

## THE OPINION OF THE COLLEGE OF FELLOWS

# Appraisal Education, Summary Review: ASA Perspectives Regarding Educational Programs, Academic Achievement, and Professional Status

Initiation, Chair Responsibility,  
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*In 1992 the ASA International Professional Development and Education committees expressed concern about problems arising between advocates of "short courses" and proponents of degree-based academic studies; the College of Fellows was asked to review the issues and suggest possible solutions. The following Opinion of the College of Fellows addresses the issues and alternatives and illustrates a reconciliation of views as suggested by the 1994 ASA-oriented educational program initiated at Kaunas University of Technology in Lithuania.*

Every appraiser awarded the ASA designation "Accredited Member" or "Accredited Senior Appraiser" has had to comply with a series of qualifications criteria. Among these requisite criteria is the society's constitutional provision that describes the need for

a bachelors degree, or higher degree, from a recognized and fully accredited college or university, or such other education, knowledge or experience as may be deemed to be the equivalent of such professional education by the International Board of Examiners.

Every senior member must also comply with the society's administrative rule requiring "continuing education of professional appraisers."

Additionally, throughout the country, as a consequence of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), several states are mandating licensing/certification procedures that include educational qualifications criteria.

The mandates initiated by the provisions of FIRREA have generated a question of unique and special concern to ASA members: *In what major educational programs and qualifications criteria should the society invest its time, energy, and funds to best assist its members in preparing for professional practice and status?*

The question suggests alternatives, for example:

1. Will the society's educational philosophy, goals, and objectives best be met by concentrating exclusively on "short courses"?
2. Will the ASA Valuation Sciences Degree Program be considered the most professionally effective educational vehicle?
3. Should the society advocate and support both of these educational structures?

## **Appraisal Education**

### **Majority Educational Experience/Perspective of U.S. Appraisers**

The ASA College of Fellows has described the path chosen by the great majority of appraisers in the United States:

For many years, the major appraisal societies have prepared and conducted seminars, conferences, and classes devoted to the principles of valuation and the practice of appraising.

Absence of academic stimulus and recognition virtually mandated the on-the-job, each-one-teach-one training systems introduced by appraisal societies and business and governmental organizations.

More than 100,000 "appraisal students" have enrolled in these trade and industry business "courses." Millions of dollars have been spent by the enrollees and by organizations sponsoring the enrollees.

Most of the courses have devoted attention exclusively to the appraisal of real estate. Few educational opportunities have been created for appraisers of personalty in such fields as fine arts, antiques, residential contents, gems and jewelry, and classified specialties or for appraisers in such disciplines as machinery and equipment, public utilities, and intangibles such as copy-rights, franchises, and patents.

There is much to be said to support the short courses choice, including:

- Appraisers met, and continue to meet, their chosen appraisal organizations' requirements via "short courses."
- The short courses met, and continue to meet, the pragmatic needs of day-to-day practice.
- Short courses are compatible with the busy schedule of the daily practitioner.

It is equally true that this perspective of educational achievement has faced criticism. Illustrative is a 1972 research paper that contains this conclusion:

To make use of current trends to shape appraisal into a form of activity accepted as "professional," appraisers should consider the following recommended actions:

Substitute professional education for most of the current reliance upon on-the-job apprenticeship.

Experience, on-the-job training, reading, conferences, and short courses will not be sufficient. All recognized professions have found it necessary to substitute a program of formal education for previous reliance upon innumerable years of on-the-job experience.

In a 1975 commentary entitled "The Occupational Status of the Appraiser: Pseudo-Professional or Professional," author Bartlett concludes:

Before we can attain the status of a profession, we must turn over to the universities all of the fundamental appraisal education.

### **Minority Educational Perspective: The ASA Experience**

In 1974, ASA took the first steps in initiating and supporting a formal "Valuation Sciences Degree Program" based on the concept of academic accreditation to achieve a professionally recognized appraisal education program.

The International Board of Governors adopted a series of resolutions authorizing creation of the program. The ASA Educational Foundation adopted parallel supportive resolutions. The ASA Executive Committee assisted in the creation of a National Advisory Council composed of representatives of Northern Illinois University, Hartford University (Connecticut), Union for Experimenting Colleges and Universities, University of North Carolina, Positive Futures Inc., and the U.S. Department of Transportation.

"Guidelines for the Baccalaureate in Valuation Sciences" was published in July 1976. Negotiations were undertaken by ASA with representatives of approximately sixty academic institutions. Observers of the joint ASA Executive Committee/National Council meetings included the American Council on Education and U.S. government representatives from the departments of Health, Education, and Welfare; Housing and Urban Development; Transportation; and Justice. The first "Memorandum of Understanding" was signed June 16, 1976, between ASA and Hofstra University in New York. In 1979, the first two valuation sciences degrees were awarded, one in the discipline of real property and one in the discipline of personal property.

Supportive statements have been made herein concerning short courses; equally, ASA's degree program in valuation sciences deserves supportive commentary:

- ASA has long advocated a "wide-perspective multiple-discipline concept of valuation." This concept, although seldom acknowledged by other appraisal groups, has been understood and recognized in academia.
- The ASA College of Fellows has described the Valuation Sciences Degree Program by stating: "a specific degree for the specialty of appraising will best provide recognition for this emerging profession; ... such a degree must embrace the full spectrum of appraising in all its disciplines, concepts and functions."
- Appraisers have but to look at their presumed compeers: qualifying educational precedents established in such professions as law, engineering, and accounting attest to the recognition of the need for academic achievement formally documented by accredited colleges and universities.

Again, as with the perceptions of short courses, criticism may be leveled at the valuation sciences degree concept:

- Few appraisal practitioners see the need for formal academic recognition via a valuation sciences degree conference.
- Appraisal practitioners have long accepted their role as members of “the industry.”
- Achievement of a degree in the appraiser’s area of expertise—valuation—is time consuming, expensive, and not mandated for designation or licensing.

### **Summary: Reconciliation**

The two educational concepts embraced in the terms “short courses” and “Valuation Sciences Degree Program” have both positive and negative aspects.

One has the power of immediacy and marketplace practicality; the other offers the discipline of academia and the resultant status enjoyed by the professions.

There is no reason for the American Society of Appraisers to opt for one to the exclusion of the other. Both concepts have enormous potential.

Both approach the task of educating with the goal of strengthening the student’s perception and grasp of the fundamentals and complexities of appraising/valuing.

Both pathways should be open to the student and the practitioner.

The following example illustrates the supplementary/complementary potential that these pathways represent: In May 1994, Kaunas University of Technology (Lithuania) introduced valuation science/appraisal into its business administration degree programs. Electives in the Bachelor of Business Administration Program (160 credits, 8 semesters) were rearranged; six basic appraisal courses were added. In the Business Administration Masters Degree Program (80 credits, 4 semesters), four curriculum tracks were structured, one of which would be selected by the student for mandatory completion of requirements for a business administration master’s degree with a specialty in valuation science/appraisal. The four tracks are business valuation, real estate valuation, personal property valuation, and machinery/equipment valuation.

It is the Opinion of the College of Fellows that the American Society of Appraisers should continue to encourage its members to seize every available educational opportunity that will lead to professional practice and professional status. The society should continue to stimulate interest in, and offer full support for, both short courses and the Valuation Sciences Degree Program.