

MINUTES

A meeting of the Task Force for Continuing Education was held February 17, 2012 at the offices of the Alabama Real Estate Commission, 1201 Carmichael Way, Montgomery, Alabama.

Those present were task force members Chairman Steve Cawthon and Commissioners Jewel Buford, Reid Cummings and Danny Sharp and for part of the meeting Commission Chair Bill Watts. Staff present were Assistant Executive Director Patricia Anderson, Education Director Ryan Adair, and Interim Information Technology Manager, Brett Scott.

The meeting having been duly noticed according to the Open Meetings Act was called to order at 8:30 a.m. by Task Force Chairman Steve Cawthon.

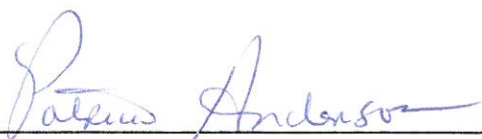
The task force reviewed and discussed research conducted since the last task force meeting that explored how eliminating distance education as an option for the proposed 6 mandatory hours of continuing education in Risk Management would affect licensees. After a thorough discussion, Commissioner Cummings made a motion to change the task force recommendation to the full Commission to allow the proposed 6 hours in Risk Management CE courses to be offered by both live classroom instruction and distance education. Commissioner Sharp seconded the motion and it passed unanimously 4-0.

The Task Force did not set a date and time for a future meeting.

There being no further business, the meeting adjourned at 8:55 a.m.



Steve Cawthon, Chairman



Patricia Anderson, Recording Secretary

Agenda

Task Force for Continuing Education

Alabama Real Estate Commission
1201 Carmichael Way
Montgomery, Alabama
February 17, 2012
8:30 a.m.

- I. Call to Order
- II. Reconsider Recommendation for “Classroom Only Instruction” for Mandatory CE Courses
- III. Any Discussion on Proposed Rule
- IV. Adjourn

Considerations for Allowing Distance Education for Risk Management

We have gathered statistics and other information to share with you regarding licensees who take their courses by distance education. We took a look at how many people completed continuing education courses by distance education last renewal period. Here are our findings:

34% of all active licensees took some of their CE courses by distance education. It is notable that 1/3 of all licensees chose distance education courses.

17.47% took all 15 hours by distance education.

Attached is a list that tells you how many licensees in each county took some or all of their continuing education through distance education. All 67 counties had licensees who took advantage of this option.

Important points to consider:

- Licensees in rural areas may have to drive considerable distances to attend classroom courses. Whereas instructors may provide courses in some of these areas in the six months preceding license renewal, they likely will not do that during the other 18 months of the license period.
- Many licensees either renew late or renew inactive and activate at a later time. They must take the 15 hours before they activate a license and classroom courses are not always available. That has been one of the very important aspects of distance education in that licensees can find available courses when needed.
- Those who need Risk Management because of activations or courses to be taken as a result of Commission ordered disciplinary action may not be able to find a classroom course available particularly in the first year of the license period. In 2011, other than at AAR sponsored events, only 9 classroom courses were offered outside of Birmingham, Huntsville and Montgomery. Those nine were as follows: 1 in Eufaula, 1 in Daphne, 5 in Florence/ Muscle Shoals; 1 in Cullman; and 1 in Ft. Payne. Note: only 2 classroom courses in Risk Management were offered south of Montgomery in 2011.
- Under ADA (Americans with Disabilities Act) we must make accommodations for licensees with disabilities to meet their continuing education requirements. Distance Education courses help us in doing this for licensees who cannot attend classroom courses. Most of our requests under ADA have been licensees who cannot attend classroom courses vs licensees who need a classroom accommodation.
- Reciprocal licensees who are out of state and cannot qualify to renew their license by having an active license in their home state, must meet the Alabama 15 hour requirement. We now have 2,334 ACTIVE reciprocals. Last renewal only 1,654 qualified by holding an active license in their home state. The other 680 had to take Alabama CE. These licensees

would have to come to Alabama to take two classroom courses if the distance education option is not available for Risk Management.

- Currently there are 720 licensees who live out of state who do **not** hold a reciprocal license and 245 of those hold active licenses. Those 245 would have to come to Alabama and take the courses if they choose to keep an active license and the other 475 would have to take Risk Management to activate their licenses.
- One of the key contributors to the 3 hour course titled “Risk Management for Brokers” is Jeanne LaMere, Ph.D. She is with Career Web School which is solely a distance education provider out of Georgia. She has made several trips to Montgomery at her expense and has contributed a lot of time in the development of this course. ARELLO, as well as the Commission, requires that the distance education providers have qualified instructors on staff. Jeanne is more than qualified and has been a true asset to the Education Advisory Committee.
- Our General Counsel has concerns that we do not have adequate evidence to support discontinuing allowing distance education if we are challenged on it. It may appear that we are creating an impediment to maintaining a license and the courts have already issued other rulings against impediments to licensing across state lines.

Additional Information:

As a matter of history and information, distance education has been an option for all kinds of real estate education since 1998 – the past 14 years. All distance education courses are certified for design and delivery by ARELLO using a strict set of Standards that are used in 48 ARELLO jurisdictions. Commission staff reviews each course for content. Alabama was one of the first to adopt the Standards and require them of our schools.

The Standards require course developers to include incremental assessments. In other words, students must pass unit exams in order to proceed in the course. If the incremental assessments are not passed, the student must go back through the material until he/she has “mastered” that subject matter and passes the test and moves on to the next units in the course. In all pre and post license distance education courses, a final proctored exam is given to insure the student has achieved a passing score in the course. Whereas there is no final proctored exam for continuing education, students must still pass the incremental assessments along the way insuring mastery of the material. Also of importance is that more material is covered in a 3 hour distance education course than in a 3 hour classroom course. The trade-off to some is that the opportunity for interaction and to learn from one another is lost in distance education.

Another fact for you to consider is that our distance education schools consistently have the highest exam pass rates for the licensing exam. For 2011, out of the 4 schools with the highest pass rates for the year, 3 were solely distance education schools. (Based on 20 or more students for the year.)

There are pros and cons to each delivery method. Some people do well in classroom courses and some do well in distance education courses. People have different learning styles and personalities (under Myers Briggs) and therefore prefer different delivery methods. Whereas an extravert may love the interaction in a classroom course, an introvert may hate it. This is to say that providing different delivery methods allows different learners to be successful. There is a book titled "The No Significant Difference Phenomenon" that is authored by Thomas L. Russell of North Carolina State University that contains 355 different research reports, summaries and papers. This research literally covers every age group from elementary school students to senior adult learners. There is one consistent finding: when courses are properly designed to meet the learning objectives, the delivery method does not matter and there is "no significant difference" in the learning that takes place whether the course is classroom, low tech or high tech.

Recommendation: We understand what may be lost if a licensee does not take Risk Management in the classroom. However, that does not mean that a student who takes the course by distance education learns less. The research just does not support classroom as superior. Given that courses are not always available when needed, the long distances some may have to drive to attend a course, and the possible legal ramifications, **our recommendation is to continue to allow the mandatory CE courses be taken by distance education.**

Thank you for your consideration.

Pat Anderson, Assistant Executive Director
Ryan Adair, Education Director

Number of Licensees by County who Took CE Online for Last Renewal
(Does not Include Out of State Licensees)

County Name	Less than 15 hrs	All 15 Hrs
Jefferson	573	483
Mobile	272	239
Montgomery	117	131
Autauga	35	21
Baldwin	265	234
Barbour	10	10
Bibb	1	4
Blount	13	17
Bullock	4	4
Butler	1	7
Calhoun	42	28
Chambers	7	7
Cherokee	4	5
Chilton	20	18
Choctaw	0	1
Clarke	4	12
Clay	0	6
Cleburne	1	3
Coffee	14	30
Colbert	12	12
Conecuh	1	2
Coosa	3	3
Covington	10	12
Crenshaw	1	3
Cullman	19	33
Dale	14	11
DALLAS	8	12
DeKalb	14	12
Elmore	34	50
Escambia	6	8
Etowah	39	39
Fayette	5	1
Franklin	4	4
Geneva	3	8
Greene	2	4
Hale	2	4
Henry	3	10
Houston	43	48
Jackson	14	14
Lamar	2	3
Lauderdale	33	27
Lawrence	3	8

Lee	61	66
Limestone	26	37
Lowndes	1	0
Macon	7	3
Madison	216	296
Marengo	9	5
Marion	6	4
Marshall	21	34
Monroe	2	4
Morgan	34	53
Perry	1	1
Pickens	1	3
Pike	7	12
Randolph	8	15
Russell	11	24
Shelby	97	109
St Clair	21	20
Sumter	5	5
Talladega	11	15
Tallapoosa	11	21
Tuscaloosa	72	77
Walker	12	15
Washington	0	3
Wilcox	1	4
Winston	7	5

Rule 790-X-1-.11. Course Content for Continuing Education.

(1) To meet continuing education requirements, licensees shall complete fifteen (15) clock hours each license period as set out below beginning October 1, 2012:

(a) Three (3) clock hours in Risk Management – Level 1. In this level, brokers and salespersons shall take the Risk Management: Avoiding Violations course.

(b) Three (3) clock hours in Risk Management – Level 2. In this level, all brokers shall take the Risk Management for Brokers course. Salespersons shall take the Risk Management for Salespersons course, the Risk Management for Brokers course, or an industry-specific Risk Management course approved for Level 2 credit by the Commission.

~~(b) (c) Twelve (12)~~ Nine (9) clock hours in Commission-approved elective courses

~~(2) In order to meet the requirement of (1)(a) of this rule, each student enrolled in a classroom course shall be provided with the Alabama Center for Real Estate's (ACRE) copyrighted Risk Management manual which is the most current edition.~~

~~(3)~~ (2) The curriculum for continuing education courses offered for elective credit shall consist of subjects which are "core" real estate and which will assist the licensee in fulfilling the Commission's objective of protecting the public. Some examples of acceptable subject matter are License Law, RECAD (Real Estate Consumer's Agency and Disclosure Act), real estate ethics, real estate financing, appraisal and valuation, fair housing, truth-in-lending, agency relationships, agency disclosure, liability of real estate agents, writing contracts, handling escrow funds, environmental issues, negotiating techniques, listing and buyer presentations, writing and presenting offers, showing property, sales skills, communication skills, marketing, certain financial calculator courses, computer courses which are real estate specific and how to utilize technology in the practice of real estate. Examples of unacceptable subject matter are motivational courses, personal development courses, sales meetings, in-house training and orientation courses. All course topics and content are subject to approval by the Commission.

Author: Alabama Real Estate Commission

Statutory Authority: Code of Ala. 1975, §§ 34-27-6, 34-27-8, 34-27-35.

History:

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