

Divisions of Certified Public Accounting,
Professions & Real Estate

Annual Report
Fiscal Year 2003-2004

Florida Department of
Business and Professional
Regulation



Jeb Bush
Governor

Diane Carr
Secretary

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**Message from
the Secretary**

Dear Floridians and visitors:

The 2003-2004 Fiscal Year was an exciting and successful time here at the Department of Business and Professional Regulation. Since accepting the challenge to head the department last year, I have had the opportunity to lead a driven team with an important mission and I am proud of the changes and improvements I've seen in the time that I have been here.

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 touch almost everyone who lives in or visits Florida everyday. 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, the backbone of Florida's economy. Meeting their service level needs is always a top priority. To that end, we have begun a comprehensive outreach program with our boards, commissions and councils to assess the needs of our many regulated industries. Our team members have been meeting with the boards to present information on core functions and financial standing as well as listening to industry ideas and concerns.

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.

While a great deal was achieved this year, there will always be more work to do - more goals and improvements to strive towards. Over the last year our focus has shifted to streamlining and improving upon the system we have built; continuous improvement will allow greater efficiencies and cost savings to be gained over time.

The support of the state Legislature and the leadership of Governor Bush have allowed DBPR to leverage technology for the betterment of the services we provide to licensees and the public. I look forward to sharing our future successes with you and 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 376,000 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 were privatized, pursuant to Chapter 481, Florida Statutes.



Dave McDowell (right), Jacksonville Regional Program Administrator, talks with Scott Wilson, President of the North East Florida A/C Association at the 2004 Trades Expo.

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

"Your website is so well-designed and user-friendly! I can always find the information I am looking for. And when I call, everyone is friendly and helpful."

--Jerilyn Schrock, Roofing Contractor Applicant, Merritt Island, FL

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 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 15% increase in average monthly inspections, from 100 to 115 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.

In addition to notices of non-compliance and citations, the division places great emphasis on the effective use of alternative enforcement mechanisms such as the mediation program, alternative dispute resolution, stings, sweeps, industry partnerships and an annual unlicensed activity campaign focused on consumer awareness and public education. During FY 2003-2004, the department's mediation program successfully recovered more than \$7 million for consumers who had been harmed and saved the department an additional \$675,000 in investigative and legal costs.

Division of Real Estate

The Department's *Division of Real Estate* is responsible for licensing over 315,000 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.

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



Juana Watkins (center), Acting Director of Real Estate, and her staff answer questions at the Annual Florida Association of Realtors' Conference.

"I've been overseas with the military for 13 months and I was still able to assist in managing my company by going online to your website. Every time the company hired a new agent, I looked up everything about that agent, both on our personal site and on yours."

--Gary DePury, Bay Vista Realty & Investments

"I waited down to the wire to renew. When I told my coworkers I was going to renew they said it would take 3 weeks, but I went online and it was so easy. And I got a response back instantly. It's great – I love it!"

--Betty Brennan, Premier Group Realty

Division of Certified Public Accounting

The Department's *Division of Certified Public Accounting* is responsible for the licensing of over 29,350 Certified Public Accountants (CPAs), and over 5,550 CPA firms. The division administers the Florida Board of Accountancy, which consists of nine members: seven CPAs and two consumers.

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.



John Johnson, Director of the Division of Certified Public Accounting, assists licensees at the annual FICPA Accounting show.

"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. My wife is a real estate agent and she renewed online. It's very efficient and well planned."

--Martin Rappaport, CPA, Lauderhill, FL

REVENUES 2003-2004

Professions, Real Estate, Accountancy \$51,098,647

EXPENDITURES 2003-2004 (ACCRUAL)

Professions, Real Estate, Accountancy \$50,711,009

UNENCUMBERED CASH BALANCE IN TRUST FUND

Professional Regulation Trust Fund

Professions, Real Estate, Accountancy \$20,968,434

**2003-2004
Licensees by Professional Category**

	<u>ACTIVE</u>	<u>INACTIVE</u>	<u>TOTAL</u>
Accountancy	32,252	2,653	34,905
Architecture and Interior Design	14,921	1,112	16,033
Asbestos Consultants	507	26	533
Athlete Agents	230	10	240
Auctioneers	2,964	20	2,984
Barbers	14,336	480	14,816
Building Code Administrators/Inspectors	10,615	186	10,801
Community Association Managers	13,132	1,259	14,391
Construction	84,994	16,223	101,217
Cosmetology	192,314	3,147	195,461
Engineers	43,579	1,877	45,456
Electrical Contractors	13,112	1,468	14,580
Employee Leasing	622	0	622
Funeral Directors/Embalmers	4,199	235	4,434
Geologists	2,185	99	2,284
Landscape Architecture	1,309	134	1,443
Pilot Commissioners	125	0	125
Real Estate Appraisal	12,909	4,393	17,302
Real Estate Commission	228,645	70,043	298,688
Surveyors/Mappers	4,161	213	4,374
Talent Agents	336	0	336
Veterinarians	7,469	386	7,855
TOTAL	684,916	103,964	789,196

**2003-2004
Complaints by Professional Category**

	COMPLAINTS ADDED/RECEIVED	COMPLAINTS LEGALLY SUFFICIENT
Accountancy	306	211
Architecture & Interior Design	337	292
Asbestos Consultants	33	28
Athlete Agents	10	3
Auctioneers	126	85
Barbers	658	612
Building Code Administrators/Inspectors	107	41
Community Association Managers	376	110
Construction	5,733	3,051
Cosmetology	3,906	3,509
Electrical Contractors	934	493
Employee Leasing	295	213
Engineers	48	186
Funeral Directors/Embalmers	259	140
Geologists	2	2
Landscape Architecture	44	35
Pilot Commissioners	41	38
Real Estate Appraisal	382	235
Real Estate Commission	5,381	2,077
Surveyors/Mappers	155	126
Talent Agents	112	34
Veterinarians	390	244

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.

**2003-2004
Complaints by Professional Category**

	PROBABLE CAUSE FOUND	NO PROBABLE CAUSE FOUND
Accountancy	76	273
Architecture and Interior Design	205	66
Asbestos Consultants	5	9
Athlete Agents	1	8
Auctioneers	1	113
Barbers	380	297
Building Code Administrators/Inspectors	12	97
Community Association Managers	34	324
Construction	1352	4400
Cosmetology	1379	2545
Electrical Contractors	239	540
Employee Leasing	27	254
Engineers	49	24
Funeral Directors/Embalmers	32	250
Geologists	1	6
Landscape Architecture	9	23
Pilot Commissioners	4	17
Real Estate Appraisal	104	168
Real Estate Commission	361	681
Surveyors/Mappers	47	69
Talent Agents	37	91
Veterinarians	60	296

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	38	4	40	44
Architecture and Interior Design	78	0	77	315
Asbestos Consultants	1	0	0	0
Athlete Agents	0	0	0	0
Auctioneers	8	1	16	17
Barbers	44	3	33	36
Building Code Administrators/Inspectors	7	0	3	3
Community Association Managers	19	1	14	15
Construction	572	66	640	706
Cosmetology	103	16	95	111
Engineers	77	1	54	55
Electrical Contractors	54	2	19	21
Employee Leasing	14	4	32	36
Funeral Directors/Embalmers	31	22	50	72
Geologists	0	0	0	0
Landscape Architecture	4	0	2	2
Pilot Commissioners	5	1	1	2
Real Estate Appraisal	104	8	90	98
Real Estate Commission	361	60	523	583
Surveyors/Mappers	37	0	23	23
Talent Agents	11	1	4	5
Veterinarians	42	4	36	40

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 2003-2004 Fiscal Year, the Division of Regulation had 42 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. The department will continue to streamline its business processes to provide Florida's citizens more efficient and customer friendly government.

Key Contacts

For more information, contact the Office of Communications at 850.922.8981 or the Office of Legislative Affairs at 850.487.4827.

The Honorable Jeb Bush, Governor of Florida

Diane Carr, Secretary

James Blount, Chief of Staff

John Vogt, Deputy Secretary

Michael Murphy, Acting Deputy Secretary

Richard Morrison, Director of Professions and Regulation

John Johnson, Director of Certified Public Accounting

Juana Watkins, Acting Director of Real Estate

Leon Biegalski, General Counsel

Mike Martinez, Special Counsel to the Secretary

Candace Jones, Director of Legislative Affairs

Meg Shannon, Director of Communications