Committee, in spite of its large size, diverse makeup and limited meeting opportunities, continues to fulfill its charge by the Commission. Its recommendations are generally accepted and appreciated particularly where certification of course work is concerned.

The Committee worked hard through the fall and winter to assure that instructors certified by the Commission received additional training. In April, a training course was held at the University of Alaska, Anchorage. A total of 54 registrants participated in a full day seminar by Alaskan based trainer Lenise Henderson.

Staff

The Commission's staff remains at three. During the year, however, the licensing examiner's hours were extended. The additional few hours per week have made it possible to keep abreast of our aim to process licensees within the same week of application.

HB 33 continues to be felt at the Commission. That legislation allows for a more thorough integration of the publication specialist's workplace activities into the general staff effort. All three staff members work as a team to take care of the Commission's work duties.

Investigations

We are pleased that Tom Stanley remains the investigator assigned by the Division to handle our enforcement effort. Tom reports to the Commission each quarter on the number of cases opened and closed during the period. His reports are faultless and his willingness and ability as an interpreter of the statutes and regulations to industry is considerable. The Commission very much appreciates his knowledge and patience in providing comprehensive orientation to new members regarding the disciplinary complaint process.

When there are violations, publication of the miscreant's names has been stepped up to discourage others from making similar mistakes.

Funding

Commission members monitored real estate budgets throughout FY 2000. Funding to increase in the licensing examiner's weekly work hours was met with additional charges to the surety fund for part of the executive administrator's salary. An adjustment added approximately \$20,000 to the surety fund and reduced the Real Estate fund by that

same amount, correcting mispostings for such items as course certification fees, the sale of landlord/tenant booklets, etc.

Communication

The Commission maintains excellent contact with the Attorney General's office, calling on Ken Truitt when there is need for lawyer to advise staff and/or members.

Likewise, the office enjoys a smooth working relationship with the hearing officer unit. While surety fund cases proceed under strict APA rules, that staff can count on Hearing Officer David Stebing and his staff for guidance when questions or problems arise.

A means by which members of ARELLO (Association of Real Estate License Law Officials) can obtain information from other members is as readily accessible as an e-mail message. Topics have ranged from the establishment of home offices to how agency questions should be handled. Members seem to respond fairly well to requests for information. The service allows members and staff the benefit of hearing how other jurisdictions handle various industry issues, and gives the Alaska Commission the chance to make information requests and to answer queries from member groups internationally.

With regard to the testing service, ASI. The fiscal year began just after an examination audit and update that had been performed on the last two days of FY 99. Some communications problems developed during the reporting period. The receipt of candidate bulletins was not as expected or promised, and there were delays in reporting examination frequency changes, etc. By the end of period, however, an ASI staff member had been assigned to handle customer service to the Real Estate Commission and contact with the organization was much improved.

Other

The Commission adopted a new Residential Real Property Transfer Disclosure Statement. It is expected to be implemented by regulation just after July 1, 2001.

FISCAL YEAR 2001

Program: Alaska Real Estate Commission

AS 08-88;
12 AAC 64

Name of Individual Completing Report: Michelle Mandel

Date: 06/28/2001

CATEGORY	NEW - ISSUED DURING FY 2001	TOTAL AS OF 6/30/01	NOTES
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A. Current Active Licenses, Permits, Endorsements, Courtesy Licenses, Apprentice/Student Permits, etc.

(List type and if issued by examination or credential, as applicable)

1. Salesperson	197	1101	Exam
2. Associate Broker	6	384	credential (endorse)
3. Broker	2	470	credential (endorse)
4. Limited	0	10	credential (Lic. is no longer available)
5. Temporary - CSED	1	1	(No. 97)
6.			
7.			
8.			
9.			
10.			
TOTAL	206	1966	

B. Current Inactive Licenses

(Only Medical, Dental, CPA, and Real Estate)

1. Salesperson	56	75	
2. Associate Broker	9	18	
3. Broker	7	9	
4.			
5.			
TOTAL	72	102	

CATEGORY	NEW - ISSUED DURING FY 2001	TOTAL AS OF 6/30/01	NOTES
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AWOL

C. -Retired-Licenses

1. All Lic. types (lost contact w/Broker)	65	76	
2. Deceased	3	3	
TOTAL	68	79	

D. Disciplined or Conditioned

(Suspended, Revoked, Surrendered, Probation, Limited, Continuing Education Enforcement, etc.)

1. Suspended	1	1	
2. Active Probation	2	4	
3.			
TOTAL	3	5	

E. Other action taken during fiscal year for which a fee was required

(License verifications processed, roster requests, name changes, etc.)

TYPE OF ACTION	NUMBER PROCESSED
1. License Verifications -- Certified License History	24
2. Certified Copies of Files	4
3. Name Changes	3
4. Roster Requests	20
5. Wall Certificates	0
6. Exam Reviews	n/a
7. Applications Received	199
8. Bonding Research (contractors)	n/a
9. Transfers	330
10. Waiver Letters	21
11. Landlord Tenant Books sold	904
12.	

F. Examination Dates

(List each examination administration separately. Subdivide if more than one exam is given in administration.)

EXAM TYPE	LOCATION	DATE	CANDIDATES	NO. PASSED	NO. FAILED
Computerized examination					
is administered by contracted					
testing service (ASI)					

G. Board Meetings and Teleconferences

DATE	LOCATION <i>(indicate if teleconference)</i>
September 16-17, 2000	Juneau
January 11-12, 2001	Anchorage
March 15-16, 2001	Anchorage
June 7-8, 2001	Anchorage

**Real Estate Commission
Surety Fund Claim and License Violation Statistics**

Fiscal Year 2001

Surety Fund

Opened	4
In Process/Forwarded to Hearing Officer	3
Withdrawn prior to hearing/Dismissed	1

License Violations

Opened	35
Closed	38
Accusations filed	1
Memoranda of Understanding	4
License surrenders	2

REAL ESTATE
 FINANCIAL OVERVIEW
 FY 98 - FY 2001

Real Estate		(P.J.:28026/LC:08000345,346,347,348)							
Based on PROJECTED FEES									
COST OVERVIEW:	Roll-Fwd	FY 98	FY 99 to 5/28/99	FY98/99 Total	FY 00/01 PROJECTION	FY00/01 Projection			
OCCUPATION Direct Expenses		91,608	68,940	160,548	Total FY 98 + FY 99	160,548			
PROGRAM Direct Expenses		148,469	148,223	296,692	Total FY 98 + FY 99	296,692			
DIVISION Indirect Expenses		85,620	80,448	176,066	FY 98 x 2 years	160,896			
Sub-Total Expenses:		335,697	287,611	633,308		618,136			
Cost Savings Adjustments			(See below for explanation)			-44,597 A			
Expense Adjustments					452,600	24,848			
Direct Program Increment Expenses					0	27,055			
Cost Variability Adjustments					625,442	31,272			
TOTAL EXPENSES:		335,697	287,611	633,308	Projected Expenses:	656,714			
TOTAL REVENUE:		618,194	88,742	706,936	Projected Revenue:	737,700			
EXPENSES LESS REVENUE:		283,497	-207,869	75,628	Projected Exp less Rev:	80,986			
Roll-Forward Tracking:	-155,066	283,497	-207,869	75,628	Total Roll Forward:	-79,428			
					Roll Forward Applied:	-79,428			
A) Cost Savings Adjustments consists of:					PROJECTED BALANCE:	1,558			
					PROJECTED ROLL FORWARD:	1,558			
Exec. Administrator position pay step savings	14,062.00	0.00 Yr.							
Oakley, Total Employer R/P Costs	-25,455.00								
Hearing costs shift to Surety Fund (based on FY99)	56,000.00	28,000.00 Yr.							
	\$	44,597.00							

Assuming entire Roll Forward Deficit of \$79,428 is paid back, renewal fees will have to increase by \$20.00

REAL ESTATE SURETY FUND
FINANCIAL OVERVIEW

Real Estate Surety Fund	FY 98	Projection FY2000	Projection FY2001
BEGINNING FUND BALANCE as of 7/1/98	\$ 660,887.98	469,678.00	423,174.53
EXPENDITURES		Allocation	Allocation
Personal Services	28,738.00	90,536.46	90,807.50
Travel	2,551.00	7,500.00	7,500.00
Contractual Services	771.00	46,000.00	46,000.00
Commodities	217.00	3,500.00	3,500.00
Equipment	0.00	0.00	0.00
Subtotal EDUCATION EXPENDITURES	33,277.00	147,536.46	147,807.50
CLAIMS	11,070.00	40,000.00	10,000.00
Other Adjustments:			
Anticipated additional expenditures to 6/30/99	13,850.00	0.00	0.00
Reduce expenditures to reflect funding through Operating Budget		-60,697.98	
TOTAL EXPENDITURES	58,297.00	126,838.47	167,807.50
REVENUE			
Licensing	20,225.00	60,510.00	7,110.00
Claims Filing Fees (based on 11 claims x \$250)	2,750.00	2,750.00	2,750.00
Claims Reimbursements	0.00	0.00	0.00
Other (courts/inst. approvals, af publications, etc.)	0.00	17,075.00	5,650.00
Other Adjustments:			
Anticipated additional revenue to 6/30/99	5,000.00	0.00	0.00
TOTAL REVENUE	27,975.00	80,335.00	15,510.00
Projected Fund Balance at June 30	630,376.98	423,174.53	280,877.03
Excess FY98 balance over \$500,000	-60,697.98		
Adjusted Fund Balance at June 30	469,678.00	423,174.53	280,877.03
Annual Interest Accrual of 4.89% on Fund Balance			
ESTIMATED FUND BALANCE AT JUNE 30	469,678.00	423,174.53	280,877.03
Estimated Number of New Licenses		0	237
Estimated Number of Renewals		2,017	0
Current Fee:	100.00	100.00	100.00
RECOMMENDED FEE:	100.00	30.00	30.00
REVENUE (from License Fees)	0.00	60,510.00	7,110.00
Revenue from all fees (including interest)	27,975.00	80,335.00	15,510.00
	Non-Renewal	Renewal	Non-Renewal

**REC FY 2001 Annual Report
Statistical Education Report**

Course Type	Number Approved
Prelicensing	3
Broker Training	2
Elective Continuing Education Credit (ECE)	43
Designated Continuing Education Credit (DCE)	15
Total Approved	63

Instructor Approval	Initial Approval	Recertification	Total*
Permanent	16	0	16
Temporary	7	0	7
Total Approved			23

*Numbers reflect a non renewal year for courses and instructors; the 2002 annual report is expected to have higher number in these categories.

Alaska Real Estate Passing Rate Report*

Salesperson	FY2001												FY2001 Total
	July	August	September	October	November	December	January	February	March	April	May	June	
new candidates	32	25	33	51	40	42	24	37	53	42	50	38	467
passed	20	13	17	29	18	24	14	25	25	18	32	20	258
failed	12	12	16	22	22	18	10	12	28	24	18	18	211
% passing	0.63	0.52	0.52	0.57	0.45	0.57	0.58	0.68	0.47	0.43	0.64	0.53	0.55
repeat candidates	46	24	18	36	26	22	32	34	35	40	52	52	417
passed	18	6	8	14	6	10	12	14	15	16	20	20	158
failed	28	18	10	22	20	12	20	20	20	24	32	32	259
% passing	0.39	0.25	0.44	0.39	0.23	0.45	0.38	0.41	0.43	0.4	0.38	0.38	0.38
Total passed	38	19	25	43	24	34	26	39	40	34	52	40	414
Total failed	40	30	26	44	42	30	30	32	48	48	50	50	470
Broker/Associate Broker													
new candidates	2	1	6	12	3	7	9	6	11	8	12	1	78
passed	2	1	4	10	1	5	5	4	2	4	6	1	45
failed	0	0	2	2	2	2	4	2	9	4	6	0	33
% passing	1	1	0.67	0.83	0.33	0.71	0.56	0.67	0.18	0.5	0.5	1.00	0.66
repeat candidates	4	10	4	4		8	4	2	8	4	8	8	62
passed	1	2	2	0	0	0	2	2	2	2	6	4.02	23
failed	3	8	2	4	0	8	2	0	6	2	2	1.98	39
% passing	0.25	0.2	0.5	0		0	0.5	1.00	0.25	0.5	0.75	0.67	0.42
Total passed	3	3	6	10	1	5	7	6	4	6	12	5	68
Total failed	3	8	4	6	2	10	6	2	15	6	8	2	72

* The passing rate is based on overall pass and fail statistics.

**Real Estate Commission
Fiscal Year 2002
Goals**

Short Term

Complete the regulatory project for the revision of the Residential Real Estate Commission Property Transfer Disclosure Statement; statewide distribution and training of the form.

Publish an updated broker's manual.

Other

Define supervision of licensees, especially where "home offices" are concerned
Sponsor training workshops for certified instructors and for licensees

Continue to make wider use of the Commission's web site, especially through the publication of forms

Print an updated landlord/tenant book

Consider a regulation change regarding vicarious liability of brokers in Surety Fund proceedings

REC 2002 Proposed Legislation and Regulations

No Legislative changes are anticipated.

Regulations implementing the revised Residential Real Property Transfer Disclosure Statement.

A regulations project dealing with applications, employment and transfer, surrender of license, offices, course requirements, and continuing education.