

# Idaho Real Estate Commission



2015 Strategic Plan  
(July 1, 2015 – June 30, 2019)

## **MISSION STATEMENT**

The mission of the Idaho Real Estate Commission is to protect the public interest in regulated real estate transactions by the administration of the Idaho Real Estate License Law and Rules and the Idaho Subdivided Lands Disposition Act, including licensing and education of real estate brokers and sales associates, enforcement of license law violations, and registration of timeshare products.

## **VISION**

IREC strives to elevate the real estate industry to the highest standards possible and provide outstanding customer service to licensees and the public through quality education programs, strict adherence to statutory licensing requirements, fair and impartial discipline, and courteous and efficient communication.

## **BACKGROUND**

The Idaho Real Estate Commission was created in 1947 as a self-supporting unit of state government. The Commission is charged with administering and enforcing all provisions of the Idaho Real Estate License Law (Idaho Code 54-2001, *et seq.*) as well as the Subdivided Lands Disposition Act (Idaho Code 55-1801, *et seq.*)

The Commission consists of four Commissioners appointed by the Governor to represent four geographic districts in the State of Idaho. The license law requires that Commissioners be actively licensed real estate brokers with at least five years of broker experience.

The current Commission includes:

<b>Kathleen Weber (Moscow)</b>	Term expires July 2015 <sup>1</sup>
<b>Marvis Brice (Rupert)</b>	Term expires July 2016
<b>Michael L. Gamblin (Boise)</b>	Term expires July 2017
<b>Michael J. Johnston (Idaho Falls)</b>	Term expires July 2018

IREC has 15 full time staff positions based in the Boise office, including one inspector (auditor) who travels around the State to review brokerage trust account records and transaction files. Two clerical positions are presently vacant. IREC also has a 6-member Education Council which provides advice and review for Commission education matters.

## **EXTERNAL FACTORS (BEYOND AGENCY CONTROL)**

### **The Economy and Housing Market**

The real estate market appears to have stabilized over the past two years, and this is reflected in a steady increase in the number of licensees, averaging about 100 new licensees per month. Total license numbers are up significantly over the past year, going from nearly 9,700 total licensees as

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<sup>1</sup> Ms. Weber is concluding her first four-year term as a Commissioner and has applied to be reappointed.

of July 1, 2014 to just over 10,000 on July 1, 2015. Real estate educators report the trend of strong prelicense course enrollment shows no signs of abating.

Along with the recovery of the housing market comes a younger generation entering the profession that is accustomed to using technology in every aspect of their lives. The Commission receives many requests each year from potential licensees who would like to attend prelicense classes online, but none are available. It behooves the Commission, as a state agency, to “give the people what they want” and accommodate the demand for technology-based education.

### **Unregulated Property Management**

the Commission regularly receives many phone calls and complaints relating to property management, which is presently unregulated in the State of Idaho. Many property owners report difficulty in obtaining the rent monies to which they are entitled. The Commission has no jurisdiction or authority to pursue these complaints, even if the property manager is also a real estate licensee. Nearly three years ago, the Commission assembled a task force comprised of licensees and property manager stakeholders to discuss whether or how a licensing requirement should be implemented. The task force has come to consensus on some issues, but more work remains, and the task force has been on hiatus due to Commission staff workloads.

## **KEY AREAS OF SUCCESS**

### **Streamlining Office Operations**

The Commission continues to reap the benefits of its efforts to utilize technology to run operations more efficiently. All Commission files, including licensee records, are maintained electronically, providing a back-up for important documents and a significant savings in office and storage space. Applicant fingerprints are scanned and transmitted electronically at the exam testing centers rather than by submitting paper fingerprint cards to the agency for transmittal by hand to Idaho State Police. Results are also sent electronically from ISP to the Commission for import into the Commission’s database. License exam results come to the Commission through an electronic file, and the real estate providers submit course completion lists electronically for posting to the licensees’ records. Licensees renew their licenses online, view continuing education records, make changes to contact information, and add or remove associates from the office at any time of the day or night. In addition, course providers and instructors renew certifications, submit course schedules, and record course completion information for licensees directly through the online services.

The increased use of the Commission’s online services for license changes and renewals and the adoption of electronic fingerprinting have resulted in a tremendous savings in staff time, allowing the Commission to permanently relinquish one FTE and leave two other clerical positions unfilled (nearly 20% reduction in FTEs). Further significant cost savings have been realized by eliminating the requirement for licensees to display paper license certificates, transitioning to postcards in lieu of first class letters for most Commission mailings, and utilizing centralized multi-function network printer/copiers rather than individual desk top printers. Commission staff is proud of the

efficiencies that have been adopted over the past several years, and look forward to identifying additional ways to streamline operations in the future.

The agency maintains its own electronic document management system and an up-to-date, attractive website presence. The expertise of on-site IT staff has resulted in identification of efficiencies in processes, hardware, and software which otherwise would likely have gone unrecognized. The rest of the office staff receives prompt, personalized attention for troubleshooting and updates and is able to maintain a high level of productivity due to prompt resolution of equipment malfunctions or security issues. The Commission's on-site staff IT technician, together with a mutually beneficial, long-term relationship with the developer of its proprietary licensing system, has allowed the agency to identify and quickly implement improvements to its online licensing application over the past 10 years.

Now that the Commission's efficiency heavily relies on use of technology, however, there is a great need to continuously update and adapt the Commission's public and internal licensing systems to keep up with the latest programs. In FY 15, within its approved spending authority, the Commission hired IT personnel from a statewide contract to rewrite the external licensing application for online renewals and search functions. However, the Commission's internal licensing database runs on an outdated platform and is very near the end of its useful life. A significant expenditure of funds will be required in the near future to rewrite the internal licensing application, and the Commission intends to request one-time spending authority in the FY 17 budget to accomplish that task.

### **COMMISSION GOALS**

After identification of critical issues, licensee wants and needs, and agency constraints, IREC Staff have identified the following goals:

**GOAL 1: ENSURE THAT IDAHO REAL ESTATE LICENSE LAW AND RULES ARE CONSISTENT WITH INDUSTRY BEST PRACTICES AND THE PUBLIC INTEREST.**

**Objective A: Improve analysis of national industry and regulatory trends by actively participating in Association of Real Estate License Law Officials (ARELLO).**

**Objective B: Participate in work groups with Commissioners, Commission staff, Idaho Association of REALTORS®, and other relevant stakeholders to identify issues for possible license law changes.**

**Objective C: Investigate and determine need for and desirability of regulation of property managers or leasing activity.**

**Measurement:** Number of ARELLO conferences attended each year

**Benchmark:** Two  
**How Established:** Commissioner direction

**Measurement:** Number of work group meetings between IREC and the IAR each year

**Benchmark:** One  
**How Established:** Agency workload

**Measurement:** Gather information and report to legislature, Commissioners, and industry on suggested methods to address consumer protection issues related to unregulated property management and leasing activity in Idaho

**Benchmark:** July 2016  
**How Established:** Inquiries and complaints received from the public and real estate licensees

## **GOAL 2: IMPROVE THE QUALITY AND RELEVANCE OF EDUCATION PROGRAMS FOR NEW AND EXISTING LICENSEES.**

**Objective A: Implement a review process for courses and licensing exams.**

- 1. Conduct curriculum evaluations of all Commission-developed and continuing education courses on a rotating basis.**
- 2. Evaluate sales associate and broker prelicense examinations to ensure licensing exams correctly measure minimum competencies.**
- 3. Develop a process for monitoring certified instructors and course providers for quality and compliance with Idaho license law and rules.**

**Objective B: Identify a mechanism to ensure broker prelicense courses are available statewide through multiple modes of delivery.**

**Measurement:** Number of sales associate and broker prelicense courses reviewed and updated each year for relevance and current laws

**Benchmark:** 25%  
**How Established:** Agency workload

**Measurement:** Number of certified instructors and course providers monitored each year

**Benchmark:** 25%  
**How Established:** Course and instructor evaluations; inquiries and complaints received from the public

**Measurement:** Number of exam review workshops conducted each year

**Benchmark:** One state exam and one national exam item writing workshop  
**How Established:** Industry standard

**Measurement:** Number of job analysis surveys completed every three years  
**Benchmark:** One  
**How Established:** Industry standard

**Measurement:** Implement an online education platform for all prelicense courses  
**Benchmark:** July 2016  
**How Established:** Industry trends; feedback from consumers and licensees; agency workload

**Measurement:** Minimum number of broker prelicense course offerings statewide each year  
**Benchmark:** Two per course  
**How Established:** Anecdotal information from broker candidates and IREC course providers

**GOAL 3: IMPROVE ADMINISTRATION OF LICENSING PROCESS TO PROMPTLY AND EFFICIENTLY PROCESS LICENSING PAPERWORK.**

**Objective A: Update Commission website, internal licensing application, and external online services to facilitate online license renewals and changes.**

**Objective B: Ensure all eligible licenses and record changes are issued timely and accurately.**

**Measurement:** Number of new license applications and notice of change forms processed error-free within ten (10) business days from receipt  
**Benchmark:** 100%  
**How Established:** Agency workload and staff goals

**Measurement:** Number of license renewals and license changes processed through the online system on an ongoing basis  
**Benchmark:** 95%  
**How Established:** Feedback from licensees; agency workload and goals

**Measurement:** Rewrite internal licensing application  
**Benchmark:** July 2017  
**How Established:** Agency workload and staff goals

**GOAL 4: ASSURE CONSISTENT LICENSEE COMPLIANCE WITH REAL ESTATE LICENSE LAW.**

**Objective A: Review regulated business activities and practices on an ongoing basis.**

**Objective B: Process complaints against licensees in a thorough, fair and timely manner to maintain public and licensee confidence in our system.**

**Measurement:** Number of investigations completed within 6 months from opening of case

**Benchmark:** 100%

**How Established:** Agency workload

**Measurement:** Maintain bi-annual audit schedule for Idaho brokerages

**Benchmark:** 50% per year

**How Established:** Agency workload; ability to retain inspector

**GOAL 5: DEVELOP AND MAINTAIN TECHNOLOGY, PROCEDURES AND STAFF TRAINING TO ENSURE EFFICIENT OPERATIONS AND CUSTOMER SERVICE.**

**Objective A: Improve office records management by implementing and maintaining an electronic document management system.**

**Objective B: Use the ARELLO Time Share Registry for administration of Idaho Subdivided Lands Act.**

**Objective C: Provide outstanding customer service to licensees and the public.**

- 1. Promptly respond to phone call and e-mail inquiries**
- 2. Improve licensee and public self-service abilities (online information and transactions)**
- 3. Maintain and improve knowledge base of staff to assure that vacancies and absences do not disrupt effectiveness**

**Objective D: Reduce the number of late errors and omissions insurance and continuing education violations.**

**Measurement:** Maintain IREC files electronically

**Benchmark:** 100%

**How Established:** Agency workload

**Measurement:** Number of license and education histories obtained by licensees through the online services by June 30, 2016

**Benchmark:** 50%

**How Established:** Commissioner and staff goals

**Measurement:** Implement mechanism for licensee to pay civil penalty fines by logging in to the online services

**Benchmark:** June 30, 2016

**How Established:** Staff goals and feedback from licensees and staff

**Measurement:** Number of callers or e-mail inquiries who are able to make contact with a staff member within one business day of contacting the commission office

**Benchmark:** 100%

**How Established:** Feedback from consumers, licensees, commissioners, and staff

**Measurement:** Number of staff with up-to-date written procedures/desk manuals for job functions

**Benchmark:** 100%

**How Established:** Agency workload

**Measurement:** Update online licensing application and public database interface to allow compatibility with newer technology

**Benchmark:** June 30, 2016

**How Established:** Feedback from consumers and licensees

**Measurement:** Create enhancements to the IREC online services which will prevent licensees from renewing or activating without having all continuing education and insurance requirements completed and posted to their records

**Benchmark:** June 30, 2016

**How Established:** Staff and commissioner goals; feedback from consumers and licensees

**GOAL 6: IMPROVE QUALITY OF COMMUNICATION WITH LICENSEES, EDUCATORS AND THE PUBLIC REGARDING THE PROGRAMS AND ACTIVITIES OF THE COMMISSION.**

**Objective A: Regularly publish and distribute information via regular mail and online.**

**Objective B: Conduct Commission meetings throughout the State of Idaho.**

**Objective C: Improve the IREC website to provide more useful information to licensees and the public.**

**Measurement:** Number of Real Estatement newsletters published each year

**Benchmark:** Two

**How Established:** Agency workload

**Measurement:** Number of “broker bulletin” newsletters sent each year  
**Benchmark:** Two  
**How Established:** Commissioner direction; agency workload

**Measurement:** Number of monthly Commission meetings held in other districts of the State outside Boise each year  
**Benchmark:** Two  
**How Established:** Feedback from licensees; Commissioner direction

**Measurement:** Number of annual reviews of all website content for enhancements and updates  
**Benchmark:** One  
**How Established:** Feedback from licensees and consumers; agency workload