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Governor

Diane Carr
Secretary

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Florida's Future...

DBPR

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Right Now.*

DIVISIONS OF
CERTIFIED PUBLIC ACCOUNTING,
PROFESSIONS and REAL ESTATE

ANNUAL REPORT

FISCAL YEAR 2002-2003

FLORIDA DEPARTMENT OF
BUSINESS AND PROFESSIONAL
REGULATION



**Message from
the Secretary**

Dear Florida residents and visitors:

This past January, I accepted Governor Bush's charge to lead the Department of Business and Professional Regulation. It has been an exciting journey thus far and I am proud of what we have accomplished in this short amount of time.

DBPR is in the business of issuing licenses and ensuring the quality of services provided by our licensees, which range from real estate agents, architects, hotels, restaurants, veterinarians and funeral homes to contractors and cosmetologists. One out of every 16 Floridians is a direct licensee of the department – we affect almost everyone who lives in or visits Florida every day. Our ability to effectively protect the public is essential and we will always look for opportunities to do it better and faster.

Equally important is our ability to provide timely and effective service to our licensees, many of whom are small business owners. They are the backbone of our economy and are already working seven days a week. Meeting their service level needs is a top priority while simultaneously increasing value and service to all our customers.

The 2002-2003 Fiscal Year brought completion of a massive undertaking – DBPR's reengineering and technical project. The project combined multiple outdated systems into one single licensing system and streamlined core business functions. For the last two years, the department has focused on building the technical capacity and laying the technical infrastructure to operate more efficiently. While a great deal has been achieved, there is still work to be done. Our focus is now shifting towards streamlining and improving upon what we have built; continuous improvement of the system will allow even greater efficiencies and savings to be gained over time. I am excited about making these possibilities a reality and I look forward to sharing our future successes with you.

DBPR remains one of Florida's only self-sustaining agencies. The department is primarily funded by the revenue it collects from those it regulates, in the form of license renewal fees, alcohol surcharge taxes, tobacco excise taxes and monies accumulated from disciplinary actions in addition to a small amount of general revenue. All told, the department collects approximately four and a half times more than it expends in the course of its operation. The surplus is added to the state's treasuries, making DBPR an important source of revenue for Florida.

With the support of the state Legislature and the leadership of Governor Bush, DBPR is focused on continuing to leverage technology for the betterment of the services we provide. I appreciate this opportunity to convey information about the department to you and look forward to continuing to work together as we build Florida's future.

Sincerely,

Diane Carr

Division of Professions

The Department's *Division of Professions* is responsible for the licensing of over 359,000 professionals, pursuant to Chapter 455, Florida Statutes. These professions include architecture and interior design; asbestos consultants; athlete agents; auctioneers; barbers; building code administrators and inspectors; community association managers; the construction industry; cosmetology; electrical contractors; employee leasing; farm and child labor; funeral directors and embalmers; geologists; landscape architecture; pilot commissioners; pilots rate review; surveyors and mappers and veterinary medicine. Although not a licensing activity, the pilotage rate review board regulates port pilotage rates in the state of Florida.

The division administers 15 professional boards, three department-regulated professions and one council. Each has the mission of protecting the health, safety and welfare of those who live in and visit Florida by regulating professional licensees through education and compliance. Effective October 23, 2002, the enforcement and regulatory responsibilities related to architecture and interior design have been privatized, pursuant to Chapter 481, Florida Statutes.

Licensed professionals continue to take notice of the online licensing system and all its features.

"Congratulations on producing a website that's user-friendly. The license renewal process has never been easier."

--*The Carson Company, Savannah, GA*

"The online system and its availability is wonderful."

--*Frank Flagg, CGC, Ponce Inlet, FL*

"I like the website--it is very helpful. I renewed online last year and will again. In fact, if it's available online, I'll always do it online."

--*Ralph Philbrook III, Holiday, FL*

"Yours is a very strong site. I can't imagine not using it. You can't beat the immediate satisfaction of finding what you're looking for."

--*Frank Winninger, Coral Springs*

Division of Regulation

The Department's *Division of Regulation* is responsible for enforcement of professions and related businesses licensed by DBPR to ensure that the laws, rules and standards set by the legislature are followed. Based in Tallahassee with ten regional offices located throughout the state, the division proactively monitors the professionals and related businesses by performing statutorily mandated inspections and aggressively pursuing and investigating complaints of wrongdoing.

The division utilizes a full range of compliance mechanisms to achieve its mission of protecting the health, safety and welfare of those who live in and visit Florida. The division strives to continually improve complaint analysis and legal sufficiency determinations. Initial determinations regarding complaints are critical. Correct analysis at this stage offers the greatest level of efficiency and enables the division to focus its enforcement efforts on those who pose the greatest threat of harm to the public.



The use of Personal Data Assistants (PDAs) was implemented during FY 2002-2003. PDAs are mobile computing devices used during facility inspections and investigations. Since implementation, the department has seen a 33% increase in average weekly inspections, from 100 to 135 per inspector. The key to this success is the PDA. Demographic data fields are pre-populated and notices of non-compliance, citations and other forms can be printed onsite. Additionally,

PDAs allow inspection results to be immediately available to department staff, so facility licensing can take place in as little as one day. For example, if an inspector performs an initial inspection on a new funeral home, and the facility passes inspection, the department's licensing staff can instantly see the inspection results and issue the license.

In addition to notices of non-compliance and citations, the division places great emphasis on the effective use of alternative enforcement mechanisms such as its mediation program, alternative dispute resolution, stings, sweeps, industry partnerships and an annual unlicensed activity campaign focused on consumer awareness and public education. During FY 2002-2003, the department's mediation program successfully recovered more than \$3 million for consumers who had been harmed and saved the department an additional \$550,000 in investigative and legal costs.

Division of Real Estate

The Department's *Division of Real Estate* is responsible for licensing over 289,000 individuals, corporations and appraisers as well as real estate schools and instructors. The mission of the Division of Real Estate is to protect the health, safety and welfare of those who live in and visit Florida by regulating real estate professionals through education and compliance.

Headquartered in Orlando, the division administers two professional boards, the Florida Real Estate Commission (FREC) and the Florida Real Estate Appraisal Board (FREAB). The FREC consists of seven members charged with administering and enforcing the real estate license law, Chapter 475, Part I Florida Statutes. The board is empowered to promulgate rules that enable it to implement statutorily authorized duties and responsibilities contained in Florida Administrative Code 61J2. The FREAB also consists of seven members charged with administering and enforcing the real estate appraiser license law, Chapter 475, Part II, Florida Statutes. The board is empowered to promulgate rules that enable it to implement statutorily authorized duties and responsibilities contained in F.A.C. 61J1.

In enacting a revision of Chapter 475, Florida Statutes, the chapter which sets forth the laws governing the conduct of real estate licensees and appraisers in Florida, the Legislature and Governor put into motion a mandate that is well-tailored to protect real estate rights in Florida. The new law represents the joint efforts of professionals in the real estate and appraisal industries and the Department of Business and Professional Regulation, who combining their expertise, facilitated an in-depth evaluation of the needs of Florida's consumers and licensees.

This Division of Real Estate continues to undergo great improvement. Real estate license holders are largely computer-oriented and the 24/7 access to DBPR continues to be received with great admiration.

"It's hard to believe-dealing with a government agency was a pleasure. My wife and I changed our address in seconds and we renewed online. It sure beats mailing in your renewal!"

--*William Briggie, Broker/Owner*

"Every licensing agency needs to have online services like yours."

--*Denziel Maynard, Broker, South Broward Board*

"I recently completed my continuing education to renew my Real Estate License for the State of Florida and let me compliment the people in the Business and Professional Regulation area. I was able to complete the study guide, take the examination and renew my license on the computer. It was very efficient and involved no paperwork. I was amazed and very pleased at the efficiency of this process. I know you have been supported in having more efficient state government activities and in this process you have achieved far more than could be expected. Congratulations."

--*Betty Sellers, Tallahassee*

Division of Certified Public Accounting

The Department's *Division of Certified Public Accounting* is responsible for the licensing of over 31,900 Certified Public Accounts (CPAs). The division administers the Florida Board of Accountancy, which consists of nine members: seven CPAs and two consumer members.

Headquartered in Gainesville, the mission of the division is to ensure that licensees meet the statutory requirements for licensure and practice of certified public accounting as well as to protect the public from unscrupulous and unlicensed practitioners.

Certified public accountants have been delighted to find that they can not only renew their license online but they can report their continuing education online with the department as well.

"I am pleasantly surprised that DBPR has entered the Internet age. This is a neat system. It's a lot easier to pay by credit card over the Internet than send in a check. It's very efficient and well planned."

--*Martin Rappaport, CPA, Lauderhill*

"I just recently renewed my license online (a process I found to be easy and great)."

--*Sandy McCranie*



A DBPR employee assists a licensee with an online renewal.

REVENUES 2002-2003

Professions, Real Estate, Accountancy \$60,745,763

EXPENDITURES 2002-2003 (ACCRUAL)

Professions, Real Estate, Accountancy \$57,686,730

Regulation/Compliance \$ 6,462,825

UNENCUMBERED CASH BALANCE IN TRUST FUND

Professional Regulation Trust Fund

Professions, Real Estate, Accountancy \$44,220,626

**2002-2003
Licensees by Professional Category**

| | <u>ACTIVE</u> | <u>INACTIVE</u> | <u>TOTAL</u> |
|---|----------------|-----------------|----------------|
| Accountancy | 32,487 | 2,529 | 35,016 |
| Architecture and Interior Design | 14,456 | 1,291 | 15,747 |
| Asbestos Consultants | 442 | 26 | 468 |
| Athlete Agents | 252 | 12 | 264 |
| Auctioneers | 2,783 | 20 | 2,803 |
| Barbers | 12,637 | 461 | 13,098 |
| Building Code Administrators/Inspectors | 10,352 | 197 | 10,549 |
| Community Association Managers | 12,041 | 1,266 | 13,307 |
| Construction | 72,238 | 16,396 | 88,634 |
| Cosmetology | 179,047 | 3,368 | 182,415 |
| Engineers | 26,999 | 15,559 | 42,558 |
| Electrical Contractors | 10,093 | 1,467 | 11,560 |
| Employee Leasing | 594 | 0 | 594 |
| Funeral Directors/Embalmers | 3,994 | 285 | 4,279 |
| Geologists | 2,068 | 96 | 2,164 |
| Landscape Architecture | 1,285 | 128 | 1,413 |
| Pilot Commissioners | 110 | 0 | 110 |
| Real Estate Appraisal | 9,500 | 1,930 | 11,430 |
| Real Estate Commission | 196,132 | 53,739 | 249,871 |
| Surveyors/Mappers | 4,018 | 244 | 4,262 |
| Talent Agents | 322 | 0 | 322 |
| Veterinarians | 7,276 | 386 | 7,662 |
| TOTAL | 599,126 | 99,400 | 698,526 |

**2002-2003
Complaints by Professional Category**

| | COMPLAINTS ADDED/RECEIVED | COMPLAINTS LEGALLY SUFFICIENT |
|--|---------------------------|-------------------------------|
| Accountancy | 249 | 245 |
| Architecture & Interior Design | 247 | 240 |
| Asbestos Consultants | 5 | 2 |
| Athlete Agents | 7 | 4 |
| Auctioneers | 101 | 59 |
| Barbers | 594 | 512 |
| Building Code Administrators/Inspectors | 52 | 33 |
| Community Association Managers | 327 | 113 |
| Construction | 5,061 | 2,875 |
| Cosmetology | 2,647 | 2,305 |
| Electrical Contractors | 627 | 322 |
| Employee Leasing | 55 | 48 |
| Engineers | 260 | 123 |
| Funeral Directors/Embalmers | 212 | 142 |
| Geologists | 9 | 8 |
| Landscape Architecture | 14 | 4 |
| Pilot Commissioners | 24 | 23 |
| Real Estate Appraisal | 220 | 176 |
| Real Estate Commission | 4,826 | 1,353 |
| Surveyors/Mappers | 95 | 62 |
| Talent Agents | 175 | 89 |
| Veterinarians | 427 | 301 |

Note: The numbers in the "Legally Sufficient" column may pertain to files that were added or received in a prior fiscal year. A "Complaint" is any written communication made to or by the department, alleging that a violation of the laws and rules relating to the regulation of professions has occurred. "Legally Sufficient Complaints" are complaints identified by the department to have potentially violated the laws or rules relating to the regulation of professions and are subject to further investigation.

**2002-2003
Complaints by Professional Category**

| | PROBABLE CAUSE FOUND | NO PROBABLE CAUSE FOUND |
|---|----------------------|-------------------------|
| Accountancy | 59 | 430 |
| Architecture and Interior Design | 123 | 109 |
| Asbestos Consultants | 19 | 4 |
| Athlete Agents | 4 | 7 |
| Auctioneers | 38 | 76 |
| Barbers | 220 | 250 |
| Building Code Administrators/Inspectors | 14 | 39 |
| Community Association Managers | 9 | 255 |
| Construction | 1,202 | 3,635 |
| Cosmetology | 999 | 1,349 |
| Electrical Contractors | 176 | 382 |
| Employee Leasing | 34 | 65 |
| Engineers | 69 | 72 |
| Funeral Directors/Embalmers | 84 | 143 |
| Geologists | 2 | 1 |
| Landscape Architecture | 3 | 9 |
| Pilot Commissioners | 5 | 25 |
| Real Estate Appraisal | 65 | 64 |
| Real Estate Commission | 360 | 1,070 |
| Surveyors/Mappers | 27 | 42 |
| Talent Agents | 55 | 134 |
| Veterinarians | 45 | 332 |

Note: When an investigation is complete and found legally sufficient, it is submitted to the probable cause panel of the appropriate regulatory board. Determination of whether probable cause exists shall be made by majority vote of a probable cause panel of the board or by the department as appropriate, Section 455.225 Florida Statutes.

Complaints by Professional Category

| | ADMINISTRATIVE COMPLAINTS FILED | FILES CLOSED/ ORDERS OF CLOSURE | DISPOSITIONS OF DISCIPLINARY ACTION | TOTAL # OF DISPOSITIONS |
|--|------------------------------------|------------------------------------|--|----------------------------|
| Accountancy | 30 | 6 | 65 | 71 |
| Architecture and Interior Design | 55 | 0 | 32 | 32 |
| Asbestos Consultants | 19 | 0 | 0 | 0 |
| Athlete Agents | 1 | 0 | 0 | 0 |
| Auctioneers | 35 | 0 | 16 | 16 |
| Barbers | 2 | 0 | 240 | 240 |
| Building Code Administrators/Inspectors | 9 | 0 | 6 | 6 |
| Community Association Managers | 0 | 4 | 2 | 6 |
| Construction | 604 | 46 | 566 | 612 |
| Cosmetology | 103 | 8 | 976 | 984 |
| Engineers | 57 | 3 | 48 | 51 |
| Electrical Contractors | 34 | 2 | 39 | 41 |
| Employee Leasing | 25 | 6 | 41 | 47 |
| Funeral Directors/Embalmers | 71 | 3 | 51 | 54 |
| Geologists | 2 | 0 | 0 | 0 |
| Landscape Architecture | 2 | 0 | 1 | 1 |
| Pilot Commissioners | 5 | 0 | 2 | 2 |
| Real Estate Appraisal | 65 | 2 | 58 | 60 |
| Real Estate Commission | 360 | 61 | 416 | 477 |
| Surveyors/Mappers | 18 | 0 | 6 | 6 |
| Talent Agents | 46 | 4 | 11 | 15 |
| Veterinarians | 34 | 2 | 17 | 19 |

Statutory References

455.2285(7) Disciplinary actions may include Revocations, Voluntary Relinquishments, Suspensions, Probation, Reprimands, Obligations Imposed, Limitations Imposed, Restitution, Citations or other.

455.2285(8) At the close of the 2002-2003 Fiscal Year, the Division of Regulation had 43 files existing for which an investigation had not been completed within one year after the initial filing of the complaint. These files are identified to the supervisors in the appropriate regional field offices and receive the highest priority for completion. Furthermore, the Division of Regulation continues to increase its emphasis on mediation activities for complaints where harm caused by the licensee is economic in nature or can be remedied by the licensee. Complaints that are mediated are resolved very quickly as compared to the normal route of formal prosecution. By focusing on mediation and other compliance mechanisms, such as the issuance of notices of noncompliance and citations, the Division of Regulation provides an avenue for the expeditious processing and resolution of complaints.

455.2285(9) The department has established disciplinary guidelines for professions under our jurisdiction. The following boards/council either updated their disciplinary guideline rules during the fiscal year or promulgated rule making: Architecture and Interior Design, Community Association Managers, Funeral Directors and Embalmers, and Electrical Contractors. The department and the various boards continually review these guidelines for any possible revisions and improvements.

455.2285(10) The department continually reviews its rules and statutory provisions to determine if any regulatory provision or portion thereof, is unnecessary. During Fiscal Year 2002-2003, many of the boards eliminated administrative rule changes to facilitate efficient and cost-effective operations. The department is mindful of the cost of regulation and the burden placed on the regulated community. During Fiscal Year 2002-2003, the department participated in a reorganization initiative that resulted in placing data, which had been stored in more than 60 databases, into a single database (LicenseEase). It also piloted a first-in-the-state mobile inspection solution for conducting inspections, based on use of personal data assistants (PDAs), which interface with the new database. The department will continue to streamline its business processes to provide Florida's citizens more efficient and customer friendly government.

Key Contacts

The Honorable Jeb Bush, Governor of Florida

Diane Carr, Secretary, Department of Business and Professional Regulation

Lianne Acebo, Deputy Secretary

Julie Baker, Deputy Secretary

John Vogt, Deputy Secretary

James Blount, Chief of Staff

Mark Whitten, Acting Director of Professions

Mark Whitten, Acting Director of Regulation

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