

Washington State Real Estate Commission meeting transcript

May 15, 2025

Sandy Baur (00:00):

Wait until we get the recording started.

Jennifer Clawson (00:04):

Oh, I'm sorry.

Sandy Baur (00:04):

Oh, there we go. Nope. There we go.

Jennifer Clawson (00:06):

Okay.

Sandy Baur (00:06):

We're just having quick, little technical difficulties. It started.

Jennifer Clawson (00:09):

Okay.

Sandy Baur (00:09):

Thank you.

Jennifer Clawson (00:10):

Take two. So, good morning. I'm Jen Clawson, chair of the Washington State Real Estate Commission. It is now 10:00 AM on Thursday, May 15th, 2025. And I'm calling this meeting to order. This meeting is open to the public. We'll take time at the end of the meeting for a brief public comment period. Participants will have no more than three minutes to address the commission. As a reminder, commissioners are not to engage in conversation during public comments. As a courtesy, I ask that all participants keep themselves on mute to reduce background noise. When a commissioner would like to comment on a topic, please use the raise hand feature in Teams. Once I've called on you, unmute yourself and state your name before sharing your comments. Please remember to mute yourself again after you finish speaking. Thank you. And I will ask for roll call.

Sandy Baur (01:01):

All right.

Jennifer Clawson (01:02):

Sandy, I believe you're up.

Sandy Baur (01:03):

Yes ma'am. I will start with you, Chair Clawson?

Jennifer Clawson (01:07):

Here.

Sandy Baur (01:09):

Vice Chair Chang?

Eddie Chang (01:11):

Here.

Sandy Baur (01:13):

Board Member Balles? I haven't seen them log in yet. Board Member Brazil?

Casey Brazil (01:25):

Here.

Sandy Baur (01:27):

Board Member Bruce-Jones?

Keith Bruce-Jones (01:29):

Present.

Sandy Baur (01:30):

Board member Galano? I have not seen them login yet, either. And Board Member Schmitz?

Shelly Schmitz (01:42):

Here.

Sandy Baur (01:44):

All right, we have a quorum. Back to you, Chair Clawson.

Jennifer Clawson (01:51):

Okay, we have approval of the agenda. So I was just looking to see if our director had joined. Yeah, he will be possibly joining us today to present on agenda item 7.1, the state budget update. So I would like to request that the agenda item 7.1 be moved to earlier in the meeting following agenda 4.1, approval of the meetings. Is there a motion?

It looks like? Yeah. Is there a motion to approve today's agenda with the requested changes?

Keith Bruce-Jones (02:31):

So moved.

Eddie Chang (02:33):

Second. Vice Chair Chang second.

Jennifer Clawson (02:38):

Okay, great. So it looks like the motion has been moved and seconded. Is there any discussion on this topic? All those in favor say, "Aye."

Shelly Schmitz (02:50):

Aye.

Eddie Chang (02:51):

Aye.

Jennifer Clawson (02:52):

Okay. Those opposed? Are there any abstentions? Okay, so the motion is approved. The agenda item to present has been approved. So now we'll move to agenda item 4.1, approval of February 13th, 2025 minutes. Is there a motion to approve the February 13th, 2025 minutes as presented?

Eddie Chang (03:20):

Vice Chair Chang, so moved.

Jennifer Clawson (03:22):

Do I have a second?

Casey Brazil (03:24):

Commissioner Brazil, second.

Jennifer Clawson (03:27):

Okay, so is there any discussion on this topic? All in favor?

Shelly Schmitz (03:36):

Aye.

Keith Bruce-Jones (03:37):

Aye.

Eddie Chang (03:37):

Aye.

Jennifer Clawson (03:40):

Are there any opposed?

Casey Brazil (03:41):

Aye.

Jennifer Clawson (03:44):

Any abstentions? Okay, so from the vote, the minutes from February 13th, 2025 have been approved. And now we'll move into our 7.1 agenda item that we moved up on the agenda regarding the state's proposed budget. So I'll kick us off, and then I have our director, Marcus Glasper with me also, if there's any questions. We do have, the legislature has presented a proposed budget to the governor. We're still waiting for that to be approved. He has until May 20th. In that proposal, there is a proposal for a fund sweep of our real estate funds of three and a half million. So I wanted to share with all of you that that is currently in the proposal and that's where we're at right now. So I don't know, Marcus, if there's anything else that you wanted to add or just be here for questions?

Marcus Glasper (04:55):

No. Thanks, Jen. I think you summarized it well. I was mostly here to answer questions, but make sure that we clarify that this was not the department's proposal. I think you all know that the legislature took some drastic actions and did funds cross many different dedicated accounts in both transportation and general fund budgets. I think this came up in some of the earlier proposals. I think it was the House version, where we did put forth our concerns to OFM, who then in turn put forth their concerns to the legislature. But in the end, this still happened. But I mostly just wanted to be here to answer any questions that you have. We're still trying to understand what this might mean. This is not the only account under our authority that was swept. But we're still trying to understand what this might mean, and it is our intent to do everything we can to minimize impact. So I'm just here to support Jen with any questions that you might have and if we can actually answer them at this time.

Jennifer Clawson (06:38):

Commissioner Schmitz?

Shelly Schmitz (06:40):

Thank you. So this might be a little bit of a naïve question, here. This is the first time I've been through this type of a budget situation. So when you say it was a three and a half million dollar sweep, the money is in the account and they took the money out to put it somewhere else, and the division doesn't have a say as to whether that money goes or

stays? Or is this more of your budget was reduced by three and a half million, but they didn't actually take dollars out of an account. Does that make sense?

Marcus Gasper (07:22):

Yes, it makes sense. So it was the former for the most part. So there are what the state considers dedicated accounts, and these are typically accounts that are self-funded, they're generated by fees, for the most part. And so the legislature actually took money. So all of these accounts end up having a fund balance. And they essentially are there in perpetuity unless the legislature moves them to somewhere else. And so that's what happened.

(08:02):

They took money out of this dedicated account because it had a larger fund balance, and moved it to the larger general fund account. And so the general fund account, so dedicated accounts have specific uses. You're only supposed to use that money for a specific purpose, unlike the general fund, where it essentially funds anything that they wanted to fund. So yes, you are correct, it was moved. Irregardless of whether or not we had a say, whatever the amount is in that account, we still have to get an appropriation to use a portion of that money. And once we get that appropriation, then that's the portion that can use. So they give us spending authority regardless of how much money is in the account. Does that help?

Shelly Schmitz (09:03):

Yep. So now we are waiting, is the money just gone or are we waiting for something else?

Marcus Gasper (09:17):

The money is essentially gone. I think whether or not the governor's office is going to ... Well, here's the case, it will be very difficult, the way the budget was written, for the governor to be able to veto the fund sweeps. Because he's actually vetoing some other ... He would be vetoing an expense that is reflected in the general fund now. And like I said, they took money from many different accounts. This is not the only one. So it'd be very difficult from my perspective and my experience for him to veto it. There's another possibility, though, that let's say the revenues from the state get better, that they could ask for a restoration, like a transfer back from the general fund into the dedicated account at some point in the future. How likely that is, I don't know. In my experience this has occurred. They do fund sweeps when they are in tough budget times. And it's happening usually during recessionary times. That is a possibility, but, you know, unlikely at this point in time.

Shelly Schmitz (10:42):

Okay. And then, can I ask another question? I'm so sorry that I have so many questions.

Marcus Gasper (10:48):

You're fine.

Shelly Schmitz (10:50):

So with this, I'm assuming they leave enough money, though, to keep the department running, so they're going to estimate what would be needed for this year and maybe next year. And so what's going through my brain right now is as we see a decline in real estate brokers renewing their license or coming into the industry, the revenue, I'm assuming, is going down. I don't know the numbers, but is there some sort of a balance in there so that the division is still okay if our revenue goes down?

Marcus Glasper (11:29):

Yeah. And Jen can help me with this piece, but I believe the revenue, we still had enough money in the account to continue doing the work that we are doing today. Right?

Shelly Schmitz (11:46):

Okay.

Marcus Glasper (11:46):

But you are correct. You're thinking right on, if revenues continue to decline, that could eventually impact the services that we currently provide out of this dedicated account. But right now, there's enough money in the account for us to continue current services, is that correct, Jen?

Jennifer Clawson (12:10):

It is, yeah. Let me give some more specifics that might help, Shelly. So currently right now we have about 6.5 million in the real estate fund balance. Doing the sweep of the three and a half million that would leave us just a little over three million in our fund balance. Our expenditures and our revenue are even right now. So to your point exactly, if our revenue starts to come down, we will have to take a look at the business that we're doing and get really clear about what's required by law, what are some of the extras that we're doing, and that's where we would start to probably make some shifts.

(12:56):

It's on the forefront of my mind of thinking about what does the future look like and how do we get ourselves there? But there isn't anything that we would need to take a drastic measure on right away. We're required to keep right around that \$2 million mark in our fund balance. So we do have a little bit in the fund balance to be able to make sure that we're fitting our expenditures and keeping our fund balance where it is. But it will be something that we are watching. And I have a great forecaster that's working with us that will help us take a look at the future and understand what do we need to be doing to prepare ourselves, to ensure that we keep our fund healthy and are able to serve all of you.

Shelly Schmitz (13:44):

Okay, great. Thank you.

Marcus Gasper (13:47):

Yeah, the way I try to look at it is from your fees, we bring in about 15 million a year into our checking account, we expend about 15 million a year out of that checking account, and we had about seven million in our savings account as cushion. They took about half of that money out of the savings account, so the cushion has decreased. So that's kind of what the scenario is.

Shelly Schmitz (14:19):

Okay. Great. Thank you both. This is helpful.

Jennifer Clawson (14:25):

Absolutely. Are there any other questions on this agenda item? Okay, great. Well, thank you for all allowing us to add this agenda item. I know we got it out just in time for our requirements. I thought it was already on our agenda, but thanks for letting us add it and accepting it earlier. And thank you, Marcus, joining us today. Let's move on.

Marcus Gasper (14:54):

[inaudible 00:14:55]-

Jennifer Clawson (14:54):

Okay, thank you.

Marcus Gasper (14:54):

Bye-bye.

Jennifer Clawson (14:59):

Okay, heading to agenda item number five, awards and recognition. I don't have any to discuss today. Sandy, can I ask if there's any other commissioners that have anything?

Sandy Baur (15:11):

Absolutely.

Jennifer Clawson (15:12):

So is there any other commissioners that have anything under this agenda item? Okay, we'll move on to agenda item number six, old business. So 6.1, one PSI update. And this item is mine. It was asked by Vice Chair Chang for us to give an update on what's going on with our customer service and are we working on that with PSI? I'm happy to report that, well, we've been working with PSI and their customer service for quite a while, I'd say the last couple of years, very specifically. We do have a few system changes that are going in that will improve our customer service delivery. They're scheduled to go in around May 20th, 21st. And it's really about the improving the interface between the way that we collect information from PSI, we transmit it back and forth.

(16:13):

We do believe that this will continue to improve the customer experience because scores will be coming over better without licensees having to come in and ask, "Where's my score? I passed. It's not showing up." It will eliminate some of our manual work that we're having to do on our end. I will also say that over the last several months our complaints into the department have been reduced regarding PSI. So I do think things are getting better. It has been a slow go, but we have not lost sight of that at the department. It's important that we continue to keep our communication open with them and that the process does need to continue to improve for that customer experience from the testing side through licensure. So I don't know if there was something specific, Vice Chair Chang, that you wanted me to mention, but that's my report out that I have currently on PSI.

Eddie Chang (17:13):

I was more referring to whether or not, because I know their contract's coming up, what is the status of that, and maybe with peer review, and any other possible third party that might be able to provide testing?

Jennifer Clawson (17:28):

Currently, we are working through our requirements to go forward with an RFP, so a request. We'll we have to go through a whole formal process of taking a look at all vendors that are available and able to do the testing. So that process, we are doing providing, and we're doing an extension currently because we don't have enough time. There's been other priorities in the agency that have pushed our contracting team to not have enough time to be prepared. So we are doing an addendum to extend the contract with PSI for another 12 months, but that's not without some accountability that we're also doing as that extension.

(18:12):

And then we'll go out for an RFP, I would say in the next probably four or five months, because it does take us a while to build those requirements, and allow contracts to bid on them, and then it takes us a little while for a transition period if there is a transition period. So I meet with the contract manager about once a month on the progress of this exam vendor.

Eddie Chang (18:38):

Thank you.

Jennifer Clawson (18:39):

So by our next commission meeting I should have a better timeline as to what it is that that process looks like.

Eddie Chang (18:50):

Thank you so much.

Jennifer Clawson (18:52):

Yeah, great. No problem. Okay, are there any other questions about our testing vendor from any other commissioners? Okay. It is a regular topic in my office. Okay. 7.2, new business. And Sandy, I believe this is your topic.

Sandy Baur (19:16):

Yes. We just wanted to give an update about the 2025 in-person meeting. As we previously reported, the governor hasn't signed the budget yet. So Governor Inslee's directive that implemented a spending freeze back in December is still in effect. We still are not authorized to do any planning for these in-person meetings. Due to a timeline that's required to plan for an in-person meeting, we're just not going to be able to offer one for 2025. Hopefully in 2026 we'll be able to vote on the new commission dates and instill a in-person option in 2026. Are there any questions?

Jennifer Clawson (20:05):

So just to elaborate a little bit on that, I know that covers the in-person meetings, but with our travel freeze still in effect, that means I also can't approve any travel to any conferences at this point. If that comes, when the budget is signed, hopefully maybe that will get lifted and that will give us a little bit more ability to be able to manage some of these things that are coming up. But right now I just want to make sure that all the commissioners are aware that I'm in a spot where I am not able to approve any type of travel, in-state or out-of-state travel at this time.

Sandy Baur (20:40):

Thank you.

Jennifer Clawson (20:41):

Okay, great. Yes, thank you Sandy. Okay, so now we're going to head into our reports part of agenda, 8.1, subcommittee report outs, and we have 8.1.1, education subcommittee update. And, Commissioner Schmitz?

Shelly Schmitz (20:59):

Oh, good morning everyone, Commissioner Schmitz. I love this update because we have started working on the core. And we did a listening session on, wow, Monday, Tuesday, something like that. And it was a great listening session. We got great feedback. And the next one will be on June 9th, if I recall correctly. Sandy's nodding her head yes. And so anybody who would like to give any input on the '26, '27 core, please come to the listening session on June 9th. That's, that's all for my update.

Jennifer Clawson (21:44):

Great, thank you. We'll move to 8.1.2, team name subcommittee, and Vice Chair Chang.

Eddie Chang (21:55):

Thank you. We had met together and talked about the next paths. We will be putting together, we will be trying to find, we cannot approach a legislator, but if there's a legislator that's interested, they can approach us regarding legislation regarding this. But at the very least, we are going to pull together a meeting and hopefully with Bill, with the help of Bill, put together a list of what we are looking for and what we would like in case the legislator decides to reach out to us on that. Did I miss anything, Sandy?

Sandy Baur (22:34):

No, great job. Thank you.

Eddie Chang (22:36):

Thank you.

Jennifer Clawson (22:38):

Great, thank you. Now we'll head on to 8.1.3, transaction coordinator subcommittee. And Vice Chair Chang, it's you again.

Eddie Chang (22:51):

Okay. I think I missed that last one, if I remember.

Jennifer Clawson (22:57):

Oh, is there someone else that's going to?

Sandy Baur (22:58):

I can step in real quick.

Eddie Chang (23:00):

Yeah. Okay, go for it.

Sandy Baur (23:02):

Sure. So the transaction coordinator subcommittee update, we were going to start winding down the work for this subcommittee. The subcommittee had requested that the education subcommittee take a look at transaction coordinators and what responsibilities are required to be licensed to perform. So the education subcommittee has looked through that, gone through the RCWs and the what's associated with licensed transaction coordinator responsibilities. That means what responsibilities required to have a real estate broker first license to complete. So they're going to put a few things in the core to help clarify this issue. Are there any questions on that? Okay.

Jennifer Clawson (24:05):

Great. Thank you, Sandy. Now we'll head on to our agenda item of 8.2, and this is some of the data portion of our agenda. And so Sandy, do you want to share information there?

Sandy Baur (24:20):

Sure thing. As we discussed at the last meeting, we are going to start reporting out on this information on an annual basis. However, we will still be including the quarterly data in your packets. So the data has been included in the packet. Are there any questions?

Shelly Schmitz (24:42):

None.

Sandy Baur (24:43):

Okay. Thank you.

Jennifer Clawson (24:47):

Great. Now we'll head into our agenda item 8.3, the Board's commission and outreach, housing market report. And Sandy, I think we're back to you.

Sandy Baur (25:00):

Indeed. So the housing market report, a link was included in the packet. We're also going to make a plug for the Washington Center for Real Estate Research, that they also provide various different reports, for instance, an annual median price report, census data profiles, housing affordability indexes. So would like to encourage people to go to that website, take a look at the reports that they have to offer. And there's a whole bunch of interesting things there. So with that, are there any questions?

Shelly Schmitz (25:42):

Mm-hmm.

Sandy Baur (25:45):

Okay.

Jennifer Clawson (25:49):

Okay. Don't go anywhere, Sandy, because this next item is yours, too.

Sandy Baur (25:53):

It sure is.

Jennifer Clawson (25:55):

Yeah. 8.3.2, the review of action items list.

Sandy Baur (25:59):

All right. From our last meeting, we had three items on our master action item list. First one is to schedule subcommittee meetings with the new members. That is complete. Each of the subcommittee meetings have met with their new members. And we are currently discussing how to move forward with the work in 2025. The second item was

to include the PSI discussion requested by Vice Chair Chang on this meeting agenda, that is complete. And the final action item was to change the cadence of the staff reports to an annual basis. And that is now complete. We'll be including the data in our quarterly meeting packets, but only doing a presentation about the entire year's worth of data once. All right. Are there any questions about the master action item list? I think this is the first time we've had all of the master action items taken care of and completed.

Jennifer Clawson (27:04):

Well, nice job, team. Okay, so now we're going to move into agenda item number nine, our public comment. So I'll open the floor to the public to address the commission and to share their thoughts, concerns, and requests. Written comments may be submitted at least two days prior to the meeting by email dolboards@dol.wa.gov. Members of the public, while you're addressing the commission, please remember each member of the public is limited to one three-minute comment. Comments submitted in writing count as your three minutes. Comments must be on matters within the commission's jurisdiction. Commissioners are limited to directing staff to study the matter further or requesting the matter be scheduled for later discussion. I'll now ask Sandy whether any comments have been submitted in writing.

Sandy Baur (27:52):

There were no written public comments submitted.

Jennifer Clawson (27:55):

Okay, so I'll now call on the public members. You may raise your hand and I just ask that when we call on you, then you may speak.

Sandy Baur (28:06):

I see Joni Taylor, please come off mute and let us know what your thoughts are.

Joni Taylor (28:35):

Hi, good morning. Can you hear me?

Sandy Baur (28:37):

Yes.

Joni Taylor (28:38):

Perfect. I am a transaction coordinator. I own a company. I'm independent and work with several different brokerages. And this is my first meeting I'm sitting in. Earlier, someone mentioned licensed transaction coordinator, and I'm just wondering, does that mean licensed broker working as a transaction coordinator or does that mean a separate transaction coordinator license/education?

Sandy Baur (29:08):

That's a fantastic question. We're not able to interact or answer questions at this time. Can you please email that question to the DOL Board's inbox and we can get an answer straight away to you?

Joni Taylor (29:21):

Perfect. Yes, I can. Thank you.

Sandy Baur (29:23):

Thank you.

Jennifer Clawson (29:40):

So I'll just do a last call for any public comment. You can show us by the raise of your hand. Okay. I'm going to go ahead and close the floor for public comment. We'll move on to agenda item number 10, the conclusion portion of our agenda. So 10.1, are there any commissioners that have any announcements that they would like to share today? Okay, we'll move to 10.2, the request for future agenda items. Does anybody have a request for future agenda items? Commissioner Schmitz?

Shelly Schmitz (30:42):

Yes. Would it be possible to get another update regarding PSI and the changes happening there? Can that go on the ... Yes. Okay.

Jennifer Clawson (30:52):

Yes, I was going to add that to action, but we can definitely put it in this agenda. And I was thinking, Sandy, the agenda items should be a PSI contract update with an RFP project timeline and plan.

Sandy Baur (31:05):

Okay.

Jennifer Clawson (31:05):

Because that's very specific about what it is that we're looking for.

Shelly Schmitz (31:09):

Perfect.

Jennifer Clawson (31:11):

The other item that I was thinking for an agenda would be a budget update, because next commission meeting we'll have a signed budget, and I can share with you all where we're sitting there if that would be helpful.

Shelly Schmitz (31:26):

That'd be perfect, yes.

Jennifer Clawson (31:34):

Okay. Does anybody else have any other agenda items that they would like to add? Okay, then we'll move on to 10.3. And Alyssa, you get to go over our action items.

Alyssa Woods (31:49):

Thank you, Chair Clawson. I had captured earlier in the meeting that you were going to give an update on PSI, but I did note that you wanted it to be specific to the PSI contract update and the project timeline. So that will be added and then also a budget update for the next meeting. But this meeting has gone pretty smoothly, so I don't believe there was any other action items that I had captured, but if I missed anything I'd be happy to take that down now.

Jennifer Clawson (32:24):

I think you got them.

Alyssa Woods (32:26):

Perfect.

Jennifer Clawson (32:26):

Yeah.

Alyssa Woods (32:27):

All right. Thank you.

Jennifer Clawson (32:28):

Nice job. Thank you. Okay, team. So it's item number 11. It's now 10:32 AM on May 15th, 2025, and this meeting is adjourned. Our next meeting will be via Teams August 21st, 2025 at 10:00 AM. So thank you all and we'll see you soon.

Sandy Baur (32:49):

Thank you.

Alyssa Woods (32:50):

Thank you.

Eddie Chang (32:51):

Thank you.